



AGENDA ITEM:

2022/23 Budget

RECOMMENDED RESOLUTION:

That the Board of Governors approve:

- A consolidated budget for the year ending March 31, 2023 that includes:
 - total revenues of \$977,009,498
 - total expenses of \$987,833,187
 - a balanced general operating budget of \$698,521,588
 - a capital spending plan of \$78,796,000

CONTEXT AND BACKGROUND:

EXECUTIVE SUMMARY

The 2022/23 Operating Budget for the University of Manitoba is built on supporting the institutional areas of focus outlined in Our Shared Future: Building on our Strategic Plan that will guide us through 2022/23 while continuing to advance the academic mission. The 2022/23 budget has been planned under the assumption that post-pandemic, staff and students will return to campus.

The 2022/23 Operating Budget revenue includes:

- Provincial Operating grant held at the same level as 2021/22 budget, except for an increase to support the expansion of seats in the College of Nursing.
- an overall 9.9% increase in tuition and fee revenue over the 2021/22 budget resulting from:
 - a 3.75% variable tuition increase,
 - a 1% increase in enrolment, and
 - inclusion of increased differential fee revenue associated with the growth in international student enrolment

Consistent with prior years, an integrated planning approach was taken to develop the operating budget for 2022/23, ensuring that unit plans are aligned with the strategic priorities of the institution. Some highlights of the investments being made within the 2022/23 operating budget include:

- advancing research development
- advancing Equity, Diversity and Inclusion
- supporting Indigenous engagement and achievement
- supporting student through the post pandemic return to campus
- enhancing mental health and wellness supports
- renewal of curriculum and Faculty positions
- continued expansion of experiential learning opportunities
- increasing financial support for students, including those facing extraordinary situations

- addressing aging infrastructure and enhancing learning spaces
- accommodating wage increases for open collective agreements

The University has realized operating surpluses in recent years. The 2022/23 budget anticipates that operating revenues will grow less quickly than operating expenditures, due primarily to salary increases resulting from recently and anticipated collective agreement settlements. To mitigate the impact of these cost increases on operations, the University has reduced the contingencies included in the budget, and adjusted enrollment assumptions to reflect increased international student enrollments. The combination of these changes should result in annual results more closely aligned with the budget for 2022/23.

2022/23 BUDGET PROCESS

The budget planning process occurs alongside unit planning, reflecting unit and university-wide strategic priorities and operational requirements. The 2022/23 budget planning process began in the summer of 2021 with the development of preliminary planning parameters under which units developed their initial budget submissions.

Over the summer and fall, units developed their budgets based on direction that plans and budgets should reflect efforts to identify cost efficiencies and to plan within their preliminary budget allocation. Academic units were asked to assume no increase in subvention over 2021/22 and Central Units to assume no budget increase over 2021/22. However, budget templates did provide the opportunity for Central units to identify pressures that could not be managed within a flat budget and Academic units to identify increased subvention needs. Central support unit budget submissions were presented to and discussed by the Central Unit Allocations Committee (CUAC) in the fall. Academic and Ancillary units presented their budgets to the Executive Budget Committee in December and early January.

As the year unfolded and more information was made available with respect to the Provincial Operating grant, tuition, enrolment and wage increases, the planning assumptions and associated financial estimates were updated. Unit budget updates, based on revised planning assumptions and financial estimates, were revised in March and again in early April.

As part of the normal budget development process, meetings were held in December, January and early April with the President's Budget Advisory Committee (BAC), as well as with Deans and Directors and Provost Council throughout the process, to discuss and present budget priorities.

CONSOLIDATED BUDGET

Attachment 1: 2022/23 Consolidated Statement of Operations Budget

Attachment 1a shows the proposed consolidated budget for 2022/23, with comparative 2021/22 budget information formatted to align with PSAS (Public Sector Accounting Standards) and our audited annual report.

Attachment 1b shows the proposed consolidated budget for 2022/23, with comparative 2021/22 budget information formatted to align with the quarterly financial report.

The consolidated budget, reported under PSAS, reflects revenues of \$977 million, expenses totaling \$987.8 million. The net result of the revenues and expenses as budgeted is a consolidated deficit of \$10.8 million before endowment revenues and remeasurement gains. This projected net result is related to the public sector accounting standards and is the result of the timing mismatch between

revenues recognized and expenses incurred which limits the ability to produce a balanced consolidated result.

The consolidated budget includes both the operating budget and the non-operating budget. The operating budget includes the academic, administrative, operational and ancillary costs that are funded by revenues such as tuition and related fees, government grants, investment income, miscellaneous income, sales of goods and services to external parties and ancillary income. The operating budget must balance. The non-operating budget includes all of our sponsored research, funding received for special purposes like the provision of healthcare in Northern communities and funds donated to us in trust to award scholarships and bursaries and sometimes to support certain operating activities. The non-operating budget also includes the funding and amortization expenses related to capital assets.

