



**AGENDA ITEM: General Operating Fund Budget for 2017/18 and  
Financial Plans for Restricted and Endowment Funds for 2017/18**

**RECOMMENDED RESOLUTION:**

That the Board of Governors approve:

- a tuition fee increase of 1.3% effective regular session 2017;
- a balanced General Operating Fund budget for the year ending March 31, 2018 based on revenues of \$648,143,829, expenditures of \$597,871,972, and net fund transfers of \$50,271,857; and
- financial plans for Restricted and Endowment Funds with revenue of \$318,153,752 for the year ending March 31, 2018.

**Action Requested:**

☒ Approval

☐ Discussion/Advice

☐ Information

**CONTEXT AND BACKGROUND:**

In advance of this submission, the Board of Governors was provided detailed context and background information on the General Operating Fund and Restricted and Endowment Funds in the “University of Manitoba Budget Framework Document” (the budget framework). This was presented to the Board on March 21, 2017.

To recap, drafting of the annual University of Manitoba operating budget begins in the fall with the development of planning parameters. These parameters are developed by the **Budget Monitoring and Planning Committee (BMPC)** using the best information available at the time, supplemented with assumptions based on historical trends.

The BMPC is a group that reports to the Provost and Vice-President (Academic), and to the Vice-President (Administration). The group includes representatives from Financial Services, Academic and Integrated Planning, Institutional Analysis and Donor Relations. The group tracks and reports the use of previously approved strategic allocations, develops and refines revenue and expenditures projections, and aligns these findings with needs identified through the **Strategic Resource Planning (SRP)** and allocation process.

To review, the SRP and allocation process is designed to foster an integrated approach to planning and budgeting where resources are carefully aligned to strategic priorities at both the unit and institutional level. This annual process, led by the Provost and Vice-President (Academic), involves the preparation, by academic and administrative units heads, of unit/portfolio SRPs that: (1) provide updates on unit/portfolio-level priorities and their connection to the University’s overall strategic plan; (2) outline the impact of baseline budget reductions, where planned; and (3) detail new or continuing strategic initiatives that require additional financial investment. A review and analysis of these

documents by the BMPC, along with information on the financial position of units/portfolios as well as funds available for reallocation, form the basis of discussion amongst the Provost and other Vice-Presidents and, ultimately, the resource allocation recommendations advanced by the Provost to the President. Following further reports from the BMPC and consultation with the **President's Budget Advisory Committee (BAC)**, the President advances a final budget proposal to the Board of Governors for its consideration.

The BAC is comprised of members from senior administration, Senate Planning and Priorities Committee, support staff, the Board of Governors, UMFA and student leadership. The group meets at the call of the President. Its mandate is to recommend priorities for resource allocations and review the draft operating budget to be recommended to the Board of Governors.

Main assumptions used to develop planning parameters include: the level of the operating grant anticipated from the provincial government; allowable increases for tuition; enrolment levels; and significant university-wide costs such as salary and benefit requirements as negotiated or projected for open contracts, utilities and additional mandatory pension contributions. These items have the greatest impact on the University's operating budget. As such, while many other items are considered, much of the University's budget and planning efforts are focused on their estimation.

While the level of the provincial operating grant was unknown back in the fall, assumptions were made about it so that planning parameters could be communicated to budgetary units as part of the SRP and allocation process and to facilitate budget planning for the following year. Accordingly and assuming no increase in the provincial operating grant, academic and administrative unit heads were advised to plan for a potential baseline budget reduction of 3% in 2017/18. This was subsequently revised in January to 1%, based on new information regarding projected revenues and expenses.

Since the presentation of the budget framework, planning parameters have evolved based on changing circumstances and new information received. This includes:

- A directive from the Provincial Government mandating a 0% general increase for all open collective agreements and non-unionized compensation groups for the 2017/18 fiscal year. This effectively reduced anticipated salary and benefit costs, eliminating the need for the previously communicated 1% baseline budget reduction. The revised recommendation is no baseline reductions to budgetary units in 2017/18.
- The announcement of the University's operating grant. On April 11, 2017, the Provincial Government tabled Budget 2017 and advised that the University of Manitoba's operating grant for the 2017/18 fiscal year will be held to 2016/17 levels. This confirmed the planning parameters used to develop the 2017/18 operating budget.
- Changes to additional mandatory pension contributions required to fund the 1993 Pension Plan. The Pension Plan has a going concern deficit and current service costs in excess of matching contributions. As a result, the University is required to make additional contributions above the matching amount. The University is required to file a new valuation report during 2017 which will result in an adjustment to the additional contribution requirement. The University's actuary has provided an early estimate which indicates the annual payments will be approximately \$8.4M. The University currently has \$12M in baseline funds earmarked for this purpose. This budget proposal recommends that the difference of \$3.6M in baseline funds be allocated to faculties/schools and the Libraries to address critical faculty and staff renewal.

- Ongoing funding requirements of \$0.8M for group insurance benefit changes was presented to and conditionally approved by the Board on March 21, 2017.

