
BUDGET AND PLANNING BOOK

Version 1 release November 2015



UNIVERSITY
OF MANITOBA

UNIVERSITY OF MANITOBA BUDGET AND PLANNING BOOK

TABLE OF CONTENTS

Important Note to Readers	4
I. University of Manitoba — Quick Facts	5
II. Preamble — Vice-President (Administration)	6
III. Setting the Stage — University Finances	7
IV. Integrated Planning at the University of Manitoba	11
a. Strategic Plan	11
b. Research Plan	14
c. International Strategy	15
d. Strategic Enrolment Management	17
e. Major Capital and Infrastructure Planning	18
f. IT Planning	20
g. Environmental Sustainability Strategy	21
h. Campaign Plan	21
i. Unit Level Plans	23
V. Developing the Budget	24
a. Planning Context/Assumptions	24
b. Provincial Government Funding	24
c. Budget and Planning Process Timelines	25
d. Fund Categories and Inter-fund Transfers	26
e. 2015/16 Operating Budget	37
VI. Estimates Submission to Government	38

VII. Appendixes

1. Budget Advisory Committee Membership List	39
2. Operating Fund Revenue: 2011 to 2015	40
3. Operating Fund Expenditure: 2011 to 2015	41
4. General Operating Fund Revenues and Expenses: 5 Year Detail Statement.....	42
5. Comparison of General Operating Expenditures by Function by U15 Universities	44
6. Operating Income per Enrolment by Province: 2012/13	45
7. Percentage Change in Provincial Government Funding per Student Enrolment: 2005/06 to 2012/13	46
8. Average Undergraduate University Tuition by Province: 2001/02 to 2015/16.....	47
9. Average Undergraduate Tuition Fee Increases: 2001/02 to 2014/15.....	48
10. Net Expenditures per FTE Student by Faculty: 2010/11 to 2014/15	49
11. Net Expenditures per FTE Student by Faculty: Indexed to 2010/11	50
12. Carryover by Major Function: 2010/11 to 2014/15	51
13. Carryover Allocation Funding Category: 5 Year Summary	52
14. Change in Research Fund Revenue: 2011 to 2015	56
15. Research Fund Expenses by Purpose: 2011 to 2015	57
16. Research Expenses by Faculty/Support Units: 2014/15	58
17. Rates of Federal Government Grants to University of Manitoba vs. Research Support Funds: 2006/07 to 2015/16	59
18. Canada Foundation for Innovation and Manitoba Research and Innovation Fund Awards: 2009 to 2014.....	60
19. Background on Canada Research Chairs Program (CRCP).....	61
20. Special Funds Net Revenues: 2011 to 2015.....	62
21. Capital Asset Fund Revenue by Source: 2014/15.....	63
22. Capital Acquisitions: 2001/02 to 2014/15.....	64
23. Deferred Maintenance (Infrastructure Renewal) Projects	65
24. Major Capital Projects	66
25. University Investment Trust Market Values: 2003 to 2015	67
26. Selected Statistics.....	68

VIII. Glossary of Terms	69
-------------------------------	----

IMPORTANT NOTE TO READERS

We present the University of Manitoba Budget and Planning Book as a document that supports transparency, accountability and communication with members of our community. In order to facilitate communication, when a term appears in **brown bold typeface** within the text, the reader will find a definition in the Glossary of Terms. Appendixes and Section links are indicated in **bold typeface and underlined**. Phrases or words **underlined and in grey bold typeface** indicate a link external to this document. Clicking on internal links for glossary terms or section references will take you to a corresponding point within this document. To return to the place where you left off reading in the text, simply click on the small “back” button, highlighted in yellow.

For ease of navigation, you’ll also find a “Back to Table of Contents” link at the top right hand corner of every page, and a “Back to Previous” link at the bottom right hand corner of each page. Clicking on the “Back to Previous” link will take you back to your previous position in the document. As with many other PDFs, you can also navigate this document using the bookmark sidebar on the left hand side of the reading window.

Throughout this document ‘2014/15’ and ‘2015’ are used interchangeably. The University of Manitoba’s annual reporting year runs from April 1 to March 31. Therefore both 2014/15 and 2015 relate to the fiscal year that covers April 1, 2014 to March 31, 2015.

We recognize that organizations are under constant change and therefore the intent of this document is to be “live” which means significant changes or updates to information or structures are expected to be reflected in subsequent (in-year) releases rather than waiting for the annual scheduled fall update.

We welcome your feedback on this document and the Budget and Planning webpage.

Click on the following link to access the feedback process:

Feedback

I. UNIVERSITY OF MANITOBA — QUICK FACTS

MISSION STATEMENT

To create, preserve and communicate knowledge, and thereby, contribute to the cultural, social and economic well-being of the people of Manitoba, Canada and the world.

VISION STATEMENT

To take our place among leading universities through a commitment to transformative research and scholarship and innovative teaching and learning, uniquely strengthened by Indigenous knowledge and perspectives.

AT A GLANCE

- Founding date of the University of Manitoba: 1877
- Degrees granted in 2014: 5,078

LEADERSHIP

- Chancellor: Mr. Harvey Secter
- Chair, Board of Governors: Ms. Patricia Bovey
- President and Vice-Chancellor: Dr. David T. Barnard
- Vice-President (Academic) and Provost: Dr. Joanne C. Keselman
- Vice-President (Administration): Mr. Paul Kochan
- Vice-President (Research and International): Dr. Digvir Jayas
- Vice-President (External): Mr. John Kearsey

STUDENTS IN FALL TERM 2014

- All students: 29,657
- Indigenous students: 2,168 students including 158 graduate students
- International Students: 4,464 students including 1,007 graduate students

FACULTY AND STAFF IN 2014/2015

- 10,848 (6,295 academic staff; 4,553 support staff)

TUITION IN 2015/2016

- Canadian Students: Arts – \$3,458 Science – \$3,799
- International Students: Arts – \$13,238 Science – \$14,685

Appendix 26 provides additional selected statistics for the University of Manitoba.

II. PREAMBLE — VICE-PRESIDENT (ADMINISTRATION)

Dear Members of the University of Manitoba Community,

I wish to present you with this initial launch of the University of Manitoba's Budget and Planning Book and website. These resources have been developed not only to ensure the university community continues to receive the organization's financial and planning information, which assists in decision-making, but also to increase understanding of the university's fiscal challenges, and to create linkages to all related and relevant information. The ultimate goal is budget and planning transparency and clarity, aided by information easily accessed from the University of Manitoba's website home page. Should you experience difficulty in navigating or understanding content as you peruse the various sections of the Budget and Planning website, I would greatly appreciate your **feedback**. Each future version is expected to reflect continuous improvement that will enhance communication with members of our university community and other stakeholders.

The book replaces the **Strategic Resource Planning and Budget Framework 2015/2016** document and supporting materials contained in the Operating Budget and Financial Plans for Research and Special, Trust and Endowment and Capital Funds Board of Governors' submission. These reports have always provided comprehensive information on operating, academic, research, capital and fundraising activities that support and advance the university's missions and goals.

The university has both collective and individual unit funding challenges and we continue to pursue conversations with government and other key stakeholders in this regard. Much effort has been directed into sharing the university's financial processes with the wider university community and other stakeholders at various forums. We have presented information pertaining to our financial history — including actual spending patterns in comparison to budgets, carryover and future years' anticipated shortfalls, trust, endowment and capital funds and annual government requests. All of us within the university community have a role to play in fiscal responsibility and in the success of the university's mission and strategic plan. It is important that the budget reflect the plan, and to that end in a fiscally tight environment, difficult decisions are necessary to focus on our priorities and to ensure funding is allocated to appropriate areas.

I would like to thank my staff and the members of the budget book working group for their outstanding work in preparing this initial launch.

Sincerely,

Paul Kochan
Vice-President (Administration)
University of Manitoba

III. SETTING THE STAGE — UNIVERSITY FINANCES

Each year the University of Manitoba spends close to \$1 billion in support of its mission. The funds for this spending come from numerous sources and go toward thousands of costs, from salaries to software.

In this section we will describe where the money comes from, how it is spent, who decides where it is spent and what rules are applied to guide these decisions.

WHERE THE REVENUE COMES FROM

As a public institution, the university's largest funder is the taxpayer. For 2014/15, approximately 40 per cent of the university's funding came from the provincial government.

Tuition and related fees from students are the second largest source of revenue, at approximately 17 per cent.

Other revenue comes from the federal government — primarily in the form of research funding, capital contributions, grants, donations and investment income.

RESTRICTED FUNDS

Imagine a single pot of money the university could simply draw upon to apply to the priority of the day. It's not that simple, however, because many millions of those dollars can only be used for specific purposes that are spelled out by the individuals and organizations providing the money. Those dollars are referred to as **restricted funds**. For example:

- New university buildings are the most visible costs primarily resourced by restricted funds in the form of capital contributions.
- Research revenue is also restricted. Governments and other agencies provide money to the university to carry out research in specific areas. A grant is typically provided to a particular researcher or group of researchers to carry out particular research. That money shows up as university revenue, but it cannot, for example, be used to fund a new academic program or repair an aging building.
- Philanthropic donations are restricted. The university benefits from thousands of individuals and organizations who make philanthropic gifts to the university. In most cases the giver specifies where the money goes, from student scholarships to research.

Of the \$865 million in revenue received by the university in 2014/15, approximately 30 per cent was restricted in one way or another. Approximately 70 per cent, consisting primarily of the government grant plus tuition, makes up the university's General Operating Budget, which funds the university's day-to-day activities.

HOW THE MONEY IS SPENT

In 2014/15, consolidated costs for all funds in the amount of \$780 million were spent in several primary areas.

- Core to the university's mission is its people. Academic and administrative salaries support the mission of the university, from teaching and learning to grounds maintenance and

security. Salaries and benefits, therefore, are by far the most significant expenditure, making up about 59 per cent of our consolidated costs.

- The next most significant expenditure, at 14 per cent, is for materials, supplies and services. This is for essential supports across the university, such as information technology, insurance, libraries and teaching lab supplies.
- The remaining areas of expenditure include **amortization** (once actually spent on capital assets), utilities and scholarships and bursaries.

OPERATING BUDGET

Although the university receives funding from the various sources already mentioned, a budget is created each year, referred to as the general operating budget, which comprises only unrestricted funding that the university can deploy as required, plus a limited amount of restricted revenue. This restricted revenue in the Operating Fund is referred to as **targeted** and includes research support costs (formerly called Indirect Cost of Research), targeted **ACCESS funds**, and any externally funded contract or project sources managed by the faculty or unit (for example, Manitoba Health funding for the College of Medicine). Note, however, that even in the unrestricted parts of the Operating Budget there are 'non-discretionary' costs, such as mandatory pension payments, utilities and insurance.

Annual financial plans, rather than detailed budgets, are created each year for all restricted funds. The effort required to create these plans is not as extensive as for the General Operating Budget. To keep it simple, if revenue is not received in the restricted funds, costs will not be incurred. The same does not hold true for the General Operating Fund — hence the challenge to remain fiscally stable.

CREATING THE OPERATING BUDGET

When the budget is being developed, the university considers its five strategic priorities as reflected in our strategic plan document, *Taking Our Place*. Funding allocations to any or all of these priority areas occur through the budget process. In this strategic plan document, the university presents its picture of why it exists, what it stands for and where it's going.

The strategic plan informs budget decisions across the university. Everyone, including academic heads, unit directors and deans, is required to make budget decisions that align with the vision, strategies and goals of the university.

Currently the University of Manitoba predominantly follows an **incremental budgeting model**. This means that faculty and unit budgets are based on the previous year's approved budgets, with amounts (i.e., increments) added or subtracted to accommodate the cost increases or decreases expected for the coming fiscal year. One example of an increase would be a negotiated or anticipated salary increase, or an inflationary increase to utilities. A decrease could be a budget reduction to ensure costs do not exceed revenues. When a budget reduction is necessary, consultation will occur to determine the impact and plans to meet the reduction. A concerted effort is made to maintain consistent service levels.

The university is currently reviewing various **budget models** available to determine whether changes should be made within the next few years. While incremental budgeting offers sev-

eral advantages, such as simplicity, there are several downsides compared to other models. For example, the incremental budgeting model does not provide incentives for developing new ideas or efforts to reduce costs. There is also potential for the budget to become outdated and no longer relevant to the level of activity or type of work being carried out. In addition, resource priorities may change after the original budgets are set. The selection of a new budget model may allow the university to engage in a thorough strategic reassessment of its business and operations when constructing a new budget base, resulting in further reallocation to priority areas and improved efficiencies.

DECIDING WHERE THE MONEY GOES

The University of Manitoba is a public entity with thousands of stakeholders, including taxpayers, students, researchers, professional associations, philanthropists and industry. They all influence how the university deploys its resources. The university's budget is approved by the Board of Governors, but much has to happen before the Board approves it.

The annual generation of the university's budget is a complex and lengthy process. It includes a series of steps that take place at specific times throughout the year. See [**Section 5c — Budget and Planning Process Timelines**](#) for more details.

The strategic planning and allocation process is led by the Provost and Vice-President (Academic) with input and consultation from the vice-presidents and President's **Budget Advisory Committee (BAC)**.

At its core are the academic needs of the individual faculties and schools, as defined and described by the deans and directors who have overall responsibility for how money is spent within their units.


The budget process begins with information gathering. Drawing from many sources, the Vice-President (Administration) Office gathers information about the factors that will affect the budget from one year to the next. This includes such things as economic growth and inflation forecasts, the price of oil and gas, salary trends and the expected amount of the annual provincial grant and tuition rate increases (based on communication from the provincial government). The projected student enrolment is also very important in the budget creation.

Concurrently, faculties/schools and administrative units prepare their annual **strategic resource plans (SRPs)**, taking into account any proposed financial impacts based on the results of all information-gathering. Each unit's SRP is reviewed and all planning materials are analyzed.

These submissions and advice from the related vice-presidents are considered when the Provost proposes resource allocations for consideration by the President following input from the BAC.

BUDGET PRESSURES FACING THE UNIVERSITY TODAY

The largest revenue contributor to the Operating Fund supporting the day-to-day activities of the university is the provincial operating grant, which has grown by 15 per cent over the past four years. Manitoba's funding, however, is fourth lowest in comparison to other provinces. (See [**Appendix 7**](#).) As well, a provincially imposed 10-year domestic tuition freeze was lifted only a few years ago, and universities in Manitoba have not yet fully caught up to others in the rest of the country in terms of tuition revenue. (See [**Appendix 8**](#).) At the same time, there are a number



of substantial cost pressures within limited control such as mandatory pension payments and insufficient funding for deferred maintenance and capital improvements. The largest expense in the operating fund, ie salaries and benefits have risen in accordance with our collective agreements. Salaries, when factoring in merit and step increases, plus benefits, as well as general inflation on supplies and materials continue to apply financial pressure on the organization.

IV. INTEGRATED PLANNING AT THE UNIVERSITY OF MANITOBA

Planning excellence is necessary to manage effectively, particularly in times of uncertainty.

The University of Manitoba is a large and complex organization whose component parts share varying levels of status, autonomy and interconnectedness. Integrated planning is a way to draw together these components, and the planning and evaluation processes of the university, in a more coherent and coordinated manner. This planning methodology is being embraced at many universities inside and outside of Canada as a response to the increased complexity of the planning context within higher education.

Integrated planning means more effective management of the university's resources toward common institutional goals and enhanced communication and collaborative planning across administrative and academic units. This approach will facilitate our academic plans and priorities, and align these priorities with financial and capital resources in order to better coordinate and ensure the responsible use of all resources.

Integrated planning draws upon the academic and administrative units' own strategic and operational plans. Our planning activities will be designed to promote an understanding of how these unit level plans align with the university's strategic plan, while serving the unique character and needs of those units.

The following sections describe the key institutional plans to be considered within the integrated planning approach.

a. STRATEGIC PLAN

Taking Our Place: University of Manitoba Strategic Plan 2015-2020

After considerable consultation and development, *Taking Our Place: University of Manitoba Strategic Plan 2015-2020* was endorsed by the university Senate, and approved by the Board in November 2014.

In developing the plan, more than 50 input sessions were held involving almost 1,200 faculty, staff, students and alumni. Through a series of questions, they were asked to share their perspectives on the future direction of the university. This input was essential to the development of strategic priorities and in understanding the context within which the plan would be implemented.

All other planning documents at the University of Manitoba should be viewed within the context of *Taking Our Place*. It is used to guide our planning decisions, ensure that the needs of the province are met and ensure that the university builds on its tradition of excellence, innovation and global influence.

The plan is organized under five priorities:

PRIORITY I: INSPIRING MINDS THROUGH INNOVATIVE AND QUALITY TEACHING

The University of Manitoba is this province's research university; therefore, research informs our teaching and teaching informs our research. We provide a wide range of high-quality liberal arts, science and professional programs that are consistent with our mission and size, and that equip our students to be locally and globally engaged citizens.

We are committed to ensuring that our undergraduate and graduate students have an outstanding educational experience. They engage with courses and programs in learning and related environments that best contribute to their success. They have access to experiential learning opportunities as well as proper recognition of their relevant learning outside the University of Manitoba. They are taught by excellent professors who are properly recognized and rewarded for their skills and achievements. And they understand the importance and contributions of Indigenous peoples in Manitoba and Canada.

PRIORITY II: DRIVING DISCOVERY AND INSIGHT THROUGH RESEARCH EXCELLENCE, SCHOLARLY WORK AND OTHER CREATIVE ACTIVITIES

The University of Manitoba is the primary research university for Manitoba. We have a tradition of excellence in research, scholarly work and other creative activities spanning more than 140 years. Through fundamental and applied research, we have made seminal contributions in many fields and have found life-changing solutions to problems faced by the peoples of Manitoba, Canada and the world.

Over the next five years, we will champion research excellence, scholarly work and other creative activities and will elevate our position within the top 15 research-intensive universities in Canada. We will retain our strong commitment to research that advances knowledge and understanding in the natural sciences, health sciences, applied sciences, social sciences, arts and humanities. Our broad research directions will continue to evolve through developing and expanding research collaborations at institutional, regional, national and international levels. Through strategic investments, we will build and grow existing and emerging areas of research excellence and generate ideas and knowledge that will help address the most pressing issues facing Indigenous peoples, other Canadians and global citizens. We will enhance our reputation on the international stage, and provide our undergraduate and graduate students with an exceptional and transformative research experience to help them succeed in their chosen careers.

PRIORITY III: CREATING PATHWAYS TO INDIGENOUS ACHIEVEMENT

Manitoba has a large and growing Indigenous population that is younger and growing at a faster rate than the non-Indigenous Canadian population. Based on Statistics Canada Census projections, it is predicted that Indigenous peoples will comprise nearly 19 per cent of Manitoba's population by 2026. As such, the success of First Nations, Métis and Inuit peoples and communities is vital to the health and well-being of our province and, indeed, our nation.

By incorporating Indigenous perspectives into learning, discovery and engagement programs, our university will help to transform the lives of both Indigenous and non-Indigenous peoples and communities, and make Manitoba and Canada a better place to live. Through the sharing of Indigenous knowledge, cultures and traditions across our campuses, we will build a stronger foundation for students, staff and the wider community.

The university is committed to fostering the development of the next generation of Indigenous leaders by providing an inclusive and supportive learning environment that promotes Indigenous student success from the time of admission through to graduation and beyond. As Manitoba's research university, we are dedicated to advancing Indigenous research and scholarship, becoming

a centre of excellence for this work. In addition, we seek to play a greater role in reaching out to First Nations, Métis and Inuit K-12 students to better support academic success, building a more prosperous and fulfilling future through post-secondary studies for Indigenous families, communities, Manitoba and the rest of Canada. In all our activities, the university acknowledges the need to work respectfully and collaboratively in partnership with First Nations, Métis and Inuit communities.

