



University of Toronto

PLANNING AND BUDGET OFFICE

TO: Planning and Budget Committee

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DATE: February 27, 2004 for meeting on March 16, 2004

AGENDA ITEM: 4

ITEM IDENTIFICATION:

- Budget Report for 2004-05

JURISDICTIONAL INFORMATION:

Excerpt from the terms of reference for the Planning and Budget Committee:

4.3.2. The annual budget is considered by the Committee for recommendation to the Academic Board. [Once the budget is recommended by the Academic Board, the concurrence of the Business Board is sought in regard to fiscal soundness before it is forwarded to Council.]

OTHER ACTION TAKEN:

N/A

HIGHLIGHTS:

The Budget Report describes the recommended expense budget for 2004-05. It is based on the Long-Range Budget Guidelines approved by the Planning and Budget Committee in its March 2nd meeting. The report provides a summary of the financial assumptions, the projected revenues and the proposed expense budget. It also provides a summary of allocations to Divisions, including allocations from special income envelopes and the Enrolment Growth Fund. The budget schedules for all divisions are given in the Appendix, as are the approved allocations under the COPC category.

FINANCIAL AND/OR PLANNING IMPLICATIONS:

Total revenue is projected to increase from \$977M in 2003-04 to 1083M in 2004-05. This is an increase of \$106M, or 11%. Total expenditures will increase from \$977M in 2003-04 to \$1107M in 2004-05 (\$130M or 13%), after applying a base budget reduction of \$10.5M. This is equivalent to a 2% reduction on a relevant base of \$523.9M. As a result, the annual and accumulated deficits are projected to be \$24.3M and \$38.6M, respectively, as expected according to the LRBG.

RECOMMENDATION:

The Planning and Budget Committee recommends to the Academic Board:

THAT the "Budget Report for 2004-05" dated March 16, 2004, be approved

UNIVERSITY OF TORONTO

BUDGET REPORT

2004-05

March 16, 2004

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University of Toronto Budget Report, 2004-05

1. Introduction

The 2004-05 Budget Report presents the first budget in the six-year planning cycle 2004-10. This budget is based on the *Long Range Budget Guidelines 2004-2010* and it has been prepared in the context of the Stepping Up academic planning process.

This Budget Report describes the operating budget for the University as a whole as well as the budgets for various divisions, the Contractual Obligations and Policy Commitments, and the major allocations from the Enrolment Growth Fund. It also presents for information the Capital Budget of the University.

2. Fiscal Context

As they entered the 1990's the University of Toronto and all other Ontario universities were experiencing a period of relative financial stability and recovery; government grants and tuition were increasing at rates slightly above the general inflation rate, and budget reductions were, relatively speaking, modest in scale. With the full onset of the economic recession in 1992 through 1994, operating grants were frozen and then reduced through the Social Contract (\$17.3 million) and the Expenditure Control Plan (\$5 million). Tuition fees increased by a range of 8 to 10 per cent annually to partially compensate for the loss of grant revenue. The Ontario Student Assistance Plan was modified by government from a combined grant/loan program to an all-loan program as a cost reduction measure.

In 1995 the new government fulfilled its election promise to further reduce operating grants to universities by \$280 million, a loss of \$53.9 million to the University of Toronto. Again as a partial offset to the loss of grant revenue, government permitted significant increases in tuition fee rates; 20 per cent in 1996-97 and 10 per cent on average in each subsequent year up to and including 1999-2000. Tuition fees were deregulated for international students, and for students in some professional and all graduate programs.

Government operating grant revenue reached a peak at approximately \$400 million in 1992-93, fell to \$339 million in 1997-98 and has risen to \$413M in 2003-04 with the introduction of a number of new funding envelopes targeted to enrolment increases and performance indicators. However during the past decade, the system-wide *government operating funding per BIU* has decreased in absolute terms by over 16% and in real terms by 30% (see Figure 1). At the same time, tuition revenue has increased from \$100 million in 1992-93 to \$320 million in 2003-04, as a result of both tuition fee rate and enrolment increases. Starting in 1996-97 the Government mandated that 10% of the revenue from tuition fee increases be spent on student aid; this was increased to 30% in 1997-98 and subsequent years.

The practical effect of the Government funding policy has been that the University has had to introduce budget reductions to absorb a significant portion of cost increases for compensation, library acquisitions, graduate student funding, and utilities. The university's expenditure patterns have also changed significantly over this period; support for student aid has increased dramatically, from \$7.7 million in 1991 to \$95.9 million in 2003-04. Overall, the increase in expenditures on student financial aid is approximately 40% of the increase in tuition revenue, making the University of Toronto one of the most accessible in the country. Library acquisition costs have continued to increase sharply throughout the period, from \$9 million in 1991 to a projected \$22.2 million in 2003-04.

In 2000 the Government announced a cap on tuition fee increases for all regulated programs in each of the five years 2000-01 to 2004-05 at 2% per year, not compounded. During this period the University has also limited tuition fee increases for all continuing students in the deregulated programs to 5% (0% in 2004-05 as a result of the expected provincially mandated tuition freeze). Fee increases for new students in the deregulated programs were generally set at 5% (0% in 2004-05), with the exception in some years of professional programs in business, dentistry, computer science, engineering, information technology, medicine, pharmacy and law, where the revenue from larger increases is being used to enhance quality in these programs.

These circumstances, taken together, have dramatically altered the size and composition of the operating budget. Provincial government operating grants now represent just over 40 per cent of total revenue, down from 70 per cent in 1991-92. Tuition revenue has doubled in proportional terms, from 16 per cent to 33 per cent of the total. Other sources of revenue, such as endowment payout, federal government support and divisionally-generated income, have increased and diversified considerably. These sources now represent 25 per cent of the revenue base. As a result, the University is much less dependent upon a single dominant source of revenue, but at the same time is exposed to a wider array of risks such as stock market performance.

The major challenge facing the University in the new planning period will be to deal with the increase in enrolment resulting from the double cohort and the projected increase, by 2010, of 190,000 in the population of the 18 to 24 year old demographic group. The projected graduate enrolment includes a steady state increase of 500 doctoral stream students which will be realized only if the current cap on graduate accessibility funding is relaxed to prevent an increase in the University's unfunded graduate BIUs. Achieving this goal is a major component of the University's advocacy with the Government.

3. Planning Assumptions and Long-Range Budget Plan for 2004-10

The projection of revenue and expense for the period 2004-05 to 2009-10 is based on a number of assumptions, which are, in turn, based on available information at the time of preparation of this document. The assumptions will be updated at least annually or more frequently if necessary. At this time, very little is known about Government policy with regard to funding of colleges and universities, other than the expectation that a tuition freeze is likely to be mandated for the two years 2004-05 and 2005-06.

The assumptions used in the six-year framework are summarized in Appendix A. They are, by necessity, conservative. They must not be construed as representing an adequate level of funding for the University or as goals for our revenue generation efforts. None the less, they must guide our long-term budget planning to ensure fiscal prudence. Tables 1A and 1B present a six-year budget plan based on these assumptions. Table 1A shows the absolute values of revenue and expense. The categories used are the same as those that appear in the University's financial statements, for ease of reference. Table 1B shows year-over-year increases in expense, with expense categories broken down to give a much higher level of detail.

The long-range budget tables show significant expense reductions, which are needed in each year of the plan to meet the limits on annual and accumulated deficits mandated by Governing Council. The expense reduction schedule is shown in Table 1C. Figure 1 outlines in graph form the base and OTO expense reduction schedule. The graph in Figure 2 represents the annual and accumulated surplus, relative to the allowable accumulated deficit, over the 6-year period. The University of Toronto, often in concert with other universities, is engaged in on-going advocacy with both the Provincial and

Federal Governments to address the substantial short fall in funding that all universities face. We are also exploring many new avenues for revenue generation that will enhance the stature of the institution and provide better services to the students, the city, the province and the country. These could include expansion of summer programs, life-long learning initiatives, distance education and enhanced contributions to society and the economy from the tremendous research output of the University.

With no expenditure reduction, the projected expense would rise to \$1327M by 2009-10 against revenue of \$1232M, resulting in an annual deficit of \$95M. At the same time, the accumulated deficit would reach \$380M by the end of the planning period. Hence, significant expense reductions have been introduced. The *Long Range Budget Guidelines* require that the annual deficit be eliminated by 2009-10 and the accumulated deficit not exceed 1.5% of gross revenue, or \$18.4M.

A plan for reducing expenses has been developed taking into account the following observations:

- University divisions need sufficient time to plan so as to minimize the negative impact on their operations.
- Budget planning is an integral component of the Stepping Up academic planning process, which is currently underway and will continue into the next year.
- Because of the nature of the operation of the university, it is extremely difficult, if not impossible, to reduce expenses by a very large amount in one year.
- If the accumulated deficit is allowed to rise too high, it becomes difficult to reduce it back to the mandated level by the end of the planning period.

The expense reduction schedule shown in Table 1C, and the accompanying Figures 1 and 2, take these factors into account. Based on this schedule a 2% expense reduction, or \$10.5M, is recommended for 2004-05.