Other key parameters remain unchanged. The proposed operating budget has been drafted with input and advice from the BAC, reflects the information noted above, and is presented for the Board's consideration in attachments that follow.

**Attachment 1:** *Operating and Capital Grant Letter for 2017/18*

The grant letter from Manitoba Education and Training received on April 11, 2017 indicates funding levels for the University of Manitoba's operating and capital grant for the 2017/18 fiscal year.

**Attachment 2:** *Available Operating Budget Funding Summary for 2017/18*

This attachment illustrates the baseline and fiscal funds available to pay anticipated university-wide costs or "First Claims", and the baseline and fiscal funds available for strategic allocations and is summarized as follows:

	<b>Baseline</b>	<b>Fiscal Only</b>
Total Available	\$ 15,668,700	\$ 29,211,500
Less: Total First Claims	<u>(7,680,000)</u>	<u>(3,800,000)</u>
Equals: Total Available for Strategic Allocations	\$ 7,988,700	\$ 25,411,500

Baseline represents anticipated ongoing funding, and is provided for continuing commitments such as salaries. Fiscal only represents one-time funding, and provides a one-time cash allocation to the receiving unit.

Total Available is derived from:

- Increases to university revenues, such as tuition fees and investment income; and,
- Baseline and fiscal reallocations, which is the realignment or repurposing of existing baseline and fiscal funds that are not currently earmarked for a specific purpose.

Specifically, significant sources that contribute to the \$15,668,700 in Total Available baseline funds as indicated in attachment 2 include:

- Academic Position Management Process (APMP): \$2.1M

Implemented by the Provost in June 2009, APMP is an annual position management process for academic positions. When an academic cessation occurs, the academic unit with the outgoing position is provided with baseline funds to support the salary of the incoming recruit. Baseline funds provided are based on a four year rolling average starting salary of probationary or tenured assistant/associate positions. The difference between the outgoing position baseline and baseline provided for the incoming recruit is retained centrally and

used for strategic allocations. For the 2017/18 planning process, this amounts to \$2.1M available for strategic allocations.

- Additional Mandatory Pension Contributions: \$3.6M

As explained earlier, this is a realignment of existing baseline funds previously set aside for additional mandatory pension contributions. The recommendation of the BMPC to realign this funding is based on 2017/18 requirements as estimated by the actuary and a less conservative approach to budgeting.

- Salary Reserves: \$3.4M

The 2016/17 operating budget was developed assuming that an increase to UMFA salaries would be part of a negotiated agreement. Due to the provincial salary 'pause', there was no general increase to UMFA salaries in 2016/17. This resulted in \$3.4M in baseline available for reallocation.

- Central Operating Reserve: \$3.1M; Utilities Budget: \$2.5M

The BMPC recommended the realignment of \$3.1M in baseline contingency held in the central operating reserve and \$2.5M in baseline from the utilities budget. These recommendations were based on a less conservative approach to budgeting, relying more heavily on funds currently held in the Specific Provisions Fund.

As indicated previously, the Total Available baseline funds of \$15,668,700 are first allocated to "First Claims", specifically, for:

- Salary and Benefit Costs: \$7.7M

This estimate is based on no general increase for all open collective agreements and non-unionized compensation groups for the 2017/18 fiscal year. The estimated cost represents general increases for closed collective agreements, increment/step increases for open and closed collective agreements, and related combined benefits and pay levy. This estimate also includes \$0.8M for group insurance benefit changes noted earlier in the document, which was presented to and conditionally approved by the Board on March 21, 2017.

After applying first claims against the Total Available baseline, \$7,988,700 remains for strategic allocations. The proposed strategic investment of this baseline funding is shown later in this document under the section "Attachment 3: Budget Allocations for 2017/18".

As indicated in Attachment 2, significant sources that contribute to the \$29,211,500 in Total Available fiscal only funds include:

- International College of Manitoba (ICM): \$3.5M and \$3.1M

These amounts represent the share of ICM revenues that is not distributed to units. The estimated revenue share in 2017/18 is \$3.5M. In 2016/17, the revenue share was \$3.1M. Use of the 2016/17 share was deferred to 2017/18.

- International Differential Fee: \$1.9M and \$14.6M

Differential revenue from international students is estimated to increase by \$1.9M in 2017/18. This is based on a tuition fee increase of 1.3% and no change in enrolment. Since 2014/15, incremental changes to differential revenue have grown to \$14.6M. The baseline associated with these revenues is currently held in an operating reserve and has not been allocated; rather, fiscal dollars have been used for strategic allocations. Baseline held in the operating reserve represents international differential revenue that is over and above international enrolment targets, as indicated in the Strategic Enrolment Management Plan.

- Institutional Costs of Research: \$1.3M

This represents the University Administration share of funding recovered from research contracts, designated at 30% of total recoveries as per the Institutional Costs of Research Policy.

- Budget Only Allocations: \$4.8M

This represents unspent operating funds from 2016/17.