The operating activities budget in attachment 1b show that within this consolidated budget, the general operating budget, discussed in further detail below, is balanced. The non-operating activities, in attached 1b reflect a deficit position, again due to the mismatch in the timing of when revenue is recognized and expenses are incurred.

On a consolidated basis, 2022/23 budgeted revenues are \$52.9 million greater than the 2021/22 board approved budget. The majority of year-over-year difference is due to increases in tuition revenue (\$21.4 million) and with a return of students and staff to campus increases in Ancillary revenue (\$3.6 million), Sport and Recreation fee revenue and other sales and service income (\$5.4 million). In addition, non-government grants have increased by \$7.8 million, donation revenue is budget to increase by \$7.6 million as well as increased Federal funding of \$2.2M mainly for research grants expected.

Consolidated expenses are budgeted to increase by \$70.5 million as compared to the 2021/22 board approved budget. Overall salary and benefits are budget to increase by \$32.4 million in 2022/23. This is mainly reflective of the wage increases for known and anticipated collective agreement settlements (\$29.2 million). This is the cumulative increase for 2021/22 and 2022/23 as 2021/22 anticipated increases were not included in the 2021/22 budget. In addition, salary expenses related to the nursing seat expansion have been included in the 2022/23 budget. Other expenditure increases planned for 2022/23 include \$8.8 million in scholarships and bursaries supported by donations and trust funds, \$2.3 million in repairs and maintenance and \$9.6 million in expenses supported by research and other revenues.

In addition, there are additional reported expenses of \$12.9M due to a new accounting standard adopted on April 1, 2022, PSAS 3280 Asset Retirement Obligations, amortization expense (\$4.3 million) and a new reported accretion expense (\$8.6 million reported under other expenditures). This new standard requires public sector organizations to account for and report the legal obligations associated with the retirement of tangible capital assets (e.g.: asbestos abatement). In essence, when a legal obligation exists to incur retirement costs, the estimated cost of retiring the asset in the future is recognized as an asset and a liability on the balance sheet. The increased asset value is then amortized over the life of the asset. The impact of the adoption of this new accounting standard is estimated to results in-increased amortization expense as well as accretion expense to reflect the increase in the change of the carrying amount of the liability over time.

GENERAL OPERATING BUDGET

Attachment 2: 2022/23 General Operating Budget

Attachment 2a illustrates the 2022/23 general operating budget through the lens of the budget model, including the strategic allocations described in the pages that follow below.

Attachment 2b provides a summary of the total net budget by unit through the lens of the budget model, with comparatives to 2021/22. This budget comparison is inclusive of strategic allocations.

Within the consolidated budget, general operating revenues are received for purposes that support the University's academic, administrative and operational costs. The general operating budget will increase by \$38 million or 5.7% in 2022/23 from 2021/22. The revenue increase is mainly due to tuition revenue increase (\$21.4 million) Nursing seat expansion funding (\$3.2 million) and Ancillary and Sport Recreation revenue increase (\$9.4 million).

The budget model allocates tuition and grant revenues to academic units based on pre-determined drivers. These revenues support the direct expenses of academic units as well as the allocated net expenses of central support units. A portion of the allocated revenue is contributed to the university fund based on the participation rate (tax), which remains at 17.75% for 2022/23.

In Attachment 2a, unit revenues reflect tuition and grant revenue allocated within the budget model as well as revenues budgeted directly by the units themselves. Expenses and net fund transfers budgeted by units include salaries, benefits and other operating expenses, as well as net transfers necessary to support both operating and non-operating expenses, such as debt repayment, capital projects, scholarships and bursaries, staff benefits, and research projects.

The central support cost allocations reflect the allocation of the net expenses of central support units to the academic units.

Operating revenues allocated to units are budgeted to increase \$21 million (4.1%) from the 2021/22 budget. As shown in Attachment 2b, there is variation in the budgeted increase by Academic unit due to the budget model's allocation methodology as well as strategic subvention adjustments for 2022/23. In the 2022/23 budget, the drivers are based on 2020/21 data. Some units experienced fluctuations in enrolment and expenditures due to the pandemic which had an impact on their revenue allocations. Each academic unit is required to support their academic unit plan, within their allocation, while managing the estimate wage increases associated with known and open settlements. Most units had more than they needed last year (as demonstrated by the surplus) but increased labour costs, reduced contingencies should bring our expenditures more in line with our revenues this year. Where units struggled to cover their cost increases due to pandemic related impacts on revenues, increased costs due to wage increases, or increased cost allocations related to specific investments in research, subvention was adjusted to reduce the impact on unit operations.