PRIORITY IV: BUILDING COMMUNITY THAT CREATES AN OUTSTANDING LEARNING AND WORKING ENVIRONMENT

As the largest university in the province, the University of Manitoba is also one of the largest communities in Manitoba. Each of our more than 40,500 students, staff and faculty have ambitions, potential and promise that contribute to the diversity of our community and establish a unique environment for learning and working.

Our university community engages in programs that foster interchange and creation of knowledge, ideas and opinions in a respectful, mutually supportive climate of trust. In this collegial environment, each individual grows to achieve their full potential while concurrently contributing to the growth of colleagues, to the community as a whole and to Manitoba.

We believe an outstanding learning and working environment is foundational to achieving our mission and vision. We are committed to recognizing and celebrating the contributions of all community members and the diversity of our community, particularly the role of Indigenous peoples. We encourage dialogue and inclusivity for the continuous refinement of academic, administrative and governance programs and processes. We are dedicated to provide all students, staff and faculty with learning, research and leadership support and development opportunities.

PRIORITY V: FORGING CONNECTIONS TO FOSTER HIGH-IMPACT COMMUNITY ENGAGEMENT

The University of Manitoba's mission embraces the traditional aspects of service to the community. However, under our *Forging Connections* strategy, we have refocused our efforts to better reflect the reality that we don't simply serve our communities — we engage with them. The university's relationships with our many colleagues, alumni, friends, donors and partners — local, national and international — are both reciprocal and collaborative.

We believe in the importance of forging strong connections, ones that join our efforts with those in other organizations, that embed members of our community within others, or that create opportunities for the University of Manitoba to be the place where those joint efforts take shape. We are firmly committed to engaging with communities beyond the university, to form closer collaborative relationships with them and more integration of the university and community. We believe in being present in the communities we serve, and to welcoming them in return.

We are committed to sharing our knowledge and expertise, and to developing and fostering relationships that enable the university and our alumni, donors and partners to have a direct and positive impact on people's lives.

IMPLEMENTATION

Taking our Place is an ambitious plan with high-level goals and accompanying actions related to the above priorities. Given the comprehensive range of goals and actions supporting the plan's priorities and their short- or long-term nature, it is expected to take the full life of the plan to see progress in all areas. Some initiatives are already underway and are expected to be accomplished in the short term. Other high-level goals require early attention in order to allow for appropriate planning and implementation, which could take months or years to complete.

In addition, some goals and supporting actions will need to be addressed by individual academic and administrative units, while others will need to be coordinated centrally. The Vice-President (Academic) and Provost is leading the development of an implementation plan that will provide the blueprint for moving forward with all of the initiatives it describes.

b. RESEARCH PLAN

University of Manitoba Strategic Research Plan 2015-2020

The University of Manitoba Strategic Research Plan 2015-2020 was developed through a process of extensive consultation with the university's faculties and schools, and the research community, including the network of associate deans (research) and research liaison officers. It is a 'living document' addressing the new challenges and opportunities of our communities, and serves as a road map over the next five years for the university to champion research excellence.

The structure of the strategic research plan supports the university's priorities as outlined in *Taking Our Place*, with particular relevance to *Priority II: Driving Discovery and Insight* and *Priority III: Creating Pathways to Indigenous Achievement*.

The strategic research plan identifies a number of core thematic and signature areas for enhancement.

CROSS-CUTTING RESEARCH THEMES

Understanding and Communicating Information transcends the fields of mathematics, statistics, physics, computer science and engineering where the foundations for acquisition, analysis, extraction and visualization of information have been established. It involves seeking new ways to deal with information across the university, from the arts and humanities to medical research.

Indigenous Research is an area of great contemporary relevance under which university researchers engage in Indigenous scholarship and disseminate knowledge in innovative ways. Researchers engage with their respective work in ways that honour opportunities to improve the lives of Indigenous peoples locally, nationally and globally and strengthen the way in which Indigenous and non-Indigenous peoples interface.

Sustainable Systems for Resilient Communities is fundamental research crucial to the future of Manitoba and Canada in the context of changing climate and increasing resource scarcity. University researchers examine questions of sustainability with three main foci: economic; social or equity-based; and environmental. This theme bridges the university's strengths in discovery-driven scientific research and interdisciplinary areas, including water systems, Arctic research, sustainable food production and research into sustainable buildings and energy systems.

SIGNATURE AREAS (ESTABLISHED AREAS OF EXCELLENCE)

Signature areas related to the research themes were identified based on established strengths and were assessed by metrics such as: i) relevance to issues of priority provincially, nationally and internationally, ii) impact on society, iii) contributions to discovery and innovation, iv) attraction of resources, v) prominent research leadership, and vi) significant collaboration and engagement.

The following signature areas will drive institutional initiatives and investment, ensuring the research enterprise continues to be at the leading edge of discovery and translates these discoveries to benefit society:

Arctic System Science and Climate Change is an area of strength for the University of Manitoba, with internationally renowned programs of research in Arctic science, climate change and its effect on Arctic sea ice. As the realities of rising global temperature and melting sea ice become increasingly apparent, research in this area is crucial to understanding, mitigating and adapting to the effects of a changing climate on Canada's Arctic and the world.

Immunity, Inflammation and Infectious Disease is an area in which university researchers are receiving international recognition for their leadership. Basic and translational research related to allergy and asthma, multiple sclerosis, rheumatoid arthritis, transplant immunology and emerging infections is transforming our understanding of the relationship of the immune system and inflammation to disease, and is leading the way to new treatments and vaccines.

Population and Global Health is a field in which the university has built a world-leading team of researchers, with highly developed networks of international partnerships and collaborations. University researchers are working within Manitoba and Canada and across continents to better understand the effects that the actions and characteristics of individuals, communities and populations have on health, and are engaged in the development of public health strategies and interventions for communicable and chronic disease prevention.

The strategic research plan also includes a deployment process and strategy for the Canada Research Chair, Canada Excellence Research Chair, Canada First Research Excellence Fund and Canada Foundation for Innovation programs.

The full strategic research plan is available on the university's Research and International web page: http://umanitoba.ca/research/media/Strategic_Research_Plan.pdf

c. INTERNATIONAL STRATEGY

University of Manitoba International Strategy 2014

Our university is engaged internationally through the involvement and mobility of its faculty, staff and students. The international strategy identifies institutional supports and operational processes that will enable these activities to maximize their impact in alignment with the overall strategic direction of the institution.

As it is not practical for the institution to attempt to be all things to all people and regions, it must identify ways to encourage and stimulate activity in selected areas of existing strength at the institutional level. The goals of the international strategy are summarized as follows.

GOAL 1: ACADEMIC ENHANCEMENT THROUGH MEANINGFUL AND SUSTAINABLE INTERNATIONAL PARTNERSHIPS

- Sustainable strategic partnerships that support University of Manitoba academic priorities
- Improved institutional supports to enhance the quality of faculty members' international activities
- Faculty members engaged internationally through teaching, research and service
- Effective faculty-led programs abroad that utilize scientific knowledge and context-appropriate approaches to improve program quality

GOAL 2: EXCEPTIONAL STUDENT EXPERIENCE THROUGH INTERNATIONAL AND INTERCULTURAL LEARNING OPPORTUNITIES

- Sustainable international education programs based on an alignment of student and faculty priorities
- University of Manitoba policies and practices that support student success internationally
- Increased intercultural competency among University of Manitoba students
- Safely managed international education programs for students

GOAL 3: INDIGENOUS ACHIEVEMENT THROUGH GLOBAL ENGAGEMENT WITH INDIGENOUS COMMUNITIES

- University of Manitoba known as an international leader in the area of Indigenous research, teaching capacity-building and knowledge-sharing
- Opportunities for University of Manitoba Indigenous students to explore goals and interests internationally that contribute to their academic success
- University of Manitoba contributing to global networks of Indigenous communities

GOAL 4: AN OUTSTANDING EMPLOYER THAT VALUES THE INTERNATIONAL ENGAGEMENT OF STAFF

- Incentives and recognition for faculty and staff members' international engagement
- International professional development opportunities to increase global and intercultural awareness for University of Manitoba faculty and staff

GOAL 5: AN INTERNATIONALLY ENGAGED UNIVERSITY WITH LOCAL RELEVANCE AND GLOBAL IMPACT

- University of Manitoba membership in networks and associations that advance our core values and enhance our global reputation
- Partnerships with external stakeholders that lead to innovation, capacity-building, mutual learning and benefits for the University of Manitoba and its partners
- Intentional University of Manitoba connections with ethno-cultural communities in Manitoba and worldwide
- An active worldwide alumni network engaged with University of Manitoba international initiatives
- Broad-based awareness and appreciation of University of Manitoba partnership impact in communities around the world

The launch of the international strategy will allow for a more comprehensive review of all University of Manitoba international activities in light of a consistent, strategic approach to assign appropriate resources that are accountable for specific deliverable objectives. The full strategy document is available at <http://umanitoba.ca/research/international/strategy.html>

d. STRATEGIC ENROLMENT MANAGEMENT

Strategic Enrolment (SEM) Planning Framework: 2013-2018

A number of goals within *Taking Our Place* relate to a practice called strategic enrolment management (SEM). SEM recognizes that within a context of resource limitations, the university must be more strategic to realize the objectives of providing both high-quality programs and an outstanding student experience. SEM provides an opportunity to intentionally plan the size and composition of our student body, enhance the student experience and support student success.

The SEM Planning Framework was developed with these objectives in mind, and in keeping with our role within the province and as a U15 member research-intensive university. The planning framework was approved by both the university Senate and the Board of Governors, and sets out the following goals:

GRADUATE STUDENT ENROLMENT

- By 2023, the proportion of graduate student enrolment to total student enrolment should rise to 20 per cent.
- By 2023, the ratio of doctoral to (research-based) masters students should increase to one to one.

INDIGENOUS STUDENT ENROLMENT

- By 2018, Indigenous student enrolment should increase to 10 per cent of undergraduate enrolment and 5 per cent of graduate enrolment.
- By 2023, Indigenous student enrolment should increase to 15 per cent of undergraduate enrolment and 8 per cent of graduate enrolment.

INTERNATIONAL STUDENT ENROLMENT

- By 2018, international student enrolment should increase to 10 per cent of undergraduate enrolment.
- By 2018, international student enrolment should account for 20 per cent of graduate enrolment.

STUDENT OUTCOMES

- By 2018, the persistence rate of first-entry, full-time students from first to second year should increase to 90 per cent.
- By 2018, the graduation rate of undergraduate students should increase to 60 per cent.
- By 2018, 80 per cent of research-based masters students should have completed their degree within a five year period.

- By 2018, the average time-to-completion for research-based masters students should be seven terms (28 months).
- By 2018, 75 per cent of doctoral students should have completed their degrees within nine years.
- By 2018, the average time-to-completion for doctoral students should be 15 terms (60 months).

Full implementation of the SEM Planning Framework will change the balance of graduate and undergraduate student enrolments as well as the composition of the student body (i.e., the proportion of Indigenous and international students). The framework also sets the context for ongoing monitoring and discussion of SEM goals, and provides essential information for integrated planning initiatives related to space planning, academic program development, housing accommodation and student support. A detailed action plan has been developed to support the goals outlined in the SEM Planning Framework.

The full planning framework document is available at http://umanitoba.ca/admin/vp_academic/strategic_planning/SEM.html

e. MAJOR CAPITAL AND INFRASTRUCTURE PLANNING

Capital planning at the University of Manitoba is conducted in the context of the university's strategic priorities as outlined in *Taking Our Place*. In support of *Priority IV: Building Community*, we strive to ensure campus planning and development provides access to facilities for those with disabilities, demonstrates leadership in social, economic and environmental sustainability and supports a growing learning and research enterprise.

In September 2013, the University of Manitoba prepared a **Multi-Year Capital Plan** that identifies infrastructure renewal and major capital projects over a 20-year horizon. Consultation to inform the list of projects on this plan included representatives from Physical Plant, the Office of the Vice-President (External), Campus Planning Office, the Office of the Vice-President (Research and International), Information Services and Technology, Financial Services and Ancillary Services.

The university has committed to creating a process to develop an integrated multi-year capital plan and will review, revise and implement campus space and planning policies, procedures and processes.

A continuing challenge facing the University of Manitoba, along with its peer institutions across the country, is insufficient resources to maintain existing assets. Based on industry standards, organizations should invest 1.5 to 3.0 per cent of the value of their assets in maintenance annually. Unfortunately, the capital support received has been less than what is required to maintain our approximately \$2 billion in assets. (This figure is significantly higher when the current replacement value of the assets is considered.) The shortfall has resulted in a deferred maintenance backlog of \$318.08 million. (See **Appendix 23** for details.) This number is also expected to rise.

The university continues to seek opportunities to fund its infrastructure, and has met with success through a variety of provincial and federal government funding programs. The *Front and Centre* campaign will provide an opportunity for the community to partner with the university in achieving its objectives, and we look forward to government support in line with previous cam-

paigns. Neither the capital campaign nor the specific project funding, however, will address the institution's current basic requirements.

VISIONARY (RE)GENERATION FORT GARRY CAMPUS PLAN

The Visionary (re)Generation planning process is well underway to develop two key documents: the Fort Garry Campus Master Plan, and the Local Area Plan for the Southwood Lands. The consultant team is composed of Janet Rosenberg & Studio, Dialog Design, Cibinel Architects, MMM Group and Arup, supported by market and development analysis from Urbanics Consultants. The proposed Campus Master Plan reflects a new vision resulting from ideas generated through a collaborative engagement process between the university, the project team and the community. The planning process has included more than 800 people and close to 60 different consultation meetings and events.

The Campus Master Plan design concept is built on several key systems: open space structure, built form framework, pedestrian connections, street configurations, cycling routes and rapid transit possibilities. The green space framework is the basis for design, allowing the landscape to inform the plan. High-quality, connected pedestrian and cycling networks ensure the campus will promote active, healthy and efficient transportation choices. Phase II Rapid Transit will pass through Southwood lands and into the campus, providing the foundation for future transit-oriented development. The street network focuses development along main corridors, creating “high streets” with a village-like feel. These streets will be “complete” — meaning they are accessible by a range of transportation modes including high-quality transit service. All of these systems work together to create a campus experience that meets the needs of a diverse population in a mixed-use environment.

The Local Area Plan for the Southwood Lands is required by the City of Winnipeg due to the area's status as a Major Redevelopment Site. This document will provide an additional level of planning detail for Southwood, with a vision for compact and mixed-use residential development for a diversity of residents, a variety and range of green spaces, complete streets, active transportation infrastructure, an ecologically sensitive approach to river access and transit-oriented development.

The phasing strategy for the Visionary (re)Generation plans focus early development on areas directly adjacent to the academic campus, capitalizing on the energy and critical mass of the university. Phase I development will create a dynamic, walkable environment on Sifton Street, with four- to six-storey mixed use buildings, at-grade retail and an exceptional public realm near the river. Phase I development is anticipated to occur over a 10-year period, and will consist of approximately 1,200 to 1,800 residential units and 600,000 to 800,000 square feet of non-residential development.

SPACE PLANNING AND FUNCTIONAL PROGRAMMING

Prior to any campus planning work, space master plans were undertaken for the Fort Garry and Bannatyne campuses. Space plans are a key input into all campus planning work. They consist of a comprehensive space inventory, space needs analysis and general ‘fit-to-function’ building review. Going forward, space master plans will provide crucial information needed to optimize space utilization by identifying areas of space surplus or deficit and by assessing quality.

The space master plans show that the university does not have a significant space shortage overall — however, many spaces are qualitatively deficient, lack flexibility and are poorly located for inter-disciplinary work. Classroom utilization is low at 46 per cent and presents an opportunity to repurpose instructional space for other priority needs by increasing classroom use. These high level findings will further inform focus areas for major capital projects and future development associated with the Visionary (re)Generation campus planning process.

The implementation phase of the space master plans is now underway, focusing on priority needs identified in each faculty space plan and the overall space plan. Based on the results of these plans, a series of functional programming studies are being undertaken on a priority basis to provide more detailed space analysis in areas with the greatest need.

A typical functional program includes the following:

- Detailed functional needs space assessment of a unit/department
- Space assessment of units/departments that are adjacent to the study area, or that will be impacted by changes in the unit/department under review
- Reconfiguration opportunities of existing space for improved efficiency
- Co-location opportunities and proposals for shared resources
- Proposal for renovations and/or new construction opportunities based on program synergies
- Site analysis/feasibility study where new construction or building addition projects are recommended

Further information relating to the master plans can be found at: <http://umanitoba.ca/campusplanning/>

f. IT PLANNING

IT governance provides strategic leadership for investments in information technology, establishes campus-wide IT priorities and policies in accordance *Taking Our Place*, and is accountable to the university.

In January 2015, the university launched a renewed university-wide IT governance model with a more effective and accountable IT investment review and decision-making structure. This new model strengthens our ability to ensure innovative, reliable and robust information technology investments that align with the university's strategic goals.

The IT governance model is led by the University IT Advisory Council (UITAC), chaired by the Vice-President (Administration). Members include senior faculty and senior administrators from across the university who meet quarterly and report to the President. UITAC is supported by several advisory committees that meet regularly and provide input to the UITAC. These advisory committees are organized around five thematic areas: Teaching and Learning, Student Experience, Research Computing, Administrative Operations and Services, and IT Architecture.

The two key governance priorities that UITAC will oversee are:

- An enterprise IT strategic plan that can articulate the strategic direction and priorities for IT at the university; and
- An IT investment review process whereby UITAC will either approve or reject proposed

initiatives. For this process, the definition of an IT investment is any initiative that meets one or more of the following conditions: (i) IT costs of \$20,000 or greater, (ii) effort from IST of 20 person-days or greater, and (iii) the proposed solution will require integration into the university's core IT infrastructure. This process will ensure all proposals are received, assessed, prioritized and approved in a way that is rationalized to the university's objectives on a university-wide basis.

The IT Investment Governance Overview Guide is available at: <http://umanitoba.ca/computing/ist/transform/itgovernance.html>

g. ENVIRONMENTAL SUSTAINABILITY STRATEGY

Sustainability at the University of Manitoba: A Strategic Vision for Action

A sustainable approach to program development, physical planning and asset stewardship is a necessary support for the university's five strategic priorities. As a recognized leader in environmental sustainable development, the university is guided by a sustainability strategy that focuses on:

- Efficient and effective stewardship of our human, natural and physical resources to meet future needs — planning for the seventh generation and beyond
- Waste prevention, conservation and enhancement of our environment to provide opportunities for future generations to create, innovate and succeed
- Community participation in support of shared responsibility and understanding, reconciliation and collaboration
- Acknowledgement of our global responsibility and promotion of equitable and integrated solutions to social, environmental and economic challenges


The environmental sustainability strategy includes goals, objectives and strategies relating to education and research, operations, administration and planning.

The inaugural environmental sustainability strategy, ***Sustainability at the University of Manitoba: A Strategic Vision for Action***, was endorsed in 2012 and is currently being renewed. The successor plan, to be completed in 2015/16, will build on substantial progress against objectives. The findings of a recent benchmarking exercise resulted in a Sustainability Tracking, Assessment and Rating System (STARS) Silver rating. The new strategy is being developed in tandem with the Visionary (re)Generation Plan.

h. CAMPAIGN PLAN

Front and Centre campaign

With a fundraising goal of \$500 million, ***Front and Centre, the Campaign for the University of Manitoba*** is the largest philanthropic investment in the history of our province. We have identified campaign goals that will ensure our province's long-term economic, social and cultural vitality, and support the priorities set out in ***Taking Our Place, University of Manitoba Strategic Plan 2015-2020***.



Our alumni, donors, and university community have helped us define five campaign priorities — areas in which the University of Manitoba is uniquely qualified to lead this province into a new era of unprecedented prosperity. They are: *Indigenous Achievement*, *Graduate Student Support*, *Research Excellence*, *Outstanding Student Experience* and *Places and Spaces*. These priorities respond to our province's most pressing needs and allow us to be responsive to some of the world's most urgent issues.