As stated previously, the Total Available fiscal only funds of \$29,211,500 are first allocated to “First Claims”, specifically, for:

- Retirement Allowance Program (RAP): \$3.8M

This allocation is pursuant to a letter of understanding with UMFA to encourage academic staff to commit to a retirement date. The allocation totaling \$3.8M is the estimated cost of the program in 2017/18 based on applications of eligible UMFA members.

As seen in Attachment 2, after applying first claims against the Total Available fiscal only funding, \$25,411,500 remains for strategic allocations. The proposed strategic investment of this fiscal only funding is shown in the next section “Attachment 3: Budget Allocations for 2017/18”.

### **Attachment 3: Budget Allocations for 2017/18**

There are two pages to this attachment, both of which show the proposed baseline allocation of \$7,988,700, and proposed fiscal only allocation of \$25,411,500 but in two different ways:

- Page 1: “Proposed Strategic Investments by Priority”
- Page 2: “Proposed Strategic Investments by Unit”

These proposed investments were developed based on unit SRP requests with recommendations presented by the Provost and refined based on information from the BMPC and feedback from the BAC, as noted earlier in this document. These allocations reflect the following principles/priorities:

- Balancing investments in the academic mission and in support functions and infrastructure.
- Advancing the University's mission of learning, discovery and engagement as reflected in the pillars of the University's strategic plan by:
  - *maintaining academic program quality and accessibility, through support for:*
    - critical faculty and support staff renewal;
    - faculty service teaching commitments; and
    - the advancement of teaching and learning.
  - *enhancing the student experience by:*
    - increasing experiential learning opportunities and student financial support; and
    - enhancing support in areas of identified need (e.g., mental health) and for specific student populations (e.g., international students).
  - *furthering the University's commitment to Indigenous achievement by:*
    - increasing the number of Indigenous scholars; and
    - enhancing support for Indigenous students and Indigenous initiatives.
  - *enhancing research competitiveness and maintaining an internationally competitive and supportive research infrastructure by:*
    - investing in research personnel – faculty and graduate student support;
    - investing in research support services and research infrastructure development; and
    - ensuring compliance with external regulatory bodies.
  - *investing in critical institutional infrastructure and its renewal, including:*
    - administrative systems renewal;
    - information technology infrastructure; and
    - deferred and preventative maintenance.
  - *strengthening community engagement and partnerships.*

**Attachment 4:** *General Operating Fund Budget for 2017/18 and Financial Plans for Restricted and Endowment Funds for 2017/18*

This attachment shows the proposed General Operating Fund Budget for 2017/18 and Financial Plans for Restricted and Endowment Funds for 2017/18. The attachment also shows the 2016/17 year-end projection and 2015/16 actual results for all fund types.

Revenues for budget and financial plans are categorized by source (tuition, donations, etc.). Total Expense and Net Inter-Fund Transfers represents anticipated transactions (2017/18 and 2016/17) and transactions that have already occurred (2015/16). As indicated in the budget framework, inter-fund transfers represent transfers between fund types, and are necessary in certain circumstances.

The first page of attachment 4 shows General Funds which includes the General Operating Fund, Specific Provisions Fund and Future Revenues Fund. It shows the proposed 2017/18 operating budget and reflects the planning parameters, and the baseline and fiscal allocations indicated earlier in this document. Projections for 2016/17 and actual results for 2015/16 are shown for comparative purposes.

The General Operating Fund budget is largely consistent with historical results (projections and actuals). Total expenses in 2017/18 are budgeted to be higher mainly due to large strategic allocations to academic and administrative units.

The second page, Restricted and Endowment Funds, includes the Research and Special Fund, the Capital Fund, the Staff Benefits Fund, the Trust Fund and the Endowment Fund.

The Restricted and Endowment financial plan is subject to the inherent variations of these funds. It is anticipated that:

- donation revenue will increase as Front and Centre campaign momentum translates into more cash collections;
- net investment income will reduce to historical norms; and
- provincial and federal support for the Churchill Marine Observatory, Stanley Pauley Engineering Building, and Smartpark Innovation Hub will increase Government of Canada and Other Province of Manitoba revenues.

The third page of Attachment 4 combines the first two pages into a summary of all funds.

Context and background on Restricted and Endowment Funds was provided to the Board in the budget framework.

**Attachment 5:** *Capital Spending Estimate for 2017/18*

This attachment provides the preliminary 2017/18 Capital Plan which compares the 2017/18 capital spending plan to projected spending in 2016/17.

**Attachment 6:** *Operating Budget and Fund Balance by Unit 2017/18*

This attachment provides the projected operating revenues, expenses and net inter-fund transfers by unit for 2017/18, and reflects strategic allocations indicated herein.

**SUMMARY:**

A General Operating Fund budget for 2017/18 consisting of:

- \$648,143,829 of revenue,
- \$597,871,972 of expenditures,
- \$50,271,857 of net fund transfers,

and financial plans for Restricted and Endowment Funds with revenue of \$318,153,752 is proposed to the Board for their consideration and approval.

**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:**

Significant consultation with the BAC and BMPC occurred throughout the 2017/18 planning process.