Table 1A

Long Range Budget Guidelines
2004-2010

Budget Model Summary (\$ millions)		Assumption #	2003-04	2004-05	2005-06	2006-07	2007-08	2008-9	2009-10
Projection of Operating Revenue									
Provincial Operating Grants		2,3,4,5,6,7,8	\$ 412.9	\$ 484.4	\$ 513.0	\$ 528.0	\$ 529.7	\$ 533.9	\$ 538.2
Tuition Fees		9,10	320.2	361.1	382.4	396.5	401.9	408.9	413.3
Total Grants plus Fees			733.1	845.5	895.4	924.5	931.6	942.8	951.5
Endowment Revenue for Chairs and Student Aid		11	28.7	28.8	30.0	31.3	32.6	33.1	33.5
Canada Research Chairs		12	29.3	32.3	34.5	37.2	40.2	40.2	40.2
Indirect Cost Recovery on Research Grants and Contracts		13,14,15,16	32.7	29.8	31.1	30.4	30.0	29.6	30.0
Endowment Administration and Investment Management Fees		17	7.6	6.0	6.2	6.5	6.7	7.0	7.3
Investment Income		18	11.3	15.8	15.1	17.2	18.2	17.9	17.3
Amortization of Investment Losses		19	(10.6)	(10.6)	(10.6)	(10.6)	-	-	-
Other Income		20	10.5	8.1	8.3	8.5	8.6	8.7	8.8
Divisional Income - Government Grants		21	4.3	4.3	4.4	4.5	4.6	4.7	4.8
Divisional Income - Student Fees		21	50.0	51.0	52.0	53.1	54.1	55.2	56.3
Divisional Income - Ancillary Fees		21	29.3	29.9	30.5	31.1	31.8	32.4	33.0
Divisional Income - External Revenue		21	40.8	41.6	42.4	43.3	44.1	45.0	45.9
Total Operating Revenue			\$ 977.5	\$ 1,082.6	\$ 1,139.4	\$ 1,176.9	\$ 1,202.6	\$ 1,216.7	\$ 1,228.8

Table 1A

Long Range Budget Guidelines
2004-2010

	Assumption #									
	2003-04	2004-05	2005-06	2006-07	2007-08	2008-9	2009-10			
Budget Model Summary (\$ millions)										
<u>Projection of Operating Expenditures</u>										
(see Table A2)										
Academic	\$ 626.7	\$ 733.0	\$ 771.5	\$ 796.7	\$ 796.7	\$ 805.9	\$ 816.9			
Academic Services	39.9	43.8	45.0	45.3	43.2	43.2	43.3			
Library Acquisitions	22.2	23.1	24.1	25.1	26.1	27.2	28.3			
Campus & Student Services	16.2	17.4	18.2	18.9	19.6	20.2	20.3			
Student Assistance	89.7	96.6	100.2	104.4	107.2	109.4	111.4			
Maintenance & Services	38.1	46.1	52.4	53.4	54.4	55.4	56.6			
Utilities	36.3	38.9	39.5	41.0	42.6	44.3	45.2			
Administration	65.9	73.9	76.4	77.9	77.7	79.3	80.9			
General University Expense	30.8	29.9	30.3	30.1	29.2	28.9	28.8			
Operating Fund Transfer to Capital Fund	11.8	14.5	15.7	15.7	15.7	15.7	15.7			
Base Budget Reduction	(10.5)	(11.7)	(30.8)	(12.2)	(12.3)	(12.3)	(18.5)			
Operating Expenditure Budget for the year	977.5	1,106.9	1,161.6	1,177.6	1,200.2	1,217.1	1,228.8			
Operating Surplus/(Deficit) for the year	\$ 0.0	\$ (24.3)	\$ (22.2)	\$ (0.6)	\$ 2.4	\$ (0.5)	\$ (0.0)			
Accumulated Surplus/(Deficit), beginning of year	\$ (34.0)	\$ (14.3)	\$ (38.6)	\$ (60.8)	\$ (61.4)	\$ (43.8)	\$ (28.9)			
Transfer of UIIF Debt to Capital Fund	19.7	-	-	-	-	-	-			
One Time Only Deficit Control Measures	-	-	-	-	15.3	15.4	10.5			
Accumulated Surplus/(Deficit), end of year	\$ (14.3)	\$ (38.6)	\$ (60.8)	\$ (61.4)	\$ (43.8)	\$ (28.9)	\$ (18.4)			
Maximum Deficit Permissible by Policy (1.5% of Revenue)	\$ (14.7)	\$ (16.2)	\$ (17.1)	\$ (17.7)	\$ (18.0)	\$ (18.3)	\$ (18.4)			

Table 1B
 Long Range Budget Guidelines
 2004-2010
 Incremental Expenditure Summary

Assumption #	2003-04	2004-05	2005-06	2006-07	2007-08	2008-9	2009-10
Incremental Format of Expenditures							
<u>Projection of Operating Expenditures</u>							
	904.2	977.5	1,106.9	1,161.6	1,177.6	1,200.2	1,217.1
Operating expenditures, Beginning of Year							
Changes in Operating Expenditures, Year-Over-Year:							
Expenditures Funded by Endowment for Chairs & Student Aid	(5.9)	0.8	1.1	1.3	1.3	0.5	0.5
Indemnity Against Endowment Payout Losses	2.5	(2.5)					
Expenditures Funded by Divisional Income	14.8	2.5	2.5	2.6	2.6	2.7	2.7
Contractual Obligations and Policy Commitments (COPC)							
COPC - Affiliated Institutions	2.9	1.2	2.6	2.9	1.1	0.4	0.2
COPC - Other Contractual	0.0	(0.1)	0.1	(0.2)	(0.1)	(0.2)	-
COPC - Institutional Statutory	0.7	(0.0)	0.0	0.0	0.0	0.0	0.0
COPC - Utilities	0.4	2.5	0.4	1.3	1.5	1.6	0.7
COPC - Additional Cost New Space	0.8	1.5	0.0	-	-	-	-
COPC - Paid Leave	-	0.2	0.0	0.0	0.0	0.0	0.0
COPC - Library Acquisitions	0.9	0.9	1.0	1.0	1.0	1.1	1.1
COPC - Other Policy	0.3	0.7	0.1	0.1	0.1	0.1	0.1
COPC - Operating Fund Transfer to Capital Fund	5.7	2.7	1.2	-	-	-	-
COPC - Contingency	0.2	(0.9)	-	-	-	-	-
OTO Changes in COPC	(1.6)	(0.7)	0.4	(0.3)	(0.9)	(0.4)	(0.1)
Cost of Compensation Settlements	18.6	19.3	19.3	17.6	18.1	18.7	19.2
Pension Deficit Amortization		26.3	0.2	-	-	-	-
Cost of Employer Benefits	2.0	13.0	12.3	5.4	5.7	5.8	5.7
Compensation Savings Due to Faculty Retirements	(3.2)	(3.6)	(4.5)	(4.1)	(4.6)	(5.5)	(4.6)

Table 1B

**Long Range Budget Guidelines
2004-2010
Incremental Expenditure Summary**

Incremental Format of Expenditures	Assumption #	2003-04	2004-05	2005-06	2006-07	2007-08	2008-9	2009-10
Enrolment Growth Fund	26	33.5	41.6	13.7	6.0	(2.6)	(4.6)	(3.9)
Student Aid Reinvestment	27	5.4	3.2	2.5	2.6	1.3	1.3	1.1
New Graduate Student Aid Funds	28	2.8	0.5	0.2	0.5	0.5	0.5	0.5
Matching Programs	29		2.5					
Canada Research Chair Fund (CRCF)	12	10.1	4.3	2.3	2.9	3.2	-	-
Salary Budget Transfers to Canada Research Chairs Fund	12	(2.6)	(0.6)	(0.6)	(0.7)	(0.8)	-	-
Funds Available through Reallocation (APF)		1.5	0.5	-	-	-	-	-
Quality Enhancement Funds from Tuition Revenue	30	3.0	1.7	1.4	0.5	0.0	0.1	0.1
Residence Ancillary Support		0.8		-	-	-	(0.1)	(0.6)
International Tuition Sharing	31		-	2.4	-	-	-	-
Academic Program Planning	32		5.0	5.0	5.0	5.0	5.0	5.0
Academic Service Initiatives	33	0.5	0.5	0.5	0.3	-	-	-
Information Technology Initiatives and Upgrades	34		2.0	-	-	-	-	-
Provost's Contingency		0.4	0.4	0.4	0.4	0.4	0.4	0.4
Transitional Funding	35	1.3	1.5	-	-	-	-	-
Administrative Priorities	36	0.7	0.5	0.5	0.5	0.5	0.5	0.5
Facilities Renovations & Upgrades Resulting from Program Planning	37		6.2	(4.2)	0.4	0.3	0.1	0.1
Deferred Maintenance Funding	37		3.7	4.7	-	-	-	-
Allocation to Rotman Under RCM		6.2	2.4	0.9	0.5	0.7	0.7	0.8
Allocation of Revenue to OISE/UT		(0.4)	-	-	0.2	0.6	0.6	0.6
New Reduction Requirement		(22.2)	(10.5)	(11.7)	(30.8)	(12.2)	(12.3)	(18.5)
Reallocation Requirement		(6.6)		-	-	-	-	-
Operating Expenditure Budget for the year		977.5	1,106.9	1,161.6	1,177.6	1,200.2	1,217.1	1,228.8
Operating Surplus/(Deficit) for the year		\$ (0.0)	\$ (24.3)	\$ (22.2)	\$ (0.6)	\$ 2.4	\$ (0.5)	\$ (0.0)

**Table 1C. Expense reduction schedule
(\$millions)**

	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10
Base reduction in dollars	\$10.5	\$11.7	\$30.8	\$12.2	\$12.3	\$18.5
Percentage Reduction	2.0%	2.0%	5.0%	2.0%	2.0%	3.0%
One-time-only reduction				\$15.3	\$12.3	\$9.3
Percentage OTO reduction				2.5%	2.5%	1.7%

