

2015/16 Strategic Resource Planning and Budget Framework

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1. Introduction to Pre-Budget Document

This document establishes a context for the annual presentation of a budget proposal to the Board of Governors and is intended to align the expectations of the President's Executive Team (PET) with the expectations of the Board. The document explains the purpose of funds, types of transfers that take place and the reasons for balances held in reserve in certain funds. Much of this will be familiar to long-serving members of the Board but making it explicit is helpful for all of us.

The discussions leading up to the formation of the budget take place in the context of the 2015-2020 updated Strategic Plan, "Taking our Place" approved by Senate and by the Board in 2014. These efforts will guide our planning decisions, to ensure the needs of the province are met and that the University builds on its tradition of excellence, innovation and global influence.

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.

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. In an effort to improve transparency, increase understanding of the University's fiscal challenges, and provide useful financial data to assist decision making, the University has embarked on a strategy to improve communications with University stakeholders.

Over the course of the 2014/15 fiscal year, greater emphasis and much effort has been directed into sharing the University's financial processes. Information pertaining to operating budget history including actual spending patterns in comparison to budgets, carryover and future years' anticipated shortfalls, trust, endowment and capital funds and annual government requests have been presented to groups and members of the University community. A Budget Communication Committee has been established to provide up-to-the-minute progress as the University works through its fiscal challenges, and to provide an opportunity for stakeholders to participate in the process by voicing their ideas and concerns.

Going forward into 2015/16 and beyond, as a means to ensure the University community continues to receive the organization's financial and planning information, the University will initiate the development of a budget book that will supersede the budget framework document. The budget book will build on the existing framework document, providing comprehensive information on operating, academic, research, capital and fundraising activities that support and advance the University's missions and goals. All of us within the University community have a role to play in fiscal responsibility and for 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 ensure funding is allocated to appropriate areas.

The oversight, advice, and guidance of the Board of Governors and Senate are essential elements that ensure the University's success in achieving strategic plan priorities. The Board continues to demonstrate good governance practices and has initiated many important improvements over the last number of years. The recent re-structuring of Board meetings to devote more time and energy to discuss and consider areas of key strategic importance to the University has generated positive feedback. Through its many committees, the Senate has reviewed policies and procedures (as an example - those related to student appeals and research ethics), and will continue to do so in the years to come, as it provides direction and oversight over the academic quality of the University.

The analysis of trends in the University's pattern of revenue and expenditures provides another set of useful information to guide decision making. Several trend analyses are included here. We show several years of data for operating fund revenue and revenue by fund type. Also shown is a five year trend for expenditures by function, by type, and per student by faculty (raw and indexed), and some comparative data with other medical doctoral universities. We are optimistic that better comparative information for other universities represents common practice, if not best practice. However, it remains difficult to extract useful information from data sources because institutions often report in non-comparable terms.

The University's budget can be difficult to understand due to the use of different fund types, each of which has a different purpose. This makes our budget different from many other organizations. Transfers between different fund types is possible, such as moving an amount from the operating fund into the capital fund. In accordance with Public Sector Accounting Board (PSAB) standards, certain transfers between fund types is a requirement. Some transfers however are not possible, such as those monies received for a specific purpose. E.g. transferring money provided by federal granting councils from the research fund into another type of fund is not allowed as the money may not be used for any other purpose than that for which it was given.

The 2015/16 University of Manitoba budget will be presented as an aggregate plan for all funds so that the Board, management and other interested readers have an omnibus document that lays out the plans in general terms for each of the major fund categories. Through thoughtful planning, continued engagement and collaborative efforts, we will collectively strive to achieve our vision while ensuring maximum benefit from our resources.

2. University of Manitoba Strategic Plan 2015-2020 –“Taking Our Place”

The University's most recent strategic plan, approved in November 2014, builds on the previous five year plan, articulating mission, values, five priority areas in a statement of commitment, and related high level goals and supporting actions. Recognizing the distinctive role the University can play in addressing the many opportunities available to succeed in its mandate, the title of our plan “Taking our Place” means employing intentional and strategic measures to meet the ever-changing needs of our world. It means increasing both our influence in, and our collaboration with communities. And it sets our sights on reinforcing our standing as a leading university.

The five priority areas are described below. Included under each category are examples of past funding reallocations made to support these priorities. Since 2009/10, approximately \$32.5 million in ongoing funding has been reallocated to our strategic planning priorities and to strengthen our organizational infrastructure. One-time funding of about \$14 million has also been earmarked to assist with the launch of new programs, enhance information technology and seed new initiatives.

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 undergraduate and graduate 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 their 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. Excellent professors who are properly recognized and rewarded for their skills and

achievements teach them. And they understand the importance and contributions of Indigenous peoples in Manitoba and Canada.

In the area of enhancing inspiring minds, noteworthy is the University's multi-year effort to increase the amount of support available to graduate students. For the past several years, the University has redirected funding through the resource allocation (SRP) process to boost graduate student support and to enhance undergraduate scholarships. Investment in graduate students, who are an integral component of most research programs, is an investment in job creation and in building Manitoba's knowledge economy.

The Student Affairs portfolio has been reorganized to ensure appropriate alignment and support to the University's Strategic Plan and to support the achievement of the Strategic Enrollment Management (SEM) goals. Of note, has been the creation of a stand-alone Career Services Office. Several Working Groups were established over the past two years that have recently submitted reports—Campus Mental Health Strategy, Childcare, Academic Advising, and Experiential Education.

The University has also redirected funding to provide targeted academic advising to enhance student life opportunities, to develop a Campus Mental Health Strategy, and to continue to pilot initiatives such as Early Alert and Supplemental Instruction that will enhance student success and support students at-risk.

DRIVING DISCOVERY through research excellence, scholarly work and other creative activities: Over the next five years, we will champion research excellence, scholarly work and other creative activities and increase our position within the top fifteen 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, the 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.

The University continues to facilitate collaborative work among deans and directors of faculties, colleges and schools, who have been developing cross-faculty academic programming, sharing of administrative resources and facilities, and undertaking collaborative outreach activity. These activities were a focal point in both the 2013/14 and 2014/15 resource allocation process, through which funds were allocated to support the Centre for Human Rights Research and research work within the faculty of Health Sciences, along with a broad-based proposal supported by multiple units to prepare for the now-confirmed selection of the University of Manitoba as the National Research Centre on Residential Schools. At the same time, the pursuit of excellence in teaching has been supported by investment in activities that support the growth and development of teaching and learning innovations within the University.

CREATING PATHWAYS to Indigenous achievement: By incorporating Indigenous perspectives into our learning, discovery and engagement programs, the University will help 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.

We are 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 graduation. 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, Metis 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, Metis and Inuit communities.

One of the most significant recent achievements is the University's selection as the site for the National Research Centre on Residential Schools. On National Aboriginal Day, June 21st, 2013, the Truth and Reconciliation Commission of Canada (TRC) and the University of Manitoba joined communities across Canada in the signing of a historical agreement entrusting the U of M to host the National Research Centre on Residential Schools. The University was honoured to be selected by the TRC as the permanent home for the National Research Centre, which will allow all Canadians the opportunity to learn about what happened within residential schools and to join together on a path toward reconciliation.

Faculties, colleges and schools have been working with the Office of Indigenous Achievement to develop plans specific to their needs, and in the past year the University has supported specific proposals including the addition of an Indigenous graduate student advisor in 2014/15.

BUILDING COMMUNITY that creates an outstanding learning and working environment: 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, the community as a whole and 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 learning, research and leadership support and development opportunities.

For the past three years, the University of Manitoba was selected as one of Manitoba's Top 25 Employers, on the strength of the value of the work that engages its community members and the opportunities available for them to grow and develop. Beginning with the "It's About Us" employee survey undertaken in 2011, the University has undertaken a number of initiatives designed to ensure it excels as an outstanding employer. This includes the development of an Outstanding Workplace Initiative Strategy which most recently resulted in the development of the UM Leaders Program, designed to develop leadership capacity within the University. Selecting the right people for leadership roles is critical for our success. In particular, the appointment of strong deans of faculties and directors of support units is one of the most significant contributions that the President's Executive Team can make to the development of the University. Over the past few years, the University has made significant hires in both academic and non-academic roles. This includes new senior academic administrative appointments of a Vice-Provost (Health Sciences), concurrent with the roles of Dean of the Faculty of Health Sciences and Dean of Medicine, Deans of Science and Extended Education, Agriculture and Food Sciences, and University Librarian. As well, a new Director of Integrated and Strategic Planning position was created and an appointment was made in 2014.

FORGING CONNECTIONS to foster high impact community engagement: Our mission includes the traditional aspect of service to the community, yet we have embraced a shift in thinking to better respect the reality that beyond serving our community, we engage with them. The relationships with our colleagues, alumni, friends, donors, and partners – local, national and international – are both reciprocal and collaborative. We are committed to sharing our knowledge and expertise, and to develop and foster relationships that enable the University have a direct and positive impact on people’s lives.

The Marketing Communications Office (MCO) has completed its reorganization project to improve the effectiveness and consistency of how marketing communications activities are conducted across the University, while reducing redundant costs. There is now an improved ability to respond to and prepare for matters of issues management, internal communications, planning, preparation and promotion of high profile events. A stronger and more consistent representation of the brand in key strategic areas has been realized.

Also completed in 2013 was the implementation of an improved service model within the Philanthropy office. The new model better serves donors and faculties, and also enables the office to generate significantly more donations for the University.

Underpinning the strategic plan priorities is Organizational Infrastructure, which provides the foundation necessary to achieve progress and resolutions. While provincial investments in the University of Manitoba during recent years have been welcome and have had a significant impact on the organization’s ability to fulfill its mission as Manitoba’s research university, such investments have come following years of under-investment for universities in the Province. The University’s early response to insufficient government funding was to mitigate the impact of these constraints by maximizing investment in core academic mission while reducing the funding made available to its support functions. This generated an under-investment over time for important elements of institutional infrastructure such as space, information technology, leadership development, process, governance and infrastructure, and in our ability to engage with external communities.

Given this context, in determining how to continue to fulfill its mission, the University has adopted a three-pronged approach: streamlining administrative costs and processes; streamlining academic structure; and a strategic approach to investment.

The University launched the Resource Optimization and Service Enhancement (ROSE) program to enhance service delivery, increase efficiency and responsiveness and reduce costs. The ROSE program formally concluded March 31, 2014 with 24 of the 29 projects having been completed. The remaining five projects will wrap up in 2014/15. Benefits include increased responsiveness and timeliness, process improvements resulting in efficiencies across a range of support services, reduced costs and greater allocation of resources (time, funding) to functions directly in support of the University mission. ROSE is on track to meet projected annual savings of \$8 million to \$15 million per year as well as projected revenue increases of \$5 million to \$10 million per year.

The Academic Structure Initiative (ASI) was launched in January of 2012 as a means to simplify existing academic structure, with the intent of improving responsiveness and reducing costs stemming from its complexity. Beginning with the health sciences, the specific goal of this initiative is to reduce the number of faculties and schools from 20 to a number closer to the national median of 13 by 2017. Following a significant period of consultation and engagement, a formal proposal to establish a new Faculty of Health Sciences was approved, in principle, by both Senate and the Board of Governors in October, 2013. The Faculty of Health Sciences is comprised of Colleges of Dentistry, Medicine,

Nursing, Pharmacy and Rehabilitation Sciences and School of Dental Hygiene. Within the Faculty of Human Ecology, the Department of Human Nutrition Sciences moved to the Faculty of Agricultural and Food Sciences effective July 1, 2014 and the Department of Family Social Sciences is in the process formally moving to the Department of Community Health Sciences, College of Medicine, effective July 1, 2015. Conversations regarding the restructuring in several other faculties and departments are ongoing.

The University has been committed to investing available funds in a strategic manner. As a result, the areas identified in the strategic plan do not simply identify areas of strength for the University; they also represent a means of identifying where available resources might most effectively be allocated. Supporting this focus has been an unprecedented commitment to enhancing the University's operating environment. Investments in institutional infrastructure represent approximately one-third of the reallocation of baseline funding that has taken place since 2009/10. These include significant investments in information technology that support improved service delivery for students, researchers and the public and modernize university processes such as classroom scheduling and hiring practices; investments in capital projects such as the Tache Arts Project, lab upgrades and the Dafoe library. Investments have occurred in External Relations to ensure the University has the necessary capacity to secure funding talent in support of the \$500 million 'Trailblazer' capital campaign, and to advocate for its interests and those of its students, faculty and staff.

3. **Background and Fund Overview**

The University of Manitoba is responsible for the financial stewardship of in excess of \$851 million annually. The University uses the Restricted Fund Accounting method to prepare its financial statements in accordance with Canadian Public Sector Accounting Standards. The University classifies resources used for various purposes into separate Funds which correspond to its major activities and objectives. Separate Funds are maintained for the University's major diverse activities which are grouped into the following three categories:

- **General Funds:** include funds for General Operating, Specific Provisions and Expenses Funded from Future Revenues;
- **Restricted Funds:** include the Capital Asset, Research and Special, Staff Benefits and Trust Funds; and
- **Endowment Funds:** includes endowed funds of the University.

As a means to provide useful financial information to the Board of Governors, a number of trend and comparative graphs, tables and charts have been included throughout this document. 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 based on varying definitions.

Fund Overview

General Funds

- **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. 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 are included in the general operating fund. Ancillary Services are self-sustaining, and include the University BookStore, Parking, Student Residences, Pharmacy/Post Office and Smartpark.
- **Specific Provisions:** Records appropriations made to (from) the General Operating, Capital Asset, and Research & 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.
- **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 which 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

- **Capital Asset Fund:** Consists of 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.
- **Research and Special Funds:** Includes 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.
- **Staff Benefits Fund:** Consists of fund accounts for the Pension Reserve, the Self-Insured Long Term Disability Income Plan and the Dental Plan, the Refund Deposit Account, the revenues of which are restricted for the purposes noted.
- **Trust Fund:** Records gifts and bequests received by the University which 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.