INDIGENOUS ACHIEVEMENT

By collaborating with Indigenous communities and stakeholders, the University of Manitoba is rebuilding trust in the current education system. Being a welcoming place translates into success for Indigenous students and their families, through greater accessibility and opportunity for Indigenous students. With support from the *Front and Centre* campaign, we will grow our scholarships and bursaries, and increase support for innovative programming and research on Indigenous issues.

Our plans for investment include:

- \$35 million for the National Centre for Truth and Reconciliation
- \$5 million for the Research Chair in Aboriginal Law
- \$17.5 million for the Indigenous Success Fund
- \$7.5 million for academic programming

GRADUATE STUDENT SUPPORT

A strong contingent of graduate students helps Manitoba compete globally as a leader in innovation. Our goal is to increase our graduate student population by offering more competitive fellowship opportunities, bolstering our research output in areas of established excellence, increasing our expertise in new and emerging areas, and producing the future leaders of our businesses, communities and government.

Our plans for investment include:

- A \$150 million endowment fund to support graduate fellowships

RESEARCH EXCELLENCE

We are one of Canada's 15 research-intensive universities and Manitoba's only research-intensive university. When we invest in research, we invest in our province's international reputation and its contribution to global innovation. The *Front and Centre* campaign will strengthen our province's research capacity by supporting new research chairs, fostering the attraction and retention of an ever-increasing and award-winning community of innovators.

Our plans for investment include:

- \$50 million for the University of Manitoba research chair program
- \$50 million for expansion of our research community

OUTSTANDING STUDENT EXPERIENCE

We know that meeting the needs of our students pays huge dividends. Supporting an outstanding student experience unlocks the potential in our students, helping them discover new paths and positioning them for academic and career success.

Our plans for investment include:

- \$20 million for new teaching chairs
- \$75 million for scholarships and bursaries
- \$10 million for experiential and service learning opportunities

PLACES AND SPACES

Creating first-rate places and spaces demonstrates our commitment to people and their success, inspiring our university community in its pursuit of learning, discovery and growth. Through planned improvements and development, we will create much-needed spaces that promote and foster academic, professional and personal success for students, professors and researchers at the University of Manitoba.

Our plans for investment include:

- \$60 million for upgrades to libraries, classrooms and laboratories
- \$50 million for the inter-professional health education complex
- \$35 million for the Taché Arts Project, a multi-disciplinary home for our art, music and theatre programs
- \$12.5 million for the Active Living Centre, an ultra-modern fitness and research facility that will help Manitobans enjoy healthier lifestyles, build healthier communities and explore solutions to manage and prevent chronic diseases

i. UNIT LEVEL PLANS

Further Integration of the Strategic Plan

Implementation of *Taking Our Place* will occur through university-wide initiatives, as described in the plans described above, but also through the considerable activity conducted in individual academic and administrative units. Throughout the coming year, units will develop plans that enable their own strategic and operational activities within the context of *Taking Our Place*.

V. DEVELOPING THE BUDGET

a. PLANNING CONTEXT/ASSUMPTIONS

This section establishes a context for the annual presentation of a budget proposal to the Board of Governors.

The discussions leading to the formation of the budget take place in the context of ***Taking Our Place, University of Manitoba Strategic Plan 2015-2020*** and other university plans described in **Section 4** of this document. The budget is intended to reflect the priorities, activities and strategies that move the university toward our objectives.

The President's **Budget Advisory Committee (BAC)** makes recommendations to the President for allocation of funds to meet the university's strategic objectives and reviews the annual budget recommended to the **Board of Governors**. BAC is made up of members of the university community, including senior administration, academic faculty as represented on the Senate Planning and Priorities Committee (SPPC), support staff, Board of Governors and student leadership.

Appendix 1 provides the current structure of the BAC.

The oversight, advice and guidance of the Board of Governors is essential in ensuring that the university's strategic priorities are achieved and thus the Board plays a key role in budget development. The board continues to demonstrate good governance practices and has initiated many important improvements over the last number of years. The recent restructuring of board meetings to devote more discussion and energy to areas of key strategic importance has generated positive feedback and has more strongly aligned the expectations of the **President's Executive Team (PET)** with those of the Board.

Budget development is informed by historical information, including various comparative and trend reports. Much of this information is available for review in the appendixes of this document and through the budget and planning webpage.

Through thoughtful planning, continued engagement and collaboration, we will collectively strive to achieve our vision while ensuring maximum benefit from our resources.

b. PROVINCIAL GOVERNMENT FUNDING

The **strategic resource planning (SRP) process** which informs the development of the general operating budget begins with the development of assumptions with respect to inflationary and other parameters. These assumptions are used to model revenues and expenditures for the Estimates of Operating Requirements in response to the annual request from the **Division of Education and Advanced Learning (EAL)** of the Province of Manitoba for preliminary budgets and supplementary information. This request from EAL signals the start of the provincial government's budgeting process. Throughout the planning period, revenue and expenditure projections are reviewed and refined as new information becomes available.

For the 2015/16 fiscal year, the base operating grant from the provincial government increased by 2.46 per cent. Tuition and course-related fees were approved for increases of up to 1.9 per cent, the inflation rate. For both 2014/15 and 2013/14, the university's operating grant from the Province increased by 2.5 per cent and tuition fee increases were tied to the rate of inflation. However, the Province had previously committed to provide an operating grant increase of 5 per cent for

2013/14, similar to what had been provided in 2012/13 and 2011/12.

Due to this limited funding, the university continues to be challenged in offering existing programs and services at previous levels. Increasing salary costs and mandatory pension obligations, coupled with insufficient percentage increases to the university's operating grant, leaves little to no provision to support additional programming or much-needed service enhancements.

When 2015/16 estimates were prepared in September 2014, the projected impact equated to an operating shortfall of approximately \$19 million, utilizing a zero per cent base grant increase and 1.5 per cent tuition increase as instructed by EAL. Our response to EAL included a request for an incremental base grant allocation of \$10 million to support strategic planning priorities and critical transformation of our organizational infrastructure. Our expectation was that funding for new initiatives would be accomplished through the realignment of existing resources.

Estimates Submission 2016/17 (see Section 6) was submitted to the Province in September 2015. Representatives from EAL met with the President's Executive Team in October 2015 to discuss the 2016/17 operating and capital estimates.

c. BUDGET & PLANNING PROCESS TIMELINES

May 2015	2015/16 budget (including tuition fee recommendations and unit budget allocations) presented to Board of Governors for approval
June 2015	<p>Letter of request for estimates for 2016/17 received from Advanced Learning Division, Department of Education and Advanced Learning, Province of Manitoba (EAL)</p> <p>Prior year carryover is finalized and approved</p>
Summer 2015	2016/17 operating estimates prepared for EAL based on planning assumptions provided by province.
October 2015	Senior executives meet with EAL to present estimates
November 2015	<p>Academic and administrative units submit strategic priorities (Phase 1 of SRP process)</p> <p>Budget and Planning Committee (BPC) reviews unit submissions of strategic priorities and considers university-wide priorities in light of <i>Taking Our Place</i></p> <p>BPC proposes budget priorities</p> <p>Provost presents strategic priorities to Budget Advisory Committee (BAC)</p>



Deans and directors submit requests to utilize current year operating funds for capital and/or **specific provisions**

Deans and directors prepare a current year fiscal forecast.

January 2016

Academic and administrative units submit Operational/Financial Plans (Phase 2 of SRP Process)

January – May 2016

Vice President (Administration) office prepares estimate of potential fiscal and baseline funds available for reallocation

Provost office, in consultation with Vice Presidents and in conjunction with BPC develops funding allocations priorities

VP (Administration) office prepares draft operating budget based on resource allocation priorities for presentation to BAC for feedback/advice

President considers BAC advice and BAC reviews final draft operating budget to be presented to the BoG.

Spring 2016 (unknown date)

Province announces operating grant

May 2016

2016/17 Budget presented by the President to Board of Governors for approval

Summer 2016

Analysis of Budget 2016/17 and impacts

Faculties and units prepare fiscal year forecasts for restricted operating revenues/expenses and unrestricted operating expenditures on a regular basis to facilitate improvements to resource planning for both academic and administrative units. These periodic reports inform the strategic resource planning process and the President's Executive Team, and provide more accurate information for the quarterly reports submitted to the Board of Governors. This provides an opportunity to plan for future year capital and provision transfers, as well as current year carryover requirements.

In addition, the Board of Governors receives a report of actual results and a year-end forecast at the end of the first, second and third quarters. The University of Manitoba is also required to provide the provincial government with quarterly updates on actual results and forecasts for the year.

d. FUND CATEGORIES AND INTER-FUND TRANSFER

The University of Manitoba is currently responsible for the financial stewardship of more than \$865 million annually in support of its teaching, research and community service mission. The university

classifies resources used for various purposes into separate funds that correspond to its major activities and objectives. They are grouped into three categories: **general funds**, which includes funds for general operating, specific provisions and expenses funded from future revenues; **restricted funds**, which includes research and special, the capital asset, staff benefits and trust funds; and **endowment funds**, which includes endowed funds of the university. All are described in greater detail on the following pages.

Under certain circumstances, approval is granted for transfers between fund types. This is called an **inter-fund transfer**.

Inter-Fund Transfers

In the certain circumstances in which approval is granted for transfers between fund types — for example, when a faculty/unit purchases a capital item (e.g., equipment, computers, etc.) — the expenditure must be reported as an inter-fund transfer out of the fund that paid for the item (e.g., the fund (Operating or Research), with an offsetting inter-fund transfer into the Capital Fund.

Debt servicing costs funded from Operating are also transferred to the **Capital Asset Fund**. An example is the technology fee collected from students as part of the approved debt servicing plan.

In the absence of sufficient student financial support, operating funds are also earmarked to support scholarships, bursaries and emergency student loans. From 2009/10 to 2014/15, the university has reallocated \$4.9 million for graduate student support and \$1.2 million for undergraduate student support. An estimate of projected student financial support is reported as an inter-fund transfer from General Operating to the **Trust Fund**, and is reflected in the Consolidated Budget. Spending allocations from the Trust Fund are also transferred, on request, to the Operating, Capital or Research funds, depending on the nature of the planned expenditure.

General Funds

1. GENERAL OPERATING

General Operating reports unrestricted resources and restricted resources received or accrued for general operating purposes and for equipment and renovations not meeting the university's capitalization criteria. Included in this fund are academic, administrative, operational and ancillary costs funded by tuition and related fees, government grants, net investment income, miscellaneous income, ancillary income and sales of goods and services to external parties. **Ancillary services** are self-sustaining, and include the U of M Bookstore, parking, student residences, pharmacy/post office and Smartpark.

The **General Operating Fund** is managed through the Operating Budget approved by the Board of Governors. The approved Operating Budget is based on the best estimate of revenues and expenses known at the time. When the budget is established, funds are held centrally for transfer to units as required throughout the year to cover various cost increases such as salary increases.

Appendix 2 summarizes the Operating Fund revenue over the last five years. Operating Fund revenue has grown steadily over the past five years, mainly from increases to the operating grant, which is the largest source of operating revenue for the university. In 2014/15, the EAL operating grant represented 59.6 per cent of total operating revenues. The second largest source of operating

revenue is tuition and related fees, which represented 26.3 per cent of total operating revenue in 2014/15.

Appendix 3 summarizes operating expenditures by type from 2011/12 to 2014/15. More than three-fourths of operating revenue is spent on salaries and salary related costs. In 2014/15 this represented 81.4 per cent of total operating expenditures. A five-year statement of general operating revenue and expenditures by function and type is attached as **Appendix 4**.

The University of Manitoba has been actively involved in the **U15** data exchange, and progress continues to be made on a set of indicators that will allow the university to measure its activities both over time and in comparison to its U15 peers. As budget considerations should take place against a backdrop of shared information, we strive to reach a common set of comparable measures with other research-intensive universities. In some cases, percentages referenced in the tables may vary depending on the source of data. For example, some data collected by the **Canadian Association of University Business Officers (CAUBO)** has been provided. Although derived from the same source, CAUBO data varies somewhat from the data extracted from the university's annual financial report due to on varying definitions.

The following three appendixes provide comparative information demonstrating where the University of Manitoba ranks in various funding and expenditure areas amongst other universities in Canada.

Appendix 5 compares 2013/14 general operating expenditures among U15 universities.

Appendix 6 compares 2012/13 operating income per enrolment by province. Manitoba is third lowest in the country when comparing general operating income per full-time-equivalent (FTE) student enrolment. Manitoba's low ranking is mainly attributed to both lower provincial operating grant funding compared to the other provinces and to years of a provincially imposed tuition freeze, which the Manitoba government has since lifted. Based on recent legislation, tuition is now permitted to increase based on the provincial version of the consumer price index (CPI). While this is positive, the university continues to actively advocate for additional funding.

Appendix 7 indicates that provincial government funding per FTE student enrolment increased by 33.9 per cent between 2005/06 and 2012/13. Although funding from the provincial government in the form of the operating grant has been growing, increasing by 15 per cent over the last four years, Manitoba's funding is fourth lowest in comparison to the other provinces.

As already highlighted, tuition revenues are the second largest source of operating revenue for the university. In 2014/15, tuition accounted for 25 per cent of total net revenues. The fees have increased by 19.9 per cent since 2001/02, substantially less than the increase in British Columbia, Saskatchewan, Alberta and Canada as a whole. As mentioned, this is attributable to the provincially imposed tuition freeze, which was lifted in 2009/10.

Appendix 8 shows the percentage of change in undergraduate tuition revenue for western provinces from 2001/02 to 2015/16. Based on 2014/15 tuition rates, the University of Manitoba would generate an additional \$44 million in operating revenues if it charged the same tuition rates as the University of Saskatchewan.

Appendix 9 shows that between 2001/02 and 2014/15, Manitoba has the second lowest increase in tuition fees across Canada — second last only to Newfoundland, which realized a 12.4 per cent decrease.

Appendix 10 summarizes the net expenditures per fiscal full-time-equivalent (FTE) student by faculty over a five-year period. This table is evidence of the significantly higher costs of delivering professional programs.

Appendix 11 summarizes the net expenditures per FTE student by faculty over a five-year period indexed to 2010/2011. This table demonstrates the significant increase in costs with respect to the delivery of the majority of our programs. Increased costs are in part attributed to accreditation requirements, increased experiential program components and technological improvements.

2. SPECIFIC PROVISIONS

The university annually sets aside funding in provisions for specific purposes. The **Specific Provisions Fund** records appropriations made from (to) the General Operating, Capital Asset and Research and Special funds. These appropriations are made to provide future funding for the replacement, improvement or emergency maintenance of capital assets, large scale operational projects, minor renovations projects, unit carryover, income protection where potential volatility exists and a fiscal stabilization provision to offset potential spending in excess of future budgets and other matters. Such appropriations are shown as **inter-fund transfers** in the Consolidated Statement of Operations and Changes in Fund Balances within the university's **annual audited financial report**.

Table 1 shows the provisions accounts that have been set up.

Table 1 – Specific Provisions Fund Balance at March 31, 2015 (*dollars*)

Provision Fund	Balance
Carryover	\$ 40,000,000
Special Projects – Centrally Funded	23,754,387
Special Projects – Unit Funded	14,535,254
Ancillaries	6,819,370
Pension Provision	6,386,097
Fiscal Stabilization	3,200,000
Self Insurance	2,953,001
Income Funded	1,325,564
Total	\$ 98,973,672

These accounts have been earmarked for the following specific purposes:

- The \$40.0 million Carryover Provision represents the amount set aside to honour outstanding commitments from the 2014/15 fiscal year. In accordance with university policy, those unspent funds are set up in a carryover provision account and are allocated to the units for spending in the following year. Carryover for the 2014/15 fiscal year amounted to \$39,658,984,* which represents funds that were not spent by faculties, schools and administrative units in the year in which they were allocated (or earned, in the case of income).

** At publication date*

- The \$23.8 million in Special Projects – Centrally Funded includes amounts that typically have a unique source and associated use — for example, the voluntary retirement fund.

- The \$14.5 million in Special Projects – Unit Funded includes amounts that have a unique source and associated use. The majority of funds in this category, approximately \$9 million, is specified for information systems project funding.
- The \$6.8 million in Ancillaries is generated by the operating results in Ancillaries. They are expected to be self-sustaining and as a result can save from one year to spend in the next, consistent with the way carryover works for units that generate external income.
- The \$6.4 million Pension Provision has been established to guard against unforeseen changes in mandatory pension plan payments that are subject to actuarial valuation.
- The \$3.2 million in Fiscal Stabilization has been set aside by the Board and is probably too low. This would most likely be used to resolve a financial problem that couldn't be foreseen and was out of our control.
- The \$3.0 million in Self Insurance has been set aside to protect the university in the event of uninsured claims and/or multiple insurance claims in a one-year period. The insurance premium deductible has increased to \$250,000 from \$50,000.
- The \$1.3 million in Income Funded has been established by faculties and units to support replacement of specific equipment — for example, information systems technology (IST) computer/telephone equipment.

Appendix 12 illustrates carryover allocations by major function over a five-year period. Of the total allocated in 2014/15, \$29.7 million of the funds are allocated to academic units, \$6.2 million are allocated to administrative/support units and \$3.7 million are allocated to research development and support.

Appendix 13 details carryover of operating funds for the past five years by funding purpose from 2010/11 to 2014/15. The specific purposes for which the funds are designated are detailed, including examples of the purpose for which the funds are designated.

3. EXPENSES FUNDED FROM FUTURE REVENUES

Expenses Funded from Future Revenues records the amount of **non-vesting** sick leave benefits and unpaid vacation pay for staff that will be funded from future revenues. This fund also records the actuarially determined expense for employee future benefits and change in pension liability.

Restricted Funds

Restricted funds are managed with the objective to spend the funds in accordance with the various terms and not spend beyond the resources that have been provided. It is recognized that allocation decisions are made in the context of all potential funds available within a faculty or unit and therefore the Board of Governors approves both a balanced fiscal operating budget plus the financial plans for the Research and Special, Trust and Endowment and Capital funds annually.

1. RESEARCH AND SPECIAL FUNDS

The Research and Special Funds consist of contributions specifically restricted for research or other special activities. Contributions are provided from federal and provincial granting agencies and other public and private sources such as the Gates Foundation. Funds are spent in accordance with the conditions stipulated in the governing contracts and agreements. Funds received in any

given year may not all be spent in the year received — therefore, fund balances include funds carried forward from the prior year. Any unspent funds as at March 31, 2015 have been carried forward to the following fiscal year.

Research revenues comprise funding received from Tri-Council (Social Sciences and Humanities Research Council, Canadian Institutes of Health Research, and Natural Sciences and Engineering Research Council), other Government of Canada grants (Canada Foundation for Innovation, Department of Foreign Affairs, Trade and Development, Networks of Centres of Excellence and other) and the Province of Manitoba, as well as donations and funding from other foundations, associations and United States granting agencies.

Several allocations are made to faculties and schools from the Operating Fund in support of their research activities:

- 20 to 25 per cent of the Federal Research Support Funds are allocated directly to faculties based on their three-year average Tri-Council grants.
- The rate at which **overhead** is recovered from research contracts, research grants and clinical trials is: 50 per cent to the faculties, 20 per cent to research initiatives and 30 per cent to general.
- The Vice-President (Research and International) allocates approximately \$4 million:
 - » \$1.2 million in research start-ups to new faculty hires
 - » \$480,000 to support undergraduate research awards
 - » \$1.4 million in research development to support research programs
 - » \$1.25 million for research initiative support
- Donor Restricted or Endowment Funds allocates approximately \$250,000 to support start-up costs of rising research stars recruited at the University of Manitoba.

Appendix 14 illustrates the change in research revenues (excluding special funds) over the five-year period by source, relative to total net expenses incurred.

Appendix 15 details the purpose for which research revenues were spent over a five-year period. The level of 2013/14 spending by faculty/support units can be found in **Appendix 16**.

Appendix 17 reflects federal research grant increases as compared to **research support funds** received between the years 2006/07 and 2015/16.