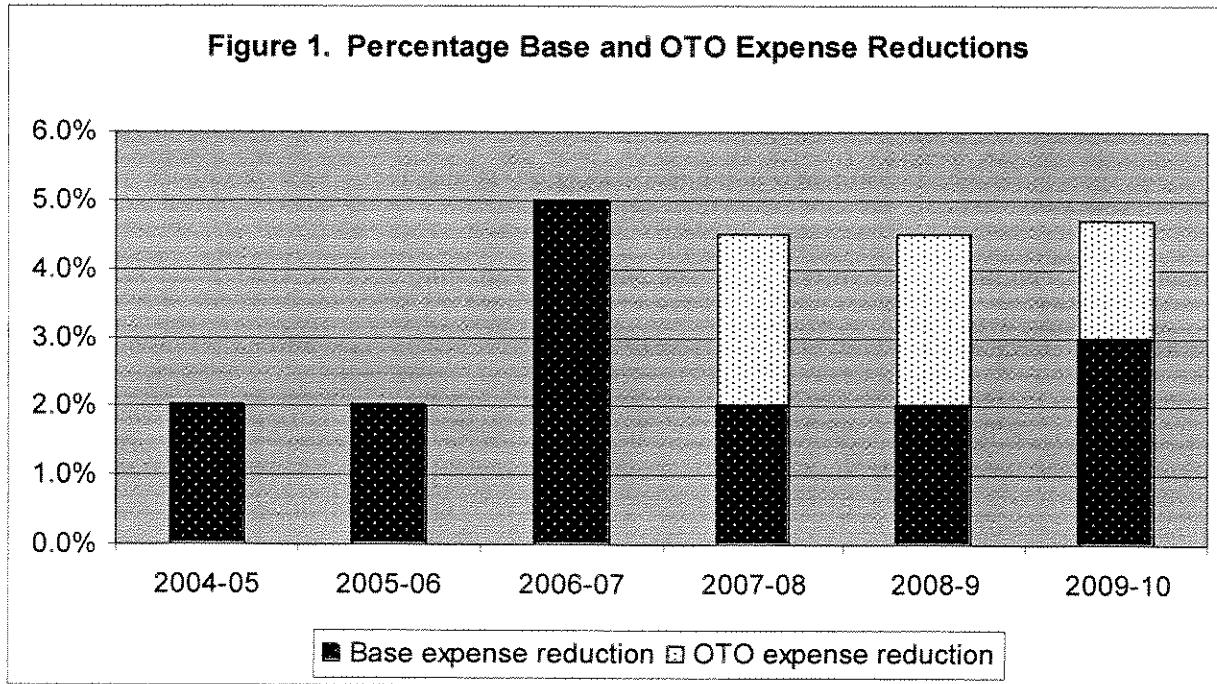
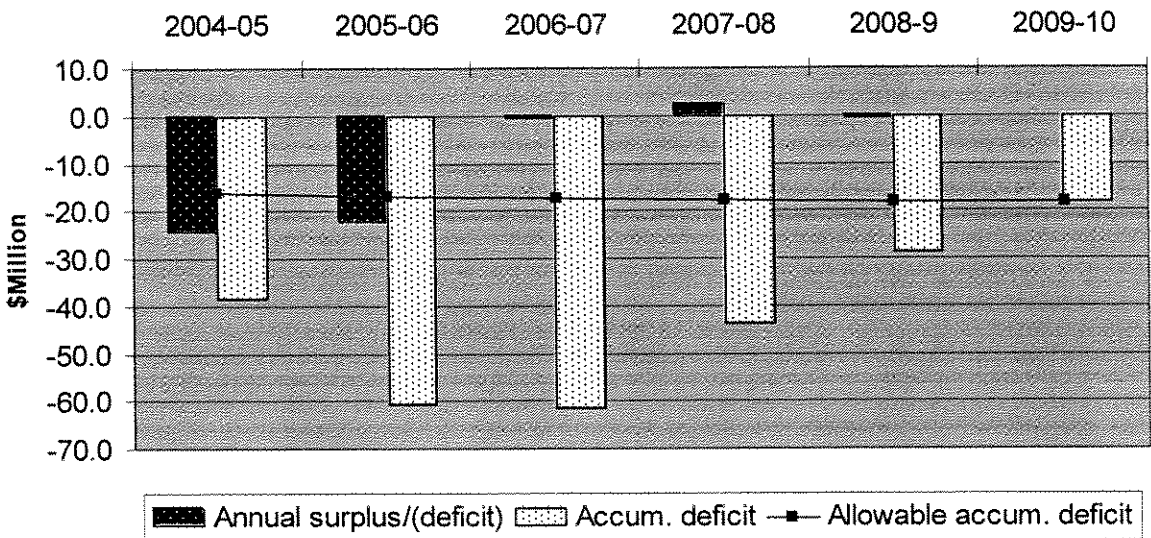


Figure 2. Surplus/Deficit



4. 2004-05 Budget

The budget for 2004-05 is summarized in Table 2. This is the first budget of the six-year plan covered by the *Long Range Budget Guidelines 2004-2010*. The major revenue and expense components in the 2004-05 budget are described below. The remaining sections of this report provide details of special budget envelopes and the allocations to various University Divisions.

Revenue

Total revenue will increase from \$977M in 2003-04 to \$1083M in 2004-05 (11 %). The following outlines the major factors contributing to this increase:

- Revenue from provincial government operating grants assumes that the University will not receive an inflationary increase.
- It is assumed that the University will receive full average operating funding for undergraduate enrolment growth up to the level of the Enrolment Target Agreement (\$78M). However, funding for graduate growth will be capped at \$14.8M.
- Revenue from government operating grants includes \$22.8M from the Ontario Quality Assurance Fund and \$6.2M as replacement funding for the tuition freeze.
- Tuition revenue projections assume that domestic fees are frozen at 2003-04 levels and international fees will increase by 5%.
- Indirect cost recovery revenue will decrease by \$2.9M from \$32.7M in 2003-04 to \$29.8M in 2004-05. This is primarily a result of a decrease in ORDCF overhead revenue.
- The fees charged by the University for Endowment administration and investment management will decrease by \$1.6M in 2004-05. This is a result of the elimination of the charges for the CFO office support and the discontinuation of payments to the UTAM board chair.
- Investment income is projected to increase by \$4.5M in 2004-05 as a result of improved market conditions. Previous investment losses will be amortized at a rate of \$10.6M a year over three years, starting in 2004-05.
- Several small revenue sources are reported as Other Income. These include application fees, a surcharge on unpaid fees, and central overhead charged on self-funded academic programs.
 - In prior years this category included revenue from parking operations (\$0.9M). Starting in 2004-05 parking revenue will be retained as reserve by the parking ancillary.
 - There is a \$0.8M decrease in revenue from the surcharge on unpaid fees. The reduction is a result of a policy change whereby the surcharge is now applied one month later than previously.
 - Application fees are lower by about \$0.2M as a result of the decrease in the applicant volume.
- Divisional income is projected to increase by 2% and is offset by an equivalent increase in divisional expense.

Expenditures

Total expenditures will increase from \$977M in 2003-04 to \$1107M in 2004-05 (\$130M or 13%), after applying a base budget reduction of \$10.5M. This is equivalent to a 2% reduction on a relevant base of \$523.9M. The major factors contributing to this increase are:

- Utility costs will increase by \$2.5M due to increased electricity and water rates.
- The COPC contingency budget has been reduced by \$0.9M. This is mostly due to a decrease in the contingency amount required for the library book acquisition fund resulting from the improvement in the Canadian dollar. Details of COPC expenditures are given in Appendix B.
- An allocation of \$2.7 has been made to fund higher debt service costs in support of the capital budget (see Section 5 for further details of the capital budget).
- Compensation costs will rise by \$19M reflecting the latest UTFA, USWA and CUPE settlements.
- The pension deficit will be amortized at a rate of \$26M a year for 15 years starting in 2004-05.
- Benefit costs will rise by \$13M resulting from increased contributions to the pension plan.
- Allocations from the enrolment growth fund (\$41.6M) represent revenue sharing agreements for increased grant and fee revenue associated with enrolment increases. The increase the 2004-05 allocations reflects the impact of the double cohort.
- An additional \$3.7M has been committed to undergraduate and graduate student aid. This projection has been updated to reflect the tuition freeze.
- For details on the Contractual Obligations and Policy Commitments (COPC) Report, see Appendix B.
- For details on expenditure allocations to the special funds, see Section 5.

Table 2, Budget Summary, total University of Toronto (including RSM and OISE/UT)

	2003-2004 Budget	2004-2005 Budget	Changes from 2003-2004 Incr (Decr)
	\$	\$	\$
Income			
General University income:			
Provincial Operating Grants	412,916,077	484,432,509	71,516,432
Tuition Fees	320,222,421	361,100,000	40,877,579
Subtotal	733,138,498	845,532,509	112,394,011
Endowment Income	28,651,972	28,846,589	194,617
Canada Research Chairs	29,250,000	32,250,000	3,000,000
Indirect Cost Recovery on Research Grants & Contracts	32,708,036	29,797,996	(2,910,040)
Endowment Admin & Investment Management Fees	7,607,250	5,980,962	(1,626,288)
Investment Income	11,304,000	26,357,000	15,053,000
Amortization of Investment Losses	0	(10,554,000)	(10,554,000)
Other Income	10,519,587	(2,503,322)	(13,022,909)
	853,179,343	955,707,734	102,528,391
Divisional income *	124,391,501	126,879,331	2,487,830
	977,570,844	1,082,587,065	105,016,221
Municipal taxes **	3,559,425	4,235,325	675,900
	981,130,269	1,086,822,390	105,692,121
Expense			
Total Academic Expense	624,236,937	696,019,893	71,782,956
Academic Services	44,557,467	45,290,037	732,570
Library Acquisitions	18,579,714	19,350,772	771,058
Campus & Student Services	13,839,864	17,090,488	3,250,624
Student Assistance	91,009,337	93,602,785	2,593,448
Maintenance and Services	39,622,844	44,415,150	4,792,306
Utilities	36,262,309	39,726,685	3,464,376
Administration	68,352,215	69,223,481	871,266
General University Expense ***	29,360,157	67,661,604	38,301,447
Operating Fund Transfer to Capital Fund	11,750,000	14,481,321	2,731,321
	977,570,844	1,106,862,216	129,291,372
Municipal taxes **	3,559,425	4,235,325	675,900
	981,130,269	1,111,097,541	129,967,272
Surplus (Deficit)	0	(24,275,151)	(24,275,151)

* Increase in divisional income results in an offsetting increase in divisional expenditure budgets

** Municipal taxes income and expense are offsetting

*** Includes Salary/Benefit Increase Provisions and Pension Deficit Amortization

Prepared Feb 25, 2004

5. The Operating Budget Special Funds

The operating budget special funds receive base or one time only (OTO) transfers from operating revenues. The Administration brings forward divisional allocations from these funds to the Planning and Budget Committee for approval. Allocations from Academic Program Planning, Academic Service Initiatives, Information Technology Initiatives and Upgrades, Transitional Funding, Administrative Priorities Funds, and the Canada Research Chairs Fund are made in response to the planning process. Allocations from the Enrolment Growth Fund reflect divisions' enrolment plans. Allocations from the Facilities Renovations and Upgrades and Deferred Maintenance Funds are in support of approved renovations, maintenance and other infrastructure projects.