Central support cost pool budgets are increasing in 2022/23 as compared to the prior year as shown in Attachment 2b. Central support cost pool budget increases total \$8.5M, including changes in strategic allocations. \$6.7 million of the budget increase for Central support cost pools has been allocated out to academic units through the budget model. Strategic allocations, included in the Central support budgets are not allocated out to Academic Units. The largest component of budget increase was an investment of \$3.3 million to support research. This investment provided additional resources to support compliance in specific research lines, like cannabis research, as well as to increase funding available to support internal matching for external grants, partially offsetting the Provincial cuts to Research Manitoba. In addition, central unit cost increases include an estimated \$1.4M increase related to wage settlements, additional resources within the VP Indigenous portfolio, Indigenous Human Resource supports within the Administration cost pool, as well as on-going budget approvals for some initiatives formerly funded through Strategic allocations (ie: Student affairs, VP Indigenous, Research).

The general university budget falls within the Central Unit cost pools. Within the general university budget is the wage reserve budget which was \$5.4M in 2021/22. The wage reserve has been reduced to \$2.6 million in 2022/23 and the savings were redirected to offset the impact of wage

increases in the units.

Provincial Grant Revenue

In advance of the provincial budget, the Province provided the University with its 2022/23 funding letter which included:

- An operating grant of \$349.9M, which was effectively the same as 2021/22 plus an increase of \$3.2M to fund the Nursing Program seat expansion
 - This year the government rolled funding for ACCESS, major capital and equipment renovation grants into one envelope. These amounts were previously identified separately from the operating grant.
- a loan of \$4.2 million for deferred maintenance which will be serviced by additional contributions from the Province, and
- continuation of an annual \$250,000 contribution to the Institute of Leadership Development

The operating budget also includes \$24.3 million of other revenue from the Province, primarily related to the service purchase agreements with Manitoba Health.

Tuition Revenue

Budgeted tuition revenue of \$231.5 million represents an increase of approximately \$21.4 million as compared to the 2021/22 budget, and includes the impacts of projected enrolment increases of 1% over 2021/22 budget (i.e. enrolment flat over 2021/22 actuals) and an average 3.75% tuition fee increase, which is within the direction provided by the minister.

The tuition revenue increase also includes \$8.7 million to capture the increase differential fee revenue experienced in 2021-22 related to international student enrollment growing more quickly than domestic student enrollment. This was not captured in the budget over the past two years and has contributed to a tuition surplus. Inclusion in the budget provides the opportunity to invest this tuition revenue to support unit budgets which in turn supports those students.

The tuition fee proposal is described in greater detail in an accompanying tuition fee submission included for Board of Governors approval. This submission also provides the detailed Tuition and Fee proposals developed for the 2022/23 academic year.

Other Revenue

Operating revenue from virtually all other sources are expected to be higher than in 2021/22, with Sales of Goods and Services, Ancillary Services, Sport and Recreation and Donations seeing the largest increases. With an expected return of staff and students to campus in 2022/23, revenue and expenditures for Ancillary services are planned to increase over 2021/22 budget.

Salaries and Expenses

Salaries, Staff Benefits and Pay Levy costs increased 7.0% over the 2021/22 Budget. The increase is largely related to increases in wage estimates due to open and settled collective agreements and post pandemic staffing increases in ancillary and other revenue generating services. The 2022/23 budget includes the cumulative wage estimates for UMFA based on the final arbitration decision as well as those structural salary scale increases that were agreed to in December 2021. For all other open collective agreements an estimate of wage increases has been included in the budget. In addition, annual step increases, CPP premium increases and increased salary expenses planned for the nursing seat expansion are contributing to the increase in salaries and expenses.

Non-Compensation expenses increased by 3.4% from the prior year budget. The majority of the increase reflects post pandemic spending with respect to materials and supplies, travel, and professional and external services mainly in-line with increased revenues budget in ancillary and

other revenue generating services. 2022/23 budget for student awards remains relatively consistent at \$16.3 million.

Fund Transfers

Budgeted net transfers out of the operating fund are \$1.5 million lower than the 2021/22 budget. This is primarily driven by a \$2.2 million increase in transfers to capital provisions for Ancillary Services and a \$2.0 million increase in transfers from carryover.

2022/23 University Fund

Attachment 3: 2022/23 University Fund Attachment 3a: 2022/23 Subvention Schedule

The university fund is an important component of the University's budget model that provides a source of available funds to reallocate to areas of critical need and to invest in the University's strategic priorities, including subvention of, or subsidizing, academic units. The 2022/23 university fund is presented in Attachment 3, including both contributions and planned strategic allocations.

The contribution to the university fund by academic units is calculated as 17.75% of allocated tuition and grant revenues, totaling \$94.9 million for 2022/23. The remaining contributions totaling \$22.1 million are comprised of investment income, International College of Manitoba royalty revenues, Ancillary Services contribution, and the funds remaining from the prior year's contingency/strategic reserve. The total funding available in 2022/23 is \$116.9 million, as compared to \$110.9 million in 2021/22.