Appendix 18 reflects the annual amount received from the Canada Foundation for Innovation (CFI) and the matching fund provided by the Manitoba Research and Innovation Fund Awards for the last six years.

Appendix 19 provides background information relating to the Canada Research Chairs program (CRPC). The university currently holds 40 Canada Research Chairs.

The university's Special Funds are non-research related contracts, the majority of which are directed to community health sciences and post-graduate medical education. **Appendix 20** illustrates the change in Special Funds net revenues (revenues less expenditures) over a five-year period.

2. CAPITAL ASSET FUND

This fund consists of restricted contributions resulting from capital asset funding arrangements with external parties, contributed **capital assets** and government grants, restricted for the purpose of acquiring capital assets and retiring capital advances. Funding agreements entered

into with the provincial government for the construction or acquisition of capital assets are considered capital grants under the **restricted fund method of accounting**. Contributions are recorded as revenue, and acquisitions are capitalized and reflected as an asset on the balance sheet. Costs related to the construction of buildings are recorded as Construction in Progress (CIP) until the capital asset is put to use.

As previously noted, in the absence of capital funding, units may fund renovations or purchase items of a capital nature (for example, equipment, furnishings, etc.) from the Operating Fund (i.e., through an **inter-fund transfer**). If these items meet the university's **capitalization criteria**, they must be recorded in the Capital Asset Fund. **Debt servicing costs** funded from the Operating Budget and **amortization** of capital assets are also recorded in the Capital Asset Fund. All funds received or accrued by the university for general operating expenses and for equipment and renovation expenses not meeting the university's capitalization criteria are included in the **General Operating Fund**.

Appendix 21 shows the University of Manitoba received \$37.6 million in capital asset contributions in 2014/15.

The Capital Asset Fund will typically report a surplus, unless the current year amortization and interest expense exceeds current year contributions. Expenses in the Capital Asset Fund include interest on debt relating to the acquisition or construction of capital assets, amortization and gains or losses on disposal of capital assets.

Table 2 lists the university's *in use* capital assets, at cost, by category. In 2014/15, the University of Manitoba invested \$110.4 million in capital assets, notably investing \$43.2 million in Construction in Progress (CIP), \$38.1 million in Buildings and Major Renovations, \$12.8 million in Furniture and Equipment and Vehicles, and \$11.6 million in Library acquisitions and works of art. Major projects in the CIP and Building and Major Renovations categories include the Taché Hall renovation, new Active Living Centre, construction of the George and Fay Yee Centre for Healthcare Innovation (CFI) and replacement of the central energy plant boiler #3.

Table 2 – Changes in Capital Assets (*in thousands of dollars*)

Asset Categories	2014	Additions	Disposals	2015
Assets Under Capital Lease	3,286	-	(226)	3,060
Buildings and Major Renovations	994,709	38,072	-	1,032,781
Computer Hardware and Electronics	101,155	4,318	(2,645)	102,828
Construction in Progress	62,569	43,240		105,809
Furniture and Equipment	255,558	12,376	(2,823)	265,111
Land	30,496	97		30,593
Library Books	192,574	10,900	(2,040)	201,434
Parking Lots and Road Improvements	9,359	307		9,666
Rare Books and Manuscripts	6,280	154		6,434
Vehicles	8,519	430	(343)	8,606
Works of Art	2,711	838	-	3,549
Total	1,667,216	110,732	(8,077)	1,769,871

Annual investments in capital assets have grown substantially since 2001/02 as shown in [Appendix 22](#). The significant growth is largely a result of the success of the Building on Strengths Capital Campaign, increased provincial infrastructure grants, debt financing and federal grants, such as those provided through the Knowledge Infrastructure Program and Canada Foundation for Innovation.

Preserving the existing and newly acquired assets and infrastructure has become increasingly difficult, considering the limited resources historically earmarked for maintenance.

Deferred Maintenance (Infrastructure Renewal Projects) and Major Capital Projects

The University of Manitoba has faced ongoing challenges in procuring sufficient resources to maintain existing capital assets. Infrastructure maintenance that has been deferred, generally due to lack of sufficient funds, is referred to as “deferred maintenance.”

Table 3 summarizes deferred maintenance and major capital projects.

Table 3 – Multi-Year Capital Plan Project Summary (in millions of dollars)

Project Category	Total Cost Estimate*
1. Deferred Maintenance – Building Envelope and Structural Systems Renewal	169.44
2. Deferred Maintenance – Mechanical and Electrical Systems Replacement	148.64
Subtotal	318.08
3. Major Capital Projects – Renovation, Adaptive Reuse or Replacement	275.00
4. Major Capital Projects – New Construction	652.85
Subtotal	927.85
Total Investment	1,245.93

** Total cost estimates provided are determined at an “order of magnitude” level of accuracy. Further refinement of the project cost estimate will occur as funding is received or as feasibility studies are prepared for major capital projects. Estimates are subject to change as functional programming feasibility studies are performed.*

Estimates provided in 2016 dollars.

Project categories 1 and 2 consist of 31 deferred maintenance projects with an estimated cost of \$318.08 million. The complete list of high-priority deferred maintenance projects is shown in [Appendix 23](#).

Project categories 3 and 4 represent 30 major capital projects with an estimated cost of \$927.85 million. Many of these projects are listed as “emerging,” which means they have been gathered through the current status of the master planning and space master planning processes, as well as through consultation with faculties, departments and units through the **strategic resource**

planning (SRP) process. Progress is being made with the rationalization and refinement of cost estimates and it is expected that there will be further rationalization and refinement for each subsequent update of the integrated multi-year capital plan. A summary of total major capital projects is shown in **Appendix 24**.

In July 2015, **EAL** announced that in support of critical deferred maintenance projects, the University of Manitoba will be allocated \$7.015 million in 2015/16. This increased funding represents just over 2 per cent of the total amount required per **Appendix 23**. The \$318.08 million includes the list of identified projects; however, the university expects total deferred maintenance requirements to exceed this amount.

The university will continue to seek opportunities to fund its infrastructure, and has successfully acquired funding from both the provincial and federal governments through a variety of programs. *Front and Centre, the Campaign for the University of Manitoba* will provide an opportunity for the community to partner with the university in achieving its objectives, and we look forward to support from government in line with previous campaigns. Neither the capital campaign nor the specific project funding, however, will address the institution's current basic requirements.

Long-Term Debt

The University of Manitoba has constructed numerous new capital projects over the past decade, and there have also been upgrades and refurbishments to most existing buildings on both campuses. These projects are funded through operating transfers to the Capital Asset Fund, grants from different levels of government, donations and, from time to time, money borrowed by the university. The university tends to borrow on a long-term basis so that the debt can be matched to the serviceable life and benefit received from real property. Lenders are willing to lend long-term because the university's credit risk is very favourable. This allows the university to borrow at a fixed rate of interest for terms much longer than most commercial or consumer loans and mortgages. The university has negotiated borrowings through the Province of Manitoba and from chartered Canadian banks. Most new major projects tend to have loan terms of 20 to 30 years. Since many of the capital projects have tight operating budgets in the post construction period, and thus are very sensitive to both interest rates and terms, the goal in borrowing is to secure a relatively low fixed rate over an extended term.

The university is responsible for all debt servicing obligations and, as such, repays principal and interest from the operating budgets of the real properties financed by debt. Where real property is constructed and has an identifiable revenue stream, such as a new student residence, the debt is serviced by the operating income related to this revenue. Where the university constructs buildings for primarily academic purposes, debt-servicing is addressed through levies against faculty operating budgets and special student fees.

In fiscal 2014/15 long-term debt increased to \$205 million, as a \$25 million loan was used to assist in funding the new Active Living Centre. This loan is a 25-year mortgage-style loan with a 3.75 per cent fixed rate for the entire term. There are currently seven different loans outstanding with an average term left of just over 20 years. The interest costs during the year were \$10.4 million and principal repayments were \$5.1 million. The March 2015 financial statements show long-term debt of \$392 million — however, \$187 million of that amount is related to the loans on the Investors Group Stadium, and the remaining \$205 million is true long-term debt related to the

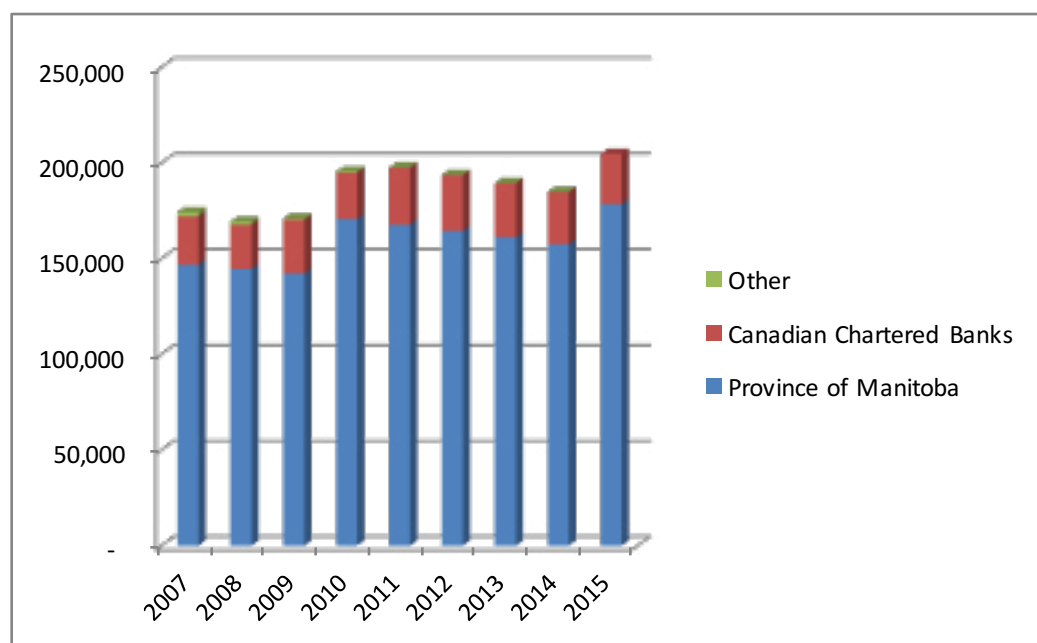
university. The \$187 million in debt related to the stadium is essentially a flow-through loan, as the university has an offsetting receivable for any loan payments to be received and flowed through to the Province. The university is not liable for the loan, and the loan and receivable are recorded within the university at the request of the Province.

Going forward, there are currently no plans for further long-term borrowing on any upcoming project. The university is mindful of increasing debt levels and interest costs, as is the Province of Manitoba. It is imperative that the university not only balance these concerns with aspirations of new construction, but also look at alternatives to traditional financing such as public-private partnerships (P3s).

Graph 1 indicates the university's debt levels from 2006/07 to 2014/15. Further long term debt details can be found under Note 9 of the 2015 annual financial report located at:

http://umanitoba.ca/admin/vp_admin/financial.html

Graph 1 – University of Manitoba Debt Levels: 2006/07 to 2014/15 *(in thousands of dollars)*



3. STAFF BENEFITS FUND

This fund consists of accounts for the pension reserve and the self-insured long-term disability income and dental plans. The revenues are restricted for the purposes noted.

4. TRUST FUND

This fund records gifts and bequests to the university that may be used in their entirety along with the net investment income earned on these funds, according to donor restrictions. Most of these funds are used for scholarships, bursaries, awards, loans and other scholarly activities.

Endowment Funds

Records donations received with the stipulation that these funds are invested in perpetuity and the net realized investment income earned is utilized for designated purposes. The Fund balance reflects changes in investment fair values, and is recorded as a component of net investment income. These allocations are used to support faculties and schools, students, professorships, chairs, research, libraries and athletics.

Trust and Endowment Funds

The trust and endowment funds of the University of Manitoba provide integral funding for students, teaching, programs, capital projects, library acquisitions and various other purposes, all of which are important to the university's strategic plans and benefit greatly from the generosity of donors. At the end of March 31, 2015, these funds combined had a market value of \$632 million, with the **University Investment Trust (UIT)** comprising the bulk of that amount at \$577 million. The UIT consists of approximately 2,100 separate accounts that are pooled for investment purposes and focus on long-term financial support for their designated beneficiaries. The fund distributed more than \$18 million this past year and more than \$81 million in the past five years. These funds support students (39 per cent), faculty programs and expenses (36 per cent), chairs and professorships (12 per cent), research (8 per cent), library acquisitions and other (5 per cent).

The UIT had a market value of \$577 million as at March 31, 2015, compared to \$511 million in 2014. The growth in the UIT was primarily due to \$12 million in new donations, and an annual return of 13.6 per cent. At the end of the year, the Specific Trust funds were worth \$55 million, up from last year's total of \$45 million. The bulk of these funds are gifts and funding for capital projects such as Taché Hall and the Active Living Centre, and trust funds directed toward financing construction costs and servicing the long-term debt undertaken to fund capital projects.

The \$632 million in trust and endowment funds held by the university make it the seventh largest of its kind among Canadian universities. The UIT has also had exceptional performance over the past five years, ranking at the top of universities in Canada with endowment funds greater than \$100 million.

Going forward, the upcoming *Front and Centre* campaign will add significantly to these funds. The campaign priorities are:

- Indigenous Achievement
- Graduate Student Support
- Research Excellence
- Outstanding Student Experience
- Places and Spaces
- Unrestricted

Gifts that focus on the long-term are generally endowed and will end up in the UIT. Annual gifts that support needs in the current year will flow through the trust funds, and gifts to fund capital projects will reside in trust funds until needed.

Appendix 25 illustrates the growth of the UIT, which in 2014/15 was the seventh largest

endowment fund among Canadian Universities. The one-year rate of return to the end of March 2015 was 13.6 per cent, and the value of all Trust and Endowment funds as at March 31, 2015 was \$632 million, with \$577 million held within the UIT and a further \$55 million invested in Specific Trusts.

Summary of All Funds

The University of Manitoba budget is large and complex with revenues and expenditures recorded in different fund categories. The Operating Fund is the largest with 2014/15 revenues of \$602.3 million.

Further details relating to revenues and expenses all funds can be found on page 27 of the 2015 annual financial report located at: http://umanitoba.ca/admin/vp_admin/financial.html

e. 2015/16 OPERATING BUDGET

The annual budget process begins in the summer with the development of the operating estimates for the provincial government, as described in **Section 5b**. In mid-summer 2014, all faculties, schools and administrative units were asked to develop strategic resource plans using a prescribed template format with a focus on assuming an estimated 4 per cent baseline budget reduction for each of the years 2015/16 and 2016/17.

The Budget Advisory Committee (BAC) met on four occasions to advise the President on budget priorities. Various scenarios were considered with respect to balancing priorities related to the university's strategic plan as well as to provide continuing support to faculties, schools and administrative units. The final proposed budget represented the recommended balance in addressing those needs.

The 2015/16 Operating Budget and financial plans for the Research and Special, Trust and Endowment and Capital funds were approved by the **Board of Governors** on May 19, 2015. The full Board of Governors submission can be found at: http://umanitoba.ca/admin/vp_admin/financial.html

Throughout the 2015/16 fiscal year, the Board of Governors will receive quarterly reports on each fund comparing actual for each quarter with prior year actual and projected full-year results.

VI. ESTIMATES SUBMISSION TO GOVERNMENT

As described in Section 5, the annual budget process commences each year with the Manitoba government's request for our budgetary requirements. The communication typically arrives in June and the submission is due in early to mid-September.

A consultation meeting is held with the deputy minister and staff from the Advanced Learning Division of **EAL** to review the total institutional financial request. We discuss the specific pressure points within our institution and provide information on the accomplishments or initiatives our organization is pursuing. We also highlight how our strategic planning and budget submission align with *Manitoba's Post-Secondary Education Strategy*.

The high-level strategic and budget planning steps following this initial request/submission are found in **Section 5c**.

The 2016/17 Estimates Submission can be found at: http://umanitoba.ca/admin/vp_admin/operating_estimate.html

APPENDIX 1

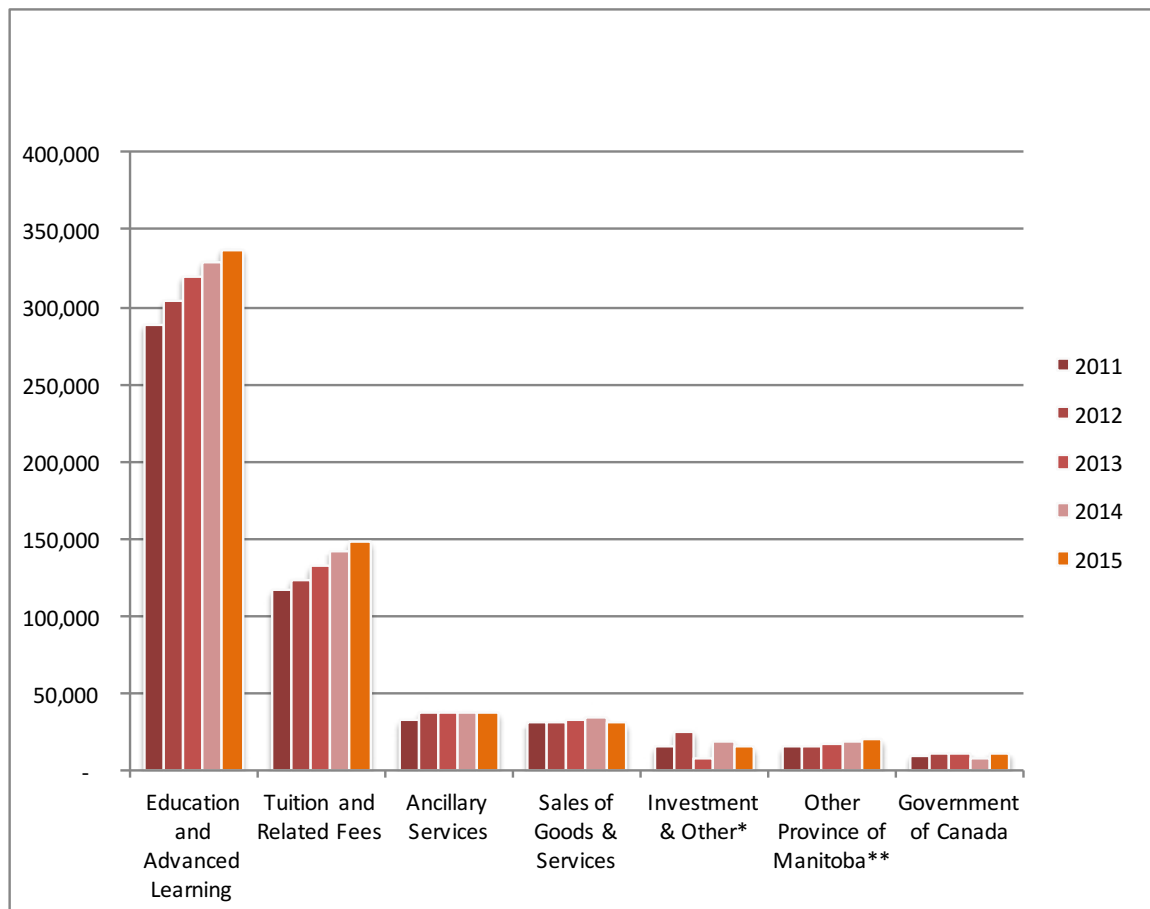
BUDGET ADVISORY COMMITTEE MEMBERSHIP LIST

- President, Chair
- Four vice-presidents or designates — academic and administrative vice-presidents to act as Vice-Chair as required
- University Secretary
- Six faculty members from the SPPC, including the Chair
- Two support staff members
- Chair of the Board of Governors' Finance, Administration and Human Resources Committee
- President of UMSU or designate
- President of the Graduate Students' Association or designate
- Assessor from the University of Manitoba Faculty Association
- Vice-Provost (Integrated Planning and Academic Programs) — resource person
- Executive Director, Financial Planning, Office of the Vice-President (Administration) — resource person
- Director, Integrated and Strategic Planning — resource person
- University Budget Officer, Office of the Vice-President (Administration) — resource person
- Executive Director, Office of Institutional Analysis — resource person
- Chief Information Officer — resource person
- Director, Office of the President — resource person
- Budget Officer, Office of the Vice-President (Academic) and Provost — resource person
- Resource Planning Coordinator, Office of the Vice-President (Administration) — resource person

APPENDIX 2

OPERATING FUND REVENUE: 2011 TO 2015 (in thousands of dollars)

Operating Fund revenue has grown steadily over the past five years, mainly from increases to the EAL operating grant, which is the largest source of operating revenue for the university. In 2014/15, the operating grant represented 59.6 per cent of total operating revenues. The second largest source of operating revenue is tuition and related fees, which represented 26.3 per cent of total operating revenue in 2014/15.