Endowment Fund

- 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. Allocations are used to support faculties, colleges and schools, students, professorships, chairs, research, libraries and athletics.

4. Interfund Transfers

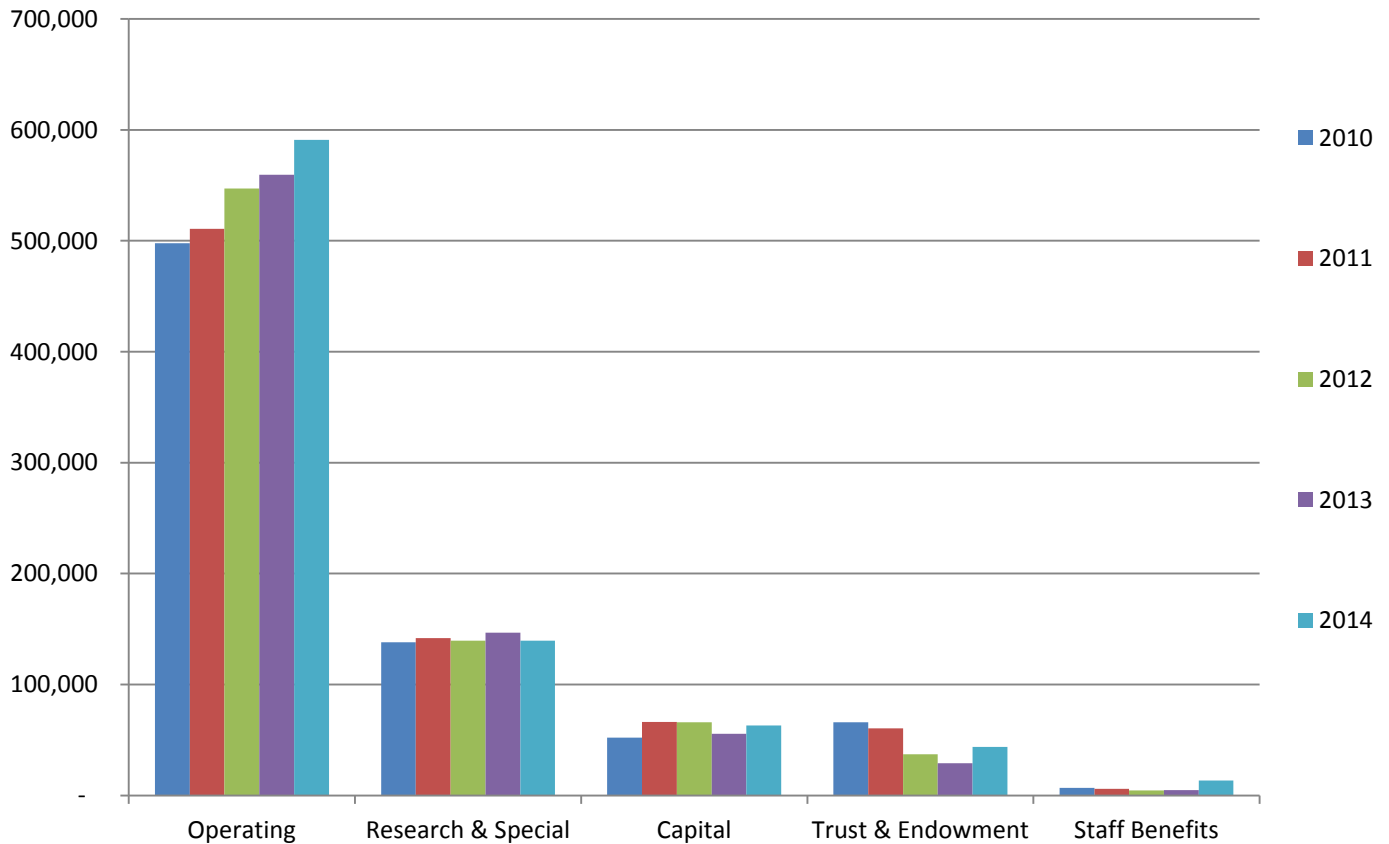
Under certain circumstances, approval is granted for inter-fund transfers between Fund types. For example, when a faculty/unit purchases a capital item (e.g. equipment, computers, etc.), the expenditure must be reported as an Interfund Transfer out of the Fund (Operating or Research) that paid for the item with an offsetting Interfund Transfer into the Capital Fund. Debt servicing costs funded from operating (for example, the technology fee collected from students as part of the approved debt servicing plan) are also transferred to the Capital Asset Fund. Funding in support of scholarships, bursaries and other awards are transferred to the Trust Fund for the disbursement of the funds to students. Spending allocations from the Trust Fund are transferred, on request, to Operating, Capital or Research Funds dependent upon the nature of the planned expenditure.

5. Revenues and Expenditures – All Funds Over 5 Years

GRAPH I illustrates the growth (or decline) in revenues for all funds over the past five years. Since 2010 there has been an increase/(decrease) in operating fund revenues of \$93.1M or 18.7%, in research and special fund revenue of \$1.7M or 1.2%, in capital fund revenues by \$10.8M or 20.7%, in trust and endowment revenues of (\$22.4M) or (33.9%), and in staff benefits fund revenues by \$6.9M or 202.4%.

GRAPH I

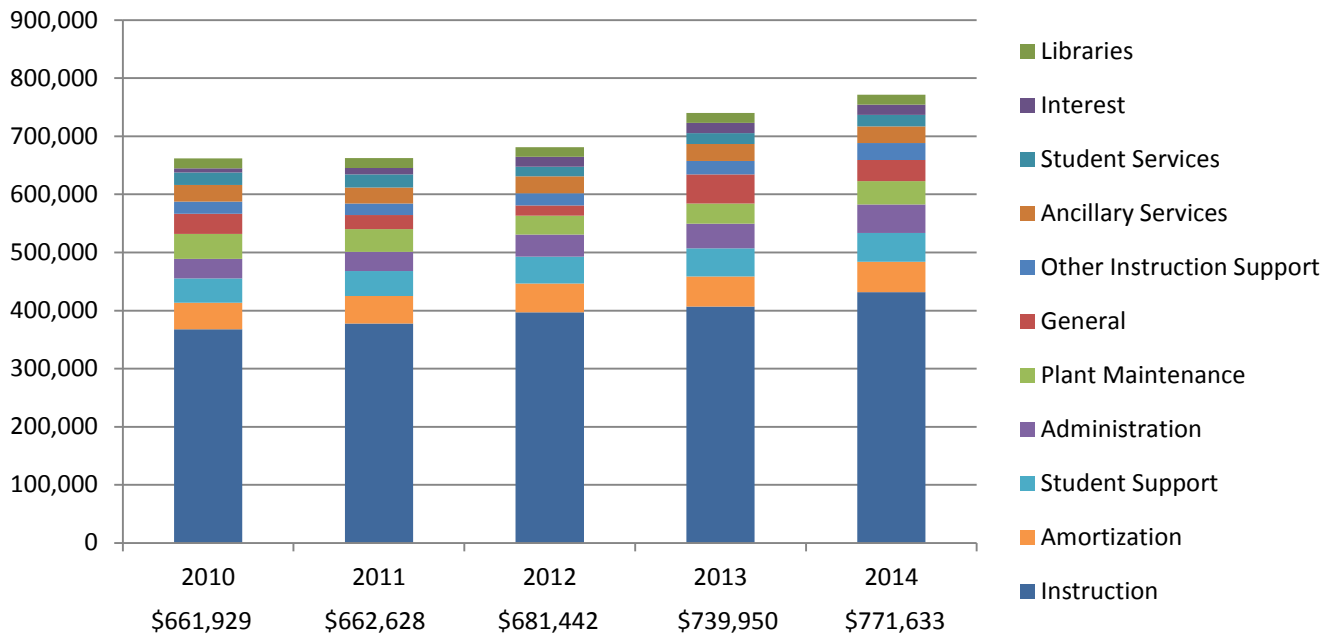
University of Manitoba Revenues by Fund
(in thousands of dollars)



Graph II summarizes expenditures by function from 2010 to 2014, which have remained relatively constant since 2010. Revenues and expenses from 2010-2014 for all funds are detailed in [Appendix 1](#).

GRAPH II

University of Manitoba Expenses by Function
All Funds, *in thousands*



6. Long-Term Debt

In recent years, the University has embarked on numerous new capital projects, capital upgrades and capital refurbishments to many existing buildings at the Fort Garry and Bannatyne campuses. These projects are funded by debt and other sources. These sources include special grants from different levels of government as well as gifts from generous donors. When these other sources are not sufficient to fund the construction costs of a capital project, the University has borrowed money to complete the projects. In order to match the debt to the serviceable life and benefit received from real property asset, the University will opt to borrow on a long-term basis. Lenders are more willing to lend long-term to the University as our credit risk is very favorable and the University as an institution has the ability to repay loans over an extended time-frame.

The Province of Manitoba and chartered Canadian Banks are the University’s primary lenders. Depending on the project, the University’s negotiated borrowings can be anywhere between 5 and 30 year terms. Usually 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 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 the principal and interest for 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. \$24.2M paid in debt servicing costs relates primarily to the Provincial debt, Arthur V. Mauro Student Residence, Pembina Hall Student Residence and Triple B interest expense, which is completely offset by Triple B interest income. Finally, other miscellaneous income sources such as unrestricted trust funds and royalty income from mineral rights have been directed towards repaying principal and interest obligations.

As of March 31, 2014 the University had the following debt:

Loans from the Province of Manitoba

\$63.1 million and \$65.3 million (\$150 million capital financing)

The Province provided two \$75 million tranches of 30 year debt to support capital renewal projects. The debt repayments are funded by (approximate portion of current funding):

- Unit Capital Development Assessment (34%)
- Student Technology Fee (35%)
- Repayment of loans from revenues on new capital projects i.e. Smartpark, Bannatyne Parkade (9%)
- Other sources – mineral rights income, trust fund income (22%)

\$29.1 million (Pembina Hall Residence)

The Province provided a loan for a portion of the cost of constructing the Pembina Hall Residence. This loan is funded by future net revenues to be earned from the residence.

While the University entered into a loan agreement with the Province of Manitoba related to the construction of Investors Group Field, the loan is offset by any amounts paid by Triple B to the University in respect of the Triple B loan receivable. The loan therefore is not included in the debt levels as shown below in Graph III.

Interest Rate Swaps (with RBC Capital Markets)

\$12.7 million – Loan for Arthur Mauro Student Residence

The University is required to make monthly principal and interest repayments similar to a conventional amortizing loan. This loan is funded by net revenues from the Arthur Mauro Residence.

\$6.6 million – Loan for Smartpark RTDS Building

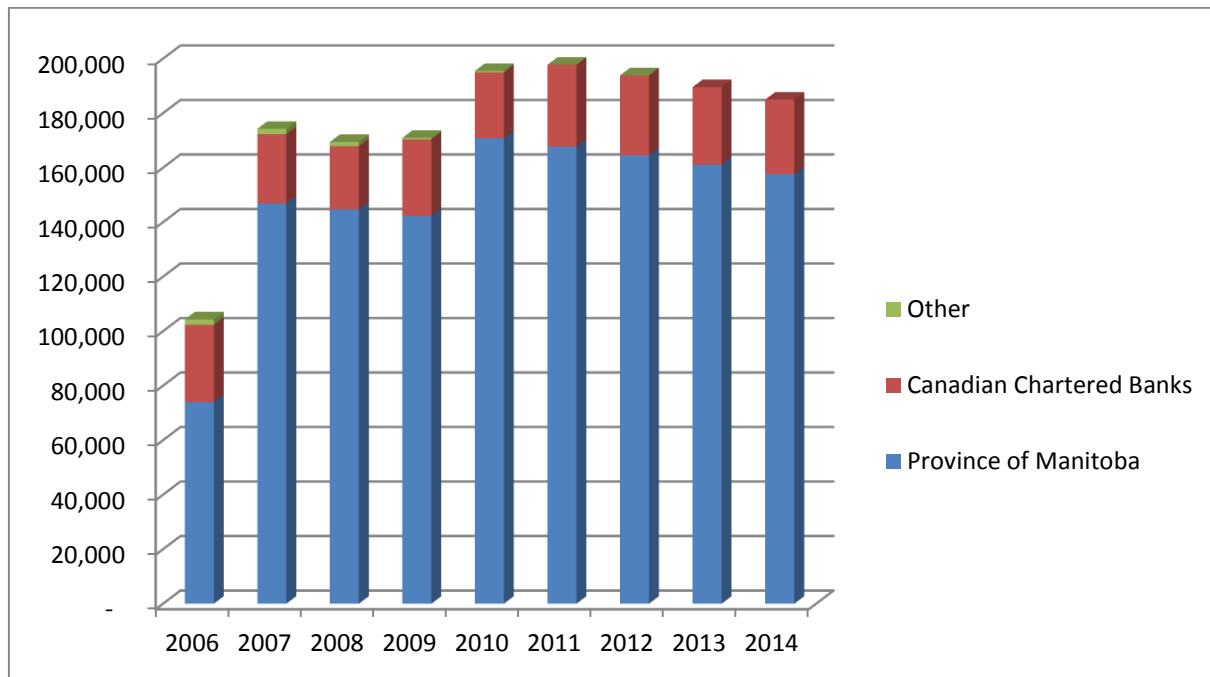
This loan is funded by net lease revenues associated with RTDS Building.

\$8.1 million – Loan for Smartpark Monsanto Building

This loan is to be funded by future net lease revenues associated with Monsanto Building.