Enrolment Growth Fund

Tuition fee and government operating grant revenues associated with new program plans and approved enrolment growth, including that resulting from the double cohort, flow to the Enrolment Growth Fund (EGF). These revenues are subsequently allocated to the respective academic divisions based on actual enrolments, up to the approved targets. Funding for permanent expansion flows as OTO in year and as base the following year. The balance at the end of each year is used to fund the OTO allocations the following year. A summary of the EGF budget for 2004-05 is given in Table 3, and detailed allocations are shown in Table 4.

Table 3. Enrolment Growth Fund Summary

EGF (\$millions)	2001-02	2002-03	2003-04	2004-05
Balance at beginning of year	6.7	8.9	19.3	28.6
Transfers from Operating Fund	6.7	20.0	33.5	41.6
Base allocations	(4.4)	(9.6)	(24.2)	(28.0)
Balance at end of the year	9.1	19.3	28.6	42.1

Detailed Enrolment Growth Fund Allocations for 2004-05

In general the Enrolment Growth Fund flows 75% of the revenue available from tuition fees and Government Enrolment Expansion Accessibility Fund to the divisions to provide the resources needed to accommodate the extra students. An exception is the Phase 1 enrolment expansion at UTSC and UTM where 90% of the revenues flow to the divisions to assist with the capital expenditures needed on these campuses. The allocations described below follow these guidelines for 2004-05.

For each year's increase in the (domestic) enrolment in the ETA over the previous year's actual domestic enrolment, 75% of the revenue from tuition fees, net of student aid, plus 75% of Accessibility Funding will flow to the divisions. Where this domestic enrolment increase is an increment towards the steady state enrolment targets in the Enrolment Expansion Plan, the funds will be placed in the division's base budget in the following year and two-thirds will flow as OTO in the current year. For domestic enrolment in excess of the ETA, 75% of the tuition fee revenue, net of mandated student aid, will flow to the divisions on an OTO basis. For international enrolment increases over the 2000-01 level, 60% of the tuition revenue will flow to the divisions on an OTO basis. Revenue generated from the Accessibility Fund by increases in enrolment in programs in the Rotman School of Management, net of institutional overhead will flow directly to the School under the Responsibility Centre Management protocol approved in the 2002-03 Budget Report.

The following Table shows the funding resulting from increased domestic and international enrolment in undergraduate programs in 2003-04 (funded OTO in 2003-04 and in base in 2004-05.)

Table 4: 2004-05 Base Allocations from the EGF (allocations over \$250,000 are listed below)

Division	Base Allocation
Arts & Science	\$5,408,960
University of Toronto at Mississauga	\$5,883,371
University of Toronto at Scarborough	\$7,609,006
Applied Science and Engineering	\$2,153,614
Law	\$550,192
Medicine	\$1,614,869
Nursing	\$798,890
Pharmacy	\$376,102
Academic Priorities Fund (ROS commitments)	\$3,662,361
Facilities & Services	\$1,029,091
ATOP Programs	\$675,527

Academic Program Planning Fund

The University is undertaking a major new academic planning initiative, guided by the recently issued White Paper entitled Stepping Up. An allocation of \$5M in base is available for academic planning initiatives under Stepping Up.

Academic Service Initiatives Fund

The sum of \$0.5M in base will be transferred to the Academic Service Initiatives fund from general university revenue in 2004-05. This fund supports such services as libraries (other than book acquisitions) and academic computing, and the added funding is needed to meet the increased demands resulting from enrolment expansion.

Information Technology Initiatives and Updates Fund

A base amount of \$2M is allocated for administrative information technology initiatives and upgrades. This fund is intended to help alleviate the significant pressures on the computing environment in the University resulting from such threats as viruses and email SPAM and the need to fund new initiatives for web services, enhanced security.

Transitional Fund

Significant budget reductions are projected for the next few years. This fund will be used to assist divisions who are in transition as they implement academic planning and cost reduction initiatives.

Administrative Priorities Fund

A base amount of \$0.5M is allocated annually to the Administrative Priorities fund to meet the increased demands resulting from enrolment expansion.

Canada Research Chairs Fund

This program is described in detail in the discussion paper, *A Framework for Allocating Canada Research Chairs at the University of Toronto*. The funding from the Canada Research Chairs Program, together with funds released from the salary budget, flows into the CRCF. Allocations are then made to the divisions, net of a component retained to fund central indirect costs. The program is projected to reach steady state by 2007-08, with the University having filled a total of 268 chairs. The state of this fund is summarized in Table 5. The table shows an estimated positive balance of \$14.3M at the end of 2003-04, because not all of the available CRC positions have been filled.

Table 5. Canada Research Chairs Fund Summary

CRCF (\$millions)	2001-02	2002-03	2003-04	2004-05
Balance at beginning of year	1.2	7.0	11.5	14.3
Transfer from Operating Fund	8.8	9.1	10.1	4.3
Base allocations	(3.0)	(4.6)	(7.3)	
Balance at end of year	7.0	11.5	14.3	18.6

Facilities Renovations and Upgrades Fund

Allocations from this fund will flow to renovation and upgrade projects that by their nature are not large enough to fall within the scope of the Capital Budget.

Deferred Maintenance Fund

Expenditures from this fund are in support of ongoing deferred maintenance, as determined by the Vice President Business Affairs. About 1% of operating revenue is allocated to the combined Deferred Maintenance Fund and Facilities Renovations and Upgrades Fund.

6. Capital Project Funding

Prior to 2001, academic capital projects were funded from a combination of campaign donations, Federal and Provincial government capital grant allocations, and the University's operating budget. Debt financing was restricted to resolving cash-flow shortfalls during construction of academic buildings. Debt was also routinely used to provide the majority of the cost of residence construction where the debt service charges were recovered from room rental revenue. The University Infrastructure Investment Fund (UIIF) was the vehicle used to allocate operating budget funds to capital projects. Since 2001, the traditional sources of funding have been insufficient to meet the capital construction demands driven by research initiatives and enrolment expansion.

The 2001 update to the *Long-Range Budget Guidelines (1998-2004)* provided \$30M of funding to the UIIF in each of 2001-02, 2002-03 and 2003-04 in the form of loans, with the debt service costs charged to the operating budget. In addition, funding shortfalls in individual project budgets, after deployment of government, campaign and UIIF funding, were to be the responsibility of the occupying divisions. This was the first recognition that capital construction of academic buildings could no longer be funded on a cash basis and that the use of debt financing would be necessary in the future. The Guidelines also argued for the evolution to a Capital Budget separate from the Operating Budget, but where the Operating Budget would be one source of revenue for the debt service charges associated with the Capital Budget.

Table 6 shows the projects funded by the UIIF since its inception in 1999. All projects except two have now been completed and the UIIF is being wound down as a vehicle for funding capital projects. The two remaining projects, the Economics building expansion and the OISE/UT renovations, have been rolled into the Capital Budget. Currently the UIIF has a net balance of zero. When the \$11.1 recovery from Medicine for 500 University Ave. is fully collected in fourteen years and these two projects have been funded (\$4.5M), there will be a positive balance of \$6.6M.

Capital Budget for 2004-10 and Summary of Debt Service Charges

The proposed Capital Budget is a comprehensive one, encompassing construction projects for academic and administrative divisions, residences, parking garages and student activities. Capital projects are approved separately and are presented in this report for information only. All capital projects that have been approved by Governance have been incorporated in this budget, including those where the approval to proceed is conditional on raising campaign donations.

Table 7 shows the aggregated cash flow for all approved capital projects on a year-by-year basis. It illustrates the incremental capital requirements, sources of revenue, the annual funding surplus or

deficit and the debt service costs associated with these projects. Capital requirements and debt service costs are funded by the central operating budget, divisional budgets, ancillary budgets and student levies. Debt charges increase significantly in 2005-06 as a result of the assumption of debt service by the University for the Medical Arts Building purchase. For 2004-05 debt charges for this building will be funded by the Real Estate Division from the projected positive real estate revenue.

Table 8 presents a detailed summary of each approved capital project, broken down by source of funding. In addition to approved capital projects, the Capital Budget includes debt charges approved in prior years for projects to be funded centrally. These charges consist of a \$5M equity in the MARS project, a \$3.3M negative balance in the Capital Renewal Fund, redirected pension savings of \$19.7M in 2003-04, and the provost's portion of a funding partnership with the Faculty of Dentistry related to a \$4.5M dental chair purchase.