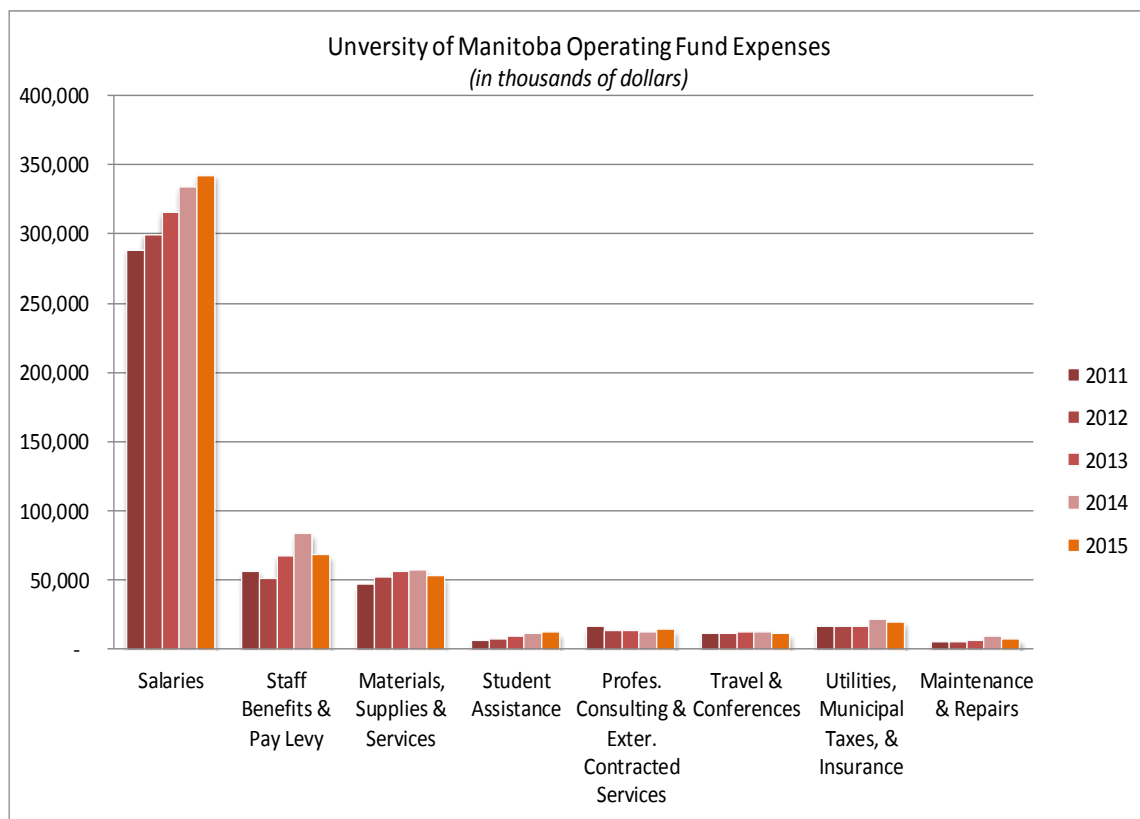
*Includes donations, non-government grants and miscellaneous income

** Includes City of Winnipeg

APPENDIX 3

OPERATING FUND EXPENDITURE: 2011 TO 2015 (in thousands of dollars)

More than three-fourths of operating revenue is spent on salaries and salary-related costs. In 2014/15 these costs represented 81.4 per cent of total operating expenditures.



APPENDIX 4

GENERAL OPERATING FUND REVENUES AND EXPENSES: 5 YEAR DETAIL STATEMENT (in thousands of dollars)

	2011		2012		2013		2014		2015	
Revenue	\$	%	\$	%	\$	%	\$	%	\$	%
Education and Advanced Learning	288,282	60%	304,147	60%	319,955	61%	329,456	60%	337,276	60%
Tuition and Related Fees	117,529	25%	123,191	24%	133,012	25%	141,999	26%	148,768	26%
Sales of Goods and Services	31,375	7%	31,010	6%	32,822	6%	34,342	6%	31,378	6%
Investment and Other Revenue	16,151	3%	25,149	5%	8,327	2%	19,519	4%	16,611	3%
City of Winnipeg									51	0%
Other Province of Manitoba	15,184	3%	15,799	3%	17,546	3%	19,533	4%	20,512	4%
Government of Canada	9,373	2%	10,760	2%	10,563	2%	8,797	2%	10,745	2%
Subtotal	477,894	100%	510,056	100%	522,225	100%	553,646	100%	565,341	100%
Ancillary Services	32,793		37,025		37,189		37,182		36,985	
Total Revenue	510,687		547,081		559,414		590,828		602,326	
Expense by Type										
Salaries	288,648	64%	300,284	65%	316,078	63%	334,015	61%	342,967	64%
Staff Benefits and Pay Levy	57,078	13%	52,006	11%	67,910	14%	84,281	15%	68,961	13%
Materials, Supplies and Services	47,630	11%	53,229	12%	57,163	11%	58,147	11%	53,585	10%
Student Assistance	6,473	1%	7,850	2%	10,225	2%	12,417	2%	12,954	2%
Professional Consulting and Externally										
Contracted Services	17,037	4%	13,738	3%	14,123	3%	13,374	2%	15,009	3%
Travel and Conferences	11,618	3%	12,368	3%	13,460	3%	12,843	2%	12,261	2%
Utilities, Municipal Taxes and Insurance	17,307	4%	16,649	4%	17,345	3%	22,719	4%	20,253	4%
Maintenance and Repairs	6,095	1%	6,117	1%	6,609	1%	9,732	2%	7,978	1%
Total Expense	451,886	100%	462,241	100%	502,913	100%	547,528	100%	533,968	100%
Net Revenue	58,801		84,840		56,501		43,300		68,358	

Continued next page

APPENDIX 4 – CONTINUED

GENERAL OPERATING FUND REVENUES AND EXPENSES: 5 YEAR DETAIL STATEMENT (in thousands of dollars)

	2011	2012	2013	2014	2015
Transfer to/from Other Funds	\$	\$	\$	\$	\$
Appropriation for Specific Provisions:					
Capital Asset Replacements and Improvements	747	(5,310)	(4,006)	(3,350)	(11,934)
Unit Carryovers, Special Projects and Initiatives	(65,910)	(68,508)	(63,148)	(49,699)	(19,554)
Benefits Premiums Net of Employer Contributions of Staff Benefits:	(1,878)	(2,195)	(1,707)	(4,107)	(2,967)
Employee Future Benefits	3,602	393	3,266	8,482	6,517
Funding of Capital Asset Additions	(47,290)	(63,105)	(40,292)	(41,684)	(40,649)
Funding of General Operating Expenditures from:					
Capital	-	-	640	4,273	825
Provisions	59,850	69,404	61,419	59,518	12,806
Research	1,220	502	997	867	1,280
Staff Benefits	2,742				
Trust	6,570	7,617	9,064	8,777	8,292
Funding of Research Projects	(123)	(151)	(3,016)	(7,456)	(3,526)
Long-Term Debt Repayments	(3,089)	(5,486)	(5,786)	(5,577)	(5,856)
Net Change in Vacation Pay and Pension Liability	(2,078)	(4,796)	1,365	224	(2,604)
Other Net Transfers	(21)	-	-	(362)	25
Overhead Recoveries From Research	2,951	3,348	2,954	3,636	5,558
Student Contributions for Technology	(3,607)	(3,703)	(3,838)	(3,976)	(3,232)
Student Contributions to University Development Funds	(789)	(738)	(867)	(940)	(1,043)
Student Support	(7,364)	(7,620)	(8,877)	(6,931)	(7,200)
Unit Capital Development Assessment	(4,316)	(4,478)	(4,706)	(4,988)	(5,087)
Net Transfer to/from Other Funds	(58,783)	(84,826)	(56,538)	(43,293)	(68,349)
Remeasurement Gains and Losses			39	(5)	923
Net Increase to Fund Balance	18	14	2	2	932

APPENDIX 5

COMPARISON OF GENERAL OPERATING EXPENDITURES BY FUNCTION BY U15 UNIVERSITIES

The University of Manitoba ranks 14th in operating expenditures spent on administrative functions (rank 1st = most spent; rank 15th = least spent). This table provides a comparative summary of amounts spent on CAUBO-defined expense functions for U15 universities, as a percentage of total operating expenditures.

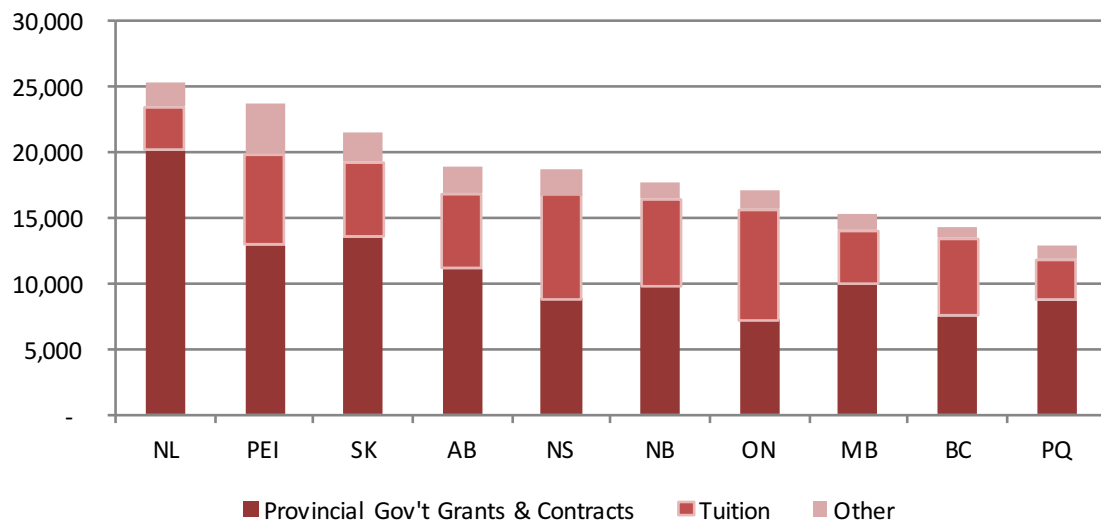
U15 University	Instruction and Non-Sponsored Research	Non-Credit Instruction	Library	Computing and Communications	Administration and Academic Support	Student Services	Physical Plant	External Relations	Total Functions
	%								
McGill University	51.5%	2.1%	5.3%	5.2%	13.5%	8.3%	11.1%	2.9%	100.0%
University of Calgary	51.9%	1.9%	3.7%	5.4%	12.7%	7.9%	15.8%	0.6%	100.0%
University of Alberta	58.1%	1.8%	4.2%	5.4%	11.3%	5.5%	10.9%	2.8%	100.0%
Queen's University	53.1%	3.5%	4.7%	3.8%	11.3%	10.8%	9.2%	3.6%	100.0%
University of Waterloo	54.1%	0.2%	3.4%	4.7%	10.3%	14.7%	9.4%	3.1%	100.0%
University of British Columbia	58.9%	1.6%	3.1%	5.6%	9.6%	7.4%	11.3%	2.6%	100.0%
University of Ottawa	57.2%	0.8%	4.0%	2.3%	9.5%	13.3%	11.0%	2.0%	100.0%
Université Laval	67.6%	1.6%	4.8%	2.6%	9.4%	4.8%	8.9%	0.3%	100.0%
Université de Montréal	62.9%	0.4%	4.7%	5.7%	8.8%	5.9%	10.2%	1.4%	100.0%
McMaster University	59.9%	7.7%	2.8%	2.8%	8.2%	7.9%	9.0%	1.7%	100.0%
University of Toronto	58.5%	2.9%	4.7%	2.0%	8.0%	12.4%	9.3%	2.3%	100.0%
University of Saskatchewan	60.9%	4.4%	4.8%	4.1%	7.8%	6.4%	10.1%	1.6%	100.0%
Dalhousie University	59.1%	2.3%	3.8%	3.5%	6.9%	11.1%	11.0%	2.3%	100.0%
University of Manitoba	60.6%	2.9%	5.2%	5.3%	6.4%	8.0%	9.4%	2.2%	100.0%
University of Western Ontario	63.3%	3.0%	4.1%	1.8%	5.6%	11.2%	8.7%	2.3%	100.0%

Source: 2013/14 CAUBO Report – Financial Information of Canadian Universities and Colleges

APPENDIX 6

OPERATING INCOME PER ENROLMENT BY PROVINCE: 2012/13

Manitoba is third lowest in the country when comparing general operating income per FTE student enrolment. Manitoba's low ranking is mainly attributed to both lower provincial operating grant funding compared to the other provinces and to years of a provincially imposed tuition freeze, which the Province has since lifted. Based on recent legislation, tuition is now permitted to increase based on the provincial version of the consumer price index (CPI). While this is positive, the university continues to actively advocate for additional funding.

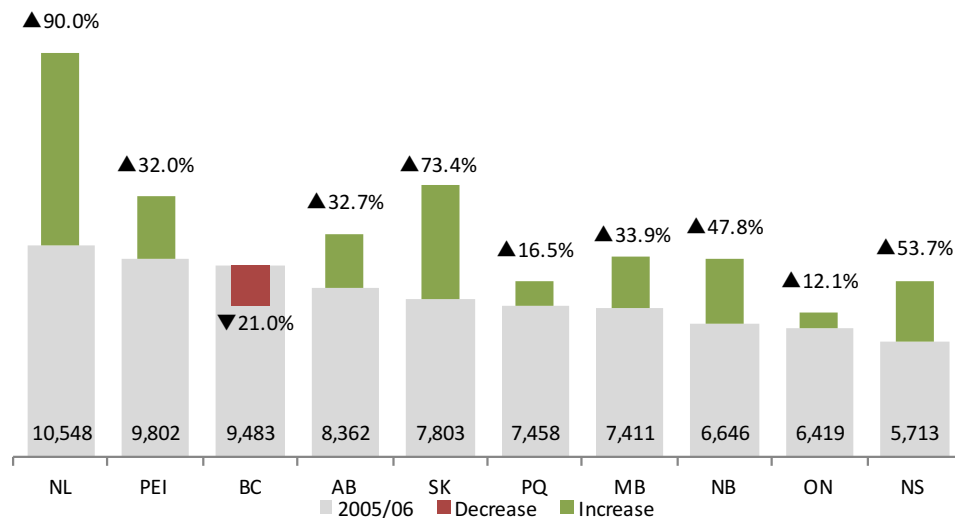


Source: Financial Data Source: CAUBO reports, Financial Information of Canadian Universities and Colleges, 2012/2013. Enrolment Data Statistics Canada, University Enrolment by Province 2012/2013.

APPENDIX 7

PERCENTAGE CHANGE IN PROVINCIAL GOVERNMENT FUNDING PER STUDENT ENROLMENT: 2005/06 TO 2012/13

The graph below indicates that provincial government funding per FTE student enrolment increased by 33.9 per cent between 2005/06 and 2012/13. Although funding from the provincial government in the form of the operating grant has been growing, increasing by 15 per cent over the last four years, Manitoba's funding is fourth lowest in comparison to the other provinces.



Source: Financial Data Source: CAUBO reports, Financial Information of Universities and Colleges, 2012/2013. Enrolment Data Statistics Canada, University Enrolment by Province 2012/2013.

APPENDIX 8

AVERAGE UNDERGRADUATE UNIVERSITY TUITION BY PROVINCE: 2001/02 TO 2015/16

The table shows the percentage of change in undergraduate tuition revenue for western provinces from 2001/02 to 2015/16. Based on 2014/15 tuition rates, the University of Manitoba would generate an additional \$44 million in operating revenues if it charged the same tuition rates as the University of Saskatchewan.

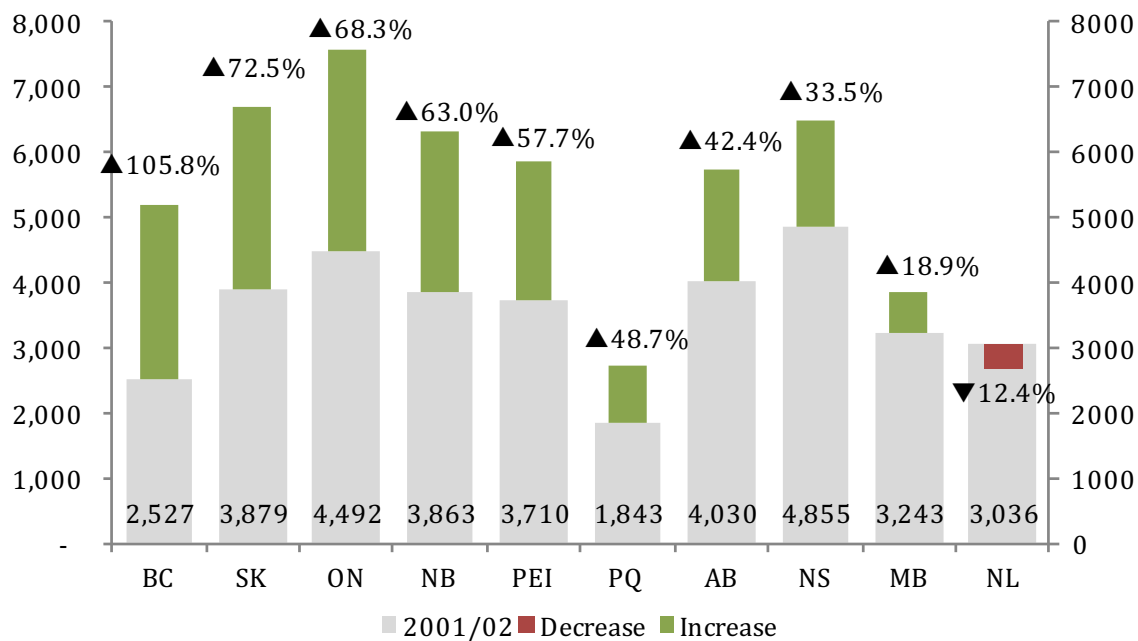
Province	Current Dollars			% Change	
	2001/02	2014/15	2015-16 ^p	2001/02 to 2015/16	2014/15 to 2015/16
Canada	3,577	5,998	6,191	73.1%	3.2%
British Columbia	2,527	5,201	5,305	109.9%	2.0%
Saskatchewan	3,879	6,693	6,885	77.5%	2.9%
Alberta	4,030	5,738	5,738	42.4%	0.0%
Manitoba	3,243	3,857	3,930	21.2%	1.9%

Source: Statistics Canada, *The Daily*, September 9, 2015 and *September 1, 2006, p preliminary

APPENDIX 9

AVERAGE UNDERGRADUATE TUITION FEE INCREASES: 2001/02 TO 2014/15

According to the graph below, between 2001/02 and 2014/15, Manitoba had the second lowest increase in tuition fees across Canada — second last only to Newfoundland, which realized a 12.4 per cent decrease.



Source: Statics Canada *The Daily*, Sep.9, 2015 and Sept.1, 2006.

APPENDIX 10

NET EXPENDITURES PER FFTE STUDENT BY FACULTY: 2010/11 TO 2014/15

The table below summarizes the net expenditures per full time equivalent student by faculty over a five-year period. According to these figures, net costs per full-time-equivalent student are significantly higher when delivering professional programs.