There was additional long-term debt added in fiscal 2015. A 25-year, \$25 million loan was secured for the construction of the new Active Living Centre. **Graph III** below shows the history of University of Manitoba Debt levels from Fiscal Years 2006 to 2014. As stated above, this does not include the loan for the Investors Group Field which is offset by a receivable from Triple B.

Graph III: University of Manitoba Debt Levels 2006 – 2014 (in 000's)



7. Overview of the Strategic Resource Planning (SRP) Process

The 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 revenue and expenditures for the **Estimates of Operating Requirements** in response to the annual request from the Education and Advanced Learning (EAL) division for preliminary budgets and supplementary information. Formerly, this annual request came from the Council on Post-Secondary Education (COPSE). The Estimates request from EAL signals the start of the Province’s budgeting process. Throughout the planning period, revenue and expenditure projections are reviewed and refined as new information becomes available.

The 2011/12 provincial budget provided for an operating grant increase of 5% in the 2011/12 fiscal year and in the subsequent two years, as well as a commitment to tie future tuition increases to the rate of inflation. The Province honoured this commitment in 2011/12 and 2012/13. However for 2013/14 and more recently for 2014/15, the University’s operating grant from the Province has been 2.5% while tuition fee increases continue to be tied to the rate of inflation. In EAL’s request for the University’s 2015/16 Estimate of Operating Requirements, the University was asked to provide an impact assessment of holding the 2015/16 grant to 2014/15 levels. The rate of inflation for tuition fees was estimated at 1.5 %.

If the 2015/16 grant is held at its 2014/15 level, and tuition increases at the rate of inflation, the University will be unable to continue offering existing programs and services at their 2014/15 levels. Increasing salary costs and mandatory pension obligations coupled with a 0.0% increase to the University’s operating grant will leave little to zero 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 \$19M.

A request for an incremental base grant allocation of \$10M to support strategic plan priorities and critical transformation of our organizational infrastructure is included in the response to EAL. However, our expectation is that funding for new initiatives will be accomplished through the re-alignment of existing resources. Also included in the Estimates response, at the request of EAL, is the University's 2015/16 Critical Infrastructure Renewal Projects requirement for \$22.29 M in support of critical capital projects requiring immediate attention or remedial work.

Representatives from EAL met with the President's Executive Team on September 24, 2014 to discuss the 2015/16 operating and capital estimates.

To support the 2015/16 resource planning process, Deans, Directors, the University Librarian, and Heads of Colleges and major Administrative Units were requested to submit a Strategic Resource Plan (SRP) using a prescribed format which included the following sections:

- A summary of the unit's progress over the past 12 months in meeting strategic priorities as set out in last year's SRP submission, identifying the current state of the priorities as: (1) Completed; (2) On track; (3) Progressing; (4) Not on Track; or (5) Discontinued.
- A summary of the actions/decisions taken to address the budget reduction/adjustment resulting from the 2014/15 SRP process including the major impacts (positive and negative) of the actions on their units as well as other units at the University or beyond.
- An outline of the actions and decisions the unit will undertake to affect a 4% baseline reduction to their operating budget for 2015/16 including the potential impacts on their units as well as other units at the University or beyond. In their response for both 2014/15 (above) and 2015/16, units were asked to:
 - Identify how planned initiatives/activities in support of their unit's strategic priorities will be impacted and accommodated within this budget scenario addressing reallocation of resources; departmental structure; teaching programs (program additions/ suspensions/ eliminations); course/course selection additions/suspensions/eliminations; admission requirement and/or enrolments; space utilization; support services; research planning and productivity; public service/outreach; augmentation of revenues (through philanthropic efforts, institutional costs recovery from external research funding, etc.) in order to ameliorate the impact of budget reductions and/or advance the unit's academic mission.
 - Identify longer-term options or strategies the University as a whole should consider on a go forward basis.

The planning template was circulated earlier (July vs October) for the 2015/16 planning cycle to facilitate supplementary consultations as required. Subsequent to template reviews in the Fall, a decision to hold SRP presentations in January to gather more pertinent information and/or seek clarification was made.

Resource allocation decisions will be based on the following criteria and will be assessed using the information provided in the SRP submission and presentation:

- alignment of proposed activities with institutional and unit priorities with respect to learning, discovery and engagement;
- initiatives that support continued progress on our institutional transformation;
- enrolment and student outcomes trends; and
- the health/sustainability of unit budgets.

A. President's Budget Advisory Committee

The President's Budget Advisory Committee (BAC) refers to a committee comprised of senior administration, Senate Planning and Priorities Committee (SPPC), support staff, Board of Governors and student leadership. The current structure of the BAC was approved by the Board of Governors, and has the following members:

- 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 Governor's 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 & Academic Programs) – Resource Person
- Executive Director, Financial Planning, Office of the Vice-President (Administration) – Resource Person
- Director, Integrated & 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

The responsibilities of the Budget Advisory Committee are:

- To recommend to the President on the priorities for allocation of funds to meet the University's strategic objectives; and
- To review the annual budget that is recommended to the Board of Governors.

The first meeting of the BAC was held on February 26th, 2015 at which time details of the budget process were reviewed and discussed. Copies of the SRP submissions have been shared with the BAC to assist them in fulfilling their role of advising on the University's Operating Budget and related resource allocation issues.

In April 2015, the President and Vice-Presidents will present to the BAC on pressures and opportunities in each portfolio. Following receipt of feedback from the BAC and notification by the Province on the 2015/16 operating grant following the Provincial Budget announcement in the Spring 2015, a draft budget including recommendations for changes to tuition fees and unit operating budget allocations will be presented to the BAC. A formal recommendation on the 2015/16 operating budget will be submitted to the Finance, Administration and Human Resources Committee and the Board of Governors at the May 2015 meetings.

B. Approval Process

The 2015/16 General Operating Budget and the financial plans for Research and Special Funds, Trust and Endowment Funds, and the Capital Fund will be presented for approval in May 2015. The operating budget and financial plans for all other fund types which will be submitted for Board of Governor's approval will be based on information available at the time.

C. Quarterly Board Reporting

The Board of Governors is provided a report of actual results and a year-end forecast at the end of the first, second, and third quarters. Also, as part of the Provincial Government Summary Budgeting and Reporting process, the University of Manitoba is required to provide quarterly updates on actual results for the year.

8. Discussion and Trends of Various Fund Types

In preparation for the consideration of the budget at the May meeting of the Board of Governors, a more detailed description of the various fund types and trend information is provided below.

A. General Funds

i. General Operating Fund

The General Operating Fund includes the academic, administrative, operational and ancillary costs that are funded by tuition and related fees, government grants, investment income, miscellaneous income, sales of goods and services to external parties and ancillary income. As such, this fund reports unrestricted resources and restricted resources earmarked for general operating purposes. All funds received or accrued by the University for general operating purposes and for equipment and renovation expense not meeting the University's capitalization criteria are included in the General Operating Fund.

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. During the year, however, new sources of operating revenue may be identified or revenues that were anticipated may not materialize.

When the budget is established, funds are set up in operating reserves for transfer to units as required throughout the year to cover various cost increases (salary increases, negotiated travel and expense allocations, Vice-President emergency funds, removal allowances, etc.).

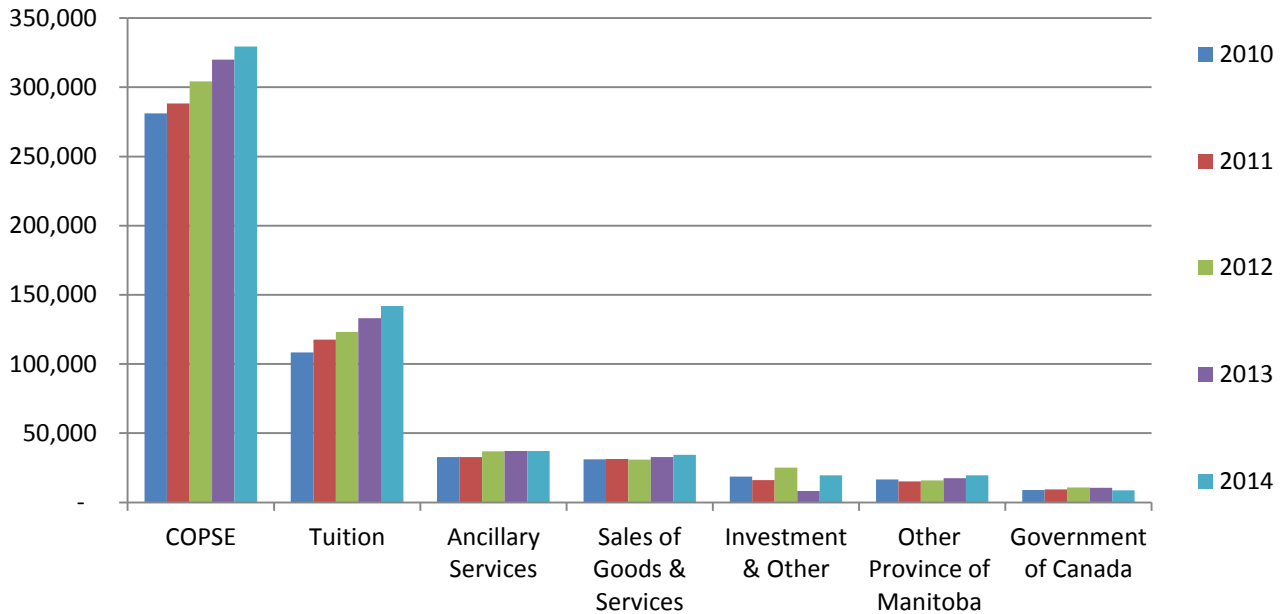
As referenced in the section on interfund transfers, in the absence of capital funding, units may fund renovations or purchase items of a capital nature (for example, equipment, furnishings etc.) from the Operating Fund. If these items meet the University's capitalization criteria, they must be recorded 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.

In the absence of sufficient student financial support, operating funds are earmarked to support scholarships, bursaries and emergency student loans. From 2009/10 to 2014/15, the University has reallocated \$4.9M for graduate student support and \$1.2M for undergraduate student support. An estimate of projected student financial support is reported as an interfund transfer from general operating to the Trust Fund, and is reflected in the consolidated budget.

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 2013/14, the COPSE operating grant represented 56% of total operating revenues. The second largest source of operating revenue is tuition and related fees, which represented 24% of total operating revenue in 2013/14. **Graph IV** below summarizes the operating fund revenue over the last five years.

GRAPH IV

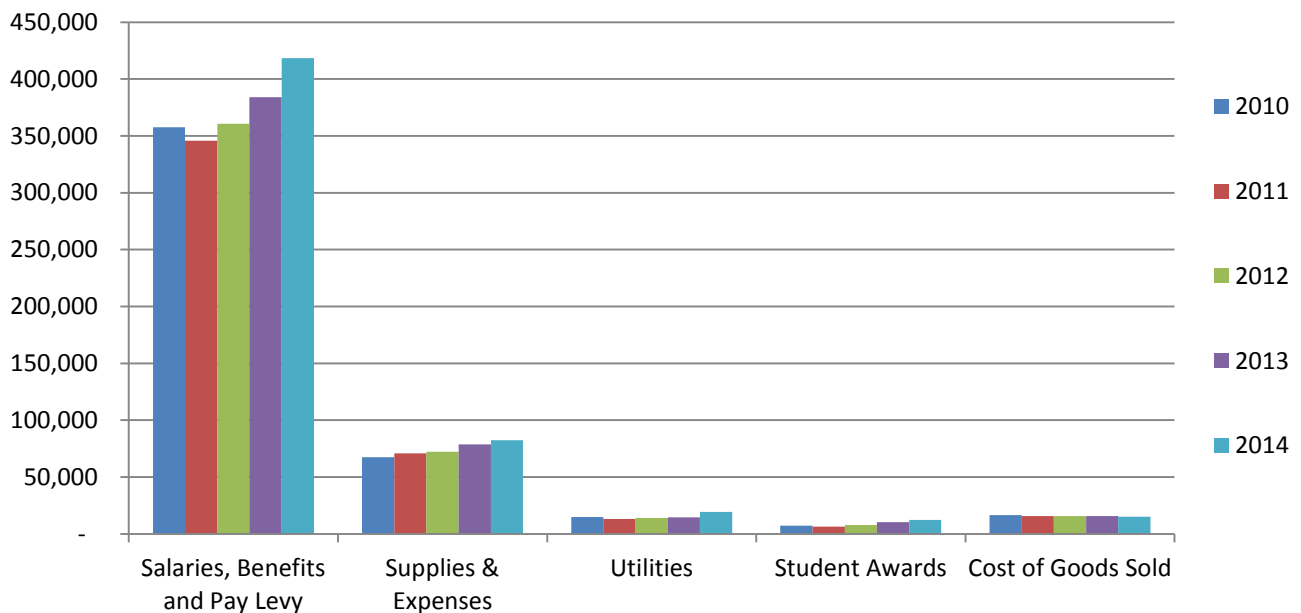
University of Manitoba Operating Fund Revenue
(in thousands of dollars)



More than three-fourths of operating revenue is spent on salaries and salary related costs. In 2013/14 this represented 76.4% of total operating expenditures. **Graph V** below summarizes operating expenditures by type from 2010 to 2014. A five year statement of general operating revenue and expenditures by function and type is attached as [Appendix 2](#).

Graph V

University of Manitoba Operating Expense
(in thousands of dollars)



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

Among U15 Universities, the University of Manitoba ranks 12th in operating expenditures spent on Administrative Functions. (Rank 1st = most spent; rank 15th = least spent). Extracted from the 2012-13 CAUBO Report*: Financial Information of Canadian Universities and Colleges, **Table 1** provides a comparative summary of amount spent on CAUBO defined expense functions for U15 Universities, as a percentage of total operating expenditures.

