



**AGENDA ITEM: Operating Fund Budget and Financial Plans for Restricted and Endowment Funds – 2016/17**

**RECOMMENDED RESOLUTION:**

That the Board of Governors approve:

- a tuition fee increase of 1.2% effective Regular Session 2016;
- a balanced fiscal operating budget based on \$637,615,561 of total revenue, \$68,806,575 of fund transfers, and expenditures of \$568,808,986; and
- financial plans for Restricted and Endowment Funds for the year ending March 31, 2017 as set out in Attachment 4.

**Action Requested:**      ☒ Approval    ☐ Discussion/Advice    ☐ Information

**CONTEXT AND BACKGROUND:**

**GENERAL OPERATING FUND**

The General Operating Fund is the largest of the funds which supports the academic mission, non-sponsored research and the administration of the University. General operating revenue sources include the Provincial operating grant, tuition and related fees, federal government grants, net investment income, miscellaneous income, sales of goods and services to external parties and income from ancillary enterprises.

**Integrated Planning and Budgeting Process**

The annual integrated planning and budgeting process began in the summer with the development and submission of the 2016/17 Operating Estimates to the Manitoba government. Manitoba Education and Advanced Learning (EAL) requested that the University provide an assessment of the impact on 2016/17 operations of no increase to the base operating grant and a 1.5% tuition increase; these calculations resulted in a projected shortfall of \$11.4 M.<sup>1</sup>

The Board of Governors approved the 2016/17 Estimates submission on September 22, 2015. Subsequently, the President and members of the senior executive and

<sup>1</sup> Other assumptions: enrolment levels equal to the projected 2015/16 levels, general non-salary inflation increase of 1.5%, library acquisition inflation and exchange rate increase of 18%, average increase of 4.5% for utilities, and salary, benefits, travel and expense allowance increase based on anticipated or previously negotiated settlements and forecasts.

administrative team met with the Deputy Minister and senior officials of Education and Advanced Learning in early October to present the Submission.

In fall 2015, all faculties, schools and administrative units were asked to develop strategic resource plans (SRPs) using a prescribed template format that reflected the University's new strategic plan. In light of the projected financial circumstances outlined in the 2016/17 Estimates Submission, each unit was asked to plan assuming an estimated 4% baseline budget reduction for 2016/17.

A goal for 2016/17 fiscal year was to enhance transparency by improving resource allocation processes and making decision making structures and processes more evident to the University community. Specifically, a new Planning and Budgeting Committee (PBC) was formed to ensure resource allocation decisions were informed by University priorities in appropriate balance with unit-level pressures.

The committee comprised of all Vice-Presidents, decanal representatives, and senior planning and budgeting staff, met on six occasions, and provided advice to the Provost and Vice-President (Academic) on resource allocations and strategic investments using information from SRP submissions, based on alignment with the Strategic Priorities – "Taking Our Place" and planning assumptions.

Where required, the Provost and Vice-Provost (Integrated Planning/ Academic Programs) also met in February 2016 with several Deans and Directors of academic units, the University Librarian and leaders of major support and administrative units to discuss and seek clarification on their strategic resource plans. The results of these discussions in conjunction with advice from PBC formed the proposed recommendations on resource allocations to the President's Budget Advisory Committee (BAC).

The President, Provost, Vice-Presidents, and senior planning and budgeting staff subsequently met with BAC on three occasions to review the University's fiscal environment and solicit input and advice on the budget process and the recommendations.

### **Funding Announcement**

On January 7, 2016 the Minister of Education and Advanced Learning announced increases to funding levels for 2016/17 for the University of Manitoba and other universities and colleges in Manitoba, pending approval of The Appropriation Act, 2016. These proposed increases of \$8.5M (or 2.5%) to the University's base operating grant and \$0.1M in Access grants, are detailed in **Attachment 1**. The Manitoba government also advised that tuition and course related fees may increase by up to the current inflation rate of 1.2% for 2016/17. Any differential or surcharge in fees set for courses taken by individuals who are not Canadian citizens or permanent residents of Canada are not governed by Provincial policy and legislation.

The April 19th, 2016 provincial election resulted in a change in government; a budget has not yet been tabled.

### **Resource Requirements**

In anticipation of a 2.5% operating grant increase, revenue and expenses were refined to reflect:

- updated 2015/16 tuition revenues;
- no increase in enrolment in 2016/17;
- a 1.2% inflationary increase for tuition fees;
- a 1.2% increase for most course related fees;
- updated salary and benefit cost estimates based on currently available information; and
- updated information on utilities, library acquisitions, specific purpose expenses and contingency funding requirements.

**Attachment 2** details the available 2016/17 Operating Budget Funding from various sources. Operating baseline funding is summarized as follows:

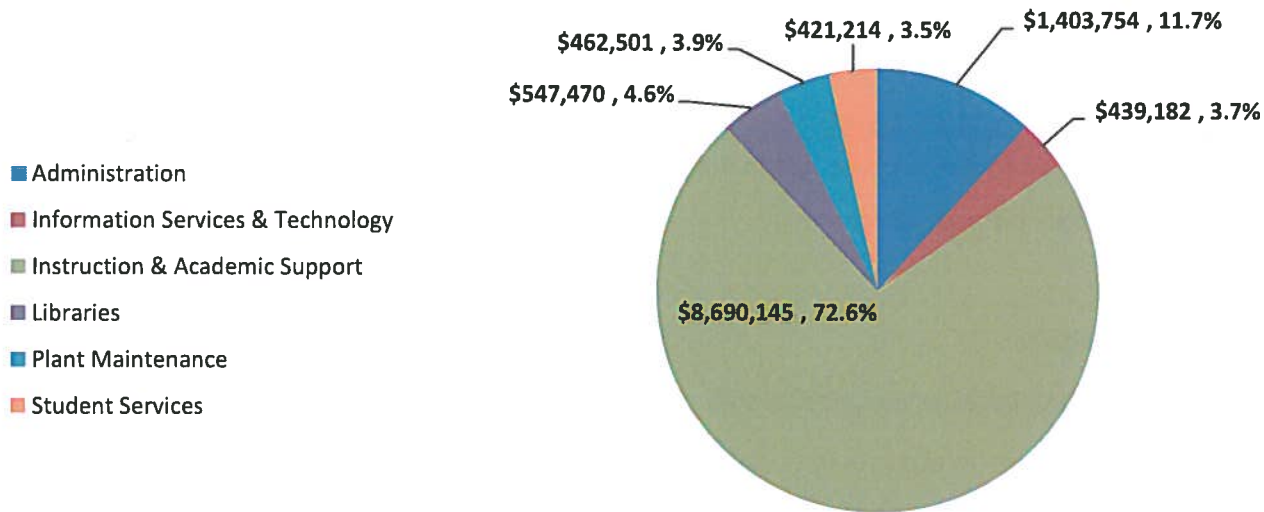
Projected increased revenue	\$11,789,000
<u>Less:</u>	
First claims	\$ <u>23,029,958</u>
Operating Baseline Budget Shortfall	\$(11,240,958)

Budgetary increases related to First claims include: salaries and benefits (scale, step, merit, anomalies, promotion increases), program costs, library inflation and exchange reserve, non-salary inflationary costs, contingency, and Fiscal Stability and Budget reserve funding. This reserve funding (\$3.7 M) will be set aside to mitigate uncertainties related to U.S. Exchange rate fluctuations, pension valuation, ongoing labour negotiations, and provincial funding for 2016/17 and beyond.