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"/>	<u>Tom Hay</u>	<u>April 26, 2017</u>
<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<u>Janet Ritchie</u>	<u>April 27, 2017</u>
<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<u>J. W. W. W.</u>	<u>April 27, 2017</u>
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<u>John B. B.</u>	<u>June 28, 2017</u>
<input type="checkbox"/>	<input type="checkbox"/>		

Submission prepared by: Kathleen Sobie, Executive Director Financial Planning

Submission approved by:

Appendices

Attachment 1 – Operating and Capital Grant Letter for 2017/18

Attachment 2 – Available Operating Budget Funding Summary for 2017/18

Attachment 3 – Budget Allocations for 2017/18

Attachment 4 – General Operating Fund Budget for 2017/18 and  
Financial Plans for Restricted and Endowment Funds for 2017/18

Attachment 5 – Capital Spending Estimate for 2017/18

Attachment 6 – Operating Budget and Fund Balance by Unit for 2017/18



## Education and Training

Post-Secondary Education and Workforce Development Division  
405 – 800 Portage Avenue, Winnipeg Manitoba Canada R3G 0N4  
T 204-945-3990 F 204-945-1557  
www.manitoba.ca

April 11<sup>th</sup>, 2017

Mr. Rennie Zegalski  
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 Mr. Zegalski and Dr. Barnard:

I would like to inform you of the funding decisions made by Government as part of the Budget 2017. The overall post-secondary envelope for 2017/18 is \$704.6 million. The capital envelope for 2017/18 will be maintained at \$11.6 million for major capital, renovations and equipment across the system. The grant allocations available to University of Manitoba for the fiscal year 2017/18 will be as follows:

Operating grant	\$ 351,574,000
Access grant	4,830,100
Major Capital	3,681,000
Equipment & Renovation	<u>3,020,000</u>
Total grants	<u>\$ 363,105,100</u>

The operating grant includes a provision of \$201,700 for first claims and \$208,000 for the International Educated Engineers Qualification program.

Please continue to provide actual billings for the principal and interest costs associated with deferred maintenance, knowledge infrastructure program, project domino, active living centre, stadium track and athletic centre rehabilitation project loans.

I look forward to working with you and your colleagues.

Sincerely,

Jan Forster  
Assistant Deputy Minister

c. Honourable Ian Wishart  
Bramwell Strain

**Attachment 2 - Available Operating Budget Funding Summary for 2017/18**

	<b>Baseline</b>	<b>Fiscal Only</b>
<b>Revenue Increase</b>		
Regular Session Domestic Tuition Fee	\$ 625,000	\$ -
Investment Revenue	358,000	
International College of Manitoba		3,500,000
International Differential Fee		1,906,000
<b>Total Increased Revenue</b>	<b>983,000</b>	<b>5,406,000</b>
<b>Budget Reallocation</b>		
Academic Position Management Process	2,055,000	
Additional Mandatory Pension Plan Contributions	3,600,000	
Salary Reserves	3,420,000	
Central Operating Reserve	3,110,700	
Utilities Budget	2,500,000	
International Differential Fee Reserve		14,565,000
Institutional Costs of Research		1,300,000
From The Specific Provisions Fund:		
International College of Manitoba		3,100,000
Budget Only Allocations		4,840,500
<b>Budget Available from Reallocations</b>	<b>14,685,700</b>	<b>23,805,500</b>
<b>Total Available</b>	<b>15,668,700</b>	<b>29,211,500</b>
<b>First Claims</b>		
Salary and Benefit Costs	(7,680,000)	
Retirement Allowance Program		(3,800,000)
<b>Total First Claims</b>	<b>(7,680,000)</b>	<b>(3,800,000)</b>
<b>Total Available for Strategic Allocations</b>	<b>\$ 7,988,700</b>	<b>\$ 25,411,500</b>

## Attachment 3 - Budget Allocations for 2017/18

### Proposed Strategic Investments by Priority

Strategic Priorities - Taking Our Place		
I. Inspiring Minds through innovation and quality teaching		
Description	Baseline	Fiscal Only
Graduate Student Financial Support	50,000	
International Student Academic and Other Support		2,124,400
International Student Financial Support		874,500
Targeted Faculty Renewal	840,600	
Faculty and Support Staff Renewal (Academic units)	3,600,000	
Academic Infrastructure Support	502,900	1,262,500
Service Teaching		744,900
Centre for the Advancement of Teaching and Learning (CATL)	130,400	
Libraries	80,000	120,000
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 2 of 5		900,000
Mosaic - Year 3 of 3		130,000
Research Initiatives - Year 3 of 7		1,000,000
Graduate Enhancement of Tri-Council Stipends (GETS)	1,300,000	2,400,000
Research Support Programs (year 1 of 2 fiscal only)	125,000	74,000
III. Creating Pathways to Indigenous Achievement		
Description	Baseline	Fiscal Only
Indigenous Scholars Fund	720,000	
Indigenous Initiatives Fund		500,000
Other Indigenous Supports	96,200	215,200
IV. Building Community that creates an outstanding learning and working environment		
Description	Baseline	Fiscal Only
Infrastructure Renewal & Preventative Maintenance		8,000,000
Software System Renewal (VIP & FAST)	135,000	3,000,000
Network Switch Replacement - year 2 of 6		1,000,000
Space Optimization, Relocation & Renovation Projects		942,000
Other Information Services Technology (IST) projects	150,000	1,150,000
Life Safety System Inspection		700,000
Budget Model Redesign / System Development	155,000	100,000
Financial Services - International Research Awards	70,000	
Office of the University Secretary	33,600	
V. Forging Connections to foster high impact community engagement		
Description	Baseline	Fiscal Only
Faculty Outreach Initiatives		174,000
<b>Total</b>	<b>\$ 7,988,700</b>	<b>\$ 25,411,500</b>