Table 1 General Operating Expenditures by Function by U15 University

U15 University	Expense Function									Rank
	Instruction & Non-Sponsored Research	Non-Credit instruction	Library	Computing & Communications	Administration & General	Student Services	Physical Plant	External relations	Total	
% spent on each expense function										
University of Calgary	52.4%	1.9%	3.4%	5.2%	15.3%	7.6%	13.5%	0.5%	100.0%	1
McGill University	50.6%	2.4%	5.5%	5.4%	13.2%	8.1%	11.6%	3.2%	100.0%	2
University of Alberta	59.1%	1.8%	4.9%	4.7%	10.9%	5.4%	10.5%	2.8%	100.0%	3
Université Laval	65.7%	1.6%	5.5%	2.7%	10.3%	5.2%	8.6%	0.3%	100.0%	4
University of Waterloo	55.4%	0.2%	3.5%	4.8%	10.2%	14.3%	9.2%	2.4%	100.0%	5
Queen's University	53.8%	4.2%	5.1%	3.6%	10.0%	11.2%	8.5%	3.7%	100.0%	6
University of British Columbia	59.8%	1.7%	2.7%	5.4%	9.6%	7.8%	10.1%	2.8%	100.0%	7
University of Saskatchewan	58.2%	4.3%	5.5%	4.5%	9.0%	6.7%	9.9%	1.7%	100.0%	8
University of Ottawa	58.6%	0.7%	4.3%	2.2%	8.8%	13.0%	10.4%	2.0%	100.0%	9
Université de Montréal	62.3%	0.5%	4.7%	5.2%	8.7%	5.8%	11.4%	1.4%	100.0%	10
University of Toronto	58.7%	2.3%	4.9%	1.8%	8.4%	11.4%	10.1%	2.4%	100.0%	11
University of Manitoba	61.9%	2.0%	5.7%	4.1%	8.0%	7.8%	8.7%	1.8%	100.0%	12
McMaster University	66.2%	1.2%	2.7%	2.7%	7.9%	8.8%	9.0%	1.5%	100.0%	13
Dalhousie University	58.9%	2.3%	4.0%	3.8%	7.1%	11.2%	10.5%	2.2%	100.0%	14
University of Western Ontario	64.6%	3.0%	4.1%	1.9%	5.2%	11.4%	7.7%	2.1%	100.0%	15

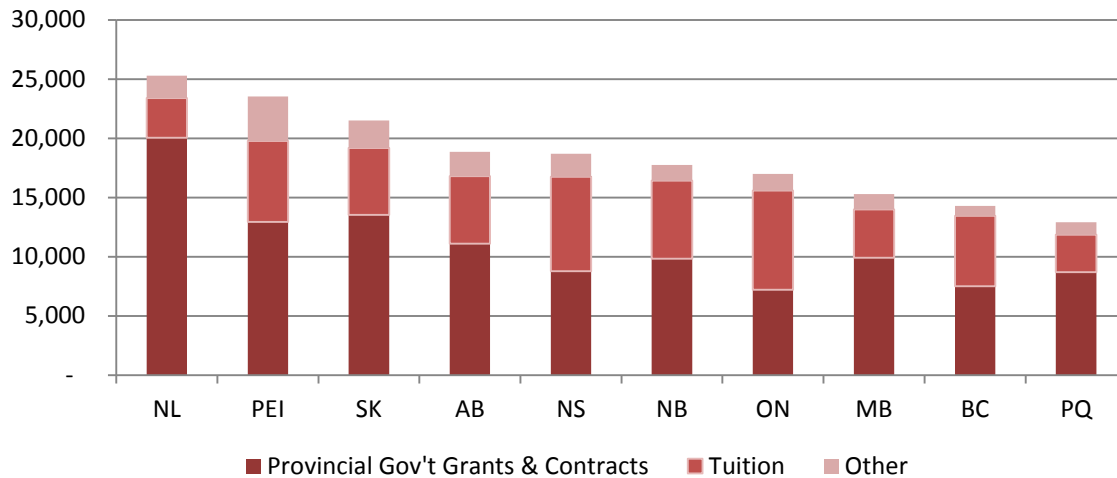
Source: 2012-13 CAUBO Report – Financial Information of Canadian Universities and Colleges

* UM Data has been revised to proportionate mandatory pension payments.

Graph VI below shows that Manitoba is third lowest in the country when comparing general operating income per FTE student enrolment. Manitobas' low ranking is mainly attributed to years of a provincially imposed tuition freeze, which the Province has since lifted. However universities in Manitoba have not yet fully caught up to others in the rest of the country. 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.

Graph VI

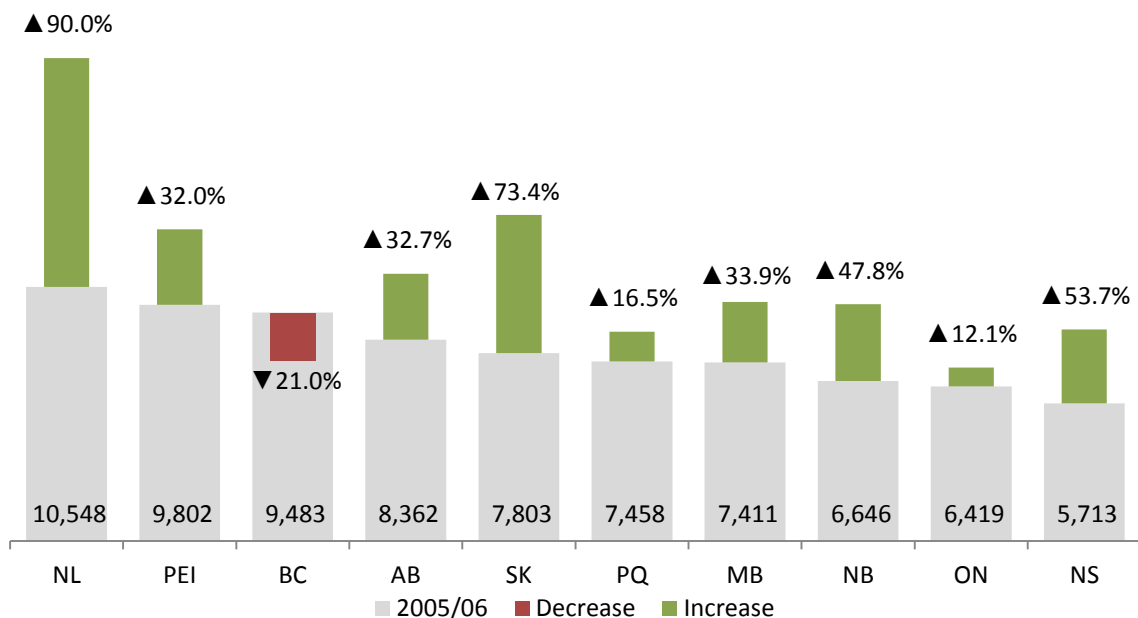
Operating Income per Enrolment by Province 2012/13



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

Graph VII indicates that provincial government funding per FTE student enrolment increased by 33.9% 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.

Graph VII – Percentage Change in Provincial Government Funding per Student Enrolment 2005/06 to 2012/13



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

Table 2 below summarizes the net expenditures per full time equivalent student by faculty over a 5 year period. This table is evidence of the significantly higher costs of delivering professional programs.

Table 2 Net Expenditures per FTE Student by Faculty

Faculty	2009/10	2010/11	2011/12	2012/13	2013/14
Agricultural & Food Sciences	23,951	23,997	25,435	24,689	22,810
Architecture	11,346	11,505	11,384	12,425	13,879
Art, School of	10,769	11,251	12,304	13,072	14,018
Arts	6,774	6,691	6,765	6,933	7,318
Business, Asper School of	10,974	11,160	12,173	11,832	11,314
Dentistry	77,162	71,459	74,266	77,617	81,310
Education	9,531	9,704	10,404	10,166	10,329
Engineering	15,647	15,345	14,603	13,891	13,609
Environment, Earth, and Resources, Clayton H. Riddell - Faculty of	11,187	11,063	11,134	12,510	12,675
Human Ecology	8,393	7,424	6,619	6,480	6,074
Kinesiology and Recreation Mgmt	7,687	7,360	7,302	7,788	8,496
Law	15,127	13,808	14,989	15,196	15,094
Medicine	66,852	68,734	76,107	78,680	88,139
Music, Marcel A. Desautels	23,278	23,600	24,168	25,104	24,664
Nursing	11,132	12,304	12,568	14,006	14,235
Pharmacy	20,667	20,778	20,730	24,176	24,711
Rehabilitation Sciences	22,408	22,113	28,319	22,667	23,184
Science	7,108	6,692	6,722	6,593	6,734
Social Work	12,890	13,488	13,852	13,439	14,452
University Average	14,313	14,255	14,760	15,230	15,761

Table 3 on the next page summarizes the net expenditures per fiscal full time equivalent student by faculty over a 5 year period indexed to 2009-2010. This table clearly 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.

Table 3 Net Expenditures ⁽¹⁾ by FTE Student ⁽²⁾ by Faculty – Indexed to 2009/10

Faculty	2009/10	2010/11	2011/12	2012/13	2013/14
Agricultural & Food Sciences	100	100	106	103	95
Architecture	100	101	100	110	122
Art, School of	100	104	114	121	130
Arts	100	99	100	102	108
Business, Asper School of	100	102	111	108	103
Dentistry	100	93	96	101	105
Education	100	102	109	107	108
Engineering	100	98	93	89	87
Environment, Earth, and Resources	100	99	100	112	113
Human Ecology	100	88	79	77	72
Kinesiology and Recreation Management	100	96	95	101	111
Law	100	91	99	100	100
Medicine ⁽³⁾	100	103	114	118	132
Music, Marcel A. Desautels	100	101	104	108	106
Nursing	100	111	113	126	128
Pharmacy	100	101	100	117	120
Rehabilitation Sciences ^(3,4)	100	99	126	101	103
Science	100	94	95	93	95
Social Work	100	105	107	104	112
University Average	100	100	103	106	110

- (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 Faculty of Dentistry, the College of Rehabilitation Sciences and the Faculty of Medicine. In these four cases the student headcount is used in lieu of credit hours. The graduate student FFTE is taken from the Graduate Standard Student count.
- (3) Effective November 2014, the Medicine and Rehabilitation Sciences became separate Colleges, falling under the new Faculty of Health Sciences. Values for these units in this table were re-calculated to account for this change.
- (4) The Bachelor of Medical rehabilitation (Physical Therapy) has transitioned to a Master's program. The Master's of Physical Therapy program has its first intake in Fall Term 2012.

As mentioned, tuition revenues are the second largest source of operating revenue for the University. In 2013/14, tuition accounted for 24% of total revenues. The fees have increased by 19.9% 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.

Table 4 below shows the percentage change in undergraduate tuition revenue for western provinces from 2002 to 2015.

Table 4 - Average Undergraduate University Tuition by Province

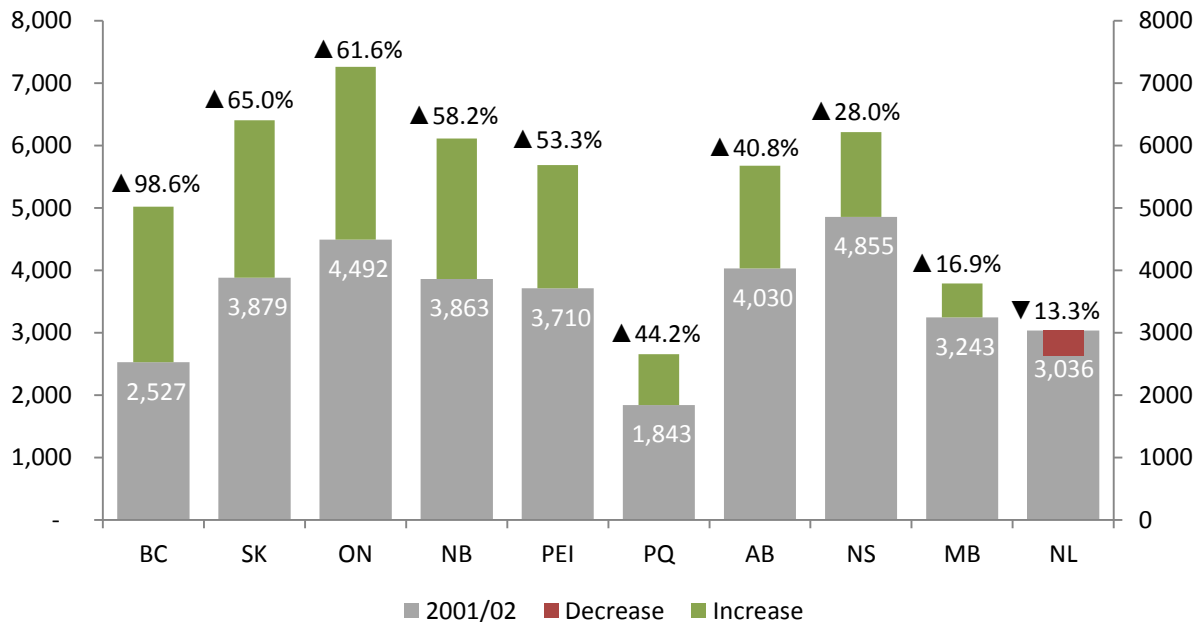
Province	Current Dollars			% Change	
	2001-02	2013-14	2014-15 ^P	2001-02	2013-14
				To 2014-15	To 2014-15
Canada	3,577	5,767	5,959	66.6	3.3
British Columbia	2,527	5,018	5,118	102.5	2.0
Saskatchewan	3,879	6,402	6,659	71.7	4.0
Alberta	4,030	5,675	5,730	42.2	1.0
Manitoba	3,243	3,790	3,887	19.9	2.6

Source: Statistics Canada, *The Daily*, September 11, 2014 and September 1, 2006
^P=preliminary

Based on 2013/14 tuition rates, the University of Manitoba would generate an additional \$45.2 million in operating revenues if it charged the same tuition rates as the University of Saskatchewan.