Faculty	2010-2011	2011-2012	2012-2013	2013-2014	2014-2015
Agricultural & Food Sciences ¹	23,997	25,435	24,689	22,810	16,525
Architecture	11,505	11,384	12,425	13,879	13,753
Art, School of	11,251	12,304	13,072	14,018	12,879
Arts	6,691	6,765	6,933	7,318	7,320
Business, Asper School of	11,160	12,173	11,832	11,314	11,454
Education	9,704	10,404	10,166	10,329	10,801
Engineering	15,345	14,603	13,891	13,609	13,646
Environment, Earth, and Resources, Clayton H. Riddell - Faculty of	11,063	11,134	12,510	12,675	12,858
Health Sciences, Faculty of ²					
Dentistry	71,459	74,266	77,617	81,310	88,298
Medicine	68,734	76,107	78,680	88,139	88,324
Nursing	12,304	12,568	14,006	14,235	13,835
Pharmacy	20,778	20,730	24,176	24,711	26,955
Rehabilitation Sciences ³	22,113	28,319	22,667	23,184	22,128
Human Ecology ¹	7,424	6,619	6,480	6,074	2,224
Kinesiology and Recreation Management	7,360	7,302	7,788	8,496	8,435
Law	13,808	14,989	15,196	15,094	16,675
Music, Marcel A. Desautels	23,600	24,168	25,104	24,664	25,387
Science	6,692	6,722	6,593	6,734	7,115
Social Work	13,488	13,852	13,439	14,452	14,920
University Average	14,255	14,760	15,230	15,761	15,865

1. Effective Fall 2014, the Department of Human Nutritional Sciences moved from the Faculty of Human Ecology to the Faculty of Agricultural and Food Sciences.
2. Effective November 2014, the Faculties of Dentistry, Medicine, Nursing, and Pharmacy became Colleges in the Faculty of Health Sciences. The College of Rehabilitation Sciences (formerly, the School of Medical Rehabilitation) and the School of Dental Hygiene also became part of the new faculty.
3. The Bachelor of Medical rehabilitation (Physical Therapy) has transitioned to a Master's program. The Master's of Physical Therapy program had its first intake in Fall Term 2012.

APPENDIX 11

NET EXPENDITURES (1) BY FFTE STUDENT (2) BY FACULTY: INDEXED TO 2010/11

The table below demonstrates the cost increase for program delivery in most faculties — attributable in part to accreditation requirements, increased experiential program components and technological improvements.

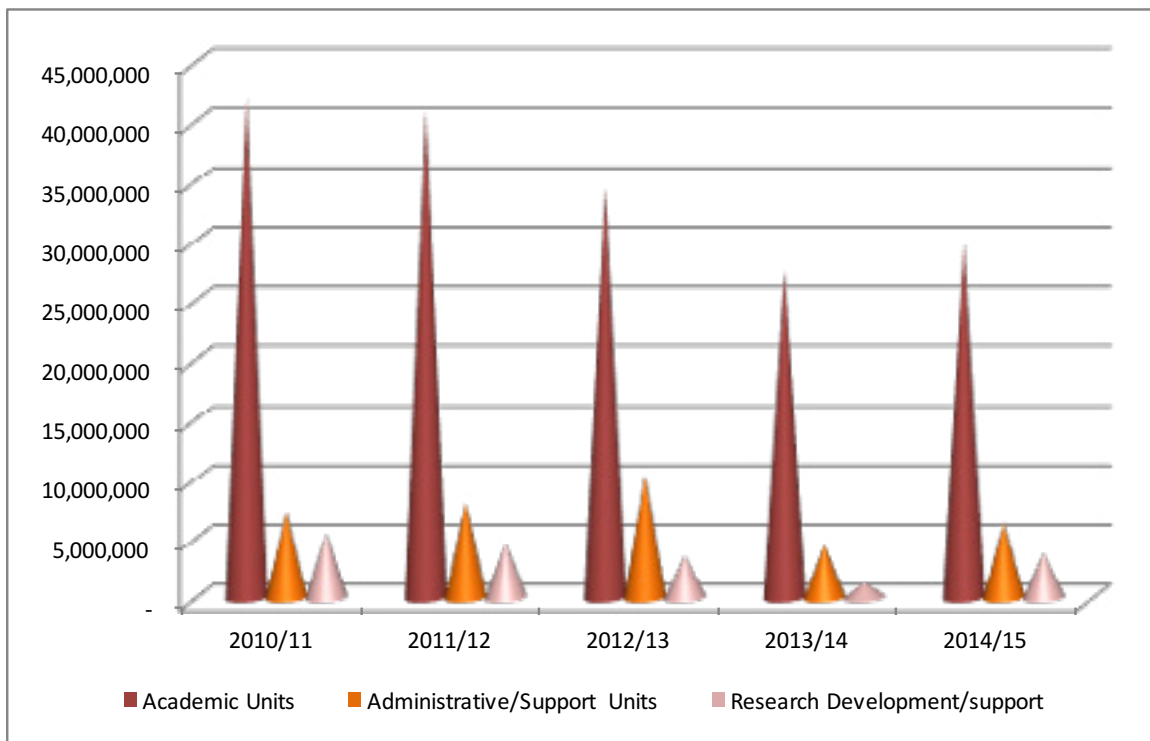
Faculty	2010-2011	2011-2012	2012-2013	2013-2014	2014-2015
Agricultural & Food Sciences ³	100	106	103	95	69
Architecture	100	99	108	121	120
Art, School of	100	109	116	125	114
Arts	100	101	104	109	109
Business, Asper School of	100	109	106	101	103
Education	100	107	105	106	111
Engineering	100	95	91	89	89
Environment, Earth, and Resources, Clayton H. Riddell - Faculty of	100	101	113	115	116
Health Sciences, Faculty of ⁴					
Dentistry	100	104	109	114	124
Medicine	100	111	114	128	129
Nursing	100	102	114	116	112
Pharmacy	100	100	116	119	130
Rehabilitation Sciences ⁵	100	128	103	105	100
Human Ecology ³	100	89	87	82	30
Kinesiology and Recreation Management	100	99	106	115	115
Law	100	109	110	109	121
Music, Marcel A. Desautels	100	102	106	105	108
Science	100	100	99	101	106
Social Work	100	103	100	107	111
University Average	100	104	107	111	111

1. Net Expenditures were taken from the Argos Actuals - March 31 Annual Financial Reports.
2. Fiscal Full-Time Equivalent (FFTE) Student contains both undergraduate and graduate students.
The undergraduate FFTE is calculated by dividing the number of undergraduate credit hours that are taught per faculty by a standard load of 30 credit hours. Four exceptions to this rule include the student counts used in the School of Dental Hygiene, the College of Dentistry, the College of Medicine and the College of Rehabilitation Sciences. In these four cases the Undergraduate Standard Student count is used in lieu of credit hour. The graduate student FFTE is taken from the Graduate Standard Student count.
3. Effective Fall 2014, the Department of Human Nutritional Sciences moved from the Faculty of Human Ecology to the Faculty of Agricultural and Food Sciences.
4. Effective November 2014, the Faculties of Dentistry, Medicine, Nursing, and Pharmacy became Colleges in the Faculty of Health Sciences. The College of Rehabilitation Sciences (formerly, the School of Medical Rehabilitation) and the School of Dental Hygiene also became part of the new faculty.
5. The Bachelor of Medical rehabilitation (Physical Therapy) has transitioned to a Master's program. The Master's of Physical Therapy program had its first intake in Fall Term 2012.

APPENDIX 12

CARRYOVER BY MAJOR FUNCTION: 2010/11 TO 2014/15

The graph below illustrates carryover allocations by major function over a five-year period. The total carryover of \$39.6 million in 2014/15 includes \$29.7 million allocated to academic units, \$6.2 million allocated to administrative/support units and \$3.7 million allocated to research development/support.



APPENDIX 13

CARRYOVER ALLOCATION FUNDING CATEGORY: 5 YEAR SUMMARY

The table below details carryover of operating funds for the past five years by funding purpose from 2010/11 to 2014/15. The report includes examples of the specific purposes for which the funds are designated.

Carryover Category	Category Description	2010-11	2011-12	2012-13	2013-14	2014-15
General Operating Allocation	Operating Expenses funded by primary revenue sources: tuition, EAL grant, and investment income.	5,604,445	5,279,673	92,526	12,982	4,196,461
Tuition & Target Tuition	Tuition revenues over budget - for Extended Education only as per fee-sharing arrangement. Target Tuition Funded by tuition revenue in support of specific academic programs or cohorts for which a tuition fee sharing agreement is in place.	1,851,483	2,478,185	3,333,537	3,308,152	5,270,382
Physical Plant GU Projects	Projects taken on by Physical Plant that typically impact the overall University Community that are funded by Operating. Projects funded from insurance claims are run through this predecessor.	(92,383)	285,804	883,707	212,158	(29,779)
Targeted Other Federal Projects	Federal funding allocations for targeted purposes. Examples include Physicians Assistant Program (Education), Centre for Community Oral Health (Dentistry), Aerospace Program (Graduate Studies), Dept. of Justice Francais Program (Law).	606,351	448,039	321,911	305,614	143,950
Targeted Provincial Projects	Provincial Funding allocations for targeted purposes. Examples include (1) Funding from Manitoba Health for Undergraduate Medical Education, Oral Systemic Health, Medicine Professionalism, Patient Referral System, Oral Pathology and funding from Regional Health Authorities for Clinical Health Psychology, Pediatric Dentistry and Healthy Child Manitoba.	5,348,661	3,477,961	563,131	1,149,484	1,385,118
Targeted Industry Projects	Funding from industry for operating support. Examples include pharmaceutical companies and the University Medical Group.	46,865	33,025	153,414	107,979	192,583
Targeted ACCESS	Funding provided by EAL for ACCESS to education. Examples include ongoing Funding in support of student in Engineering, Nursing, Extended Education (Special Pre-Medical Studies Program, Professional Health Program), Social Work, (Northern Bachelor & Inner-City Social Work Programs).	1,833,566	1,786,019	1,788,695	1,910,829	2,219,139
Targeted Misc Fnds Assoc's Grants	Funding from miscellaneous foundations for operating support. Examples include funding from Associated Hospital Dentists for Dental Diagnostic/Surgical Science and from the City of Winnipeg for the Aboriginal Mentor Program.	499,370	565,273	620,457	1,316,382	1,998,580

Continued next page

APPENDIX 13 – CONTINUED

CARRYOVER ALLOCATION FUNDING CATEGORY: 5 YEAR SUMMARY

Carryover Category	Category Description	2010-11	2011-12	2012-13	2013-14	2014-15
Targeted Projects	Single or multi-year allocations provided by EAL for specific projects. Examples include funding in support of: "Manitoba Institute for Policy Research" (Arts), "Bridge to Professional Accounting Program" (I.H. Asper School of Business), "Bachelor of Medical Rehabilitation" Program (Med. Rehab), "Physician Manager Institute" (Medicine), and the "Nurse Practitioner Rural Expansion" (Nursing).	788,906	727,269	672,800	1,824,280	2,006,627
Income Funded Projects	Internal and External revenue generated by faculties and administrative units through the sale of goods or services. Examples include Bison Sport and Active Living, Community Health Sciences, Patents & Licensing, Plant Science seed royalty, Dentistry undergraduate, orthodontic, & periodontic clinic income, University of Manitoba Press, other income & fees (analysis, consulting, fundraising, maintenance, professional, rentals).	11,818,222	11,015,817	1,512,213	(328,157)	1,324,520
Student Funded Events/Projects	Funded by revenues received from students for projects or activities such as student group travel and events and includes ensembles (Music), English Language Centre homestay program, and Schools on Board (Environment).	514,942	610,548	509,714	478,708	472,025
Conferences	Funded by revenues received from non-UM students in support of conference or workshop activities.	104,284	140,538	50,783	178,080	457,288
Cost Recovery	Internal & external recovery of operating expenses. Examples include recovery of salary costs for external services rendered, equipment use (i.e. photocopiers, supplies), etc.	721,723	538,858	477,188	176,591	240,822
Technical Service Fees-Laboratories	Funded by revenues received by internal & external customers for consulting, testing or use of research equipment and/or facilities in accordance with the Institutional costs of Research: Recovery and Distribution Policy.	1,844,004	1,806,266	1,625,508	1,825,938	1,480,397
Referendum Surcharge Student Fees	Funded by tuition revenues that are designated by students through a referendum for targeted Faculty operating expenditures. Typically these expenditures are of direct benefit to the student.	605,826	422,944	1,398,542	515,679	710,317
Start Up Research	Funding provided to new academics to assist them with starting a research program. New research start-up allocations are transferred to the research fund and have tighter rules.	4,888,550	5,513,882	4,276,710	526,125	1,787,691

Continued next page

APPENDIX 13 – CONTINUED

CARRYOVER ALLOCATION FUNDING CATEGORY: 5 YEAR SUMMARY

Carryover Category	Category Description	2010-11	2011-12	2012-13	2013-14	2014-15
Overhead	Transfers in from Research to cover overhead costs incurred as a result of conducting research related activities.	3,549,549	3,012,767	2,894,996	2,825,709	2,372,758
Transfers from Trust and Endowment	Operating expenses funded from Trust and Endowment. Examples include: Chair Support - Agriculture, Arts, Medicine, Libraries - Archives, Acquisitions, Collections, Neil John Maclean Health Sciences Library, Other endowments - Agriculture, Arts, Asper, Dentistry, Engineering, Kinesiology, Medicine, Music, School of Art, Science, Social Work, Treasury Services, Faculty endowments - Agriculture, Architecture, Arts, Asper, Dentistry, Environment, Education, Engineering, Law, Medicine, Nursing, Pharmacy, Science, Social Work, Professorships - Arts, Asper, Medicine, Student Support - Agriculture, Asper, Dentistry, Law, Medicine, Science, Social Work.	3,287,010	3,775,185	4,187,257	2,859,174	1,740,568
Other Allocations & Projects	Funding provided from primary revenue sources for special projects finite in nature. Examples include academic and staff development (Law), the Outstanding Workplace Initiative (Human Resources), and faculty recruitment.	553,098	384,171	359,761	53,956	251,004
Research Matching Funds	Operating funds that are set aside as matching funds for research projects. For example the Canada Foundation for Innovation.	33,582	248,453	78,488	21,600	48,166
Other Alloc /Proj-Spec Arrangements	Funding provided from primary revenue sources for special projects that bridge multiple fiscal years and where prior year-end surplus funds will be required in future years. Examples include the Visionary Regeneration plan (Campus Planning office), the Bannatyne Campus Space Master plan and the Fort Garry Campus Space Master plan.	2,045,998	1,807,225	3,123,544	4,466,399	3,879,873
Carryover	Funded by approved carry-over allocation (prior year surplus) in support of specific projects or purposes.	-	-	10,727,337	2,419,539	379,758
VP Academic - Project Allocations	Funding allocations provided by VP (Academic) operating budget for academic competitions including Academic Enhancement Awards and the International Academic Program Development Fund.	864,733	962,822	966,955	1,054,600	1,300,091

Continued next page

APPENDIX 13 – CONTINUED

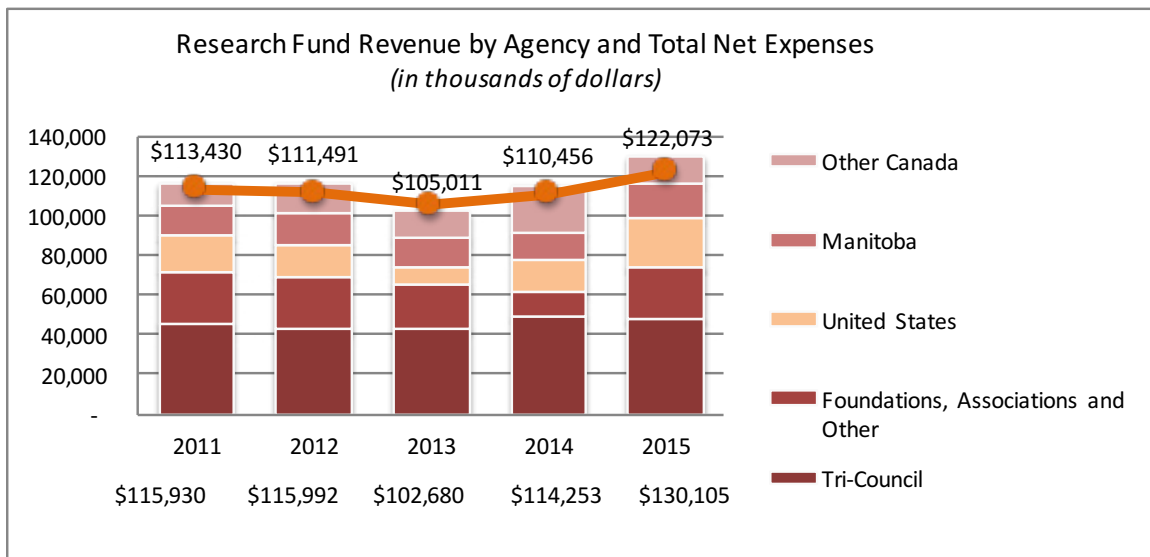
CARRYOVER ALLOCATION FUNDING CATEGORY: 5 YEAR SUMMARY

Carryover Category	Category Description	2010-11	2011-12	2012-13	2013-14	2014-15
Pooled & Individual Travel & Exp	Funding provided from primary revenue sources to UMFA members for the purpose of subsidizing travel to attend meetings of academic or professional groups, as mandated by UMFA collective bargaining. Funds to be made available over the course of the academic year.	2,717,249	2,851,229	3,154,320	2,693,959	2,886,080
Gifts for Operating	Donations provided in support of operations. Examples include fundraising for Aboriginal Business Education, Pattison Foundation (Asper), and the WISH Clinic (Community Health Sciences).	1,569,448	1,751,560	1,779,685	1,496,040	1,672,892
Operating Research Grants	Operating funding that supports the University's internal research grant program. \$2.2 million is administered by the Vice-President (Research) & International office.	2,658,583	3,221,058	2,385,353	1,607,015	1,117,330
Operating Research Development	Research Development Fund - administered by the Vice-President (Research) & International office.	300,245	305,911	295,872	173,688	154,343
Total Carryover		54,564,310	53,450,481	48,234,403	33,192,500	39,658,984

APPENDIX 14

CHANGE IN RESEARCH FUND REVENUE: 2011 TO 2015

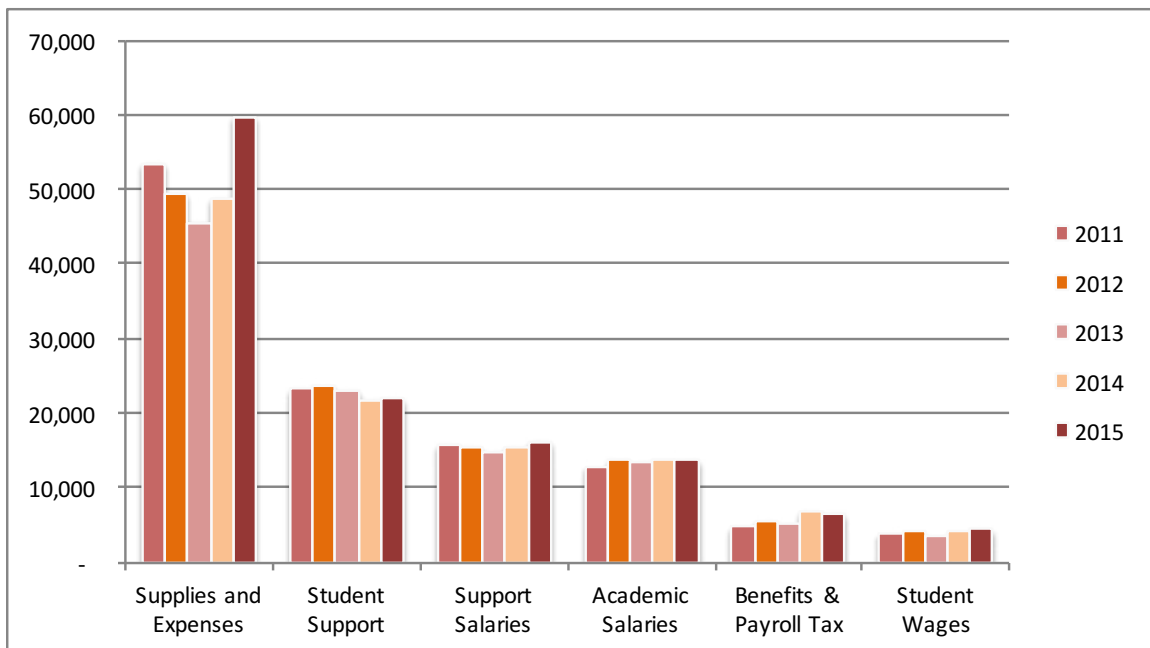
The graph below shows the change in research revenues (excluding special funds) over the five-year period by source, relative to total net expenses incurred.