A significant portion of the budgetary increases are related to salaries; further details on salary breakdown by Unit and by Compensation Group is provided in Chart A and B, respectively.

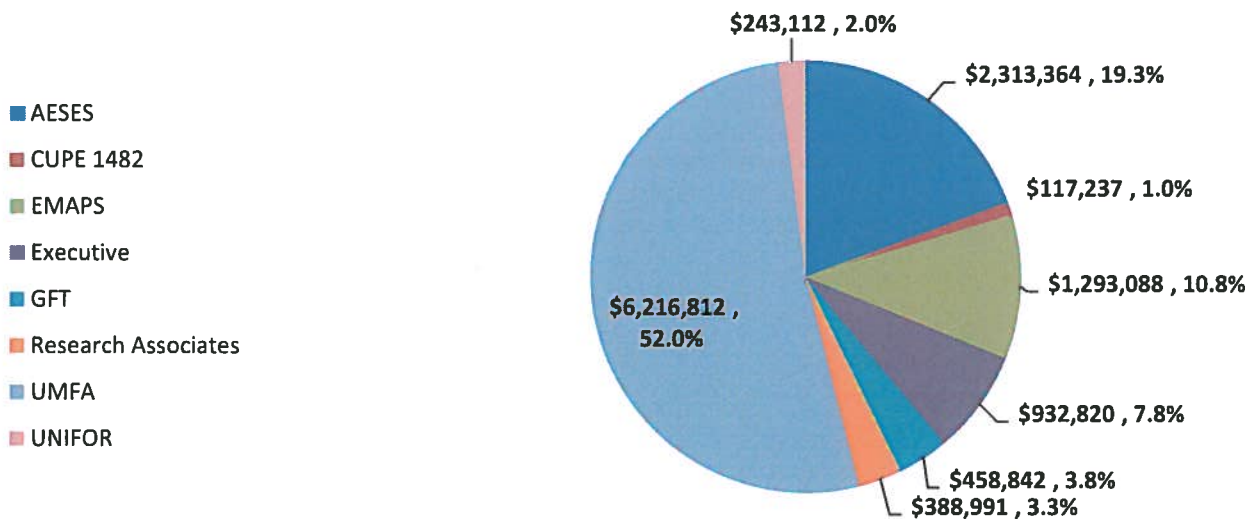
**Chart A** illustrates the distribution of funding for salary increases by unit. As seen in the chart, of the \$11.97 M required for salary increases, 72.6% or \$8.7 M is allocated to academic units.

**Chart A - Projected Salary Allocations by Unit - \$11.97 M**



**Chart B** illustrates the distribution of funding for salary increases by compensation group. As seen in the chart, of the \$11.97 M required for salary increases, 52.0% or \$6.2 M is allocated to UMFA.

**Chart B - Projected Salary Allocations by Compensation Group - \$11.97 M**



The operating baseline budget shortfall will result in a 3% budget reduction across faculties and units of \$10.8 M. Salary turnover savings (from the Academic Position Management process) of \$4.3 M will be partially used to cover the remaining shortfall, with the balance, \$3.82 M, used for baseline investments in strategic priorities.

A summary of the proposed reduction is provided in Table 1 below.

**Table 1**

Unit	\$ Reduction	% of Baseline Reduction	March 31, 2016 Basic Baseline Budget
Faculties and Schools	6,986,078	3.00%	232,869,270
Colleges	37,152	3.00%	1,238,386
Libraries	758,337	3.00%	25,277,885
Student Affairs	389,852	3.00%	12,995,050
President's Units	51,595	3.00%	1,719,824
Provost & Vice-President (Academic) Units	171,746	3.00%	5,724,855
Vice President (Research & International) Units	136,671	3.00%	4,555,704
Vice-President (Administration) Units	1,907,393	3.00%	63,579,773
Vice-President (External) Units	317,137	3.00%	10,571,224
<b>Total</b>	<b>\$10,755,959</b>	<b>3.00%</b>	<b>\$358,531,971</b>

#### **Assumptions for Budget Recommendations**

In preparing 2016/17 recommendations the following assumptions were made:

- The University of Manitoba will develop a balanced budget;
- Strategic investments are required to support strategic planning priorities;
- A Manitoba operating grant of 2.5% and tuition increase of 1.2% is anticipated;
- Contingencies, Fiscal Stability and Budget reserves are required to mitigate potential uncertainties related to U.S. exchange rate fluctuation, pension valuation, ongoing labour negotiations, and provincial funding for 2016/17 and beyond; and
- 2016/17 funding will be allocated in support of fiscal (one-time) strategic investments of \$27.85 M.