**Attachment 3 - Budget Allocations for 2017/18**  
**Proposed Strategic Investments by Unit**

	<b>Baseline</b>	<b>Fiscal Only</b>
<b>Faculties and Schools</b>		
Faculty of Agricultural and Food Sciences	\$ 248,500	\$ 229,500
Faculty of Architecture	97,400	12,000
Faculty of Arts	716,100	765,200
Faculty of Engineering	275,900	388,700
Faculty of Environment Earth and Resources	112,400	158,900
Faculty of Graduate Studies	1,481,900	2,460,000
Faculty of Education	238,500	-
Faculty of Health Sciences	1,358,300	270,000
Faculty of Kinesiology and Recreation Management	78,200	440,000
Faculty of Law	51,100	202,000
Faculty of Music	60,900	330,000
Faculty of Science	803,700	943,100
Faculty of Social Work	59,200	102,000
I.H. Asper School of Business	219,600	314,100
School of Art	119,200	-
Extended Education	6,700	
<b>Faculties and Schools Total</b>	<b>5,927,600</b>	<b>6,615,500</b>
<b>Libraries Total</b>	<b>310,500</b>	<b>120,000</b>
<b>Colleges</b>		
St John's College	-	12,000
St Paul's College	-	6,500
<b>Colleges Total</b>	<b>-</b>	<b>18,500</b>
<b>Provost &amp; VP Academic</b>		
Provost and Vice-President (Academic)	720,000	500,000
Vice-Provost (Integrated Planning & Academic Programs)	85,000	70,000
Vice-Provost (Student)	50,000	1,263,500
Vice-Provost (Academic Affairs)	215,800	-
Executive Lead, Indigenous Achievement	96,200	120,000
<b>Provost &amp; VP Academic Total</b>	<b>1,167,000</b>	<b>1,953,500</b>
<b>VP Administration</b>		
Associate VP (Admin)	-	9,200,000
Financial Services	175,000	100,000
Human Resources	100,000	3,150,000
Information Services and Technology	150,000	2,150,000
<b>VP Administration Total</b>	<b>425,000</b>	<b>14,600,000</b>
<b>VP Research &amp; International Total</b>	<b>125,000</b>	<b>2,104,000</b>
<b>Office of the President and Office of the University Secretary Total</b>	<b>33,600</b>	<b>-</b>
<b>Grand Total</b>	<b>\$ 7,988,700</b>	<b>\$ 25,411,500</b>

**Attachment 4 - General Operating Fund Budget for 2017/18 and  
Financial Plans for Restricted and Endowment Funds for 2017/18**