Graph VIII below shows that between 2001/02 and 2013/14, Manitoba has the second lowest increase in tuition fees across Canada, second last only to Newfoundland which realized a 13.3% decrease.

Graph VIII – Average Undergraduate Tuition fee Increases 2001-02 to 2013-14



Source: Statics Canada *The Daily*, Sept.11, 2014 and Sept.1, 2006.

ii. **Specific Provisions Fund**

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.

Table 5 – Specific Provisions Fund Balance at March 31, 2014

Provision Fund	Balance
Unit Specific Projects (Carryover)	\$ 33,199,999
Special Projects & Initiatives	23,806,963
Special Funding Arrangements	4,656,587
Ancillary Furniture and Equipment Replacement	3,259,450
Fiscal Stabilization	3,200,000
Parking Lot Improvements	2,384,078
Computer Equipment Replacement	2,106,234
Pension Provision	2,062,293
Vehicle and Other Equipment Replacement	1,600,340
Workers' Compensation Self Insurance	761,493
Total	\$77,037,438

Below details the provisions accounts that have been set up and the specific purposes for which the funds have been earmarked:

- **\$33.2M Carry-over Provision:** represents the amount set aside to honour outstanding commitments from the 2013/14 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 2013/14 fiscal year amounted to \$33,141,962* 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). Although some of those unspent funds have been used for other priorities or to balance the budget, we currently have funds set aside to provide 100% of our outstanding commitments.

**At publication date*

- **\$23.8M special projects** include amounts that typically have a unique source and associated use. For example, the largest item in this category is amounts generated from a soft drink supplier in exchange for an exclusive contract and is used in support of student scholarships.
- **\$4.7M special funding arrangements** includes provisions for special projects like matching funding for capital projects, a provision which was created to allow a baseline reduction in the utilities budget – basically a cold winter provision, and other items of a one-time nature.

- **\$3.3M Ancillary furniture and equipment replacement** 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.
- **\$3.2M 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.
- **\$2.4M Parking lot improvements** is similar to carryover in that Parking Services is able to save from one year to make repairs and improvements in a following year.
- **\$2.1M IST computer equipment replacement** also includes telephone equipment and the emergency notification system.
- **2.1M Pension Provision:** has been established to guard against unforeseen changes in market rates for pension plan funding including changes to current service costs.
- **\$1.6M Vehicle and equipment replacement** has been established by Faculties and units to support replacement of specific equipment, for example Dentistry equipment, Engineering's Scanning Electron Microscope Facility, and equipment used by Physical Plant.
- **\$0.8M WCB self-insurance.** The University recently moved back into the WCB program with individuals now being covered by this provincial program instead of being insured by the University directly. A condition of WCB to accepting the University back into the pool is that an amount equivalent to the "run out" costs of old claims be held in a separate account and be separately identified in our financial reporting.

Graph IX illustrates carryover allocations by major function over a six year period. Of the total \$33.1 million allocated in 2013/14, \$28.9 million of the funds are allocated to academic units, \$1.2 million are allocated to research development/support, and \$3.0 million are allocated to administrative/support units.

Graph IX – Carryover by Major Function 2008/09 to 2013/14

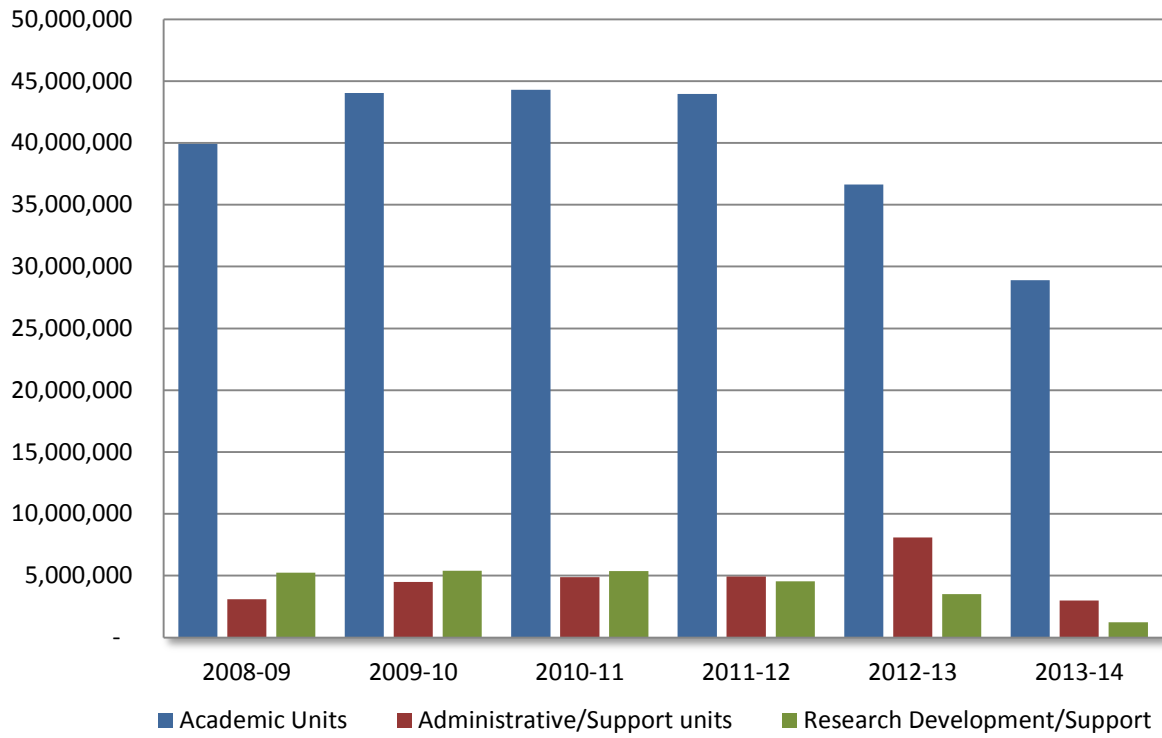


Table 6 below details carryover of operating funds for the past 6 years by funding purpose from 2008/09 to 2013/14. The specific purposes for which the funds are designated are detailed in the report below, including examples of the purpose for which the funds are designated.

Table 6 - Carryover Allocation funding category - 6 year summary

Carryover Category	Category Description	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14
General Operating Allocation	Operating Expenses funded by primary revenue sources: tuition, COPSE grant, and investment income.	6,113,948	6,059,451	5,604,445	5,279,673	92,526	12,982
Targeted 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.	732,765	1,379,838	1,851,483	2,478,185	3,333,537	3,308,152
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.	373,525	611,116	(92,383)	285,804	883,707	212,158
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).	408,664	401,861	606,351	448,039	321,911	305,614
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.	9,464,222	9,268,713	5,348,661	3,477,961	563,131	1,149,484
Targeted Industry Projects	Funding from industry for operating support. Examples include pharmaceutical companies and the University Medical Group.	29,935	43,050	46,865	33,025	153,414	107,979
Targeted COPSE ACCESS	Funding provided by COPSE 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).	1,403,078	1,675,112	1,833,566	1,786,019	1,788,695	1,910,829

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.	815,972	358,014	499,370	565,273	620,457	1,316,382
Targeted COPSE Projects	Single or multi-year allocations provided by COPSE 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).	162,318	624,907	788,906	727,269	672,800	1,824,280
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).	8,047,236	10,283,227	11,818,222	11,015,817	1,512,213	(328,157)
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).	241,982	401,207	514,942	610,548	509,714	478,708
Conferences	Funded by revenues received from non-UM students in support of conference or workshop activities.	68,772	102,837	104,284	140,538	50,783	178,080
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.	468,104	535,246	721,723	538,858	477,188	176,591
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.	1,052,604	1,421,285	1,844,004	1,806,266	1,625,508	1,825,938

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.	2,307,647	2,944,292	3,287,010	3,775,185	4,187,257	2,859,174
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.	420,541	494,377	605,826	422,944	1,398,542	515,679
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.	3,190,279	4,562,194	4,888,550	5,513,882	4,276,710	526,125
Overhead	Transfers in from Research to cover overhead costs incurred as a result of conducting research related activities.	2,821,020	3,518,014	3,549,549	3,012,767	2,894,996	2,825,709
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.	825,001	270,051	553,098	384,171	359,761	53,956
Research Matching Funds	Operating funds that are set aside as matching funds for research projects. For example the Canada Foundation for Innovation.	65,710	31,180	33,582	248,453	78,488	21,600
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.	1,414,564	1,381,306	2,045,998	1,807,225	3,123,544	4,458,399
Prior Year Carryover	Funded by approved carry-over allocation (prior year surplus) in support of specific projects or purposes.	-	-	-	-	10,727,337	2,419,539

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.	1,243,622	916,086	864,733	962,822	966,955	1,054,600
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.	2,253,048	2,530,494	2,717,249	2,851,229	3,154,320	2,693,959
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).	1,076,757	1,295,627	1,569,448	1,751,560	1,779,685	1,453,500
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.	2,712,747	2,529,385	2,658,583	3,221,058	2,385,353	1,607,015
Operating Research Development	Research Development Fund - administered by the Vice-President (Research) & International office.	557,655	277,439	300,245	305,911	295,872	173,688
Total Carryover		48,271,716	53,916,309	54,564,310	53,450,481	48,234,403	33,141,962

B. Restricted Funds

The 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.

i. Research and Special Funds

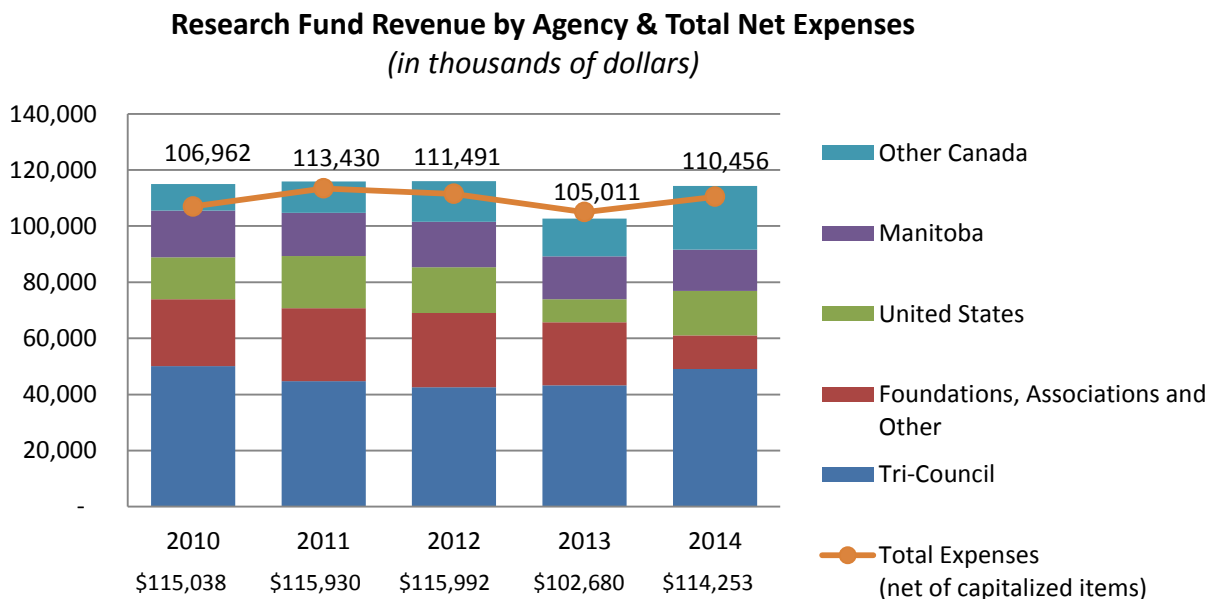
The Research and Special Funds consists of contributions specifically restricted for research or other special activities. Contributions are provided from federal and provincial granting agencies and other public and private sources such as the Gates Foundation. Funds are spent in accordance with the 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 will be carried forward to the following fiscal year.

Research revenues are comprised of funding received from Tri-Council, (Social Sciences & Humanities Research Council, Canadian Institutes of Health Research, and Natural Sciences and Engineering Research Council), Other Government of Canada grants (Canadian Foundation for Innovation, Department of Foreign Affairs, Trade and Development, Networks of Centres Excellence, and other), the Province of Manitoba (Agriculture, Health Research Initiative, Health Research Council and Other), as well as other Foundations, Association and United States granting agencies.

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

GRAPH X



Graph XI details the purpose for which research revenues were spent over a five year period. The level of 2013-14 spending by faculty/support units is detailed on **Chart A**.