Attachment 3 and the paragraphs that follow outline the strategic priorities and commitments that will be supported through allocations from the university fund in 2022/23, and how these allocations align with the University's strategic plan.

The majority of the university fund, \$100.2 million, is returned to faculties in the form of subvention. Attachment 3a provides a summary of subvention levels by unit. As a percentage of the funds available, subvention represents approximately 86% of the university fund, which is the same as the subvention's proportionate allocation in 2021/22. However, as an absolute dollar, subvention was increased by 5% over 2021/22. Subvention to academic units increased by \$3.6M to provide funding support for the increased cost of General Salary Increases as a result of the arbitration decision for UMFA and wage increases for other open collective agreements. Subvention was also increased by \$1.48M for some units to reduce the impact on faculties hit hardest by increased Research cost allocations (mainly Faculty Health Sciences and Engineering with smaller increases for Architecture, Education, Law, Music and Social Work). In addition, subvention increases were approved for Faculty of Social Work and Marcel A. Desautels Faculty of Music to offset budget shortfalls that could not be managed by the units. These units have been asked to provide a financial plan to demonstrate how they will become more financially sustainable in future years. Subvention is used to support the University's strategic priorities and ensures sufficient support for an appropriate range of liberal arts, science and professional programs for Manitoba's research university as described in the *Inspiring Minds through innovative and quality teaching* priority.

In light of the current financial situation, strategic allocations were weighed alongside other budgetary priorities. The budget as presented includes strategic allocations to the following priorities:

- In support of the *Inspiring Minds* priority, the 2022/23 budget strengthens the University's commitment to students by allocating an \$2M million to student assistance, to be targeted

to areas of highest need including both undergraduate and graduate students, as well as specific supports for students in extraordinary circumstances in addition to financial support for other international and Indigenous students.

- A \$2.75M commitment to invest in back up infrastructure and to modernize data protection across the university and implement improved security tools to mitigate against cyber threats which supports our *post-covid planning priority*.
- 2nd year of support for a new round of Indigenous Scholars (\$600,000). This allocation will provide additional funding to academic units to support the recruitment of Indigenous faculty in recognition of our commitment to support Indigenous achievement within our *Creating Pathways and Inspiring Minds* strategic priority.
- Additional work under this same goal leads the University to enhance common spaces, amenities and services to better meet the needs of the university community. To that end, the 2022/23 budget includes an allocation of \$500,000 that will continue to support learning space renewal and enhancement.
- \$1M allocated to support capital improvements and upgrades across the University to ensure that Accessibility requirements are met. This supports a safe and accessible environment for staff and students and will help to advance our EDI strategic priority. In addition, the 2022-23 budget allocates a second year of \$250,000 in funding for the implementation of the University's Equity, Diversity and Inclusion strategy.
- \$170K investment to finalize the development of a Climate Action Plan for the University. This plan includes aspects of 15 low carbon actions spread over 5 big move areas including buildings, energy, transportation, waste and sequestration.
- \$250K to fund resources to coordinate the University wide *Anti-Racism Strategy / Task Force Development*
- A 2nd year of strategic initiative funding directed to Student Affairs to fund student support positions approved in 2021-22. This includes 2 Student Advocate positions, 2 positions within the Virtual Advising Help Centre, 2 Student Accessibility positions, and 2 student recruiters.
- Support for a Faculty Relations position to focus on human resources and labor relations needs unique to faculty. Resources to provide strategic advice, build relationships and support university administrators and faculty members.
- \$1.5M to support the *Post Covid planning* strategic priority. This will include investments to enhance our efforts to support the transition of new students into on-campus university life and study. Promote faculty/staff development and wellness. Reinforce a sense of community on our campuses by supporting a safe return to in-person engagement as well as enhanced digital tools for remote/hybrid activities. This will include implementing a university-wide digital strategy to support varied methods of learning, research, training, and working and a pilot project to explore hybrid and remote work arrangements.
- Lastly, \$7 million has been allocated as a contingency this year, a \$1M decrease from 2021/22 budget contingency. This is equal to about 1% of total budgeted operating revenues, allocation requires Provost and/or president approval and is to support extraordinary financial needs that may arise within the year as well as to mitigate any risks to the budget.

General Operating budget assumptions

- Staff and students will largely return to campus at pre-pandemic levels starting in May of 2022
- Enrolment to remain in line with 2021/22 actual enrolment, including maintaining the current program mix and proportions of international and domestic students.
- 2021/22 and 2022/23 cumulative wage increases estimated within budget based on known settlements and estimated increases for open agreements

General Operating budget risk and mitigation

The uncertainty created by the pandemic makes it difficult to project future enrolment. Although projecting a 1% increase over 2021/22 budget, in comparison to actual enrolment in 2021/22 the 2022/23 budget tuition revenue aligns with flat enrolment over 2021/22 actuals. 2021/22 saw an abnormal winter enrolment decrease.