	General Funds					2016/17 Projection	2015/16 Actual
	2017/18						
	General Operating	Specific Provisions	Future Revenues	Total			
Revenue							
Tuition and related fees	168,180,598			168,180,598	163,580,541	159,986,883	
Donations	2,355,442			2,355,442	3,849,174	1,733,565	
Non-government grants	5,767,147			5,767,147	4,626,932	5,343,923	
Net investment income	4,233,000			4,233,000	5,104,868	4,348,075	
Miscellaneous income	5,692,455			5,692,455	7,993,472	6,361,488	
Government grants:							
Education and Advanced Learning	356,209,400			356,209,400	356,761,800	347,105,400	
Other Province of Manitoba	27,946,363			27,946,363	24,600,654	22,492,976	
Government of Canada	8,856,345			8,856,345	10,836,412	10,850,330	
City of Winnipeg	51,000			51,000	50,975	50,975	
Sales of good and services	31,880,678			31,880,678	34,493,001	33,018,718	
Ancillary services	36,971,401			36,971,401	37,745,653	38,246,292	
Total Revenue	648,143,829	-	-	648,143,829	649,643,482	629,538,625	
Total Expense	597,871,972	-	-	597,871,972	535,506,796	533,919,146	
				-			
Net Revenue	50,271,857	-	-	50,271,857	114,136,686	95,619,479	
Inter-Fund Transfers							
Employee Future Benefits	(130,000)			(130,000)		241,000	
Benefit Premiums Net of Employer Contributions for Staff Benefits	(3,500,000)			(3,500,000)	(3,091,070)	(2,048,471)	
Benefit Refunds	800,000			800,000			
Funding of Capital Asset Additions:							
Current Year Acquisitions	(20,000,000)			(20,000,000)	(20,287,857)	(20,685,414)	
Other Funded Projects	(12,880,000)			(12,880,000)	(19,666,000)	(33,955,428)	
Faculty and Unit Funded Projects	(742,598)			(742,598)	(7,181,505)	(17,612,491)	
Long Term Debt Repayment:	-						
Ancillary Services	(4,975,548)			(4,975,548)	(4,526,251)	(4,965,287)	
Faculties	(1,542,400)			(1,542,400)	(1,542,394)	(1,542,394)	
Unit Capital Development Assessment	(5,549,000)			(5,549,000)	(5,274,941)	(5,133,678)	
Student Contributions for Technology	(2,834,349)			(2,834,349)	(2,784,474)	(3,346,047)	
Other	(592,971)			(592,971)	(632,371)	(1,299,939)	
Student Contribution to University Development Fund	(954,787)			(954,787)	(964,523)	(1,065,700)	
Scholarships, Bursaries & Prizes:							
Faculty and Unit Funded	(1,717,066)			(1,717,066)	(1,857,168)	(2,193,416)	
Centrally Funded	(5,771,348)			(5,771,348)	(7,071,413)	(7,564,772)	
Other Net Transfers	1,566,587			1,566,587	2,601	2,061	
Overhead Recoveries	5,750,000			5,750,000	4,845,678	6,010,364	
Funding of General Operating Expenses	7,941,000	(7,941,000)		-	11,550,028	11,776,352	
Funding of Research Projects	(1,218,397)			(1,218,397)	(3,622,643)	(4,314,579)	
Transfers from (to) Provisions: Specific Projects:	-						
Faculty and Unit Funded	(4,020,980)	4,020,980		-	-	1,197,135	
Centrally Funded	-	-		-	-	-	
Vacation and Sick Leave Liability	100,000		(100,000)	-	(100,000)		
Net Inter-Fund Transfers	(50,271,857)	(3,920,020)	(100,000)	(54,291,877)	(62,204,303)	(86,500,704)	
Remeasurement Gains and Losses	-	-	-	-		(1,095,664)	
Total Increase (Decrease) To Fund Balance	-	(3,920,020)	(100,000)	(4,020,020)	51,932,383	8,023,111	

**Attachment 4 - General Operating Fund Budget for 2017/18 and  
Financial Plans for Restricted and Endowment Funds for 2017/18**

	Restricted and Endowment Funds							
	2017/18						2016/17 Projection	2015/16 Actual
	Research and Special	Capital	Staff Benefits	Trust	Endowment	Total		
<b>Revenue</b>								
Tuition and related fees						-		
Donations	500,000	10,000,000		9,000,000	18,000,000	37,500,000	30,373,955	25,632,348
Non-government grants	65,000,000	2,500,000				67,500,000	70,821,594	78,313,064
Net investment income		9,690,686	350,000	23,300,000		33,340,686	47,123,147	53,689,419
Miscellaneous income	150,000	2,500,000	2,750,000			5,400,000	4,745,211	7,041,112
Government grants:								
Education and Advanced Learning		6,701,000				6,701,000	7,015,000	7,015,000
Other Province of Manitoba	32,000,000	23,228,426				55,228,426	34,578,262	51,294,949
Government of Canada	65,000,000	47,183,640				112,183,640	73,026,362	70,970,616
City of Winnipeg						-		
Sales of good and services	300,000					300,000	506,671	1,010,602
Ancillary services						-		
<b>Total Revenue</b>	<b>162,950,000</b>	<b>101,803,752</b>	<b>3,100,000</b>	<b>32,300,000</b>	<b>18,000,000</b>	<b>318,153,752</b>	<b>268,190,202</b>	<b>294,967,110</b>
<b>Total Expense</b>	<b>153,435,000</b>	<b>77,563,380</b>	<b>3,840,000</b>	<b>24,550,000</b>	<b>-</b>	<b>259,388,380</b>	<b>249,501,260</b>	<b>257,869,181</b>
<b>Net Revenue</b>	<b>9,515,000</b>	<b>24,240,372</b>	<b>(740,000)</b>	<b>7,750,000</b>	<b>18,000,000</b>	<b>58,765,372</b>	<b>18,688,942</b>	<b>37,097,929</b>
<b>Inter-Fund Transfers</b>								
Employee Future Benefits			130,000			130,000	-	(241,000)
Benefit Premiums Net of Employer Contributions for Staff Benefits			3,500,000			3,500,000	3,091,070	2,048,471
Benefit Refunds			(800,000)			(800,000)	-	
Funding of Capital Asset Additions:								
Current Year Acquisitions		20,000,000				20,000,000	20,287,857	20,685,414
Other Funded Projects		12,880,000				12,880,000	19,666,000	33,955,428
Faculty and Unit Funded Projects		742,598				742,598	7,181,505	17,612,491
Long Term Debt Repayment:								
Ancillary Services		4,975,548				4,975,548	4,526,251	4,965,287
Faculties		1,542,400				1,542,400	1,542,394	1,542,394
Unit Capital Development Assessment		5,549,000				5,549,000	5,274,941	5,133,678
Student Contributions for Technology		2,834,349				2,834,349	2,784,474	3,346,047
Other		592,971				592,971	632,371	1,299,939
Student Contribution to University Development Fund				193,417	761,370	954,787	964,523	1,065,700
Scholarships, Bursaries & Prizes:								
Faculty and Unit Funded				1,717,066		1,717,066	1,857,168	2,193,416
Centrally Funded				5,771,348		5,771,348	7,071,413	7,564,772
Other Net Transfers				(1,566,587)		(1,566,587)	(2,601)	(2,061)
Overhead Recoveries	(5,750,000)					(5,750,000)	(4,845,678)	(6,010,364)
Funding of General Operating Expenses						-	(11,550,028)	(11,776,352)
Funding of Research Projects	1,218,397					1,218,397	3,622,643	4,314,579
Transfers from (to) Provisions: Specific Projects:								
Faculty and Unit Funded						-	-	(1,197,135)
Centrally Funded						-	-	
Vacation and Sick Leave Liability						-	100,000	
<b>Net Inter-Fund Transfers</b>	<b>(4,531,603)</b>	<b>49,116,866</b>	<b>2,830,000</b>	<b>6,115,244</b>	<b>761,370</b>	<b>54,291,877</b>	<b>62,204,303</b>	<b>86,500,704</b>
<b>Remeasurement Gains and Losses</b>	<b>-</b>	<b>-</b>	<b>3,000,000</b>	<b>6,660,000</b>	<b>15,540,000</b>	<b>25,200,000</b>	<b>55,567,320</b>	<b>(45,735,496)</b>
<b>Total Increase (Decrease) To Fund Balance</b>	<b>4,983,397</b>	<b>73,357,238</b>	<b>5,090,000</b>	<b>20,525,244</b>	<b>34,301,370</b>	<b>138,257,249</b>	<b>136,460,565</b>	<b>77,863,137</b>