Table 6, University Infrastructure Investment Fund

		Balance
Balance as of April 30, 1999		\$15,274
Transfers to UIIF as approved in the <i>Long Range Budget Guidelines</i>		
May 1, 1999 net of contribution to UT Scarborough under RCM	\$13,436,280	\$13,451,554
March/2000 TD Hting Corp (sale of shares)	5,000,000.00	\$18,451,554
April/2000 Canada Life Settlement	1,262,700.00	\$19,714,254
May 1, 2000 net of contribution to UT Scarborough under RCM	\$13,248,360	\$32,962,614
May 1, 2001	\$14,800,000	\$47,762,614
May 1, 2002	\$0	\$47,762,614
May 1, 2003	\$0	\$47,762,614
Funding for May 1, 2001 included in 2001-02 Budget Report (Loan serviced from Op Budget)	\$30,000,000	\$77,762,614
Funding for May 1, 2003 included in 2002-03 Budget Report (Loan serviced from Op Budget)	\$30,000,000	\$107,762,614
Funding for May 1, 2002 included in 2002-03 Budget Report (Loan serviced from Op Budget)	\$30,000,000	\$137,762,614
Allocations:		\$137,762,614
Total allocations for 1999 and beyond approved by P&B prior to Oct. 1999	(\$9,732,196)	\$128,030,418
St Michael's College / Faculty of A & Sc. (approved by P&B Oct. 19, 1999)	(\$875,000)	\$127,155,418
Dentistry Student Laboratory (approved by P&B Oct. 19, 1999)	(\$98,625)	\$127,056,793
ATRF Research Projects (approved by P&B Oct. 19, 1999)	(\$2,673,000)	\$124,383,793
CIT, Quality Improvement (approved by P&B Oct. 19, 1999)	(\$10,000,000)	\$114,383,793
Flavell House, Faculty of Law (approved by P&B Dec 14, 1999)	(\$600,000)	\$113,783,793
Gerstein Science Information Centre (approved by P&B Dec 14, 1999)	(\$7,000,000)	\$106,783,793
King's College Road/Circle Precinct, Phase 2 (approved by P&B March 7, 2000)	(\$200,000)	\$106,583,793
King's College Road/Circle Precinct, Phase 1 (approved by P&B March 7, 2000)	(\$2,500,000)	\$104,083,793
FALD Phase 3 (approved by P&B October 18, 2000)	(\$345,000)	\$103,738,793
BCIT shelled in 6th floor (approved by P&B October 18, 2000)	(\$5,197,000)	\$98,541,793
CCBR (approved by P&B December 12, 2000)	(\$2,800,000)	\$95,741,793
Slowpoke cost overrun (within 10%, approved by MGF)	(\$210,000)	\$95,531,793
Purchase of Canadiana Building (approved by Business Board March 27, 2000)	(\$1,550,856)	\$93,980,937
Purchase of 500 University Ave. (approved by Business Board January 15, 2001)	(\$15,824,950)	\$78,155,987
Sidney Smith Hall infill (approved by P&B February 27, 2001)	(\$1,289,000)	\$76,866,987
BCIT/Koffler connection (approved by P&B March 13, 2001)	(\$750,000)	\$76,116,987
Nursing Building renovations (approved by P&B March 20, 2001)	(\$354,000)	\$75,762,987
(a) Basement of Woodsworth Residence, Shelled in (approved by P&B March 20, 2001)	(\$1,360,000)	\$74,402,987
Childcare Facilities, St George Campus (approved by P&B May 25, 2001)	(\$4,300,000)	\$70,102,987
Scarborough commitments under RCM (approved by P&B May 25, 2001)	(\$1,153,550)	\$68,949,437
Department of Medicine renovations at UHN (approved by P&B May 25, 2001)	(\$400,000)	\$68,549,437
(b) Renovation of 500 University Ave. (design) (approved by P&B May 25, 2001)	(\$700,000)	\$67,849,437
School of CCIT at Mississauga (approved by P&B May 25, 2001)	(\$2,500,000)	\$65,349,437
Gerstein Cost over-run (\$2.6M Donor provides 40%) (approved by P&B May 25, 2001)	(\$1,830,000)	\$63,519,437
Magellan Project (Funding may come from CF1) (approved by P&B May 25, 2001)	(\$2,123,543)	\$61,395,894
Growth Facility for Plant Research (approved by P&B June 27, 2001)	(\$374,000)	\$61,021,894
Projects (a) and (b) funded from Facilities Renewal Funding (approved August 8, 2001)	\$2,060,000	\$63,081,894
Pharmacy Building (approved by P&B Nov 13, 2001)	(\$7,200,000)	\$55,881,894
Renovation of 500 University Ave. (bridge financing) (approved by P&B Nov 13, 2001)	(\$10,423,400)	\$45,458,494
Student Centre at UTSc (approved by P&B Nov 13, 2001)	(\$4,723,695)	\$40,734,799
Accessibility Examination Centre, Robarts Library (approved by P&B Jan 9, 2002)	(\$225,000)	\$40,509,799
Vertical Expansion of Soil Storage Facility (approved by P&B Jan 9, 2002)	(\$718,323)	\$39,791,476
Upgrade 56 Spadina Ave., (approved by P&B Jan 9, 2002)	(\$575,000)	\$39,216,476
TDSB Properties (approved by Academic Board Jan 24, 2001)	(\$17,000,000)	\$22,216,476
Sidney Smith Hall infill revision (approved by P&B March 19, 2002)	(\$711,000)	\$21,505,476
RCAT facility (approved by P&B March 19, 2002)	(\$460,000)	\$21,045,476
Governing Council and board Room renovations (approved by P&B March 19, 2002)	(\$1,593,000)	\$19,452,476
St Michael's College / A & Sc. Alumni Hall (approved by P&B March 19, 2002)	(\$300,000)	\$19,152,476
Transfer of ROS infrastructure items from APF to UIIF	(\$10,200,000)	\$8,952,476
UTM Wellness Centre, Match to Levy	(\$7,000,000)	\$1,952,476
Varsity Stadium demolition (approved at P&B June 4, 2002)	(\$1,700,000)	\$252,476
University College Residence (approved by P&B September 16, 2002)	(\$50,000)	\$202,476
FIS Bissel Building Student Study Space (approved by P&B September 16, 2002)	(\$35,000)	\$167,476
Decommissioning of SLOWPOKE reactor, supplemental (proposed to P&B October 15, 2002)	(\$72,273)	\$95,203
Family and Community Medicine relocation to 256 McCaul (proposed to P&B October 15, 2002)	(\$120,000)	(\$24,797)
Recovery from Faculty of Medicine	\$11,123,400	\$11,098,603
Economics Building expansion and renovation (approved by P&B Nov 13, 2001)	(\$980,000)	\$10,118,603
OISE/UT/UTS Renovations, 371 Bloor St W (approved by P&B October 18, 2000)	(\$3,500,000)	\$6,618,603
Total UIIF Allocations net Faculty of Medicine recovery	\$133,204,011	
Other Projects funded from the Operating Budget		
Negative balance in Capital Renewal Fund to be funded from the operating budget	(\$3,319,919)	
MARS Equity (debt service already funded from operating budget)	(\$5,000,000)	
Purchase of Medical Arts Building, (from 2004-05 on debt service costs, net of rental revenue will be funded from the operating budget)	(\$14,259,000)	
Total UIIF Allocations net F of Med recovery plus Other Projects funded from the Operating Budget	\$155,782,930	

Table 7, Capital Budget Cash Flow

	Approved Projects	Total Capital Requirements				Total
		Prior to 2003-04	2004-05	2005-06	After 2005-06	
Capital Projects, Academic and Non-Academic	\$606,345,122	\$337,060,743	\$63,527,160	\$65,777,219	\$139,980,000	\$606,345,122
Capital Projects, Ancillaries	\$334,549,600	\$266,641,906	\$29,018,700	\$15,828,800	\$23,060,194	\$334,549,600
Matching Funds for endowment capital	\$44,000,000	\$37,000,000	\$7,000,000	\$0	\$0	\$44,000,000
Total Capital Projects	\$984,894,722	\$640,702,649	\$99,545,860	\$81,606,019	\$163,040,194	\$984,894,722
Funding Sources						
Federal Government	\$42,763,400	\$19,705,560	\$15,591,740	\$4,386,100	\$3,080,000	\$42,763,400
Provincial Government	\$187,489,200	\$114,704,260	\$26,888,840	\$16,286,100	\$29,610,000	\$187,489,200
Campaign Donations	\$101,282,769	\$48,369,594	\$11,449,575	\$2,980,800	\$38,482,800	\$101,282,769
Other (interest earned, municipal)	\$17,594,500	\$16,375,500	\$1,200,000	\$0	\$19,000	\$17,594,500
Sub-Total	\$349,129,869	\$199,154,914	\$55,130,155	\$23,653,000	\$71,191,800	\$349,129,869
Funded by the Central Operating Budget	\$245,224,142	\$137,921,042	\$34,000,100	\$28,384,600	\$44,918,400	\$245,224,142
Funded by Academic Divisional Budgets	\$82,787,011	\$54,176,572	\$347,000	\$7,103,439	\$31,160,000	\$82,787,011
Funded by Ancillaries Budgets and Student Levies	\$297,753,700	\$251,950,100	\$14,368,600	\$15,665,000	\$15,770,000	\$297,753,700
Sub-Total	\$635,764,853	\$444,047,714	\$48,715,700	\$51,153,039	\$91,848,400	\$635,764,853
Total Funding identified	\$984,894,722	\$643,202,628	\$103,845,855	\$74,806,039	\$163,040,200	\$984,894,722
Total Funding surplus/(deficit)	\$0	\$2,499,979	\$4,299,995	(\$6,799,980)	\$6	\$0
Annual Expense						
Debt Service Costs		\$37,935,056	\$3,992,448	\$3,174,877	\$4,021,901	\$49,124,282
Total Annual Expense		\$37,935,056	\$3,992,448	\$3,174,877	\$4,021,901	\$49,124,282
Annual Revenue						
Central Operating Budget		\$11,700,000	\$2,731,321	\$1,223,622	\$0	\$15,654,943
Divisional Operating Budgets		\$4,642,932	\$29,738	\$608,765	\$2,670,412	\$7,951,847
Ancillary Budgets & Student Levies		\$21,592,124	\$1,231,389	\$1,342,491	\$1,351,489	\$25,517,492
Other						
Total Annual Revenue		\$37,935,056	\$3,992,448	\$3,174,877	\$4,021,901	\$49,124,282
Annual Surplus (Deficit)		\$0	\$0	\$0	\$0	\$0

* All capital projects that have been approved by Governance have been incorporated in this Capital Budget including those where the approval to proceed is conditional on raising campaign donations. If the University's budget situation were to deteriorate, it may be necessary to review the projects on the Capital Budget.

** This funding is realized through a combination of internal and external borrowing with the source of the debt service costs identified. As indicated in the note above, the sub-total will be reduced by campaign donations before a number of projects can proceed. It does therefore overestimate the level of debt that will be required.