Increasing the differential fee revenue within the 2022/23 budget, reflects recent trends, but is more aggressive than budgeted in the past few years. This allows us to allocate the anticipated tuition for use in the year and should reduce or eliminate the tuition surplus experienced in prior years. The pandemic and global economy creates some uncertainty with respect to international student enrolment. Enrollment will be monitored against budget to determine if mitigation strategies are required mid-year.

Wage cost increases for all collective agreements have been built into the budget. Estimates are based on the final negotiated settlement for UMFA mitigating a risk of wages higher than the final arbitration decision. With respect to all other open agreements, wage estimates have been included in the budget. To mitigate the impact on units in 2022/23, \$2.6 million from the central wage reserve budget was redirected and additional subvention of \$3.6 million allocated from the University Fund.

If open collective agreement settlements (ie: AESSES, CUPE, UNIFOR) differ from what is estimated in the 2022/23 budget, those units that cannot absorb additional increases in 2022/23, would be provided a one-time in year budget transfer from the remaining balance in the Wage Reserve budget.

In 2022/23 it is less likely we will run large surpluses, and while we believe we are making reasonable assumptions, these changes increase the possibility of running a deficit. In addition to contingency of \$7M within the budget, we have a fiscal stabilization fund of \$22M which is available to fund a deficit in the event of a negative unexpected event.

Attachment 4: 2022/23 Capital Spending Estimate

This attachment provides a summary of the 2022/23 capital spending plan compared to the 2021/22 plan. Specific projects and contracts in excess of \$5M are subject to Board of Governors approval. The total planned spending of \$78.8 million includes beginning construction of the Desautels Concert Hall (\$12 million) and completion of the Churchill Marine Observatory (\$3.7 million). Over \$26.3 million of infrastructure renewal is planned, including \$11.9 million for HVAC upgrades. A further \$13.2 million is budgeted for renovations of classrooms and other learning spaces, as well as office and common spaces. Purchases of equipment and minor renovations totaling \$5 million and \$14.9 million from the operating and research funds are also expected to be capitalized in 2022/23.

The majority of capital spending will be funded by transfers from provisions and the annual operating budget (\$40.5 million). Capital grants and funding through promissory notes from the Province of Manitoba (\$15.4 million), donations (\$12.6 million) and Federal government and other research-related grants (\$10.3 million) will support the remaining planned capital spend.

RESOURCE REQUIREMENTS:

This budget outlines the anticipated financial resource requirements for the 2022-23 budget year.

CONNECTION TO THE UNIVERSITY PLANNING FRAMEWORK:

Budget planning occurs in the context of ***Our Shared Future: Building on our Strategic Plan***, and a significant majority of the budget supports the ongoing work of units in fulfilling the University's mandate and strategic priorities. The following re specific institution focus areas for the coming year:

- To engage in post-COVID planning for teaching, learning and research work
- To enhance experiential learning opportunities for all students
- To further our commitment to Indigenous achievement and engagement
- To further our commitment to an accessible, equitable, diverse and inclusive campus

IMPLICATIONS:

With approval this budget creates the economic and financial framework for 2022-23.

ALTERNATIVES:

In light of increasing wage costs, ongoing cost pressures and other external factors and uncertainties, multiple scenarios were considered. There is a wide range of possible financial implications post pandemic that could develop mainly impacting enrolment. This proposed budget represents the recommended balance of investment in strategic priorities, support to faculties and schools, known cost pressures, and contingencies and reserves to manage risk.

CONSULTATION:

The 2022/23 planning and budget development process involved consultation with academic, ancillary and central unit leaders and support staff. The process was guided by the Provost and Vice-President (Academic) and the Vice-President (Administration) and included meetings with the Vice-Presidents, the Central Unit Allocation Committee, the president's Budget Advisory Committee, and the Deans and Directors, which, along with analysis, review and information on the institutional financial position from the Financial Planning Office and Financial Services, form the basis of this submission.