### **Allocations to Areas of Strategic Priority**

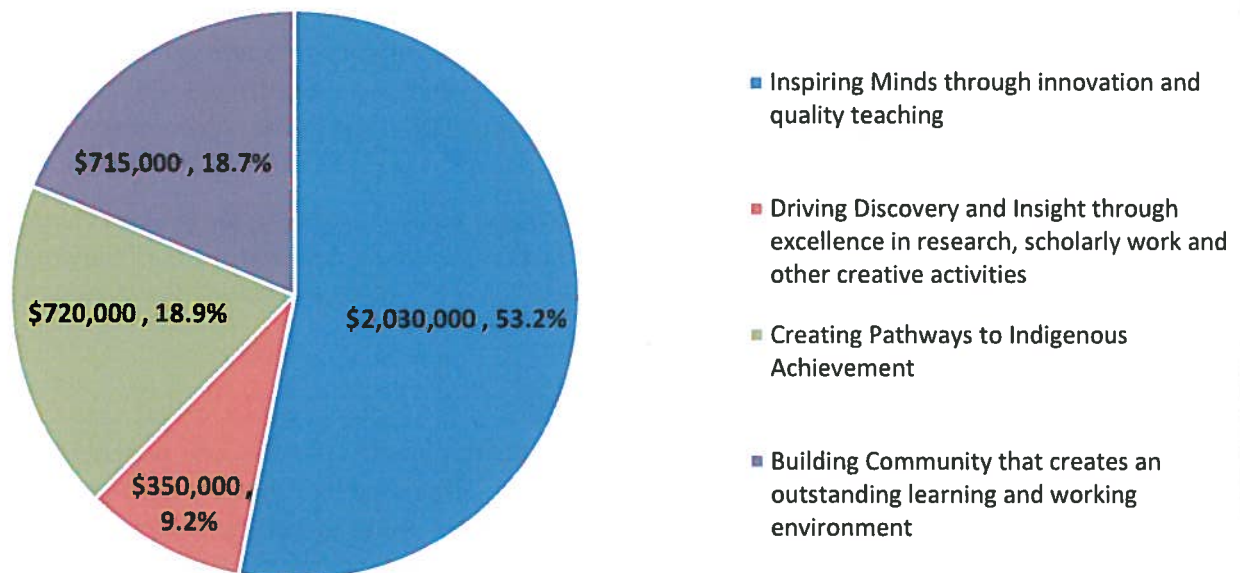
In developing the 2016/17 operating budget, \$3.82 M in baseline and \$27.85 M in fiscal only (one-time) investments are recommended as follows:

- Inspiring Minds through innovative and quality teaching
  - Library acquisitions;
  - Capacity enhancement - Centre for the Advancement of Teaching and Learning capacity enhancement; and increased support for Innovation in teaching and learning;
  - Enhanced undergraduate and graduate student financial support;
  - Experiential Education – Undergraduate Research Awards;
  - Service Teaching support;
  - Learning space renewal; and
  - Ongoing support for emerging strategic opportunities and challenges in academic units.
- Driving Discovery and Insight through excellence in research, scholarly work and other creative activities
  - National Centre for Truth and Reconciliation; and
  - Research initiatives and collaborative research support programs.
- Creating Pathways to Indigenous achievement
  - Indigenous Scholars and Indigenous Initiatives Funds.
- Building Community that creates an outstanding learning and working environment
  - Financial Services and Legal Services capacity enhancement;
  - Implementation of elements of new sustainability plan;
  - New building operating costs;
  - Approved Information Services Technology project requirements;
  - Preventative maintenance;
  - Energy conservation projects;
  - Campus planning and functional space planning;
  - Legislated Accessibility requirements; and
  - Budget Model Redesign/ System Development.
- Forging Connections to foster high impact community engagement
  - Campaign Matching Program allocations funded within undergraduate scholarships, graduate scholarships, and experiential education – undergraduate research awards (as above).

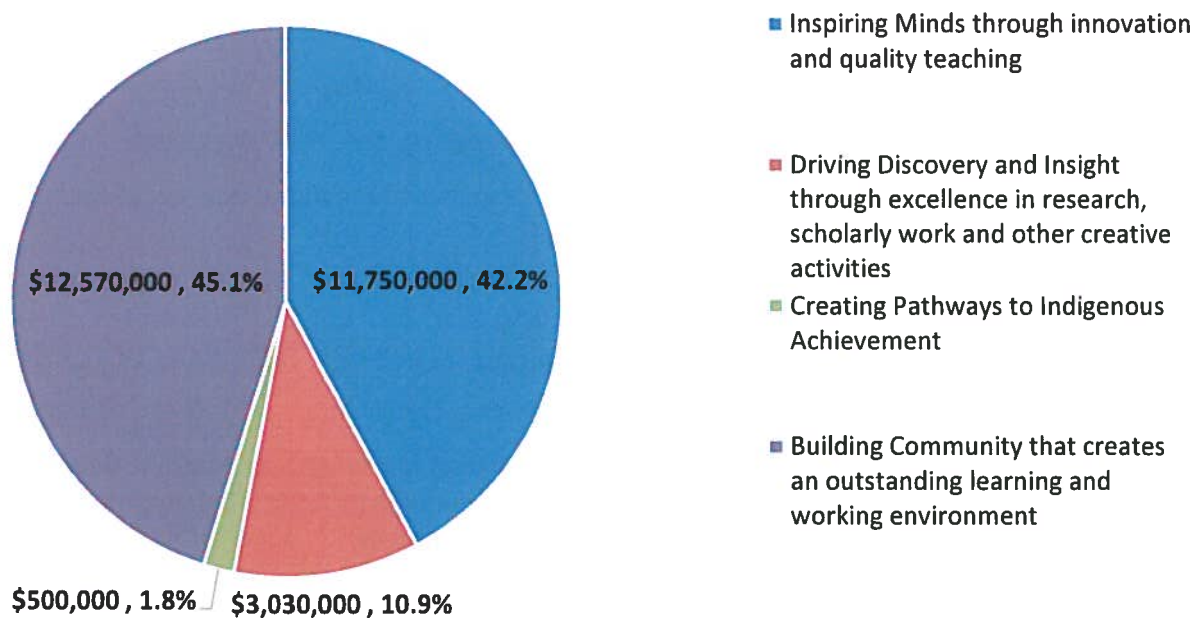
Details on these recommended allocations are shown in **Attachment 3**.

Chart C and Chart D below illustrates the recommended distribution of \$3.82 M baseline and \$27.85 M fiscal (one-time) funding, respectively to areas identified as strategic priorities.

**Chart C - 2016/17 Baseline Recommendations - \$3.82 M**



**Chart D - 2016/17 Fiscal Recommendations - \$27.85 M**



## **RESTRICTED FUNDS**

### **1. Research and Special Funds – 2016/17 Financial Plan**

The Research and Special Fund consists of contributions specifically restricted for research or other special activities. Research and Special Funds include external grants and contracts from a variety of federal and provincial granting agencies, industry and non-governmental organizations provided specifically for research, research infrastructure and special activities. Funds are held in trust by the University until they are spent by our researchers, in accordance with the conditions stipulated in the governing contracts and agreements.

The funds received in any given year for research may not all be spent in the year received, therefore, any unspent research funds as at March 31 are carried over to the following year. Revenues are forecasted at \$164.8 M for 2016/17; additional detail is provided in **Attachment 4**.

### **2. Capital Asset Fund – 2016/17 Financial Plan**

The Capital Asset Fund consists of restricted contributions for the purpose of acquiring capital assets and/or making debt repayments. The expenditures related to the construction of buildings or purchase of equipment are not recorded as an expense but are recorded as an asset on the University's balance sheet. Therefore, the Capital Fund will typically report a surplus unless current year amortization and interest/expense exceeds current year contributions.