Graph XI

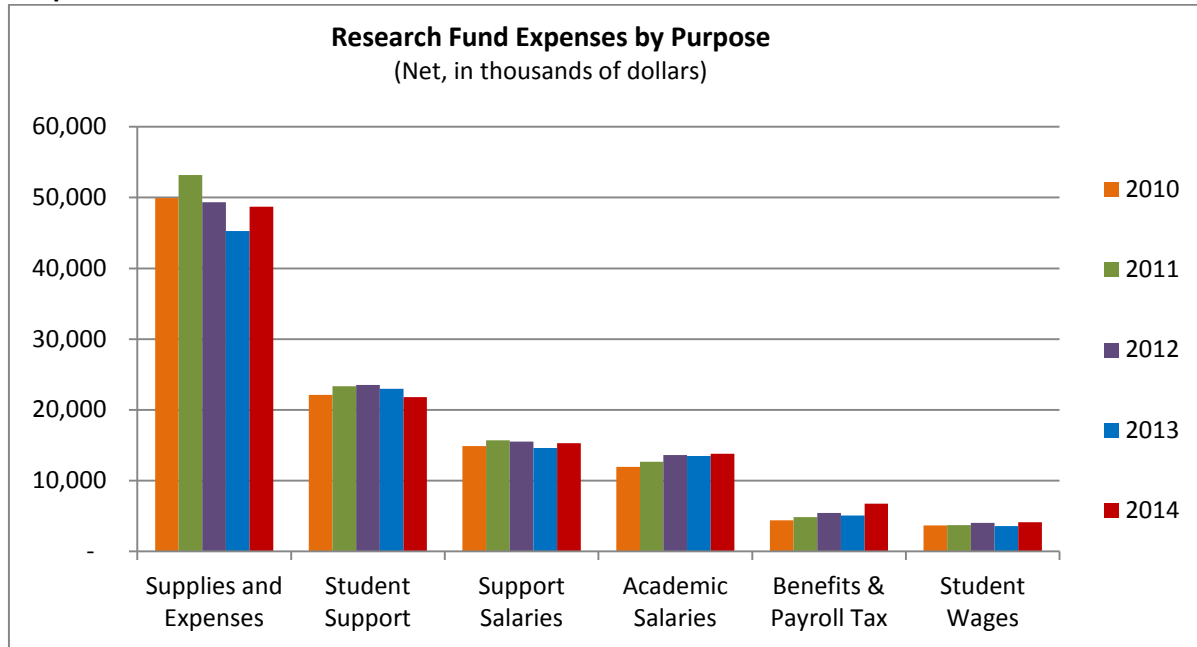
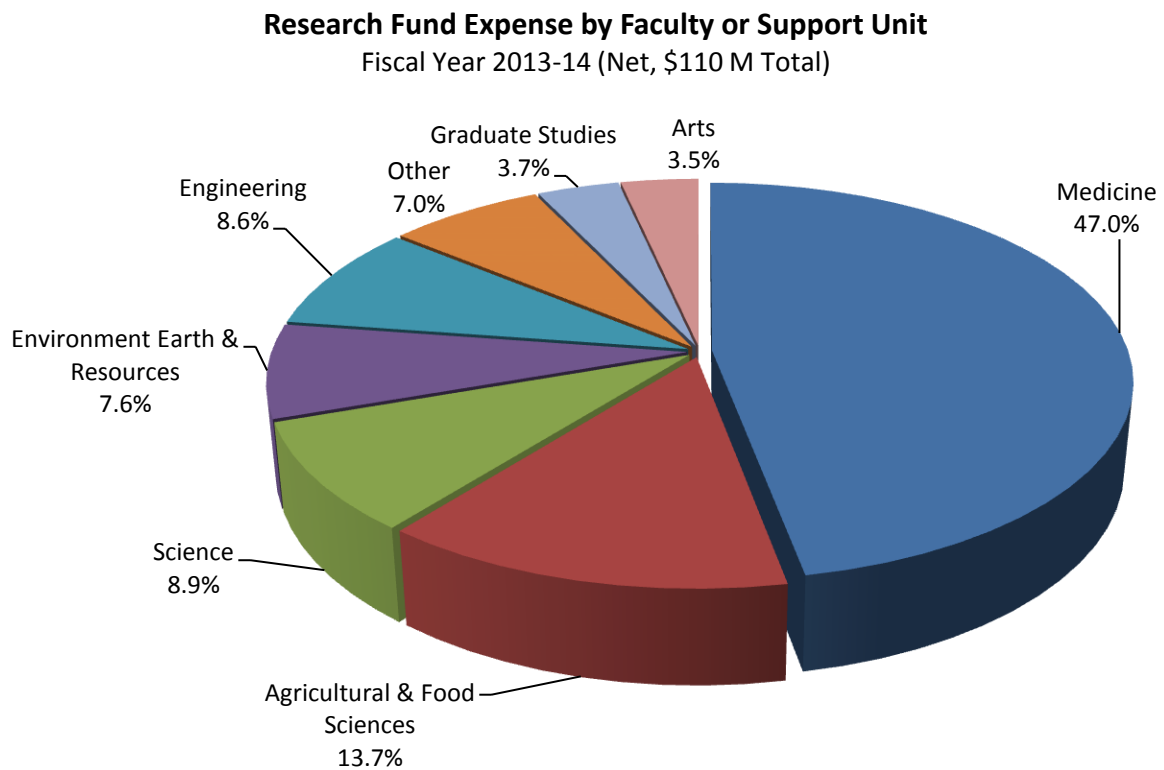


Chart A

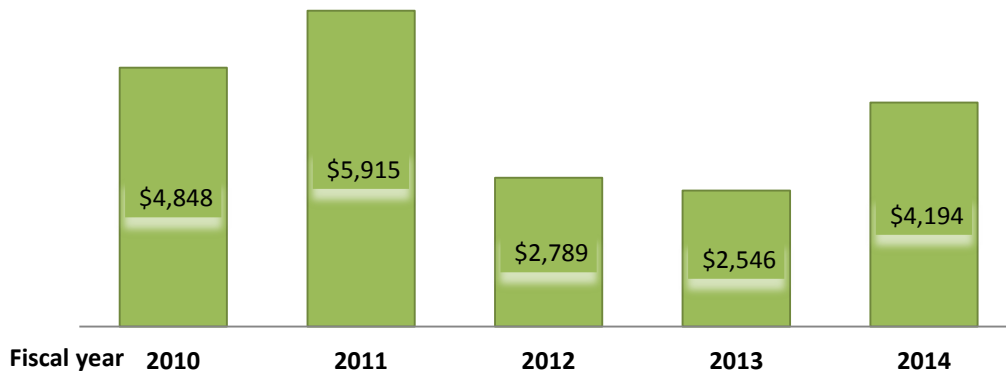


Of the total net research expenses of \$110.5M in 2013-14, investment was highest in the faculty of Medicine at 47.0%, followed by the Faculties of: Agricultural and Food Sciences at 13.7%, Science at 8.9%, Engineering at 8.6% and Environment at 7.6%. The University’s Special Funds are non-research related contracts, the majority of which is directed to Community Health Sciences and Post Graduate Medical Education. **Graph XII** illustrates the change in Special Fund net revenues (revenues less

expenditures) over five year period. The main sources of special fund revenue is the Government of Manitoba, which in 2013/14 comprised 52.7% of total revenue followed by Foundations, associations and other with 31.3% of total revenue and other Federal Government revenue at 16.0% of total revenue.

Graph XII

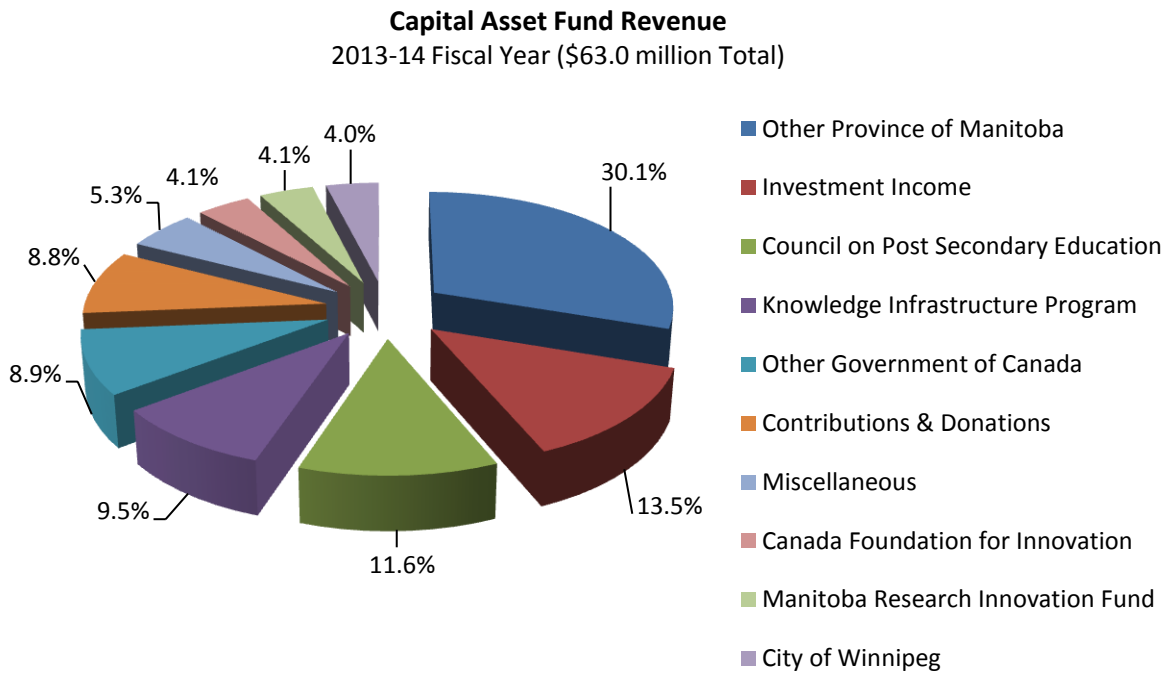
Special Fund Net Revenues 2010 to 2014
(in thousands of dollars)



ii. Capital Asset Fund

The Capital Asset Fund consists of restricted contributions resulting from capital asset co-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. (See Table 7 next page). As shown in **Chart B** below, the University of Manitoba received \$63.0 million in capital asset contributions in 2013/14:

Chart B – Capital Asset Fund revenue by Source 2013/14



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. When a faculty/unit purchases a capital item that meets the University’s capitalization criteria, the expenditure is reported as an Interfund Transfer out of the Fund (Operating or Research) that paid for the item with an offsetting Interfund Transfer into the Capital Fund.

Table 7 below lists the University’s *in use* capital assets, at cost, by category. In 2013-14, the University of Manitoba invested \$98.3 million in capital assets, notably investing \$34.6 million in Construction in Progress (CIP), \$30.3 Million in Buildings & Major Renovations, \$16.8 Million in Furniture & Equipment, and \$10.1 Million in Library books. Annual investments in capital assets have grown substantially since 2000 as shown in **Graph XIII** Capital Acquisitions 2000-2001 to 2013-2014.

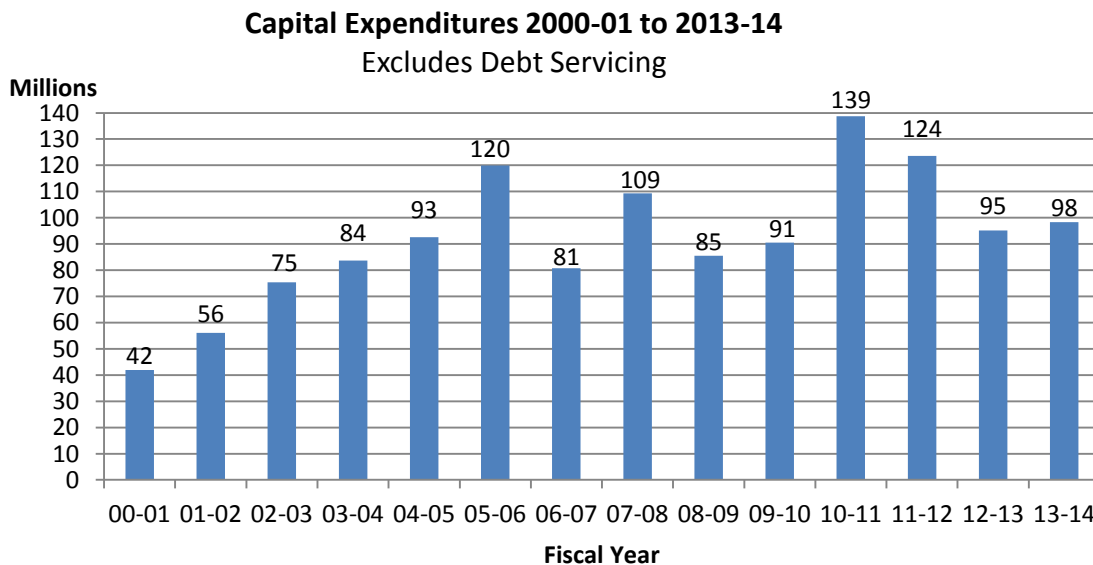
Major projects included in the CIP and Building & Major Renovations categories include the Pembina Hall Residences, Biological Sciences and the ART Lab.

Table 7 – Changes in Capital Assets (in thousands of dollars)

	2014	Additions	Reclass from "in progress" to "in use"	Disposals	2013
Assets Under Capital Lease	3,286	-	-	(253)	3,539
Buildings and Major Renovations	1,046,597	30,276	5,314	-	1,011,007
Computer Hardware & Electronics	101,155	4,221		(2,414)	99,348
Construction in Progress	11,221	34,654	(5,326)	-	(18,107)
Furniture & Equipment	255,557	16,790	-	(995)	239,762
Land	29,957	283		-	29,674
Library Books	192,897	10,080	-	(1,530)	184,347
Parking Lots & Road Improvements	9,359	680	12	-	8,667
Rare Books & Manuscripts	6,280	421	-	-	5,859
Vehicles	8,518	791	-	(308)	8,035
Works of Art	2,710	117	-	-	2,593
Total	1,667,537	98,313	-	(5,500)	1,574,724

Graph XIII illustrates the annual investments in capital since 2000/01. 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 Knowledge Infrastructure Program and Canada Foundation for Innovation.

GRAPH XIII - Capital Acquisitions 2000-01 to 2013-2014



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

Space

The University's approach to space challenges and development is based on the premise of responsible stewardship: where possible, we seek to revitalize existing spaces, finding new and innovative ways to use them. This is the hallmark of Project Domino, of which the Taché Arts Project is a very visible example. This project is resulting in the transformation of the University's historic Taché Hall residence into a new home for the School of Art and the Marcel A. Desautels Faculty of Music, and will free up some additional space for redevelopment.