**Attachment 4 - General Operating Fund Budget for 2017/18 and  
Financial Plans for Restricted and Endowment Funds for 2017/18**

	2017/18 Totals			2016/17 Projection	2015/16 Actual
	General Funds	Restricted and Endowment Funds	All Funds		
<b>Revenue</b>					
Tuition and related fees	168,180,598	-	168,180,598	163,580,541	159,986,883
Donations	2,355,442	37,500,000	39,855,442	34,223,129	27,365,913
Non-government grants	5,767,147	67,500,000	73,267,147	75,448,526	83,656,987
Net investment income	4,233,000	33,340,686	37,573,686	52,228,015	58,037,494
Miscellaneous income	5,692,455	5,400,000	11,092,455	12,738,683	13,402,600
Government grants:					
Education and Advanced Learning	356,209,400	6,701,000	362,910,400	363,776,800	354,120,400
Other Province of Manitoba	27,946,363	55,228,426	83,174,789	59,178,916	73,787,925
Government of Canada	8,856,345	112,183,640	121,039,985	83,862,774	81,820,946
City of Winnipeg	51,000	-	51,000	50,975	50,975
Sales of good and services	31,880,678	300,000	32,180,678	34,999,672	34,029,320
Ancillary services	36,971,401	-	36,971,401	37,745,653	38,246,292
<b>Total Revenue</b>	<b>648,143,829</b>	<b>318,153,752</b>	<b>966,297,581</b>	<b>917,833,684</b>	<b>924,505,735</b>
<b>Total Expense</b>	<b>597,871,972</b>	<b>259,388,380</b>	<b>857,260,352</b>	<b>785,008,056</b>	<b>791,788,327</b>
<b>Net Revenue</b>	<b>50,271,857</b>	<b>58,765,372</b>	<b>109,037,229</b>	<b>132,825,628</b>	<b>132,717,408</b>
<b>Inter-Fund Transfers</b>					
Employee Future Benefits	(130,000)	130,000	-	-	-
Benefit Premiums Net of Employer Contributions for Staff Benefits	(3,500,000)	3,500,000	-	-	-
Benefit Refunds	800,000	(800,000)	-	-	-
Funding of Capital Asset Additions:					
Current Year Acquisitions	(20,000,000)	20,000,000	-	-	-
Other Funded Projects	(12,880,000)	12,880,000	-	-	-
Faculty and Unit Funded Projects	(742,598)	742,598	-	-	-
Long Term Debt Repayment:					
Ancillary Services	(4,975,548)	4,975,548	-	-	-
Faculties	(1,542,400)	1,542,400	-	-	-
Unit Capital Development Assessment	(5,549,000)	5,549,000	-	-	-
Student Contributions for Technology	(2,834,349)	2,834,349	-	-	-
Other	(592,971)	592,971	-	-	-
Student Contribution to University Development Fund	(954,787)	954,787	-	-	-
Scholarships, Bursaries & Prizes:					
Faculty and Unit Funded	(1,717,066)	1,717,066	-	-	-
Centrally Funded	(5,771,348)	5,771,348	-	-	-
Other Net Transfers	1,566,587	(1,566,587)	-	-	-
Overhead Recoveries	5,750,000	(5,750,000)	-	-	-
Funding of General Operating Expenses	-	-	-	-	-
Funding of Research Projects	(1,218,397)	1,218,397	-	-	-
Transfers from (to) Provisions: Specific Projects:	-	-	-	-	-
Faculty and Unit Funded	-	-	-	-	-
Centrally Funded	-	-	-	-	-
Vacation and Sick Leave Liability	-	-	-	-	-
<b>Net Inter-Fund Transfers</b>	<b>(54,291,877)</b>	<b>54,291,877</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Remeasurement Gains and Losses</b>	<b>-</b>	<b>25,200,000</b>	<b>25,200,000</b>	<b>55,567,320</b>	<b>(46,831,160)</b>
<b>Total Increase (Decrease) To Fund Balance</b>	<b>(4,020,020)</b>	<b>138,257,249</b>	<b>134,237,229</b>	<b>188,392,948</b>	<b>85,886,248</b>