Sources of capital funds include:

- Provincial allocations (primarily for deferred maintenance/infrastructure renewal) – see **Attachment 1**
- Manitoba government allocations for major capital projects
- Provincial Territorial Base Funding
- Federal and Manitoba government programs e.g. MIF, WED, Ag Canada, CGC, etc.
- Canada Foundation for Innovation (CFI) funds and Provincial matching funding
- Debt financing
- Donations through Philanthropy
- Operating, Research and Provision funds (expenditure is reported as an interfund transfer to the Capital Fund)

Specific projects and contracts in excess of \$1 million are subject to Board of Governors approval. The preliminary 2016/17 capital plan is detailed in Table 2 below compared to forecasted 2015/16. **Attachment 4** provides further details.



**Table 2****CAPITAL SPENDING ESTIMATE***(in thousands)*

	<b>Forecast 2015-16</b>	<b>Preliminary 2016-17</b>
<b>Capital Plan:</b>		
Infrastructure:		10,000
Asbestos	1,748	
Fire Safety	2,410	3,200
Sewer & Water	2,086	
Windows	1,722	
Roofs	534	
Other	2,686	5,020
Tache Hall Redevelopment & Addition	13,388	19,041
Churchill Marine Observatory (CMO)	335	15,218
Active Living Centre	1,197	1,800
PGME Curriculum Management	184	
Machray Hall-Math & Stats Reno	2,224	
Stanley Pauley Centre (existing)	2	
Chown Infrastructure Upgrades (L300 & L400)	523	
Chown L100 & 200 Upgrade	914	2,600
Brodie Centre Dining Services	0	1,958
Bannatyne Electrical Re-servicing	1,505	
Wayfinding Strategy-Signage	15	660
SmartPark 137 Innov. Dr - MCO	5	
FG Campus - Electrical Dist. Centre	919	
Allen Bldg - MIM Facility	2,838	
Central Energy Plant - Boiler Replacement	542	
CCTV Renewal Project		600
Teaching Lab Renewal Fund (tranche 1)	1,331	400
Teaching Lab Renewal Fund (tranche 2)	486	2,600
Teaching Lab Renewal Fund (tranche 3 & 4)	237	3,116
Med Rehab L300 Respiratory Therapy Renovation	872	
Parker Bldg Rm. 350 UG Teaching Lab Renovation	59	1,600
BMSB Gross Anatomy Lab Renovation	26	
T-Bldg (Bann Campus) Decanting/Demolition	32	3,250
Duff Roblin Environmental Chambers	884	
Bannatyne Inter-Professional Health Education Complex		1,000
Bannatyne Parkade Expansion		500
Stanley Pauley Engineering Building		300
Library, Classroom, Lab Upgrades (Places & Spaces Campaign)	271	2,000
COPSE Miscellaneous Capital Funded Projects	3,020	3,020
Faculty & Unit Funded Projects	8,637	3,000

Research Capital	5,525	7,000
Operating Capital	20,743	25,197
<b>Total Capital Fund Expenditures</b>	<b>77,902</b>	<b>113,180</b>

### **3. Trust and Endowment – 2016/17 Financial Plan**

The Trust Fund records donations that may be used in their entirety, whereas the Endowment Fund records donations with the stipulation that the funds be invested in perpetuity and investment income earned be used for the purpose designated by the donor.

The revenues of the Trust and Endowment Funds include the net investment income, earned by the investments of the University Investment Trust (UIT) and Specific Trusts plus an estimate of the new donations received.

The expenses are transfers of allocations to the various units in accordance with the spending policy approved by the Board of Governors and as required by the units, plus awards paid directly to students.

Preliminary revenues and expenditures in 2016/17 are provided in **Attachment 4**.

### **4. Staff Benefits – 2016/17 Financial Plan**

All revenues in the Staff Benefits Fund are restricted and can only be used for the original intended purpose of the Fund, to support benefit plans for University employees. The Fund is comprised of a Pension Reserve, and Self-Insured Plans which consist of Long Term Disability Income and Dental Plans. The University has an obligation to ensure that funds are set aside to maintain this fund.

**Attachment 4** includes staff benefit preliminary revenues and expenditures in 2016/17.

## **SUMMARY**

An operating budget of \$637,615,561 of revenue, \$68,806,575 of fund transfers, and expenditures of \$568,808,986 is proposed for 2016/17, which includes:

- Increases to revenues of \$11.8 M ;
- First claims of \$23.0 M;
- Operating budget shortfall of \$11.2 M will result in baseline reduction of \$10.8;
- APMP savings of \$4.3 M will be partially used to cover the remaining shortfall, with the balance of \$3.82 M used for strategic investments; and
- Approximately \$27.85 M of fiscal (one-time) funding will be allocated for strategic investments.

**Attachment 4** details the recommended 2016/17 Budget Plans for All Funds. **Attachment 5** is a high level Summary of the 2016/17 Preliminary Operating Budget for baseline and fiscal budget by faculty/ unit.

During the 2016/17 fiscal year, the Board of Governors will receive quarterly reports on each fund comparing actual for each quarter with prior year actual and projected full year results.

**ALTERNATIVES:**

Various scenarios were considered with respect to balancing priorities related to the strategic planning framework, potential future uncertainties, and the need to address organizational infrastructure challenges as well as provide continuing support to faculties and schools. This proposed budget represents the recommended balance in addressing these needs.

**CONSULTATION:**

Planning and Budgeting Committee comprised of all Vice-Presidents, decanal representatives, and senior planning and budgeting staff, met on six occasions, and provided advice to the Provost and Vice-President (Academic) on resource allocations and strategic investments using information from SRP submissions, based on alignment with the Strategic Priorities – “Taking Our Place” and planning assumptions.

The Provost and Vice-Provost (Integrated Planning/ Academic Programs) also met in February 2016 with several deans and directors of academic units, the University Librarian and leaders of major support and administrative units to discuss and seek clarification on their strategic resource plans.

Other support and administrative units met with their respective Vice President or President.

Three meetings were held with the President’s Budget Advisory Committee to receive advice and feedback on priorities for strategic investment.