In November 2014, the Visionary (re)Generation Open International Design Competition selected a design team led by Toronto's Janet Rosenberg and included Cibinel Architects to work with the University of Manitoba in developing a long-term design strategy for the Fort Garry campus and the newly acquired Southwood Precinct. The result will be a new campus master plan that will offer a blueprint for a future-focused, people-centered hub that will ensure the future needs of the University are met while creating a greater connection to the community.

The University of Manitoba has also engaged with external consultants to develop a Bannatyne campus master plan, which will address growing space and infrastructure demands. The 10-15 year planning horizon will involve collaborating with the Health Sciences Center to explore ways of integrating with its recently developed master plan as a means to maximize community space with Medicine, Pharmacy, Dentistry and in the future, Nursing.

Infrastructure Renewal Projects (Deferred Maintenance) and Major Capital Projects

The University has faced on-going 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 "Deferred maintenance". A summary of deferred maintenance and major capital projects are listed below in **Table 8** Multi-Year Capital Plan Project Summary.

*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. Major Capital Project estimates are subject to change as functional programming feasibility studies are performed.

Table 8: Multi-Year Capital Plan Project Summary *(in millions of dollars)*

Project Category	Total Cost Estimate *
1. Infrastructure Renewal Projects - Building Envelope and Structural Systems Renewal	165.96
2. Infrastructure Renewal Projects - Mechanical and Electrical Systems Replacement	146.14
Sub-total	312.10
3. Major Capital Projects - Renovation, Adaptive Re-use or Replacement	281.00
4. Major Capital Projects - New Construction	688.00
Sub-total	969.00
Total Investment	1,281.10

* Estimates provided in 2015 dollars

Project Category 1 and 2 both represent a list of Infrastructure Renewal projects. There are 27 projects identified, for an estimated cost of \$312.10 million. A large portion of the Total Cost Estimate represents deferred maintenance at the University. The list of total high priority projects is shown in **Table 9** Infrastructure Renewal Projects.

Table 9: Infrastructure Renewal Projects *(in millions of dollars)*

High Priority Infrastructure Renewal Projects	Total Cost Estimate *
Asbestos/Mold Remediation	40.00
Dairy Art Barn Studio Upgrades	0.950
Medical Rehabilitation Window Replacement	1.700
Dairy Science Window Replacement	0.575
University College Entry Plazas-Precast Cladding, Steps and Ramps	0.525
Education Building I, II & III Selective Window Replacement and Repairs	2.500
Accessibility/Elevator Upgrades	27.00
Animal Science Precast Sills Replacement	0.365
Roofs	20.00
Building Envelope	18.70
Window Replacement	19.45
Building Foundations/Basement Upgrades to Structural Slab Floors	4.325
Road Repairs and Restorations and Walkway Repairs	19.675
Sewer System Upgrades and Backflow Prevention Devices	8.600

Parkades	1.335
Residences – Roof Replacement	0.255
Fire Safety Non Compliance/Central Monitoring Upgrades	26.80
BMSB Asbestos Encapsulation/Sprinkler Installation Phase II	11.50
Education Asbestos Removal & Sprinkler Installation	12.40
Allen Building Ventilation/Sprinkler/Ceiling & Code Compliance Upgrades, Ph I	10.00
Asbestos Cement Water Line Replacement, Ph II	6.10
Electrical Distribution Upgrades	7.45
Heating, Ventilation and Air Conditioning	45.90
Galvanized, Reverse Osmosis, Drain, and Vent Pipe Replacement	13.70
Safety - Campus Security, Security Cameras, Code Blue Stations, Exterior Lighting	8.10
Fumehood Exhaust Fan Upgrades	2.13
Environmental Controls Replacement	2.07
Total \$M	312.10

* Estimates provided in 2015 dollars

Project Categories 3 and 4 represent Major Capital Projects. There are 33 projects identified for an estimated cost of \$969 million. Virtually all of these projects are listed as “Emerging”; they have been gathered through the current status of the master planning, space master planning process as well as through consultation with faculties, departments and units through the Strategic Resource Plan (SRP), and consultation process underway. It is expected that many of these project requests will be rationalized and cost estimates refined for each subsequent update of the Integrated Multi-year Capital Plan. A summary of total major capital projects is shown in **Table 10** Major Capital Projects.

Table 10: 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

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Wayfinding, Fort Garry Campus	Renovation, Adaptive Re-use or Replacement	7.00
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	16.00
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
Palace Theatre	Renovation, Adaptive Re-use or Replacement	5.00
Taché Arts Project Phase 1 – Rehearsal	New Construction	43.00
Taché Arts Project Phase 2 – Concert Hall	New Construction	31.00
Bannatyne Interprofessional Research, Teaching, T Block Replacement, and Nursing Building	New Construction	115.00
Bannatyne Parkade Expansion	New Construction	11.00
Engineering Design Centre	New Construction	42.00
Campus Daycare	New Construction	5.00
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
UM Admin and IT Office Complex	New Construction	42.00
Smartpark Incubator	New Construction	24.00
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
Bannatyne Centre for Community Engagement and Interprofessional Teaching Clinic	New Construction	12.00
Bannatyne Academic Building, Bannatyne Campus	New Construction	61.00
Oil Spill Sea Ice Research Lab (Churchill, MB)	New Construction	20.00
Expansion of Richardson Centre for Functional Foods and Nutraceuticals to incorporate new RCSC and upgrades	New Construction	54.00
Plant Genomics Institute	New Construction	30.00
Total \$M		969.00

* Estimates provided in 2015 dollars

In July 2014, EAL announced that in support of critical deferred maintenance projects, the University of Manitoba will be allocated \$6.802M in 2014/15. This increased funding represents just over 2% of the total amount required per **Table 9** (\$312.1M). The \$312.1M 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 met with success through funding from both the provincial and federal governments from a variety of programs. The Capital Campaign which 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 institutions current basic requirements.

The University has advanced feasibility studies including detailed order of magnitude estimates for Faculty of Engineering (including the Design Centre) and repurposing of Helen Glass. As well as advancing feasibility and order of magnitude cost estimates for the new Bannatyne Academic building (includes Nursing, Basic Medical Sciences, and T Building replacement). The revised order of magnitude cost estimates were not available at the time of this report (expected summer 2015).

iii. **Trust and Endowment Funds**

The University Investment Trust (UIT) is a permanent fund established to support specific purposes at the University of Manitoba. Each year, 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 at the University. The UIT is managed by the Trust Investment Committee (“the Committee”), which is an advisory committee to the Board of Governors, and as such makes recommendations on all matters related to the investment and distribution of endowment assets. Members of the Committee are appointed under the authority of the Board, and are accountable to the Board through the Finance, Administration, and Human Resources Committee. The Committee establishes guidelines for investing assets, and is responsible for hiring and reviewing investment

managers. This includes establishing the investment mandates for each asset class and the review of performance for each mandate, as well as the overall portfolio, to ensure that the goals and objectives of the endowment are being achieved.

The UIT is comprised primarily of endowed gifts from donors that provide long-term funding for designated purposes. Donors generally specify a particular purpose for their gifts, creating endowments that fund student awards (39%), faculty and school support (40%), chairs and professorships (12%), research (7%), and other support (2%). The UIT continues to be an integral part of the University of Manitoba, as it helps the institution achieve its many goals. The University continues in its philosophy to provide access to the best education to all that have the ability to benefit from it. Student financial aid plays an enormously important role in achieving access to education, and the enduring gifts of the UIT help provide for this financial support both today, and tomorrow. In the past five years alone, over \$34 million has found its way to thousands of students through awards from this fund. This legacy of support will live on, and grow, for future generations of students. The endowment fund is the single most critical component of student financial aid at the university.

The annual distributions from the UIT support the various purposes designated by donors, with over \$17 million being allocated for the current fiscal year, and a total of \$77 million allocated over the past 5 years.

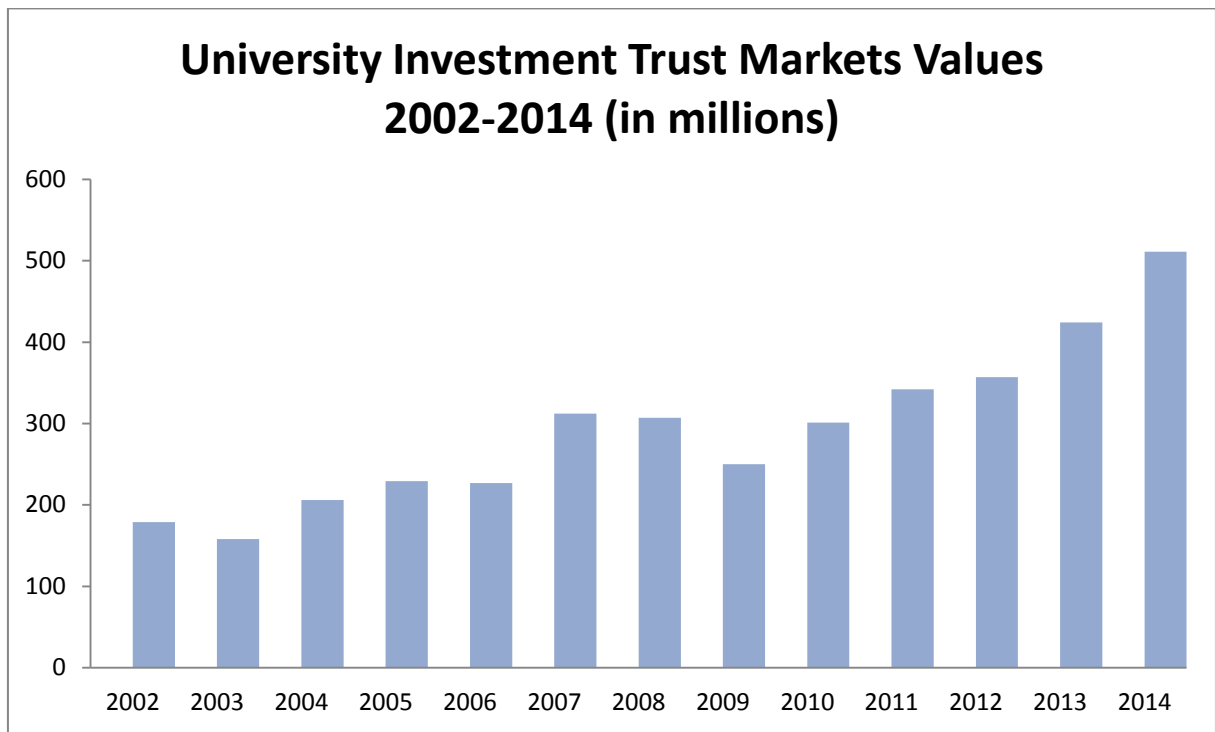
The UIT continues to grow due to the generosity of donors, as a total of \$9 million in new gifts were received in fiscal 2014. These gifts are invested into the various investment portfolios of the fund. The long-term objective of the UIT is the preservation of capital to ensure inter-generational equity. The concept of intergenerational equity is to ensure current students are neither advantaged nor disadvantaged relative to future students. This is achieved in part by setting a realistic spending policy that will allow the portfolio to meet the needs of current beneficiaries and at the same time maintain the purchasing power of the corpus vis-à-vis the effect of inflation over a long time horizon.

There are also Specific Trust Funds, which are invested outside of the UIT due to the short-term nature of these funds. Typically these are gifts for capital projects or for other purposes where the funds will be spent over a relatively short period of time. As such, the time frame requires the gifts to be invested in low risk, short term fixed income. The UIT and the Specific Trusts make up the Trust and Endowment Funds of the University.

The revenues of the Trust and Endowment funds include investment income plus any new donations received. The expenses are transfers of allocations to various faculties and units, all awards paid directly to students and any investment management fees paid to third parties. As it is not anticipated that all funds available from Trust and Endowment will be spent by units, the amount included in the general operating budget as an inter-fund transfer will be based on actual transfer request by units. The amount of spending available in 2014/2015 from the Endowment Fund is over \$17 million.

Graph XIV illustrates the growth of the UIT, which in 2014 was the 8th largest endowment fund among Canadian Universities. The 1-year rate of return to the end of March 2014 was 19.8%, which was ahead of the benchmark of 17.7%, and among the top of the peer group rankings for endowments at larger universities in Canada. The value of all Trust and Endowment funds as at March 31, 2014 was \$556 million, with \$511 million held within the UIT (noted below) and a further \$45 million invested in Specific Trusts.

Graph XIV – University Investment Trust Market Values



Charts C and D summarize pledges received by the purpose and the type of donor for which the gift was pledged.