Table 8, Capital Budget Project Details

	Project Cost	Sources of Funding		
		UIIF & Op. Budget	Divisional Debt	Other
1 ARC Academic Resource Centre	\$20,260,000	\$8,540,000	\$347,000	\$11,373,000
1 Management Building	\$15,430,000	\$4,470,000	\$1,101,600	\$9,858,400
1 UTSC Classroom/Arts	\$20,380,000	\$7,760,000	\$0	\$12,620,000
1 UTSC Student Lab Upgrades	\$4,300,000	\$2,470,000	\$0	\$1,830,000
1 Other small projects at UTSC	\$2,620,000	\$0	\$2,620,000	\$0
Sub-Total UTSC	\$62,990,000	\$23,240,000	\$4,068,600	\$35,681,400
2 CCIT at Mississauga	\$34,670,000	\$2,500,000	\$5,288,680	\$26,881,320
2 Centre for Applied Bioscience and Biotechnology	\$3,403,600	\$0	\$1,284,100	\$2,119,500
2 Kaneff Building	\$0	\$0	\$0	\$0
2 Academic Learning Centre	\$34,000,000	\$7,390,000	\$0	\$26,610,000
2 Collegeway Access	\$2,500,000	\$0	\$2,500,000	\$0
2 Other small projects at UTM	\$10,571,500	\$0	\$10,571,500	\$0
Sub-Total UTM	\$85,145,100	\$9,890,000	\$19,644,280	\$55,610,820
3 CCBR	\$87,599,880	\$4,800,000	\$15,714,780	\$67,085,100
3 Pharmacy Building	\$75,000,000	\$6,200,000	\$15,445,100	\$53,354,900
3 Purchase of 500 University Ave	\$15,824,950	\$15,824,950	\$0	\$0
3 Renovation of 500 University Ave.	\$11,130,000	\$0	\$11,123,400	\$6,600
3 TDSB Properites Board of Education	\$17,000,000	\$17,000,000	\$0	\$0
4 Botany Greenhouse Replacement	\$7,027,100	\$1,380,400	\$84,200	\$5,562,500
4 Bahen Centre for Information Technology	\$111,939,300	\$18,690,000	\$18,856,751	\$74,392,549
4 Sid Smith Infill Phase I & II	\$3,075,000	\$3,075,000	\$64,700	(\$84,700)
4 Economics Building	\$14,300,000	\$6,000,000	\$0	\$8,300,000
4 Sid Smith Student Space	\$3,300,000	\$3,300,000	\$0	\$0
4 Lash Miller Undergraduate Labs	\$5,600,000	\$5,600,000	\$0	\$0
6 Purchase of Canadiana Building	\$1,570,000	\$1,570,000	\$0	\$0
6 Gerstein Science Information Centre	\$15,280,000	\$8,830,000	\$0	\$6,450,000
6 Flavell House	\$2,140,000	\$600,000	\$1,540,000	\$0
6 371 Bloor OISE/UT	\$23,312,500	\$7,240,000	\$0	\$16,072,500
6 Child Studies	\$8,000,000	\$0	\$0	\$8,000,000
6 Rotman School of Management Expansion	\$4,318,000	\$319,000	\$0	\$3,999,000
7 Governing Council and Board Room Renovations	\$1,593,000	\$1,593,000	\$0	\$0
7 Varsity Stadium Demolition	\$1,700,000	\$1,700,000	\$0	\$0
7 Southeast Infrastructure	\$3,777,000	\$3,777,000	\$0	\$0
7 Early Learning Centre	\$4,317,700	\$4,317,700	\$0	\$0
7 Purchase of Medical Arts Building	\$14,262,600	\$14,262,600	\$0	\$0
7 King's College Road/Circle Precinct, Phase 1&2	\$5,300,000	\$3,028,700	(\$286,800)	\$2,558,100
Completed Projects with ongoing loans (outstanding at April 30,2002)	\$14,851,919	\$8,319,919	\$6,532,000	\$0
Small Capital Projects (listed below)	\$5,991,073	\$5,991,073	\$0	\$0
Sub-Total St George	\$458,210,022	\$143,419,342	\$69,074,131	\$245,716,549
Sub-Total, Non ancillaries	\$606,345,122	\$176,549,342	\$92,787,011	\$337,008,769
1 UTSC Residence Phase 4	\$16,300,000	\$0	\$16,300,000	\$0
1 Student Centre at UTSC	\$13,923,000	\$5,973,000	\$7,884,800	\$65,200
2 Mississauga Residence Phase VII	\$14,600,000	\$40,000	\$14,560,000	\$0
2 UTM Wellness Centre	\$24,500,000	\$8,700,800	\$15,769,900	\$29,300
2 CCIT Parking	\$12,892,000	\$0	\$12,892,000	\$0
4 Bahen Centre Parking	\$7,548,600	\$0	\$7,548,600	\$0
6 School of Continuing Studies	\$7,100,000	\$2,600,000	\$4,483,900	\$16,100
8 Woodsworth Residence	\$32,000,000	\$1,460,000	\$28,857,000	\$1,683,000
8 New College Residence (annual subsidy of \$1,204,000 provided from the APF for 8 years)	\$26,760,000	\$3,566,000	\$22,866,500	\$327,500
8 University College Residence	\$28,000,000	\$2,335,000	\$15,665,000	\$10,000,000
8 Colony Hotel	\$74,000,000	\$0	\$74,000,000	\$0
Completed Projects with ongoing loans (outstanding at April 30,2002)	\$76,926,000	\$0	\$76,926,000	\$0
Sub-Total Ancillaries	\$334,549,600	\$24,674,800	\$297,753,700	\$12,121,100
Total	\$940,894,722	\$201,224,142	\$390,540,711	\$349,129,869

Small Capital Projects included above

St Michael's College / Faculty of A & Sc. (approved by P&B Oct. 19, 1999)	\$1,300,000	\$875,000	\$0	\$425,000
Dentistry Student Laboratory (approved by P&B Oct. 19, 1999)	\$393,250	\$99,000	\$0	\$294,250
FALD Phase 3 (approved by P&B October 18, 2000)	\$690,000	\$345,000	\$0	\$345,000
Nursing Building renovations (approved by P&B March 20, 2001)	\$354,000	\$354,000	\$0	\$0
Department of Medicine renovations at UHN (approved by P&B May 25, 2001)	\$400,000	\$400,000	\$0	\$0
Accessibility Examination Centre, Roberts Library (approved by P&B Jan 9, 2002)	\$225,000	\$225,000	\$0	\$0
Vertical Expansion of Soil Storage Facility (approved by P&B Jan 9, 2002)	\$1,068,323	\$718,323	\$0	\$350,000
Upgrade 56 Spadina Ave., (approved by P&B Jan 9, 2002)	\$575,000	\$575,000	\$0	\$0
RCAT facility (approved by P&B March 19, 2002)	\$460,000	\$460,000	\$0	\$0
St Michael's College / A & Sc. Alumni Hall (approved by P&B March 19, 2002)	\$365,000	\$300,000	\$0	\$65,000
FIS Bissel Building Student Study Space (approved by P&B September 16, 2002)	\$40,500	\$35,000	\$0	\$5,500
Family & Community Medicine relocation to 256 McCaul (approved by P&B October 15, 2002)	\$120,000	\$120,000	\$0	\$0
Total	\$5,991,073	\$4,506,323	\$0	\$1,484,750

Allocations from UIIF not included above

Total allocations for 1999 and beyond approved by P&B prior to Oct. 1999	\$9,732,196
Slowpoke cost overrun (within 10%, approved by MGF)	\$210,000
Scarborough commitments under RCM (approved by P&B May 25, 2001)	\$1,153,550
Magellan Project (Funding may come from CFI) (approved by P&B May 25, 2001)	\$2,070,000
Transfer of ROS infrastructure items from APF to UIIF	\$10,200,000
Decommissioning of SLOWPOKE reactor, supplemental (approved by P&B October 15, 2002)	\$72,273
Total	\$23,438,019
Total UIIF allocations and other projects funded from operating budget	\$229,168,484

Completed Projects with Pre-Existing loans (Sections 6&7 of Capital Borrowing Master List minus Purchase of Medical Arts Building)

Non Ancillary Projects including negative balance in Capital Renewal Fund	\$14,851,919
Ancillary Projects	\$76,926,000

7. DIVISIONAL BUDGET SCHEDULES AND FINANCIAL REPORTS

DIVISIONAL FINANCIAL REPORTS

DIVISIONAL BUDGET SCHEDULES

UNIVERSITY OF TORONTO
RECOMMENDED 2004 - 05 BUDGET

(Financial Report)

BUDGET GROUP	RECOMMENDED 2004-05 BUDGET			PROJECTED CHANGES FROM 2003-04		
	GROSS EXPENSE	DIVISIONAL REVENUE (INCL. RECOVERIES)	NET EXPENSE	GROSS EXPENSE	DIVISIONAL REVENUE (INCL. RECOVERIES)	NET EXPENSE
Total Academic Expense	850,232,035	256,154,918	594,077,117	72,755,339	1,924,314	70,831,025
Academic Services	75,755,193	15,700,608	60,054,585	1,586,047	0	1,586,047
Administration	83,149,466	21,318,714	61,830,752	1,527,299	0	1,527,299
Student Assistance	68,426,489	801,000	67,625,489	4,593,448	0	4,593,448
Campus & Student Services	18,474,332	17,268,900	1,205,432	24,067	0	24,067
Facilities & Services						
Maintenance and Services	69,336,543	27,310,444	42,026,099	4,711,681	0	4,711,681
Utilities	43,646,185	10,429,984	33,216,201	2,510,840	0	2,510,840
Lease Cost of Off Campus Space	929,937	0	929,937	(58,000)	0	(58,000)
Accommodations & Facilities Directorate	694,575	0	694,575	(38,224)	0	(38,224)
General University Expense	87,273,829	9,156,715	78,117,114	42,627,350	0	42,627,350
	1,297,918,584	358,141,283	939,777,301	130,239,847	1,924,314	128,315,533
Municipal Taxes	4,235,325	0	4,235,325	675,900	0	675,900
TOTAL OPERATING BUDGET	1,302,153,909	358,141,283	944,012,626	130,915,747	1,924,314	128,991,433

UNIVERSITY OF TORONTO
RECOMMENDED 2004 - 05 BUDGET

(Financial Report)