UNIVERSITY  
OF MANITOBA

## Board of Governors Submission

### Routing to the Board of Governors:

<u>Reviewed</u>	<u>Recommended</u>	<u>By</u>	<u>Date</u>
<input type="checkbox"/>	<input checked="" type="checkbox"/>	Tom Hany	April 26, 2016
<input type="checkbox"/>	<input checked="" type="checkbox"/>	J. Hume	April 26, 2016
<input type="checkbox"/>	<input checked="" type="checkbox"/>	R. B. V.	April 28, 2016
<input type="checkbox"/>	<input type="checkbox"/>		
<input type="checkbox"/>	<input type="checkbox"/>		

### Submission prepared by:

Office of the Vice-President (Administration)  
Rhonda Bistyak, Executive Director, Admin. Projects  
Kathleen Sobie, Executive Director, Financial Planning

### Submission approved by:

### Appendices

- Attachment 1 – January 7, 2016 letter from EAL re potential 2016/17 funding levels
- Attachment 2 – 2016/17 Available Operating Budget Funding Summary
- Attachment 3 – 2016/17 Operating Budget Recommendations
- Attachment 4 – 2016/17 Operating Revenue and Budget Plans for All funds
- Attachment 5 – 2016/17 Operating Budget and Fund Balance by Faculty/Unit



**MINISTER  
OF EDUCATION AND ADVANCED LEARNING**

Room 168  
Legislative Building  
Winnipeg, Manitoba, Canada  
R3C 0V8

January 7, 2016

Ms. Patricia Bovey  
Chair, Board of Governors  
The University of Manitoba  
Room 312 Administration Building  
Winnipeg MB R3T 2N2

Dr. David Barnard  
President and Vice-Chancellor  
The University of Manitoba  
Room 202 Administration Building  
Winnipeg MB R3T 2N2

Dear Ms. Bovey and Dr. Barnard:

I am pleased to inform you of the funding decisions made by Government for the 2016/17 fiscal year. As you aware, historically government has announced post-secondary education funding in the period the budget is announced. To allow post-secondary institutions to plan appropriately and to ensure academic excellence and affordability for Manitoba students, I am pleased to announce specific funding allocations for your institution.

Despite the serious challenges presented by the current fiscal environment, post-secondary education remains a major priority for Government. This fact is reflected in the overall support provided to the post-secondary system in 2016/17, which will see operating grants increase by \$27,062,000 from \$678,847,000 to \$705,909,000. The post-secondary system envelope is comprised of the following:

University Operating grants	\$527,027,000 (increase 3.3%)
College Operating grants	\$153,972,000 (increase 6.3%)
ACCESS grants	\$ 11,298,000 (increase 2.5%)
Strategic Initiatives	\$ 2,041,000
Capital Grants	\$ 11,571,000
<b>Total</b>	<b>\$705,909,000 (increase 4.0%)</b>

Government has increased Strategic Initiatives envelope from \$1,143,000 to \$2,041,000 to support the Government's Post-Secondary Strategy. Specifically, this envelope includes funding of \$440,000 to support the transfer credit portal and \$350,000 to support institutional efforts to advance Indigenous education in Manitoba



**Attachment 1 - January 7, 2016 letter from EAL re Operating Grant**

Ms. Patricia Bovey and Dr. David Barnard  
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The Capital Envelope for 2016/17 will be \$11,571,000 available for major capital, renovations and equipment across the system.

Within the current fiscal context, these investments are significant and represent the ongoing commitment to the post-secondary sector by this government.

The grant allocations available to University of Manitoba for the fiscal year 2016/17 will be as follows:

Operating grant	\$ 351,082,650
Access grant	4,830,100
Major Capital	3,995,000
Equipment & Renovation	<u>3,020,000</u>
Total grants	<u>\$ 362,927,750</u>

The operating grant includes a provision of \$210,350 for first claims, \$208,000 for the International Educated Engineers Qualification program, and funding to support base operating requirements of the university. In addition, the operating grant includes funding up to \$485,000 to support full implementation of the Masters of Social Work in Indigenous Knowledge program.

The Access grant has been increased by \$118,000.

Please continue to provide actual billings for the principal and interest costs associated with deferred maintenance, knowledge infrastructure program and project domino loans.

Please note that all funding increases over 2015/16 amounts is subject to Government passage of the Appropriation Act, 2016.

I look forward to working with you and your colleagues in continuing to build a sustainable post-secondary system for Manitoba.

Sincerely,



Honourable James Allum  
Minister  
Education and Advanced Learning

c. Gerald Farthing  
Scott Sinclair

**Attachment 2 - 2016/17 Available Operating Budget Funding Summary**

<b>2016/17 Estimated Operating Budget Funding Summary</b>	
<b>Revenue Increase (Decrease)</b>	<b>\$</b>
EAL Base Grant Increase (projected at 2.5%)	8,541,000
ACCESS grant funding	118,000
Masters of Social Work Indigenous Knowledge program	485,000
Engineering Hybrid Pathway program	365,000
Regular Session Domestic Tuition Fee	2,200,000
Miscellaneous Student Fees Increase	450,000
Decreased Investment Revenue	(370,000)
<b>Total Increased Revenue</b>	<b>11,789,000</b>
<b>First Claims</b>	
Increased Salaries/Benefits	11,965,000
ACCESS grant funding	118,000
Masters of Social Work Indigenous Knowledge program	485,000
Engineering Hybrid Pathway program	365,000
Library Acquisition Inflation	250,000
Library Acquisition Exchange Reserve	1,875,000
Non-salary Inflationary costs	1,300,000
Contingency	3,000,000
Fiscal Stability and Budget Reserve	3,671,958
<b>Total First Claims</b>	<b>23,029,958</b>
<b>Operating Baseline Budget Shortfall</b>	<b>(11,240,958)</b>
APMP Availability	4,300,000
Basic Baseline Budget Reduction - 3%	10,755,958
<b>Basic Baseline Available for Allocations</b>	<b>3,815,000</b>

<b>Fiscal Funding Available</b>	
Differential Fee Reserve	11,575,000
2017/18 Stability Fiscal Availability	6,000,000
2016/17 Utilities Budget Projected Surplus	3,800,000
2016/17 Overhead General (Admin Share 30%)	1,000,000
2016/17 Central Operating Reserve	4,675,000
Health Spending Account	800,000
<b>Total Fiscal Funding Available</b>	<b>27,850,000</b>