## Attachment 5 – Capital Spending Estimate for 2017/18

(in thousands)

	Projection 2016-17	Preliminary 2017-18
Capital Plan:		
Infrastructure Renewal Projects:		
Asbestos	\$ 2,350	\$ 2,500
Fire Safety	1,815	3,000
Sewer and Water	2,455	1,000
Building Envelope	1,229	1,500
Windows	176	
Roofs	127	1,000
Other	2,848	3,000
Major Capital Projects:		
Tache Hall Redevelopment and Addition	17,984	2,000
Active Living Centre – Lift Station	739	
Campus Day Care Addition	87	2,500
SIF – Smartpark Innovation Centre	650	35,079
SIF – Engineering Innovation Centre	1,275	24,805
Churchill Marine Observatory	800	24,950
CCTV Renewal	374	300
Miscellaneous Capital Projects	3,020	3,020
Renovations:		
Admin L100	1,101	1,000
T-Bldg (Bannatyne Campus) Decanting/Demolition	2,342	200
Classroom and Learning Space Upgrades	340	4,000
Wayfinding Strategy – Signage	16	1,126
Chown L100 and 200 Upgrade	244	3,400
Teaching Lab Renewal (Tranche 1)	857	400
Teaching Lab Renewal (Tranche 2)	274	350
Teaching Lab Renewal (Tranche 3)	1,377	5,000
Architecture Studio – Education Building	512	
Dentistry – Sam Borden	548	
Parker Building Room 350 UG Teaching Lab	620	
Albert Cohen Library	1,000	250
University College Window Replacement		480
Music Building – Centre for the Advancement of Teaching and Learning	640	250
Max Bell – Lighting	350	170
Max Bell – Fieldhouse Upgrade	13	1,200
IT Data Centre		1,000
Space Optimization Project		2,000
Fitzgerald Building		1,000
ICU and Primary Care Simulation Suites – Apotex Building		3,000
Other Projects – Faculty and Unit Funded	3,000	3,000
Operating – Equipment, Library Acquisitions, Furniture and Construction	20,038	20,000
Capital Research – CFI, Research Equipment and Construction	7,836	7,000
	<u>\$ 77,037</u>	<u>\$ 159,480</u>

**Attachment 6 - Operating Budget and Fund Balance by Unit for 2017/18**

Faculty/Unit	2017/18 Revenue <sup>(1)</sup>	2017/18 Expense <sup>(2)</sup>	2017/18 Interfund Transfers	Net Increase (decrease) to Fund Balance
<b>Faculties and Schools</b>	355,838,537	349,107,907	(6,730,630)	-
<b>Colleges</b>	1,264,857	1,251,009	(13,848)	-
<b>Libraries</b>	27,210,033	27,027,768	(182,265)	-
<b>Student Affairs</b>	22,918,997	18,403,632	(4,515,365)	-
<b>President's Units</b>	1,731,200	1,712,637	(18,563)	-
<b>Provost &amp; Vice-President (Academic) Units</b>	15,630,153	15,508,751	(121,402)	-
<b>Vice-President (Research) and International Units</b>	16,222,661	15,383,797	(838,864)	-
<b>Vice-President (Administration) Units</b>	130,073,550	120,118,086	(9,955,464)	-
<b>Vice-President (External) Units</b>	11,067,772	12,056,484	988,712	-
<b>General University <sup>(3)</sup></b>	30,387,932	14,383,764	(16,004,168)	-
<b>Undistributed Operating Funds <sup>(4)</sup></b>	35,798,137	22,918,137	(12,880,000)	-
<b>Grand Total</b>	<b>648,143,829</b>	<b>597,871,972</b>	<b>(50,271,857)</b>	<b>-</b>

(1) Excludes Internal Cost Recoveries

(2) Salary and Non-Salary Expenditures

(3) Includes Debt Servicing, Retiree Benefits, Insurance, Property Tax, Overhead

(4) Includes International Differential Fee, Decanal Bridge Funding, Spousal Appointment Funding, Research Chairs Funding, Library Exchange Reserve