Chart C - Donor Pledges by Type of Gift 2013-2014 (Total \$25.4 M)

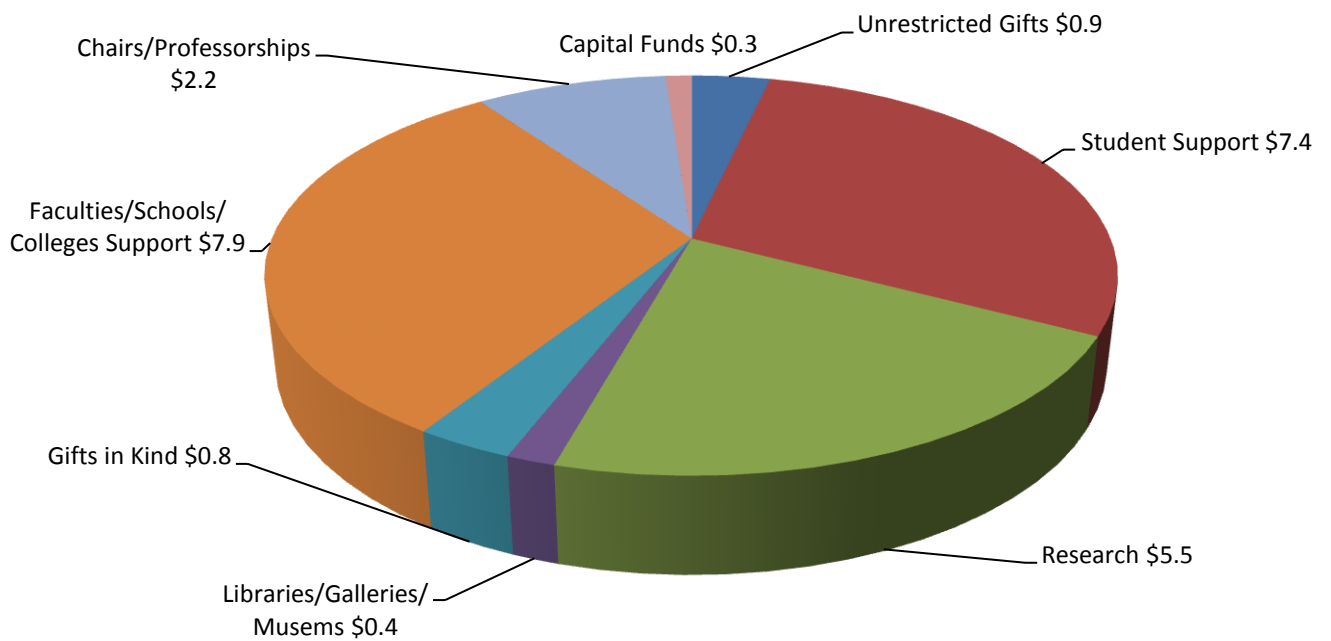
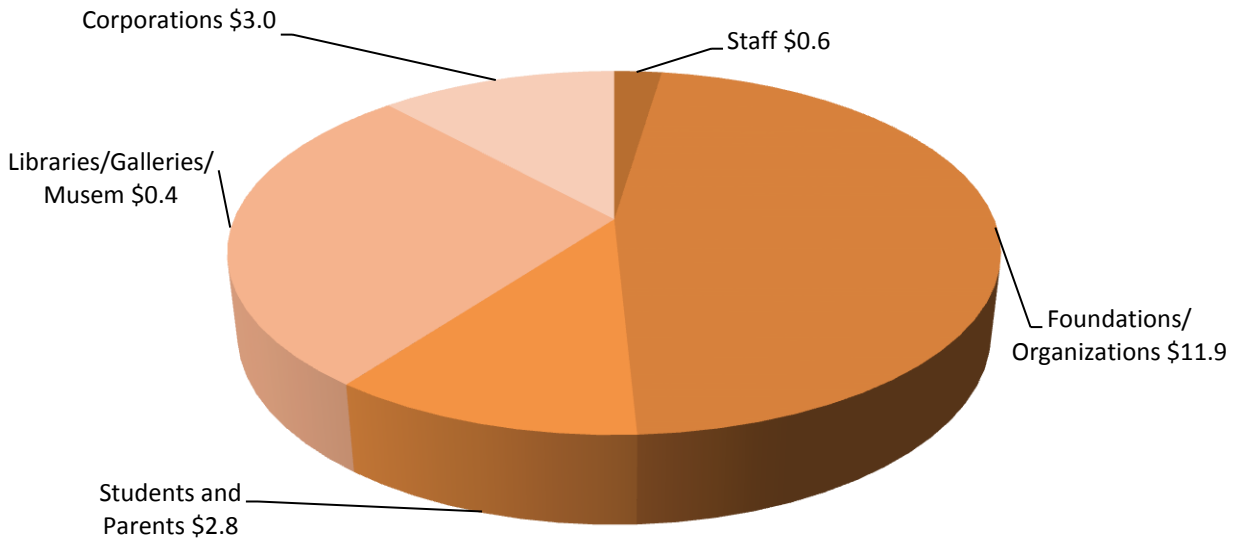


Chart D - Donor Pledges by Constituency 2013-2014 (Total \$25.4 M)



9. Summary

The University of Manitoba budget is large and complex with revenues and expenditures recorded different fund categories. The Operating fund is the largest with 2013/14 revenues of \$590.8 million, an increase of 18.7% since 2010. The Restricted funds (excluding endowment), have increased to \$252.0 million, an increase of 7.2% over the same 5 year period while Endowment fund revenues decreased to \$8.0 million in 2013/14 representing a 72.4% decrease since 2010.

In May 2015 the Board of Governors will be asked to approve an Operating Budget for 2015/16 and Financial Plans for Research and Special Funds, Trust and Endowment Funds as well as the 2015/16 Capital Plan. In striking the recommended budgets and financial plans for 2015/16, the Executive Team will be guided by the University of Manitoba Strategic Plan 2015-2020, and advice provided by the President’s Budget Advisory Committee. A balanced budget will be presented for approval.

Appendix 1 - All Funds Revenues and Expenses – 5 year summary
(in thousands of dollars)

Revenues - All Funds	2010	2011	2012	2013	2014
Operating Fund Revenue	497,770	510,687	547,081	559,414	590,828
Research and Special Fund Revenue	138,000	141,777	139,482	146,674	139,667
Capital Fund Revenue	52,215	66,349	65,974	55,578	63,036
Trust and Endowment Fund Revenue	65,988	60,599	37,024	29,178	43,630
Staff Benefits Fund Revenue	6,727	6,122	4,493	4,865	13,616
Total Revenues	760,700	785,534	794,054	795,709	850,777

Expenses - All Funds	2010	2011	2012	2013	2014
Instruction	367,847	377,860	396,804	407,121	431,671
Amortization	45,668	47,217	49,654	51,619	52,546
Student Support	41,997	42,695	46,541	48,593	49,378
Administration	33,193	33,051	37,642	42,420	48,986
Plant Maintenance	43,131	39,428	32,858	34,331	40,463
General	35,046	24,289	17,317	50,151	36,133
Other Instruction Support	20,418	19,823	21,140	23,317	29,145
Ancillary Services	29,038	27,277	28,926	29,035	28,450
Student Services	21,562	22,681	16,816	18,792	19,772
Interest	6,927	11,310	16,863	17,572	18,120
Libraries	17,102	16,997	16,881	16,999	16,969
Total Expenses	661,929	662,628	681,442	739,950	771,633
<i>Net Increase (Decrease) to All Fund Balances</i>	<i>98,771</i>	<i>122,906</i>	<i>112,612</i>	<i>55,759</i>	<i>79,144</i>

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Appendix 2 - General Operating Fund Revenues and Expenses – 5 year detail statement

(In thousands of dollars)

	<u>2010</u>		<u>2011</u>		<u>2012</u>		<u>2013</u>		<u>2014</u>	
	\$	%	\$	%	\$	%	\$	%	\$	%
Revenue:										
Council on Post-Secondary Education	281,132	60%	288,282	60%	304,147	60%	319,955	61%	329,456	60%
Tuition and Related Fees	108,397	23%	117,529	25%	123,191	24%	133,012	25%	141,999	26%
Sales of Goods and Services	31,252	7%	31,375	7%	31,010	6%	32,822	6%	34,342	6%
Other Province of Manitoba	16,519	4%	15,184	3%	15,799	3%	17,546	3%	19,533	4%
Miscellaneous Income	14,084	3%	9,603	2%	17,070	3%	1,861	0%	12,473	2%
Government of Canada	8,940	2%	9,373	2%	10,760	2%	10,563	2%	8,797	2%
Net Investment Income	3,103	1%	4,317	1%	5,426	1%	3,964	1%	4,429	1%
Contributions, Donations, Non-Government Grants	1,547	0%	2,231	0%	2,653	1%	2,502	0%	2,617	0%
<i>Subtotal</i>	<i>464,974</i>	<i>100%</i>	<i>477,894</i>	<i>100%</i>	<i>510,056</i>	<i>100%</i>	<i>522,225</i>	<i>100%</i>	<i>553,646</i>	<i>100%</i>
Ancillary Services	32,796		32,793		37,025		37,189		37,182	
Total Revenue	497,770		510,687		547,081		559,414		590,828	
Expense by Function:										
Instruction	268,785	62%	271,342	64%	291,347	67%	307,404	65%	325,393	63%
Administration	30,665	7%	30,638	7%	35,051	8%	40,057	8%	46,019	9%
Plant Maintenance	43,118	10%	39,431	9%	32,858	8%	34,331	7%	40,463	8%
General	6,708	2%	22,523	5%	23,213	5%	25,538	5%	29,528	6%
Other Instruction Support	20,096	5%	19,462	5%	21,124	5%	23,289	5%	29,101	6%
Student Services	21,460	5%	22,618	5%	16,786	4%	18,782	4%	19,772	4%
Libraries	16,973	4%	16,901	4%	16,872	4%	16,984	4%	16,963	3%
Student Support	6,944	2%	6,473	2%	7,850	2%	10,225	2%	12,417	2%
Actuarially Determined Employee Future Benefits	3,062	1%	3,602	1%	393	0%	3,266	1%	6,930	1%
Change in Pension Liability	21,268	5%	(2,187)	(1%)	(5,505)	(1%)	416	0%	34	0%
Staff Benefits Contra	(4,497)	(1%)	(6,194)	(1%)	(6,674)	(2%)	(6,414)	(1%)	(7,542)	(1%)
<i>Subtotal</i>	<i>434,582</i>	<i>100%</i>	<i>424,609</i>	<i>100%</i>	<i>433,315</i>	<i>100%</i>	<i>473,878</i>	<i>100%</i>	<i>519,078</i>	<i>100%</i>
Ancillary Services	29,038		27,277		28,926		29,035		28,450	
Total Expense	463,620		451,886		462,241		502,913		547,528	
Net Revenue	34,150		58,801		84,840		56,501		43,300	
Transfer to/from Other Funds:	<u>2010</u>		<u>2011</u>		<u>2012</u>		<u>2013</u>		<u>2014</u>	
Appropriation for Specific Provisions:										
Capital Asset Replacements & Improvements	(3,358)		747		(5,310)		(4,006)		(3,350)	
Unit Carryovers, Special Projects & Initiatives	(56,403)		(65,910)		(68,508)		(63,148)		(49,699)	
Benefits Premiums Net of Employer Contributions of	(222)		(1,878)		(2,195)		(1,707)		(4,107)	
Employee Future Benefits	3,062		3,602		393		3,266		8,482	
Funding of Capital Asset Additions	(44,290)		(47,290)		(63,105)		(40,292)		(41,684)	

2015/16 Strategic Resource Planning and Budget Framework

Appendix 2 - General Operating Fund Revenues and Expenses – 5 year detail statement

(In thousands of dollars) – Continued

	<u>2010</u>		<u>2011</u>		<u>2012</u>		<u>2013</u>		<u>2014</u>	
	\$	%	\$	%	\$	%	\$	%	\$	%
Transfer to/from Other Funds:	2010		2011		2012		2013		2014	
Funding of General Operating Expenditures from:										
Capital	811						640		4,273	
Provisions	51,176		59,850		69,404		61,419		59,518	
Research	884		1,220		502		997		867	
Staff Benefits			2,742							
Trust	6,222		6,570		7,617		9,064		8,777	
Funding of Research Projects	(353)		(123)		(151)		(3,016)		(7,456)	
Long Term Debt Repayments	(3,665)		(3,089)		(5,486)		(5,786)		(5,577)	
Net Change in Vacation Pay & Pension Liability	21,850		(2,078)		(4,796)		1,365		224	
Other Net Transfers	(70)		(21)		-		-		(362)	
Overhead Recoveries From Research	3,252		2,951		3,348		2,954		3,636	
Student Contributions for Technology	(2,870)		(3,607)		(3,703)		(3,838)		(3,976)	
Student Contributions to University Development Funds	(738)		(789)		(738)		(867)		(940)	
Student Support	(4,513)		(7,364)		(7,620)		(8,877)		(6,931)	
Unit Capital Development Assessment	(4,900)		(4,316)		(4,478)		(4,706)		(4,988)	
Net Transfer to/from Other Funds	(34,125)		(58,783)		(84,826)		(56,538)		(43,293)	
Remeasurement Gains and Losses							39		(5)	
Net Increase to Fund Balance	25		18		14		2		2	
Expense by Type:										
Salaries & Wages	281,610	65%	282,868	67%	294,765	68%	310,650	66%	328,661	63%
Supplies & Expense	63,434	15%	67,827	16%	67,535	16%	73,056	15%	76,795	15%
Staff Benefits	38,885	9%	48,457	11%	49,725	11%	56,485	12%	69,186	13%
Utilities	13,295	3%	11,670	3%	12,207	3%	13,093	3%	18,002	3%
Student Support	7,164	2%	6,473	2%	7,850	2%	10,225	2%	12,417	2%
Payroll Tax Levy	6,103	1%	6,121	1%	6,347	1%	6,687	1%	7,053	1%
Actuarially Determined Employee Future Benefits	3,062	1%	3,602	1%	393	0%	3,266	1%	6,930	1%
Change in Pension Obligation	21,268	5%	(2,187)	(1%)	(5,505)	(1%)	416	0%	34	0%
<i>Subtotal</i>	<i>434,821</i>	<i>100%</i>	<i>424,831</i>	<i>100%</i>	<i>433,317</i>	<i>100%</i>	<i>473,878</i>	<i>100%</i>	<i>519,078</i>	<i>100%</i>
Ancillary Services:										
Costs of Goods Sold	16,649		15,627		15,702		15,588		15,055	
Supplies & Expense	2,706		1,923		3,915		5,557		5,481	
Salaries & Wages	5,524		5,780		5,519		5,429		5,355	
Utilities	1,637		1,624		1,680		1,406		1,481	
Staff Benefits	915		957		925		934		959	
Payroll Tax Levy	126		128		121		121		119	
Equipment, Alterations, etc.	1,242		1,016		1,062					
<i>Subtotal</i>	<i>28,799</i>		<i>27,055</i>		<i>28,924</i>		<i>29,035</i>		<i>28,450</i>	
Total Expense	463,620		451,886		462,241		502,913		547,528	