Attachment 3 - Operating Budget Recommendations

Strategic Priorities - Taking Our Place		
I. Inspiring Minds through innovative and quality teaching		
Description	Baseline	Fiscal Only
Libraries - Acquisitions	300,000	
Centre for the Advancement of Teaching and Learning (CATL)	280,000	350,000
Teaching Enhancement Fund	100,000	
Undergraduate Scholarships *	300,000	
Graduate Scholarships *	500,000	
Experiential Education - Undergraduate Research Awards *	150,000	150,000
Service Teaching		750,000
Learning Space Renewal		10,000,000
Academic Enhancement Fund	400,000	500,000
II. Driving Discovery and Insight through excellence in research, scholarly work and other creative activities		
Description	Baseline	Fiscal Only
National Centre for Truth and Reconciliation (NCTR) - Year 1 of 5 (Fiscal Only)	350,000	900,000
Mosaic - Year 2 of 3		130,000
Research Initiatives - Year 2 of 7 (\$1 M)		1,500,000
Research Support Programs (UCRP and UIRP)		500,000
III. Creating Pathways to Indigenous Achievement		
Description	Baseline	Fiscal Only
Indigenous Scholars	720,000	
Indigenous Initiatives Fund		500,000
IV. Building Community that creates an outstanding learning and working environment		
Description	Baseline	Fiscal Only
Financial Services	125,000	
Legal Services - Research Contracts	75,000	
Sustainability - Support recently approved sustainability plan	65,000	340,000
Physical Plant	350,000	
Information Services Technology (IST) - Network switches and data centre		1,250,000
Preventative Maintenance		6,620,000
Energy Conservation		1,700,000
Campus Planning and Functional Space Planning	100,000	160,000
Accessibility		100,000
Budget Model Redesign/ System Development		2,400,000
V. Forging Connections to foster high impact community engagement		
Description	Baseline	Fiscal Only
Campaign Matching Program *see allocations above		
<b>Total</b>	<b>\$ 3,815,000</b>	<b>\$ 27,850,000</b>

**Attachment 4 - 2016/17 Operating Revenue and Budget Plans for All Funds**

	General Funds					
	2016/17				2015/16 Forecast	2014/15 Actual
	Operating	Provisions	Future Revenues	Total		
<b>REVENUE</b>						
Tuition and related fees	163,598,420			163,598,420	159,986,883	148,768,203
Donations	1,745,615			1,745,615	1,733,565	1,728,296
Non-government grants	3,529,404			3,529,404	5,343,923	3,212,007
Net investment income	3,875,000			3,875,000	4,348,075	4,399,597
Miscellaneous income	4,555,000			4,555,000	6,361,488	6,618,717
Government grants:						
Education and Advanced Learning	355,709,400			355,709,400	347,105,400	337,276,300
Other Province of Manitoba	27,438,783			27,438,783	22,492,976	20,511,995
Government of Canada	10,148,284			10,148,284	10,850,330	10,744,636
City of Winnipeg	51,000			51,000	50,975	50,975
Sales of good and services	28,884,287			28,884,287	33,018,718	32,030,974
Ancillary services	38,080,368			38,080,368	38,246,292	36,984,663
<b>Total Revenue</b>	<b>637,615,561</b>	<b>-</b>	<b>-</b>	<b>637,615,561</b>	<b>629,538,625</b>	<b>602,326,363</b>
<b>Total Expense</b>	<b>568,808,986</b>	<b>-</b>	<b>-</b>	<b>568,808,986</b>	<b>535,058,455</b>	<b>533,970,010</b>
<b>Net Revenue</b>	<b>68,806,575</b>	<b>-</b>	<b>-</b>	<b>68,806,575</b>	<b>94,480,170</b>	<b>68,356,353</b>
<b>Inter-Fund Transfers</b>						
Employee Future Benefits	(130,000)			(130,000)	241,000	6,465,000
Benefit Premiums Net of Employer Contributions for Staff Benefits	(4,700,000)			(4,700,000)	(2,048,471)	(2,967,075)
Benefit Refunds	1,700,000			1,700,000		
Funding of Capital Asset Additions:						
Current Year Acquisitions	(20,000,000)			(20,000,000)	(20,685,414)	(21,078,793)
Other Funded Projects	(18,320,000)			(18,320,000)	(31,238,924)	(14,329,042)
Faculty and Unit Funded Projects	(920,990)			(920,990)	(17,612,491)	(3,934,622)
Long Term Debt Repayment:						
Ancillaries	(4,975,548)			(4,975,548)	(4,965,287)	(4,792,824)
Faculties	(1,542,400)			(1,542,400)	(1,542,394)	(257,066)
Unit Capital Development Assessment	(5,459,000)			(5,459,000)	(5,133,678)	(5,087,089)
Student Contributions for Technology	(3,179,187)			(3,179,187)	(3,346,047)	(3,232,009)
Other	(592,971)			(592,971)	(1,299,939)	(805,649)
Student Contribution to University Development Fund:	(1,814,669)			(1,814,669)	(1,065,700)	(1,043,353)
Scholarships, Bursaries & Prizes						
Faculty and Unit Funded	(900,000)			(900,000)	(2,193,416)	(1,314,834)
Centrally Funded	(6,052,725)			(6,052,725)	(7,564,772)	(5,937,041)
Other Net Transfers	1,136,168			1,136,168	2,061	24,784
Overhead Recoveries	5,725,000			5,725,000	6,010,364	5,558,454
Funding of General Operating Expenses	1,500,000	(1,500,000)		-	11,959,848	10,396,434
Funding of Research Projects				-	(4,314,579)	(3,525,748)
Transfers from (to) Provisions: Specific Projects:						
Faculty and Unit Funded	(4,510,253)	4,510,253		-	1,197,135	
Centrally Funded	(5,870,000)	5,870,000		-		2,000,000
Vacation and Sick Leave Liability	100,000		(100,000)	-		
Pension Liability	-			-		
<b>Net Inter-Fund Transfers</b>	<b>(68,806,575)</b>	<b>8,880,253</b>	<b>(100,000)</b>	<b>(60,026,322)</b>	<b>(83,600,704)</b>	<b>(43,860,473)</b>
<b>Remeasurement Gains and Losses</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(1,095,664)</b>	<b>923,420</b>
<b>Total Increase (Decrease) To Fund Balance</b>	<b>-</b>	<b>8,880,253</b>	<b>(100,000)</b>	<b>8,780,253</b>	<b>9,783,802</b>	<b>25,419,300</b>