APPENDIX 15

RESEARCH FUND EXPENSES BY PURPOSE: 2011 TO 2015 (net, in thousands of dollars)

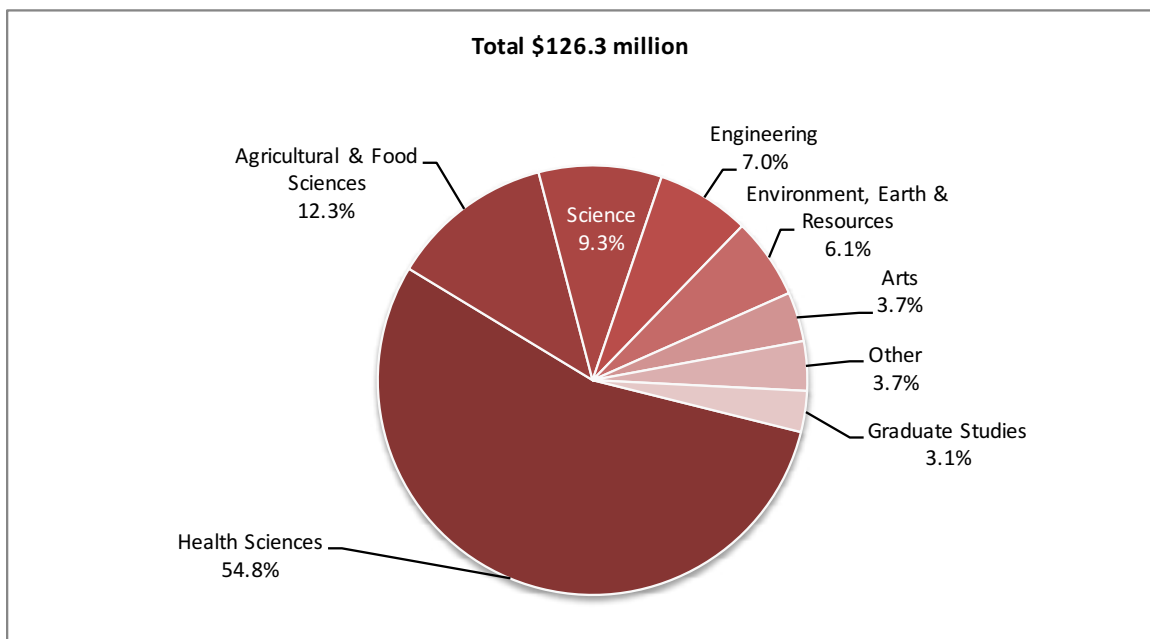
The graph below details the purpose for which research revenues were spent over a five-year period.



APPENDIX 16

RESEARCH EXPENSES BY FACULTY/SUPPORT UNITS: 2014/15

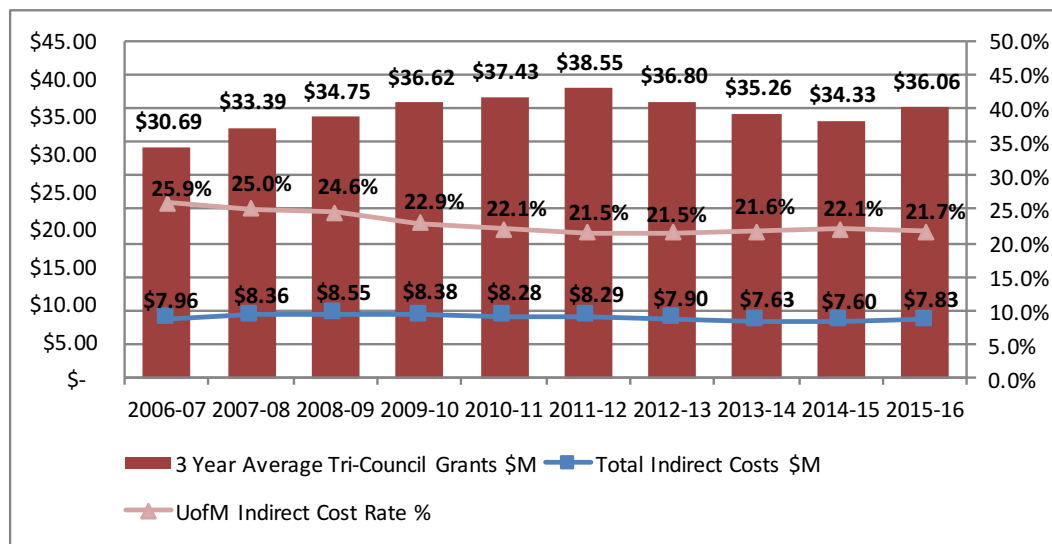
As shown in the pie chart below, of the total net research expenses of \$126.3 million in 2014/15, investment was highest in the Faculty of Health Sciences at 54.8 per cent, followed by the faculties of Agricultural and Food Sciences at 12.3 per cent, Science at 9.3 per cent, Engineering at 7.0 per cent and Environment, Earth and Resources at 6.1 per cent.



APPENDIX 17

RATE OF FEDERAL GOVERNMENT GRANTS TO UNIVERSITY OF MANITOBA VS. RESEARCH SUPPORT FUNDS: 2006/07 TO 2015/16 (in millions of dollars)

This graph compares federal research grants to the management costs covered by the Research Support Funds (RSF), formerly referred to as Indirect Cost of Research.



Source: Research Support Funds (formerly Indirect Cost of Research) Calculations website.

The Research Support Fund (RSF) assists the University of Manitoba and the affiliated institutions with the expenses associated in managing research funded by the three federal research granting agencies: the Canadian Institutes of Health Research (CIHR); the Natural Sciences and Engineering Research Council (NSERC); and the Social Sciences and Humanities Research Council (SSHRC).

To strengthen the research capacity of post-secondary institutions, the Federal Government Economic Action Plan 2015 proposes to provide an additional \$9 million per year in 2016/17 to the RSF's national amount. The University of Manitoba's estimated 2.2 per cent share would be \$206,000.

UNIVERSITY OF MANITOBA AFFILIATED INSTITUTIONS

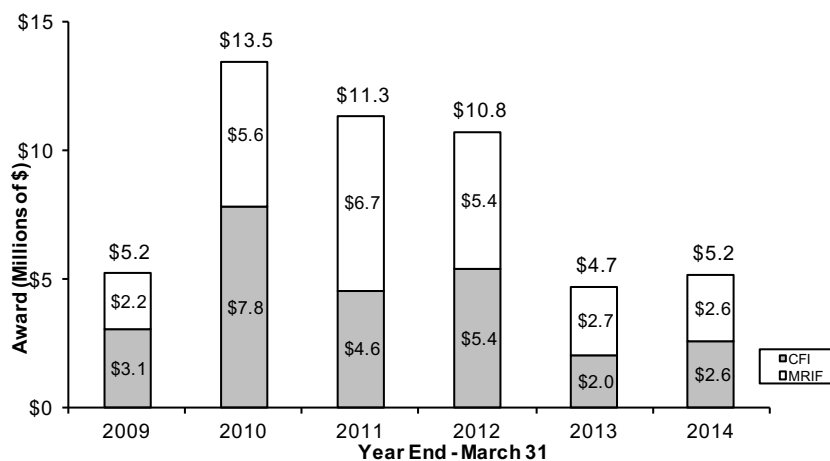
The integration with the University of Manitoba and affiliated institutions establishes the basic principles and objectives of an affiliation regarding the administration, regulation and accountability of research carried out by various groups of individuals with university appointments, and by others associated with the university, including students.

Additional information about the Research Support Funds can be found at http://umanitoba.ca/research/research_indirect_costs.html under the Grant Application Acknowledgement, Objectives and Target Outcomes document.

APPENDIX 18

CANADA FOUNDATION FOR INNOVATION AND MANITOBA RESEARCH AND INNOVATION FUND AWARDS: 2009 TO 2014

Each bar in this graph represents the total annual awards from the Canada Foundation for Innovation (CFI) and the matching amount provided by the Manitoba Research and Innovation Fund (MRIF), as well as MRIF support to other non-CFI funded areas of research. The values do not include the 20 per cent matching funds that the University of Manitoba is required to contribute.



Source: Annual Financial Report - See Schedule 'Changes to Capital Asset Fund'. These are revenues received as at March 31 for each year.

Note: Totals at the top of bars are correct. Summing each component within each bar (CFI and MRIF) may result in a rounding error of .1.

CFI's purpose is to build Canada's capacity to undertake world-class research and technology by funding state-of-the-art equipment, laboratories, databases, specimens, scientific collections, computer hardware and software, communications linkages and buildings. The CFI funds up to 40 per cent of a project's research infrastructure costs. The funding is leveraged to attract the remaining investment from partners in the public, private and non-profit sectors.

The CFI has established a rigorous, competitive and independent merit-review process that rewards excellence. Eligible Canadian institutions apply to the CFI through a suite of funds, and all applications are assessed using three broad criteria: quality of the research and its need for infrastructure; contribution to strengthening the capacity for innovation; and potential benefits of the research to Canada.

APPENDIX 19

BACKGROUND ON CANADA RESEARCH CHAIRS PROGRAM (CRCP)

In 2000, the Government of Canada created a permanent program to establish 2,000 research professorships — the Canada Research Chairs — in eligible degree-granting institutions across the country.

The CRCP invests approximately \$265 million per year to attract and retain some of the world's most accomplished and promising minds. It is committed to excellence in research and research training and to ensuring equal access to opportunities for all qualified candidates.

Chairholders aim to achieve research excellence in engineering and the natural sciences, health sciences, humanities and social sciences. They improve our depth of knowledge and quality of life, strengthen Canada's international competitiveness and help train the next generation of highly skilled people through student supervision, teaching and the coordination of other researchers' work.

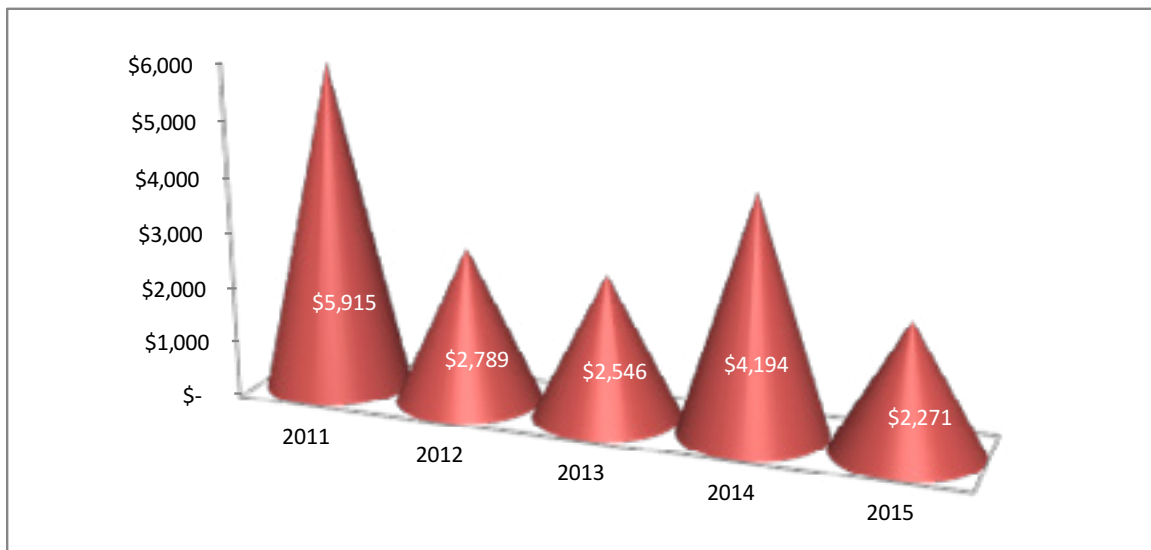
The University of Manitoba currently holds 40 Canada Research Chairs.

APPENDIX 20

SPECIAL FUNDS NET REVENUES: 2011 TO 2015 (in thousands of dollars)

The university's Special Funds are non-research related contracts, the majority of which are directed to Community Health Sciences and post-graduate medical education. The graph below illustrates the change in Special Fund net revenues (revenues less expenditures) over a five-year period.

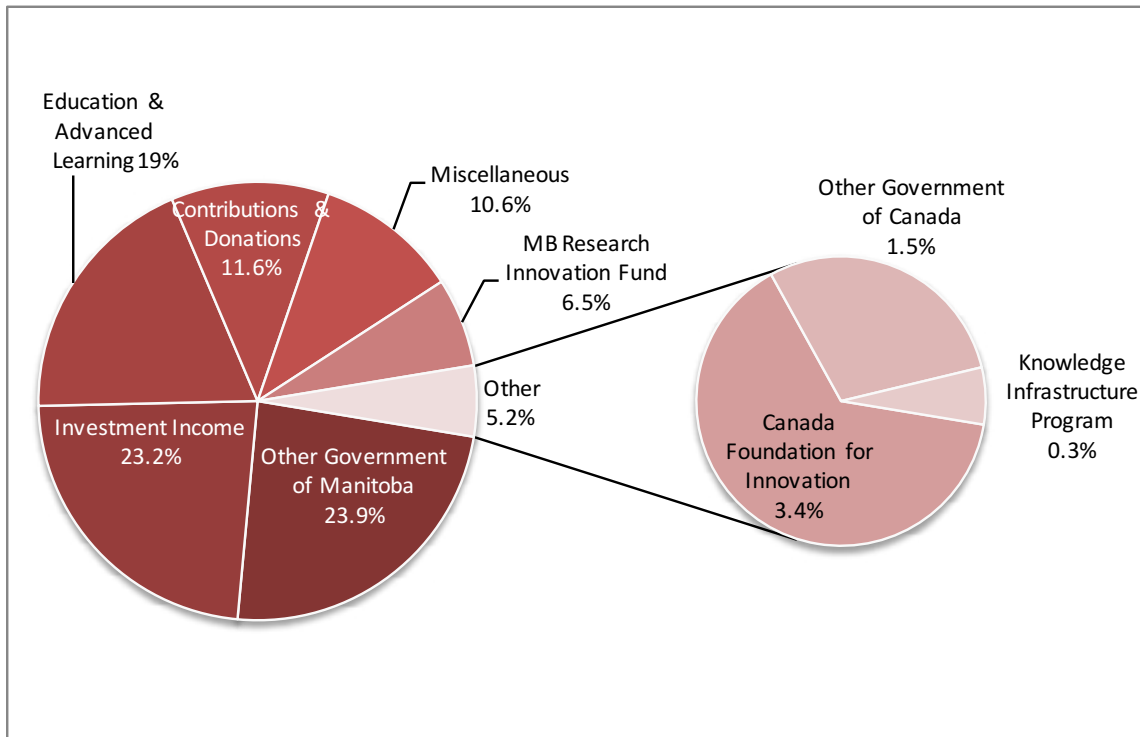
The main source of Special Funds revenue is the Government of Manitoba, which in 2014/15 provided 45.9 per cent of total revenue. Foundations, associations and other sources provided 40.1 per cent of total revenue. Federal government revenue was 14.0 per cent of the total.



APPENDIX 21

CAPITAL ASSET FUND REVENUE BY SOURCE: 2014/15

This chart below shows the sources of the University of Manitoba's \$37.6 million in capital asset contributions for 2014/15.



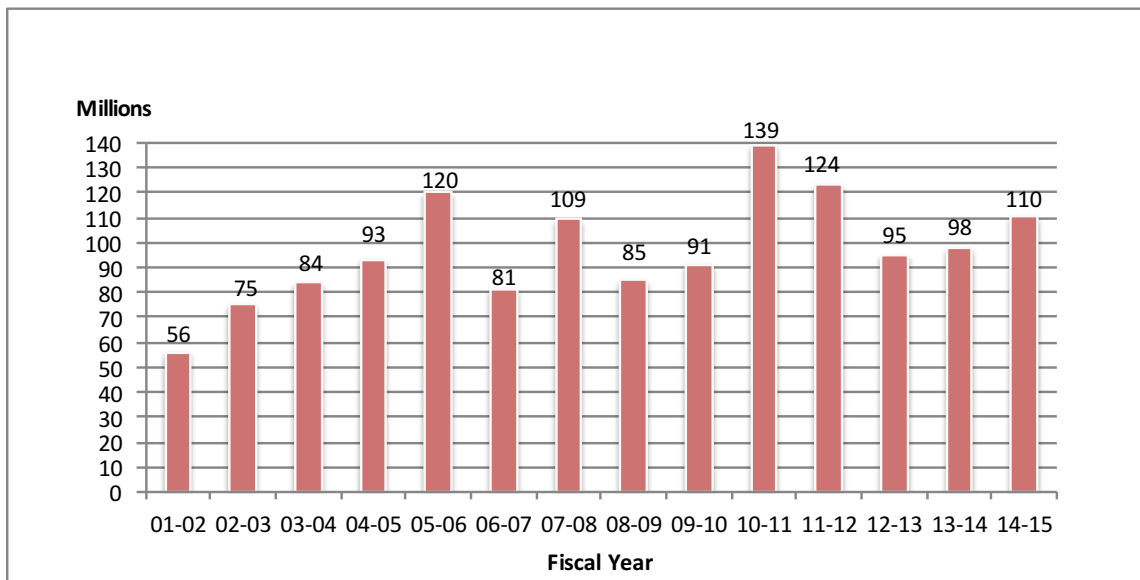
APPENDIX 22

CAPITAL ACQUISITIONS: 2001/02 TO 2014/15

The table below shows capital expenditures from 2001/02 to 2014/15. The significant level of acquisitions is largely a result of the success of the Building on Strengths capital campaign, increased provincial infrastructure grants, debt financing and federal grants, such as the Knowledge Infrastructure Program and Canada Foundation for Innovation.

Preserving the existing and newly acquired assets and infrastructure has become increasingly difficult, considering the limited resources historically earmarked for maintenance.

The table excludes debt servicing costs.