ROUTING TO THE BOARD OF GOVERNORS:

<u>Reviewed</u>	<u>Recommended</u>	<u>By</u>	<u>Title</u>	<u>Date</u>
<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	_____	Vice-President (Administration)	April 19, 2022
<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	_____	President and Vice- Chancellor	_____
<input type="checkbox"/>	<input type="checkbox"/>	_____	_____	_____
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SUBMISSION PREPARED BY: Shelley Hopkins, Executive Director Financial Planning & Budgeting

ATTACHMENTS:

- Attachment 1 – 2022/23 Consolidated Statement of Operations Budget
- Attachment 2 – 2022/23 General Operating Budget
- Attachment 3 – 2022/23 University Fund
- Attachment 4 – 2022/23 Capital Spending Estimate
- Attachment 5 – 2022/23 Provincial Funding Letter

Attachment 1a**UNIVERSITY OF MANITOBA**
Consolidated Statement of Operations Budget
For the year ending March 31, 2023
(in thousands of dollars)

	Budget	Budget
	2022-23	2021-22
Revenue		
Provincial Grants	\$ 423,571	\$ 422,180
Tuition and Related Fees	231,544	210,120
Federal and Other Government Grants	109,367	107,144
Non-Government Grants	65,013	57,169
Investment Income	46,738	45,137
Ancillary Services	35,658	32,060
Sales of Goods and Services	28,960	23,603
Other Income	14,580	12,733
Donations	21,578	13,980
	977,009	924,125
Expense		
Instruction	421,926	399,045
Sponsored Research	135,570	125,890
Facilities	131,945	117,835
Special Purpose and Trust	88,040	73,196
Administration	41,681	38,837
Academic and Research Support	33,553	38,126
Libraries	36,161	34,390
Student Services	32,199	25,833
Information Technology	28,583	27,355
Ancillary Services	24,311	22,907
External Relations	13,864	13,909
	987,833	917,325
	(10,824)	6,801
Endowed Donations	15,161	12,750
Annual Surplus	4,337	19,551
Remeasurement Gains	16,750	21,000
Total Increase to Accumulated Surplus and Remeasurement Gains	\$ 21,087	\$ 40,551

Note: figures may not add due to rounding

Attachment 1b

UNIVERSITY OF MANITOBA

Consolidated Statement of Operations Budget

Budget for the year ending March 31, 2023

(in thousands of dollars)

	TOTAL ACTIVITIES		OPERATING ACTIVITIES		NON-OPERATING ACTIVITIES	
	Budget 2022-23	Budget 2021-22	Budget 2022-23	Budget 2021-22	Budget 2022-23	Budget 2021-22
REVENUE						
Provincial Grants	423,572	422,180	367,295	364,200	56,277	57,980
Tuition and Related Fees	231,544	210,120	231,544	210,120	-	-
Federal and Other Government Grants	109,367	107,144	10,889	9,249	98,478	97,895
Non-Government Grants	65,012	57,169	6,398	6,358	58,614	50,811
Investment Income	46,738	45,137	7,420	7,392	39,318	37,745
Ancillary Services	35,658	32,060	35,658	32,060	-	-
Sales of Goods and Services	28,960	23,603	28,710	23,353	250	250
Non-Endowed Donations	21,578	13,980	977	734	20,601	13,246
Other Income	14,580	12,733	9,630	6,983	4,950	5,750
TOTAL REVENUE	977,009	924,126	698,521	660,449	278,488	263,677
EXPENSES						
Compensation Expenses	573,016	540,661	522,930	488,661	50,086	52,000
Non-Compensation Expenses	345,323	311,137	163,151	157,826	182,172	153,311
Amortization of Capital Assets	54,950	50,625	-	-	54,950	50,625
Interest	14,544	14,902	-	-	14,544	14,902
TOTAL EXPENSES	987,833	917,325	686,081	646,487	301,752	270,838
	(10,824)	6,801	12,440	13,962	(23,264)	(7,161)
NET TRANSFERS	-	-	(12,440)	(13,962)	12,440	13,962
ENDOWED DONATIONS	15,161	12,750	-	-	15,161	12,750
ANNUAL SURPLUS	4,337	19,551	-	-	4,337	19,551
REMEASUREMENT GAINS (LOSSES)	16,750	21,000	-	-	16,750	21,000
TOTAL INCREASE TO ACCUMULATED SURPLUS						
REMEASUREMENT GAINS	\$ 21,087	\$ 40,551	\$ -	\$ -	\$ 21,087	\$ 40,551

Note: figures may not add due to rounding

Attachment 2a

UNIVERSITY OF MANITOBA
General Operating Funds
Budget for the year ending March 31, 2023
(in thousands)