**Attachment 4 - 2016/17 Operating Revenue and Budget Plans for All Funds**

	Restricted and Endowment Funds							
	2016/17						2015/16 Forecast	2014/15 Actual
	Research	Capital	Staff Benefits	Trust	Endowment	Total		
<b>REVENUE</b>								
Tuition and related fees						-		
Donations	100,000	5,000,000		8,500,000	20,000,000	33,600,000	25,632,348	21,339,910
Non-government grants	55,000,000	2,700,000				57,700,000	79,074,088	56,098,194
Net investment income	400,000	9,148,000	4,130,000	23,300,000		36,978,000	53,689,419	51,751,548
Miscellaneous income	150,000	3,000,000	5,048,000			8,198,000	7,041,112	8,780,201
Government grants:								
Education and Advanced Learning		7,015,000				7,015,000	7,015,000	7,136,000
Other Province of Manitoba	40,000,000	17,033,900				57,033,900	51,754,949	48,042,509
Government of Canada	69,000,000	18,200,000				87,200,000	70,970,616	68,516,480
City of Winnipeg						-		
Sales of good and services	100,000					100,000	1,010,602	1,001,759
Ancillary services						-		
<b>Total Revenue</b>	<b>164,750,000</b>	<b>62,096,900</b>	<b>9,178,000</b>	<b>31,800,000</b>	<b>20,000,000</b>	<b>287,824,900</b>	<b>296,188,134</b>	<b>262,666,601</b>
<b>Total Expense</b>	<b>150,393,500</b>	<b>75,720,000</b>	<b>4,084,263</b>	<b>21,940,000</b>	<b>-</b>	<b>252,137,763</b>	<b>258,828,262</b>	<b>245,612,942</b>
<b>Net Revenue</b>	<b>14,356,500</b>	<b>(13,623,100)</b>	<b>5,093,737</b>	<b>9,860,000</b>	<b>20,000,000</b>	<b>35,687,137</b>	<b>37,359,872</b>	<b>17,053,659</b>
<b>Inter-Fund Transfers</b>								
Employee Future Benefits			130,000			130,000	(241,000)	(6,465,000)
Benefit Premiums Net of Employer Contributions for Staff Benefits			4,700,000			4,700,000	2,048,471	2,967,075
Benefit Refunds			(1,700,000)			(1,700,000)		
Funding of Capital Asset Additions:								
Current Year Acquisitions	(4,500,000)	24,500,000				20,000,000	20,685,414	21,078,793
Other Funded Projects		18,320,000				18,320,000	31,238,924	14,329,042
Faculty and Unit Funded Projects		1,516,980		(595,990)		920,990	17,612,491	3,934,622
Long Term Debt Repayment:								
Ancillaries		4,975,548				4,975,548	4,965,287	4,792,824
Faculties		1,542,400				1,542,400	1,542,394	257,066
Unit Capital Development Assessment		5,459,000				5,459,000	5,133,678	5,087,089
Student Contributions for Technology		3,179,187				3,179,187	3,346,047	3,232,009
Other		592,971				592,971	1,299,939	805,649
Student Contribution to University Development Fund:				911,090	903,579	1,814,669	1,065,700	1,043,353
Scholarships, Bursaries & Prizes								
Faculty and Unit Funded				800,000	100,000	900,000	2,193,416	1,314,834
Centrally Funded				6,000,725	52,000	6,052,725	7,564,772	5,937,041
Other Net Transfers				(1,136,168)		(1,136,168)	(2,061)	(24,784)
Overhead Recoveries	(5,725,000)					(5,725,000)	(6,010,364)	(5,558,454)
Funding of General Operating Expenses						-	(11,959,848)	(10,396,434)
Funding of Research Projects						-	4,314,579	3,525,748
Transfers from (to) Provisions: Specific Projects:						-		
Faculty and Unit Funded						-	(1,197,135)	
Centrally Funded						-		(2,000,000)
Vacation and Sick Leave Liability						-		
Pension Liability						-		
<b>Net Inter-Fund Transfers</b>	<b>(10,225,000)</b>	<b>60,086,086</b>	<b>3,130,000</b>	<b>5,979,657</b>	<b>1,055,579</b>	<b>60,026,322</b>	<b>83,600,704</b>	<b>43,860,473</b>
<b>Remeasurement Gains and Losses</b>	<b>-</b>	<b>-</b>	<b>3,000,000</b>	<b>5,610,000</b>	<b>13,090,000</b>	<b>21,700,000</b>	<b>(45,533,381)</b>	<b>30,629,247</b>
<b>Total Increase (Decrease) To Fund Balance</b>	<b>4,131,500</b>	<b>46,462,986</b>	<b>11,223,737</b>	<b>21,449,657</b>	<b>34,145,579</b>	<b>117,413,459</b>	<b>75,427,195</b>	<b>91,543,379</b>



**Attachment 4 - 2016/17 Operating Revenue and Budget Plans for All Funds**

	2016/17 Totals			2015/16 Forecast	2014/15 Actual
	General Funds	Restricted and Endowment Funds	All Funds		
<b>REVENUE</b>					
Tuition and related fees	163,598,420	-	163,598,420	159,986,883	148,768,203
Donations	1,745,615	33,600,000	35,345,615	27,365,913	23,068,206
Non-government grants	3,529,404	57,700,000	61,229,404	84,418,011	59,310,201
Net investment income	3,875,000	36,978,000	40,853,000	58,037,494	56,151,145
Miscellaneous income	4,555,000	8,198,000	12,753,000	13,402,600	15,398,918
Government grants:					
Education and Advanced Learning	355,709,400	7,015,000	362,724,400	354,120,400	344,412,300
Other Province of Manitoba	27,438,783	57,033,900	84,472,683	74,247,925	68,554,504
Government of Canada	10,148,284	87,200,000	97,348,284	81,820,946	79,261,116
City of Winnipeg	51,000	-	51,000	50,975	50,975
Sales of good and services	28,884,287	100,000	28,984,287	34,029,320	33,032,733
Ancillary services	38,080,368	-	38,080,368	38,246,292	36,984,663
<b>Total Revenue</b>	<b>637,615,561</b>	<b>287,824,900</b>	<b>925,440,461</b>	<b>925,726,759</b>	<b>864,992,964</b>
<b>Total Expense</b>	<b>568,808,986</b>	<b>252,137,763</b>	<b>820,946,749</b>	<b>793,886,717</b>	<b>779,582,952</b>
<b>Net Revenue</b>	<b>68,806,575</b>	<b>35,687,137</b>	<b>104,493,712</b>	<b>131,840,042</b>	<b>85,410,012</b>
<b>Inter-Fund Transfers</b>					
Employee Future Benefits	(130,000)	130,000	-	-	-
Benefit Premiums Net of Employer Contributions for Staff Benefits	(4,700,000)	4,700,000	-	-	-
Benefit Refunds	1,700,000	(1,700,000)	-	-	-
Funding of Capital Asset Additions:					
Current Year Acquisitions	(20,000,000)	20,000,000	-	-	-
Other Funded Projects	(18,320,000)	18,320,000	-	-	-
Faculty and Unit Funded Projects	(920,990)	920,990	-	-	-
Long Term Debt Repayment:					
Ancillaries	(4,975,548)	4,975,548	-	-	-
Faculties	(1,542,400)	1,542,400	-	-	-
Unit Capital Development Assessment	(5,459,000)	5,459,000	-	-	-
Student Contributions for Technology	(3,179,187)	3,179,187	-	-	-
Other	(592,971)	592,971	-	-	-
Student Contribution to University Development Fund:	(1,814,669)	1,814,669	-	-	-
Scholarships, Bursaries & Prizes					
Faculty and Unit Funded	(900,000)	900,000	-	-	-
Centrally Funded	(6,052,725)	6,052,725	-	-	-
Other Net Transfers	1,136,168	(1,136,168)	-	-	-
Overhead Recoveries	5,725,000	(5,725,000)	-	-	-
Funding of General Operating Expenses	-	-	-	-	-
Funding of Research Projects	-	-	-	-	-
Transfers from (to) Provisions: Specific Projects:	-	-	-	-	-
Faculty and Unit Funded	-	-	-	-	-
Centrally Funded	-	-	-	-	-
Vacation and Sick Leave Liability	-	-	-	-	-
Pension Liability	-	-	-	-	-
<b>Net Inter-Fund Transfers</b>	<b>(60,026,322)</b>	<b>60,026,322</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Remeasurement Gains and Losses</b>	<b>-</b>	<b>21,700,000</b>	<b>21,700,000</b>	<b>(46,629,045)</b>	<b>31,552,667</b>
<b>Total Increase (Decrease) To Fund Balance</b>	<b>8,780,253</b>	<b>117,413,459</b>	<b>126,193,712</b>	<b>85,210,997</b>	<b>116,962,679</b>