BUDGET GROUP	RECOMMENDED 2004-05 BUDGET			PROJECTED CHANGES FROM 2003-04		
	GROSS EXPENSE	DIVISIONAL REVENUE (INCL RECOVERIES)	NET EXPENSE	GROSS EXPENSE	DIVISIONAL REVENUE (INCL RECOVERIES)	NET EXPENSE
ARTS and SCIENCE						
Arts and Science	200,430,614	38,191,183	162,239,431	8,236,582	950,012	7,286,570
University College	429,750	80,000	349,750	5,450	0	5,450
New College	0	0	0	0	0	0
Innis College	0	0	0	0	0	0
Federated Colleges Block Grant	7,572,871	0	7,572,871	639,033	0	639,033
Toronto School of Theology	1,906,262	0	1,906,262	45,287	0	45,287
Erindale - Academic	43,426,190	4,314,842	39,111,348	6,683,194	0	6,683,194
Scarborough - Academic	43,392,266	6,614,106	36,778,160	9,351,578	142,856	9,208,722
TOTAL ARTS AND SCIENCE	297,157,953	49,200,131	247,957,822	24,961,124	1,092,868	23,868,256
SCHOOLS and COLLEGES						
School of Continuing Studies	11,144,159	11,144,159	0	0	0	0
Munk Centre	377,278	112,936	264,342	9,584	0	9,584
School of Graduate Studies	4,436,075	775,895	3,660,180	503,867	0	503,867
Graduate Centres and Institutes	6,297,800	518,156	5,779,644	222,622	0	222,622
Transitional Year Programme	1,268,129	45,000	1,223,129	37,730	0	37,730
Woodsworth College	0	0	0	0	0	0
TOTAL, SCHOOLS and COLLEGES	23,523,441	12,596,146	10,927,295	773,803	0	773,803

UNIVERSITY OF TORONTO
RECOMMENDED 2004 - 05 BUDGET

(Financial Report)

BUDGET GROUP	RECOMMENDED 2004-05 BUDGET			PROJECTED CHANGES FROM 2003-04		
	GROSS EXPENSE	DIVISIONAL REVENUE (INCL RECOVERIES)	NET EXPENSE	GROSS EXPENSE	DIVISIONAL REVENUE (INCL RECOVERIES)	NET EXPENSE
HEALTH SCIENCES						
Dentistry	23,845,927	8,657,033	15,188,894	270,603	0	270,603
Medicine	123,399,404	55,766,195	67,633,209	2,932,136	0	2,932,136
Nursing	7,230,140	688,802	6,541,338	907,645	0	907,645
Pharmacy	8,818,993	1,008,050	7,810,943	775,626	0	775,626
Physical Education & Health (Curr. & Co_Curr.)	23,077,525	19,939,498	3,138,027	278,169	0	278,169
TOTAL, HEALTH SCIENCES	186,371,989	86,059,578	100,312,411	5,164,179	0	5,164,179

UNIVERSITY OF TORONTO
RECOMMENDED 2004 - 05 BUDGET

(Financial Report)

BUDGET GROUP	RECOMMENDED 2004-05 BUDGET			PROJECTED CHANGES FROM 2003-04		
	GROSS EXPENSE	DIVISIONAL REVENUE (INCL RECOVERIES)	NET EXPENSE	GROSS EXPENSE	DIVISIONAL REVENUE (INCL RECOVERIES)	NET EXPENSE
OTHER PROFESSIONAL FACULTIES						
Applied Science and Engineering	58,559,590	9,989,920	48,569,670	3,110,091	285,712	2,824,379
Architecture and Landscape Architecture	4,763,856	434,082	4,329,774	191,842	0	191,842
OISE/UT						
OISE/UT	46,410,495	43,105,329	3,305,166	(2,087,846)	274,306	(2,362,152)
Inst. of Child Study	368,099	285,712	82,387	0	0	0
University of Toronto Schools	7,197,924	6,981,598	216,326	0	0	0
Additional Qualification	302,294	274,306	27,988	27,988	0	27,988
Forestry	2,673,823	200,000	2,473,823	108,161	0	108,161
Law	15,715,537	3,387,697	12,327,840	753,254	171,428	581,826
Law Book Fund	0	0	0	0	0	0
Information Studies	4,044,679	1,018,360	3,026,319	60,972	0	60,972
Management	45,273,655	20,228,027	25,045,628	2,513,032	0	2,513,032
Executive Program	5,418,769	5,418,769	0	0	0	0
Executive M.B.A. Program	4,300,000	4,300,000	0	0	0	0
Business Information Centre	838,517	544,150	294,367	0	0	0
Centre for International Business	0	0	0	0	0	0
International Centre for Tax Studies	0	0	0	0	0	0
Music	8,317,226	1,165,104	7,152,122	244,454	0	244,454
Social Work	5,153,862	705,883	4,447,979	308,592	100,000	208,592
TOTAL, OTHER PROFESSIONAL FACULTIES	209,338,326	98,038,937	111,299,389	5,230,540	831,446	4,399,094
OTHER ACADEMIC COSTS	133,840,326	10,260,126	123,580,200	36,625,693		36,625,693
TOTAL ACADEMIC EXPENSE	850,232,035	256,154,918	594,077,117	72,755,339	1,924,314	70,831,025

UNIVERSITY OF TORONTO
RECOMMENDED 2004 - 05 BUDGET

(Financial Report)

BUDGET GROUP	RECOMMENDED 2004-05 BUDGET			PROJECTED CHANGES FROM 2003-04		
	GROSS EXPENSE	DIVISIONAL REVENUE (INCL RECOVERIES)	NET EXPENSE	GROSS EXPENSE	DIVISIONAL REVENUE (INCL RECOVERIES)	NET EXPENSE
ACADEMIC SERVICES						
University of Toronto Computing	16,312,429	9,033,090	7,279,339	99,576	0	99,576
St. George Library - Operations	31,714,657	6,519,616	25,195,041	564,139	0	564,139
- Central Book Fund	19,350,772	0	19,350,772	771,058	0	771,058
	51,065,429	6,519,616	44,545,813	1,335,197	0	1,335,197
Erindale Library	3,582,600	50,000	3,532,600	80,480	0	80,480
Scarborough Library	4,794,735	97,902	4,696,833	70,794	0	70,794
TOTAL, ACADEMIC SERVICES	75,755,193	15,709,608	60,054,585	1,586,047	0	1,586,047

UNIVERSITY OF TORONTO
RECOMMENDED 2004 - 05 BUDGET

(Financial Report)

BUDGET GROUP	RECOMMENDED 2004-05 BUDGET			PROJECTED CHANGES FROM 2003-04		
	GROSS EXPENSE	DIVISIONAL REVENUE (INCL RECOVERIES)	NET EXPENSE	GROSS EXPENSE	DIVISIONAL REVENUE (INCL RECOVERIES)	NET EXPENSE
ADMINISTRATION						
Offices of the Governing Council and Ombudsperson	2,535,077	219,900	2,315,177	46,943	0	46,943
Office of the President	1,145,254	0	1,145,254	24,162	0	24,162
Other Institutional Cost	1,593,439	0	1,593,439	5,646	0	5,646
Office of the Vice-Pres. and Provost	2,911,335	407,730	2,503,605	34,412	0	34,412
Office of the Vice Provost Planning & Budget	2,218,936	111,548	2,107,388	173,571	0	173,571
Office of the Vice Provost Students - Stud. Affrs & Other	13,647,276	4,545,790	9,101,486	393,267	0	393,267
Office of the Vice Provost Space Planning	2,594,997	1,065,000	1,529,997	36,360	0	36,360
Office of the Vice-Pres.- Research & Associate Provost	5,244,679	64,456	5,180,223	79,461	0	79,461
Office of the Vice-Pres.- Government & Institutional Rel.	622,173	0	622,173	7,377	0	7,377
Office of the Vice-Pres. & Chief Advancement Officer	18,682,299	4,350,076	14,332,223	263,456	0	263,456
Office of the Vice-Pres. - Human Resources	7,026,529	948,998	6,077,531	82,418	0	82,418
Office of the Vice-Pres. - Business Affairs	14,576,153	4,332,638	10,243,515	179,266	0	179,266
TOTAL, ST. GEORGE CAMPUS	72,798,147	16,046,136	56,752,011	1,326,339	0	1,326,339
Erindale Administration	5,215,149	4,892,593	322,556	180,180	0	180,180
Scarborough Administration	5,136,170	379,985	4,756,185	20,780	0	20,780
TOTAL ADMINISTRATION	83,149,466	21,318,714	61,830,752	1,527,299	0	1,527,299

UNIVERSITY OF TORONTO
RECOMMENDED 2004 - 05 BUDGET

(Financial Report)

BUDGET GROUP	RECOMMENDED 2004-05 BUDGET			PROJECTED CHANGES FROM 2003-04		
	GROSS EXPENSE	DIVISIONAL REVENUE (INCL. RECOVERIES)	NET EXPENSE	GROSS EXPENSE	DIVISIONAL REVENUE (INCL. RECOVERIES)	NET EXPENSE
STUDENT ASSISTANCE (excl. Divisional Support)						
University Student Assistance	6,556,696	801,000	5,755,696	0	0	0
Graduate Fellowships	2,124,862	0	2,124,862	0	0	0
Graduate Student Aid	3,537,863	0	3,537,863	500,000	0	500,000
OGSST	2,600,000	0	2,600,000	0	0	0
Student Aid Reinvestment	26,508,699	0	26,508,699	3,159,664	0	3,159,664
Student Aid Funded from Restricted Funds	19,310,000	0	19,310,000	933,784	0	933,784
Erindale	56,400	0	56,400	0	0	0
Scarborough	186,000	0	186,000	0	0	0
OISE/UT	7,545,969	0	7,545,969	0	0	0
TOTAL, STUDENT ASSISTANCE	68,426,489	801,000	67,625,489	4,593,448	0	4,593,448

UNIVERSITY OF TORONTO
RECOMMENDED 2004 - 05 BUDGET

(Financial Report)

BUDGET GROUP	RECOMMENDED 2004-05 BUDGET			PROJECTED CHANGES FROM 2003-04		
	GROSS EXPENSE	DIVISIONAL REVENUE (INCL RECOVERIES)	NET EXPENSE	GROSS EXPENSE	DIVISIONAL REVENUE (INCL RECOVERIES)	NET EXPENSE
CAMPUS & STUDENT SERVICES						
St. George	9,982,641	9,982,641	0	0	0	0
Erindale	4,293,511	4,310,671	(17,160)	11,950	0	11,950
Scarborough	4,198,180	2,975,588	1,222,592	12,117	0	12,117
TOTAL CAMPUS & STUDENT SERVICES	18,474,332	17,268,900	1,205,432	24,067	0	24,067