	Allocated Revenue	Direct Revenue	Total Revenue	Expenses and Fund Transfers	Central Support Cost Allocations	Contributions to the University Fund	University Fund Allocations	Net Surplus (Deficit)
Academic Units and Ancillary Services								
Faculty of Agricultural & Food Sciences	33,376	2,613	35,989	23,435	15,865	(5,861)	9,173	-
Faculty of Architecture	10,627	492	11,119	9,214	4,931	(1,884)	4,909	-
Faculty of Arts	97,976	431	98,407	48,937	33,044	(17,088)	661	-
School of Art	4,964	219	5,183	4,649	3,410	(867)	3,744	-
I.H. Asper School of Business	41,768	1,567	43,335	22,501	13,493	(7,341)	0	-
Faculty of Education	10,648	162	10,810	10,132	6,124	(1,857)	7,302	-
Price Faculty of Engineering	33,367	1,434	34,800	23,210	19,172	(5,989)	13,572	-
Clayton H. Riddell Faculty of Environment, Earth, & Resources	20,200	357	20,557	10,494	7,634	(3,552)	1,123	-
Extended Education Division	2,049	8,283	10,332	9,964	3,891	(323)	3,846	-
Faculty of Kinesiology & Recreation Management	10,270	12,131	22,402	21,411	7,105	(1,791)	7,904	-
Faculty of Law	6,416	1,881	8,297	6,469	3,248	(1,429)	2,848	-
Marcel A. Desautels Faculty of Music	2,986	600	3,586	6,017	2,873	(516)	5,821	-
Faculty of Science	105,761	2,169	107,930	47,602	42,891	(18,426)	990	-
Faculty of Social Work	11,146	52	11,198	8,637	4,830	(1,928)	4,197	-
Rady Faculty of Health Sciences	148,153	44,448	192,600	139,854	60,867	(25,964)	34,085	-
Ancillaries	-	-	-	35,658	-	-	-	-
Total Academic Units and Ancillary Services	539,706	112,496	652,202	428,184	229,380	(94,815)	100,176	-
Central Support Cost Pools								
Academic	-	1,418	1,418	33,517	(29,599)	-	2,500	-
President, External, Indigenous	-	1,081	1,081	19,598	(17,667)	-	850	-
Information Technology	-	255	255	28,862	(25,857)	-	2,750	-
Administration	-	1,228	1,228	32,390	(30,042)	-	1,120	-
Facilities	-	3,858	3,858	50,996	(46,139)	-	1,000	-
Research	-	11,062	11,062	22,692	(11,630)	-	-	-
Student Affairs	-	3,182	3,182	26,273	(21,506)	-	1,585	-
Libraries	-	1,079	1,079	29,813	(28,734)	-	-	-
General University	(551,824)	562,863	11,038	36,197	(18,206)	-	6,952	-
Total Central Support Cost Pools	(551,824)	586,025	34,201	280,338	(229,380)	0	16,757	-
University Fund	12,118	-	-	(10,000)	-	(22,118)	-	-
Grand Total	\$(0)	\$698,522	\$698,522	\$698,522	\$0	\$(116,933)	\$116,933	\$0

UNIVERSITY OF MANITOBA
Net Direct Revenues, Expenses and Fund Transfers
Budget for the year ending March 31, 2023
(in thousands)

	2022-23	2021-22	Inc / (Dec) \$	Inc / (Dec) %
Academic Units				
Faculty of Agricultural & Food Sciences	20,823	19,901	922	4.6%
Faculty of Architecture	8,722	8,590	132	1.5%
Faculty of Arts	48,506	47,394	1,112	2.3%
School of Art	4,430	4,715	(285)	-6.0%
I.H. Asper School of Business	20,934	20,337	597	2.9%
Faculty of Education	9,970	9,655	315	3.3%
Price Faculty of Engineering	21,777	21,386	391	1.8%
Clayton H. Riddell Faculty of Environment, Earth, & Resources	10,137	9,880	257	2.6%
Extended Education Division	1,681	1,316	365	27.7%
Faculty of Kinesiology & Recreation Management	9,280	8,584	696	8.1%
Faculty of Law	4,588	4,486	102	2.3%
Marcel A. Desautels Faculty of Music	5,418	4,979	439	8.8%
Faculty of Science	45,433	41,218	4,215	10.2%
Faculty of Social Work	8,584	8,560	24	0.3%
Rady Faculty of Health Sciences	95,406	87,719	7,687	8.8%
Total Academic Units	315,689	298,720	16,969	5.7%
Central Support Units				
Academic	32,099	30,169	1,930	6.4%
President, External, Indigenous	18,517	18,619	(102)	-0.5%
Information Technology	28,607	26,470	2,137	8.1%
Administration	31,162	28,896	2,266	7.8%
Facilities	47,139	46,287	852	1.8%
Research	11,630	10,020	1,610	16.1%
Student Affairs	23,091	21,414	1,677	7.8%
Libraries	28,734	28,222	512	1.8%
Central Support Units Excluding General University	220,979	210,097	10,882	5.2%
General University	18,206	20,649	(2,443)	-11.8%
Total Central Support Units	239,185	230,746	8,439	3.7%
Grand Total	\$ 554,874	\$ 529,466	\$ 25,408	4.8%

Attachment 3

UNIVERSITY OF MANITOBA
University Fund Contributions and Allocations
Budget for the year ending March 31, 2023
(in thousands)
prepared April 19, 2022