Attachment 5 - 2016/17 Operating Budget and Fund Balance by Faculty/Unit

2016/17 Operating Budget by Faculty/Unit

Faculty/Unit	2016/17 Gross Baseline Budget	2016/17 Gross Fiscal Budget	2016/17 Net <sup>(1)</sup> Baseline Budget	2016/17 Net <sup>(1)</sup> Fiscal Budget	March 31, 2016 Basic Baseline Budget <sup>(2)</sup>	2015/16 Gross Baseline Budget	2015/16 Gross Fiscal Budget
<b>Faculties and Schools</b>	357,124,513	399,034,468	348,612,534	354,802,510	232,869,270	342,815,257	392,963,318
Colleges	1,277,095	1,389,031	1,257,095	1,257,095	1,238,386	1,360,605	1,370,391
Libraries	26,847,469	27,195,461	26,844,469	27,140,908	25,277,885	26,328,039	27,558,329
Student Affairs	23,003,074	24,857,653	22,847,074	23,134,589	12,995,050	23,164,899	24,681,400
President's Units	1,704,005	1,799,596	1,704,005	1,702,453	1,719,824	1,757,111	1,883,416
Provost & Vice-President (Academic) Units	8,589,056	11,850,149	8,589,056	9,549,916	5,724,855	5,992,307	7,543,282
Vice-President (Research) and International Units	16,314,975	25,941,871	16,012,203	19,222,210	4,555,704	15,337,178	19,231,192
Vice-President (Administration) Units	144,309,921	150,714,983	130,106,558	129,445,375	63,579,773	144,150,456	153,242,019
Vice-President (External) Units	11,595,639	12,490,517	10,859,289	11,010,060	10,571,224	12,068,865	13,187,965
General University <sup>(3)</sup>	37,127,851	29,827,851	32,197,880	21,597,880	-	29,083,403	20,143,953
Undistributed Operating Funds <sup>(4)</sup>	38,585,398	38,752,565	38,585,398	38,752,565	-	39,299,478	40,011,319
<b>Grand Total</b>	<b>666,478,996</b>	<b>723,854,145</b>	<b>637,615,561</b>	<b>637,615,561</b>	<b>358,531,971</b>	<b>641,357,597</b>	<b>701,816,581</b>

(1) Excludes Internal Cost Recoveries, Fund Transfers In, and 2015/16 Carryover

(2) The March 31, 2016 Basic Baseline Budget excludes budgets that are targeted for a specific purpose. These exclusions are exempt from the 3% baseline budget reduction. The exemptions include:

- Targeted Operating Funding (Tuition, EAL Access)
- Targeted External Funding (Government Grants, Sales of Goods and Services, Donations)
- Ancillary Services
- University wide costs for IST
- Utilities
- Internal Cost Recoveries
- Funding from other Funds (Inter-Fund Transfers including Research Overhead, Trust and Endowment)
- Graduate and Undergraduate Student Support
- General University Funds (Debt Servicing, Pension Plan Funding, Retiree Benefits, Insurance, Property Tax, Access Copyright)
- Undistributed Operating Funds (Fiscal Stability, Non-Salary Inflationary Costs, Contingency, Emergency Reserves, International Differential Fee, Decanal Bridge Funding, Spousal Appointment Funding, Research Chairs Funding, Strategic Priority Reserves)

(3) Includes Debt Servicing, Pension Plan Funding, Retiree Benefits, Insurance, Property Tax, Access Copyright, Overhead

(4) Includes Fiscal Stability, Non-Salary Inflationary Costs, Contingency, Emergency Reserves, International Differential Fee, Decanal Bridge Funding, Spousal Appointment Funding, Research Chairs Funding, Strategic Priority Reserves, Library Exchange Reserve

Attachment 5 - 2016/17 Operating Budget and Fund Balance by Faculty/Unit

2016/17 Operating Fund Balance by Faculty/Unit

Faculty/Unit	2016/17 Revenue <sup>(1)</sup>	2016/17 Expense <sup>(2)</sup>	2016/17 Interfund Transfers	Net Increase (decrease) to Fund Balance
Faculties and Schools	348,612,534	344,671,952	(3,940,582)	-
Colleges	1,257,095	1,257,095	-	-
Libraries	26,844,469	26,844,469	-	-
Student Affairs	22,847,074	18,906,849	(3,940,225)	-
President's Units	1,704,005	1,704,005	-	-
Provost & Vice-President (Academic) Units	8,589,056	8,589,056	-	-
Vice-President (Research) and International Units	16,012,203	16,205,203	193,000	-
Vice-President (Administration) Units	130,106,558	120,639,767	(9,466,791)	-
Vice-President (External) Units	10,859,289	11,540,639	681,350	-
General University <sup>(3)</sup>	32,197,880	(1,815,447)	(34,013,327)	-
Undistributed Operating Funds <sup>(4)</sup>	38,585,398	20,265,398	(18,320,000)	-
<b>Grand Total</b>	<b>637,615,561</b>	<b>568,808,986</b>	<b>(68,806,575)</b>	<b>-</b>

(1) Excludes Internal Cost Recoveries

(2) Salary and Non-Salary Expenditures

(3) Includes Debt Servicing, Pension Plan Funding, Retiree Benefits, Insurance, Property Tax, Access Copyright, Overhead

(4) Includes Fiscal Stability, Non-Salary Inflationary Costs, Contingency, Emergency Reserves, International Differential Fee, Decanal Bridge Funding, Spousal Appointment Funding, Research Chairs Funding, Strategic Priority Reserves, Library Exchange Reserve