APPENDIX 23

DEFERRED MAINTENANCE (INFRASTRUCTURE RENEWAL) PROJECTS (in millions of dollars)

High Priority Deferred Maintenance Projects	2016 Cost Estimate *	2015 Cost Estimate **
Asbestos/Mold Remediation	41.20	40.00
Dairy Art Barn Studio Upgrades	0.98	0.95
Medical Rehabilitation Window Replacement	1.75	1.70
Dairy Science Window Replacement	0.59	0.58
University College Entry Plazas-Precast Cladding, Steps and Ramps	0.59	0.52
Education Building I, II & III Selective Window Replacement and Repairs	2.58	2.50
Accessibility/Elevator Upgrades	27.81	27.00
Animal Science Precast Sills Replacement	0.38	0.36
Roofs	20.60	20.00
Building Envelope	19.26	18.70
Window Replacement	20.03	19.45
Building Foundations/Basement Upgrades to Structural Slab Floors	4.45	4.33
Road Repairs and Restorations and Walkway Repairs	20.27	19.68
Sewer System Upgrades and Backflow Prevention Devices	5.15	8.60
Parkades	1.38	1.33
Residences – Roof Replacement	0.26	0.25
Fire Safety Non Compliance/Central Monitoring Upgrades	27.60	26.80
BMSB Asbestos Encapsulation/Sprinkler Installation Phase II	11.85	11.50
Education Asbestos Removal & Sprinkler Installation	12.77	12.40
Allen Building Ventilation/Sprinkler/Ceiling & Code Compliance Upgrades, Ph I	10.30	10.00
Asbestos Cement Water Line Replacement, Ph II	6.28	6.10
Electrical Distribution Upgrades	4.27	7.45
Heating, Ventilation and Air Conditioning	47.28	45.90
Galvanized, Reverse Osmosis, Drain, and Vent Pipe Replacement	14.11	13.70
Safety - Campus Security, Security Cameras, Code Blue Stations, Exterior Lighting	8.09	8.10
Fumehood Exhaust Fan Upgrades	2.19	2.13
Environmental Controls Replacement	1.83	2.07
Bannatyne Campus- Masonary Upgrades	0.98	0.00
Bannatyne Campus - Sewer/Drainage Upgrades	2.06	0.00
Human Ecology Washroom Upgrade	0.67	0.00
Energy Management Projects	0.52	0.00
Total \$M	318.08	312.10

*Estimates provided in 2016 dollars

** Estimates provided in 2015 dollars

APPENDIX 24

MAJOR CAPITAL PROJECTS (in millions of dollars)

Project Description	Major Capital Project Category	Total Cost Estimate *
Classroom Optimization and Reconfiguration (resulting from ECS study - multi-phased)	Renovation, Adaptive Re-use or Replacement	33.00
Laboratory Optimization and Reconfiguration (resulting from ECS study - multi-phased)	Renovation, Adaptive Re-use or Replacement	90.00
Repurposing of Helen Glass	Renovation, Adaptive Re-use or Replacement	4.00
Sandbox Demonstration Project	Renovation, Adaptive Re-use or Replacement	6.00
Enhancement for Universal Design and Access	Renovation, Adaptive Re-use or Replacement	4.00
FitzGerald Bldg and Annex Renovation	Renovation, Adaptive Re-use or Replacement	14.00
Bannatyne - New Green Space (former T Bldg site) and Interior Circulation Renovations	Renovation, Adaptive Re-use or Replacement	11.00
Library Renovations	Renovation, Adaptive Re-use or Replacement	12.00
BMSB Gross Anatomy Renovation, half of BSMB L000 and half of L100 – short term (2-5 years)	Renovation, Adaptive Re-use or Replacement	10.00
BMSB Gross Anatomy Expansion, BMSB 400 and part of Brodie 400 – long term (8-10 years, following new Interprofessional & Nursing Bldg)	Renovation, Adaptive Re-use or Replacement	21.00
BMSB Vivarium Expansion – BMSB 000 and ½ L100 (existing space and areas vacated by Anatomy) – long term (8-10 years, following new Interprofessional & Nursing Bldg)	Renovation, Adaptive Re-use or Replacement	40.00
Music Building Renovation	Renovation, Adaptive Re-use or Replacement	18.00
Wayfinding, Fort Garry Campus	Renovation, Adaptive Re-use or Replacement	7.00
Palace Theatre	Renovation, Adaptive Re-use or Replacement	5.00
Oil Spill Sea Ice Research Lab (Churchill, MB)	New Construction	14.60
Bannatyne Academic Building - Nursing, Bannatyne Campus (includes Parkade Expansion)*	New Construction	165.00
Engineering Design Centre	New Construction	47.00
Taché Arts Project Phase 1 – Rehearsal	New Construction	43.00
National Research Centre – Truth and Reconciliation Archives – Archives and Administration, Bldg 1	New Construction	22.00
National Research Centre – Truth and Reconciliation Archives – Commemorative and Exhibition, Bldg 2	New Construction	22.00
National Research Centre – Truth and Reconciliation Archives – Education and Outreach, Bldg 3	New Construction	17.00
Taché Arts Project Phase 2 – Concert Hall	New Construction	31.00
Campus Daycare	New Construction	4.25
Fort Garry Student Residence	New Construction	50.00
IT Data Centre	New Construction	44.00
Bannatyne Student Services, Student Life, 200 Bed Student Residence	New Construction	43.00
Smartpark Incubator	New Construction	24.00
Plant Genomics Institute	New Construction	30.00
UM Admin and IT Office Complex	New Construction	42.00
Expansion of Richardson Centre for Functional Foods and Nutraceuticals to incorporate new RCSC and upgrades	New Construction	54.00
Total \$M		927.85

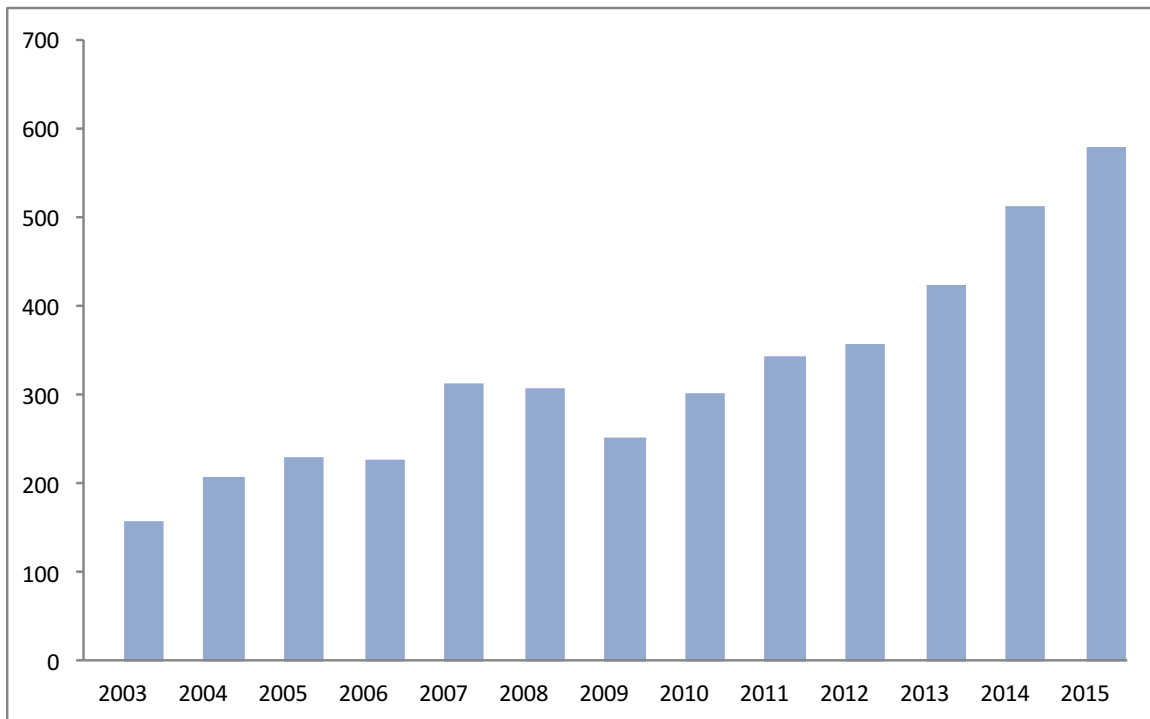
*Estimates provided in 2016 dollars

*The costing information provided is a class D estimate prepared by the University of Manitoba's Physical Plant with input from cost consulting firm Hanscomb Ltd. The University has worked with Hanscomb on numerous significant projects and have benefited from their experience of almost 60 years.

APPENDIX 25

UNIVERSITY INVESTMENT TRUST MARKET VALUES: 2003 TO 2015 (in millions of dollars)

The graph below illustrates the growth of the University Investment Trust (UIT). In 2015, the UIT was the seventh largest endowment fund among Canadian universities. The one-year rate of return to the end of March 2015 was 13.6 per cent. The value of all trust and endowment funds as at March 31, 2015 was \$632 million, with \$577 million held within the UIT and a further \$55 million invested in specific trusts.



APPENDIX 26

SELECTED STATISTICS

Academic Year	2010	2011	2012	2013	2014
Fall Term Enrolment					
Total Students ¹	27,751	28,430	29,181	29,759	29,657
Undergraduate Students	23,929	24,347	24,996	25,363	25,298
Graduate Students	3,333	3,501	3,580	3,748	3,719
Post-Graduate Medical Education Students	489	582	605	648	640
Summer Enrolment	10,121	10,157	10,469	11,070	11,267
Total Enrolment (All Terms Combined)	37,872	38,587	39,650	40,829	40,924
Total Full-Time Equivalent Students ²	26,943	27,581	28,336	29,172	29,254
International Students	2,354	2,738	3,266	3,869	4,464
Canadian Indigenous Students ³	1,912	2,021	2,084	2,140	2,168
Undergraduate Student Credit Hours ⁴	515,393	519,005	533,137	531,619	528,044
Degrees, Diplomas, Certificates Conferred	4,898	4,918	4,860	5,106	5,088
Fiscal Year	2010/11	2011/12	2012/13	2013/14	2014/15
Total Academic Staff – Full Time Equivalents (FTE) ⁵	1,888	1,988	2,080	2,067	2,169
Total Support Staff – Full Time Equivalents (FTE)	2,280	2,303	2,322	2,326	2,344
Grand Total FTE (Paid from Operating Funds)	4,168	4,291	4,402	4,393	4,513

Source: Office of Institutional Analysis, University of Manitoba

Notes:

1. Includes B.Sc. (Dentistry), B.Sc. (Medicine) and Joint Master's Program students.
2. Full-time equivalent students = full-time + (part-time / 3.5). Reflects all terms.
3. Figures reflect voluntary self-declarations; actual figures higher than shown.
4. Effective fall term 2013, courses at or above the 6000 level have been excluded, as these are associated with graduate programs.
These credit hours were included in previous years, so comparisons should be made with caution.
5. Includes all full and part-time academic staff, sessionals, graders, markers and research associates.

GLOSSARY

- **ACCESS funds:** Specific program funding received from the Manitoba Education and Advanced Learning division (EAL) of the provincial government. The ACCESS programs include: North and South ACCESS programs, Special Pre-Medical Studies Access program, Professional Health Access program, Nursing Access program, Northern Bachelor of Social Work Access program, Inner-City Social Work Access program and Engineering Access program.
- **Accrual:** An accounting method that reports revenue when earned (rather than received), and expenses when incurred (rather than paid).
- **Amortization:** The accounting of a purchased asset, which represents a non-cash expense over a period of time. It is the gradual expensing of an asset over a fixed number of years.
- **Annual audited financial report:** Financial statements bearing the report of independent auditors who attest to the statements' fairness and compliance with generally accepted accounting principles.
- **Ancillary services:** Resources devoted to the activities and jobs that complement the range of services offered by the university — for example, food services, residences and parking.
- **Bequest:** A gift provided to the university at the time of a person's death, as set forth in the individual's last will and testament. Bequests can take a variety of forms, including, but not limited to: cash, marketable securities, tangible fixed assets, and consumable commodities. Bequests are classified according to the absence or presence of donor stipulations as unrestricted, temporarily restricted, or permanently restricted.
- **Board of Governors (BoG):** The corporate governing body overseeing the university's administrative and business affairs. Its responsibilities include approving the annual budget and appointing and monitoring the performance of the President and Vice-Chancellor. The Board consists of 23 members: the Chancellor, President, 12 members appointed by the Lieutenant-Governor in Council, three members elected by graduates of the university, three members elected by the university Senate and three members appointed by the University of Manitoba Students' Union.
- **Budget Advisory Committee (BAC):** The committee responsible for making recommendations to the President on the priorities for allocation of funds to meet the university's strategic objectives and for reviewing the annual budget that is recommended to the Board of Governors.
- **Budget and Planning Committee (BPC):** A new standing committee to be established in fall 2015 that will advise the Provost on resource allocation decisions.

-
- **Budget model:** The process an organization uses to create a budget when it wants to match its actual future performance to an ideal scenario that incorporates its best estimates of revenue, expenses and other factors. A number of alternative budgeting models are available.
 - **Canadian Association of University Business Officers (CAUBO):** A non-profit professional organization representing the interest of administrative and financial officers in Canadian universities and affiliated colleges. CAUBO's mission is to promote and support professional management and effective leadership in administrative affairs to help Canadian universities and colleges achieve their goals. It offers a wide array of programs and services, including an information repository that is a source of choice on administrative issues for members, partners and decision makers in higher education.
 - **Capital asset:** An asset used in operations, either tangible (e.g., infrastructure, vehicles) or intangible (e.g., software) that has an initial useful life of more than one year. See also **Capital Asset Fund**.
 - **Capital Asset Fund:** Restricted contributions for the purpose of acquiring capital assets and/or making debt repayments. Expenses include interest on debt relating to the acquisition or construction of capital assets, amortization, and gains or losses on disposal of capital assets, including write-downs resulting from obsolescence.
 - **Capitalization criteria:** Characteristics an asset must fulfill to be considered for capitalization (i.e., recorded on the balance sheet as an asset rather than as an operating expense), and thus subject to depreciation. The asset must fulfill three characteristics: 1) must be acquired (i.e., purchased, gift-in-kind) for use in operations, and not for investment or sale; 2) must have a useful life of at least a certain number of years; and 3) must have a cost value exceeding a certain limit.
 - **Contribution:** Gifts, grants, bequests and any similar transfer of resources (both monetary and in-kind).
 - **Debt servicing cost:** The cash required for a particular time period to cover the repayment of interest and principal on a debt.
 - **Donation:** An act of presenting something as a gift, bequest or contribution, especially to a public institution or charity.
 - **EAL:** Manitoba Education and Advanced Learning division of the provincial government.
 - **Endowment Fund:** Records donations received with the stipulation that these funds are to be invested in perpetuity to earn income for designated purposes. The fund balance reflects changes in investment fair values, and is recorded as a component of net investment income. These

allocations are used to support faculties and schools, students, professorships, chairs, research, libraries and athletics.

- **Expenditure:** The amount spent for goods delivered and/or services rendered, whether paid or accrued, including expenses, debt service and capital outlays.
- **Expense:** Charges incurred, whether paid or accrued, for operation, maintenance, interest and other charges that are presumed to benefit the current fiscal period.
- **Expenses Funded from Future Revenues Fund:** Records the amount of non-vesting sick leave benefits and unpaid vacation pay for staff that will be funded from future revenues. This fund also records the actuarially determined expense for employee future benefits and change in pension liability.
- **Fiscal year (FY):** Twelve consecutive months used as an accounting period. As of 2015/16 the 12-month financial year begins April 1, 2015 and ends on March 31, 2016.
- **General Operating Fund:** Reports unrestricted and restricted resources received or accrued for general operating purposes and for equipment and renovations not meeting the university's capitalization criteria. The fund includes: academic, administrative, operational and ancillary costs funded by tuition and related fees; government grants; net investment income; miscellaneous income; ancillary income; and sales of goods and services to external parties. Ancillary services are self-sustaining, and include the university bookstore, parking, student residences, and pharmacy/post office and Smartpark.
- **Gift:** A resource provided by a donor who enters into the transaction voluntarily and receives nothing other than a token of appreciation in exchange for the resource he/she is providing. Contributions can be made in a variety of forms, including cash, marketable securities, tangible fixed assets and consumable commodities. Gifts are classified according to the absence or presence of donor stipulations as unrestricted, temporarily restricted or permanently restricted. See also **Bequest**, **Contribution** and **Donation**.
- **Incremental budgeting model:** A budget development approach that starts with the estimated amounts for the current financial year (i.e., the university's existing budget) and then adds and subtracts amounts (called increments) to accommodate budget increases or cuts for the coming fiscal year.
- **Indirect Cost of Research:** See **Research Support Fund**.
- **Inter-fund transfer:** The movement of money between funds.

-
- **Manitoba Education and Advanced Learning (EAL):** The Manitoba government division overseeing allocation of provincial funding in support of higher education teaching and research. The responsibility was previously held by the Council on Post-Secondary Education (COPSE), which no longer exists.
 - **Non-vesting sick leave:** If sick leave is vesting, the employee is entitled to cash settlement for unused leave. If sick leave is non-vesting, the employee has no entitlement to cash settlement of unused leave. However, if sick leave is non-vesting, a liability is recognized for the proportion of accumulated sick leave that the university expects to be taken by its employees.
 - **Overhead:** The indirect costs of operations that are not directly linked to services provided (e.g., research) but are real costs incurred by the university to provide the infrastructure and support to conduct these services. These include costs such as utilities, caretaking, taxes, maintenance and repair, and central administrative labour support costs (e.g. Office of Research Services, human resources services). Overhead may also be referred to as ‘indirect costs’ or ‘institutional costs’.
 - **President’s Executive Team (PET):** A committee is composed of the President, Vice-President (Academic) and Provost, Vice-President (Administration), Vice-President (Research), Vice-President (External), University Secretary and Director, Office of the President.
 - **President’s Town Hall:** Town Halls are open events called periodically that feature a short presentation to the university community, followed by an open forum question-and-answer period with the President and executive team.
 - **Research and Special Funds:** Contributions specifically restricted for research or other special activities. Contributions are provided from federal and provincial granting agencies and other public and private sources. Funds are spent in accordance with the conditions stipulated in the governing contracts and agreements.
 - **Research Support Fund (formerly Indirect Cost of Research):** Central and departmental costs incurred by the university to support research that is not attributable to specific research projects. These costs may be related to research facilities, research proposal development, information systems to track grant applications, payroll costs for research administration and promotion, management and administration, regulatory requirements and accreditation, and intellectual property.
 - **Restricted fund method of accounting:** A specialized type of fund accounting whereby funds are segregated by type of donor restriction, typically into restricted, endowment and unrestricted funds. This method is not the same as an organization reporting on a program-by-program basis. Rather, the grouping is based on the type of restriction the contributor places on the resources. Contribution revenue is generally recognized in the period contributions are received.

-
- **Revenue:** Income generated by the supply of goods or services by the university unit to an external customer.
 - **Specific Provisions Fund:** Record of appropriations made to and from the General Operating Fund, Capital Asset Fund and Research and Special Funds to provide future funding for the replacement, improvement or emergency maintenance of capital assets, unit carry-over, a fiscal stabilization provision to offset potential spending in excess of future budgets and other matters.
 - **Staff Benefits Fund:** Accounts for the pension reserve and the self-insured long-term disability income and dental plans. The revenues of these accounts are restricted for the purposes noted.
 - **Strategic Resource Planning (SRP):** The process set by the central administration of the university to assist in developing and implementing strategies that are aligned to the university's overall strategic plan. Information is gathered at the faculty and unit level to help the administration clearly define goals and objectives, assess both the internal and external situation, and then formulate and implement the strategy. Progress is evaluated and adjustments are proposed as necessary to keep the process and strategy on track.
 - **Targeted revenue:** Restricted operating funds targeted for a specific purpose, including research development (formerly called the Indirect Cost of Research), targeted ACCESS funds and any externally funded contracts or project sources managed by a faculty or unit.
 - **Trust Fund:** Record of gifts and bequests received by the university that may be used in their entirety along with the net investment income earned on these funds, according to donor restrictions. The majority of these funds are used for scholarships, bursaries, awards, loans and other scholarly activities.
 - **U15 Group of Canadian Research Universities:** An association of 15 Canadian public research universities established in 1991 to represent its members' interests, primarily to provincial and federal governments, concerning the research enterprise and government programs supporting research and development. It is headquartered in Ottawa.
 - **University Investment Trust (UIT):** A permanent fund established to support specific purposes at the university. A portion of the investment return is used to support current year programs and therefore contributes to the quality of teaching, student accessibility, research, athletics and public service. The UIT is managed by the Trust Investment Committee, a Board of Governors advisory committee that makes recommendations on all matters related to the investment and distribution of endowment assets.