	Budget 2022-23
<u>Funding Sources</u>	
Contribution from Academic Units	\$ 94,815
Investment Income	7,420
International College of Manitoba	4,698
Ancillary Services Overhead	2,000
Prior Year Contingency / Strategic Priorities Reserve	8,000
Total Funding Available	\$ 116,933
Subvention Allocated to Academic Units	\$ 100,176
<u>Funding Allocations to Strategic Initiatives</u>	<u>16,757</u>
Scholarships, Bursaries, Student Financial Aid	2,000
IST Initiatives to support Data Protection and Cyber Security	2,750
Indigenous Scholars (year 2 of 3)	600
Learning Spaces Renewal and Enhancement	500
Capital Projects (accessibility)	1,000
Implementation of Equity, Diversity and Inclusion Strategy	250
Climate Action	170
Anti Racism Strategy	250
Student Counseling	585
Faculty Relations	200
Post-Covid Recovery - Student Support, Remote/hybrid teaching initiatives	1,000
Remote work pilot	500
Contingency	6,952
Total Funding Allocated	\$ 116,933

Attachment 3a

UNIVERSITY OF MANITOBA
University Fund Allocation of Subvention by Unit
Budget for the year ending March 31, 2023
(in thousands)
prepared April 19, 2022

Academic Unit	Total Subvention (000's)		Subvention Change Inc/(Dec) (000's) (see Note)
	2022-23	2021-22	
Faculty of Agricultural & Food Sciences	\$ 9,173	\$ 8,838	\$ 335
Faculty of Architecture	\$ 4,909	\$ 4,824	\$ 85
Faculty of Arts	\$ 661	\$ -	\$ 661
School of Art	\$ 3,744	\$ 3,716	\$ 29
I.H. Asper School of Business	\$ -	\$ -	\$ -
Faculty of Education	\$ 7,302	\$ 7,187	\$ 115
Price Faculty of Engineering	\$ 13,572	\$ 13,149	\$ 423
Clayton H. Riddell Faculty of Environment, Earth, & Resources	\$ 1,122	\$ 976	\$ 147
Extended Education Division	\$ 3,846	\$ 3,846	\$ -
Faculty of Kinesiology & Recreation Management	\$ 7,904	\$ 9,064	\$ (1,160)
Faculty of Law	\$ 2,848	\$ 2,789	\$ 59
Marcel A. Desautels Faculty of Music	\$ 5,821	\$ 5,449	\$ 372
Faculty of Science	\$ 990	\$ 424	\$ 566
Faculty of Social Work	\$ 4,197	\$ 3,625	\$ 572
Rady Faculty of Health Sciences	\$ 34,085	\$ 31,518	\$ 2,567
Total Subvention	\$ 100,176	\$ 95,404	\$ 4,771

Notes:

- Subvention increase totalling \$3.6 million provided to Academic units to support a portion of wage increases
- Subvention increase totalling \$1.5 million provided to Academic units most impacted by the increase in the cost allocation for Research
- Subvention increase to Marcel A. Desautels Faculty of Music to offset temporary enrolment decreases resulting from the pandemic
- Subvention increase to Faculty of Social Work to offset increases in cost allocations with a request to develop a multi year plan for sustainability

Attachment 4

UNIVERSITY OF MANITOBA
Capital Expenditure Budget by Project
2022-23
(in thousands)

	<u>Budget</u> <u>2022-23</u>	<u>Budget</u> <u>2021-22</u>
Infrastructure Renewal Projects:		
Roads and Sidewalks	\$	\$ 6,000
Fire/Life Safety	2,700	2,800
Asbestos	750	776
Building Envelope	2,300	4,300
Sewers & Water	400	1,800
HVAC	11,900	1,650
Power Re-servicing at Fort Garry Campus	2,500	1,000
Other Projects	5,800	2,000
Misc Capital Projects	3,020	3,020
Major Capital Projects:		
Concert Hall	12,000	9,500
CMO Building Construction/CFI	3,680	6,547
RTDS Building Addition		1,300
SmartPark Innovation Hub Building		450
Fort Garry Campus Day Care Addition		150
Renovations:		
Other Projects (Faculty or Unit Funded)	6,900	6,000
Classroom & Learning space upgrades	4,000	7,300
Drake Behavioral Management Lab	2,300	
Mary Speechly Roof and Window Upgrades		3,380
Clinical Learning Simulation Lab - Brodie		3,000
U College Kitchen Redevelopment to Office Space		1,100
FG Campus - Wayfinding Signage		150
Operating - Equipment	5,052	6,000
Special - Equipment	550	
Capital Research - CFI, Research Equipment, Construction	<u>14,944</u>	<u>12,146</u>
Total Capital Expenditure Budget	\$ <u>78,796</u>	\$ <u>80,369</u>