UNIVERSITY OF TORONTO
RECOMMENDED 2004 - 05 BUDGET

(Financial Report)

BUDGET GROUP	RECOMMENDED 2004-05 BUDGET			PROJECTED CHANGES FROM 2003-04		
	GROSS EXPENSE	DIVISIONAL REVENUE (INCL RECOVERIES)	NET EXPENSE	GROSS EXPENSE	DIVISIONAL REVENUE (INCL RECOVERIES)	NET EXPENSE
FACILITIES AND SERVICES						
Maintenance and Services						
- St. George Campus	60,977,647	25,720,170	35,257,477	4,656,800	0	4,656,800
- Erindale Campus	3,517,849	415,945	3,101,904	19,372	0	19,372
- Scarborough Campus	4,841,047	1,174,329	3,666,718	35,509	0	35,509
TOTAL, MAINTENANCE and SERVICES	69,336,543	27,310,444	42,026,099	4,711,681	0	4,711,681
Utilities						
- St. George Campus	37,824,221	10,309,984	27,514,237	1,838,585	0	1,838,585
- Erindale Campus	3,316,791	120,000	3,196,791	667,254	0	667,254
- Scarborough Campus	2,505,173	0	2,505,173	5,001	0	5,001
TOTAL, UTILITIES	43,646,185	10,429,984	33,216,201	2,510,840	0	2,510,840
Lease Cost of Off Campus Space	929,937	0	929,937	(58,000)	0	(58,000)
Accommodations and Facilities (AFD)	694,575	0	694,575	(38,224)	0	(38,224)

UNIVERSITY OF TORONTO
RECOMMENDED 2004 - 05 BUDGET

(Financial Report)

BUDGET GROUP	RECOMMENDED 2004-05 BUDGET		PROJECTED CHANGES FROM 2003-04		NET EXPENSE
	GROSS EXPENSE	DIVISIONAL REVENUE (INCL RECOVERIES)	GROSS EXPENSE	DIVISIONAL REVENUE (INCL RECOVERIES)	
GENERAL UNIVERSITY EXPENSE					
President	4,542,518	0	(472,380)	0	(472,380)
Governing Council	36,365	0	3,605	0	3,605
Vice-President - Business Affairs	27,915,092	0	26,886,423	0	26,886,423
Vice-President - Human Resources	4,093,640	0	361,970	0	361,970
General (including salary, wage and benefit commitments, and recoveries from ancillaries)	50,686,214	9,156,715	15,847,732	0	15,847,732
TOTAL, GENERAL UNIVERSITY EXPENSE	87,273,829	9,156,715	42,627,350	0	42,627,350
MUNICIPAL TAXES	4,235,325	0	675,900	0	675,900

UNIVERSITY OF TORONTO
RECOMMENDED 2004 - 05 BUDGET

(Financial Report)

BUDGET GROUP	RECOMMENDED 2004-05 BUDGET			PROJECTED CHANGES FROM 2003-04		
	GROSS EXPENSE	DIVISIONAL REVENUE (INCL RECOVERIES)	NET EXPENSE	GROSS EXPENSE	DIVISIONAL REVENUE (INCL RECOVERIES)	NET EXPENSE
ERINDALE						
Academic	43,426,190	4,314,842	39,111,348	6,683,194	0	6,683,194
Academic Services - Library	3,582,600	50,000	3,532,600	80,480	0	80,480
Administration, incl Campus and Student Services	9,508,660	9,203,264	305,396	192,130	0	192,130
Facilities & Services - Maintenance & Services	3,517,849	415,945	3,101,904	19,372	0	19,372
- Utilities	3,316,791	120,000	3,196,791	667,254	0	667,254
Student Assistance	56,400	0	56,400	0	0	0
TOTAL, ERINDALE	63,408,490	14,104,051	49,304,439	7,642,430	0	7,642,430

THIS IS A SUMMARY OF THE ERINDALE BUDGETS WHICH ARE REPORTED IN THE PRECEDING FINANCIAL REPORT UNDER THE VARIOUS BUDGET GROUPS.

UNIVERSITY OF TORONTO
RECOMMENDED 2004 - 05 BUDGET

(Financial Report)

BUDGET GROUP	RECOMMENDED 2004-05 BUDGET			PROJECTED CHANGES FROM 2003-04		
	GROSS EXPENSE	DIVISIONAL REVENUE (INCL RECOVERIES)	NET EXPENSE	GROSS EXPENSE	DIVISIONAL REVENUE (INCL RECOVERIES)	NET EXPENSE
SCARBOROUGH						
Academic	43,392,266	6,614,106	36,778,160	9,351,578	142,856	9,208,722
Academic Services - Library	4,794,735	97,902	4,696,833	70,794	0	70,794
Administration, incl Campus and Student Services	9,334,350	3,355,573	5,978,777	32,897	0	32,897
Facilities & Services - Maintenance & Services	4,841,047	1,174,329	3,666,718	35,509	0	35,509
- Utilities	2,505,173	0	2,505,173	5,001	0	5,001
Student Assistance	186,000	0	186,000	0	0	0
TOTAL, SCARBOROUGH	65,053,571	11,241,910	53,811,661	9,495,779	142,856	9,352,923

THIS IS A SUMMARY OF THE SCARBOROUGH BUDGETS WHICH ARE REPORTED IN THE PRECEDING FINANCIAL REPORT UNDER THE VARIOUS BUDGET GROUPS.

BUDGET GROUP I: ARTS & SCIENCE

DIVISIONAL BUDGET SCHEDULES

	ARTS & SCIENCE	UNIVERSITY COLLEGE	NEW COLLEGE	INNIS COLLEGE	ERINDALE ACADEMIC	SCARBOROUGH ACADEMIC	FEDERATED UNIVERSITIES BLOCK GRANT	TORONTO SCHOOL OF THEOLOGY	TOTAL GROUP I
Net Base Budget for 2003-04	154,135,827	344,300	0	0	32,368,416	27,494,147	6,802,381	1,860,975	233,006,046
One-Time-Only Budget for 2003-04	817,034	0	0	0	59,738	75,291	131,457	0	1,083,520
TOTAL NET BUDGET FOR 2003-04	154,952,861	344,300	0	0	32,428,154	27,569,438	6,933,838	1,860,975	234,089,566
RECOMMENDED BUDGET CHANGES:									
ADDITIONS TO BASE:									
Balance of Prior Year's Salary/Benefit Increase	6,162,433	12,588			1,260,084	1,330,337	0	0	8,765,442
Priorities Funds	0	0			0	0	0	0	0
Expense Offset by Additional Income	100,000	0			0	0	0	0	100,000
Transfers	6,972,575	0			6,342,875	8,976,644	0	0	22,292,094
Contract, Oblig. & Policy Commit.	3,283	0			0	0	385,245	45,287	433,815
REDUCTIONS FROM BASE:									
Budget Reduction	(3,056,833)	(7,138)			(672,570)	(576,490)	0	0	(4,313,031)
Academic PTR Recovery	(1,362,625)	0			(212,546)	(331,588)	0	0	(1,906,759)
Expense Recovery	0	0			0	0	0	0	0
Transfers	(1,532,545)	0			(12,675)	(156,225)	0	0	(1,701,445)
Contract, Oblig. & Policy Commit.	0	0			0	0	0	0	0
(INCREASE) DECREASE IN DIVISIONAL REVENUE	(100,000)	0			0	0	0	0	(100,000)
RECOMMENDED BASE BUDGET CHANGE	7,186,288	5,450	0	0	6,705,168	9,242,678	385,245	45,287	23,570,116
ONE-TIME-ONLY BUDGET CHANGES:									
Research Overhead (Net Changes)	100,282	0			(21,974)	(33,956)	0	0	44,352
Contract, Oblig. & Policy Commit. (Net Changes)	0	0			0	0	253,788	0	253,788
RECOMMENDED ONE-TIME-ONLY BUDGET CHANGE	100,282	0	0	0	(21,974)	(33,956)	253,788	0	298,140
Recommended Net Base Budget for 2004-05	161,322,115	349,750	0	0	39,073,584	36,736,825	7,187,626	1,906,262	246,576,162
Recommended OTO Budget for 2004-05	917,316	0	0	0	37,764	41,335	385,245	0	1,381,660
TOTAL RECOMMENDED NET BUDGET FOR 2004-05	162,239,431	349,750	0	0	39,111,348	36,778,160	7,572,871	1,906,262	247,957,822
DIVISIONAL REVENUE (INCL. RECOVERIES)									
Endowment Income	2,200,000	0			0	0	0	0	2,200,000
External Income	4,295,128	0			2,710,456	3,172,417	0	0	10,178,001
Internal Recoveries	20,862,698	80,000	0	0	1,403,065	3,227,405	0	0	25,573,168
External Recoveries	4,529,141	0	0	0	201,321	214,284	0	0	4,944,746
Negative Approp.	6,304,216	0	0	0	4,314,842	6,614,106	0	0	6,304,216
38,191,183	80,000	0	0	0	4,314,842	6,614,106	0	0	49,200,131
GROSS EXPENSE BUDGET FOR 2004-05	200,430,614	429,750	0	0	43,426,190	43,392,366	7,572,871	1,906,262	297,157,953

BUDGET GROUP II : SCHOOLS AND COLLEGES

DIVISIONAL BUDGET SCHEDULES

WOODSWORTH COLLEGE	SCHOOL OF GRADUATE STUDIES	GRADUATE CENTRES & INSTITUTES	TRANSITIONAL YEAR PROGRAMME	SCHOOL OF CONTINUING STUDIES	MUNK CENTRE	TOTAL GROUP II
0	3,138,721	5,381,100	1,185,399		242,778	9,947,998
0	17,592	175,922			11,980	205,494
TOTAL NET BUDGET FOR 2003-04	3,156,313	5,557,022	1,185,399	0	254,758	10,153,492

Net Base Budget for 2003-04
One-Time-Only Budget for 2003-04

TOTAL NET BUDGET FOR 2003-04

RECOMMENDED BUDGET CHANGES:

ADDITIONS TO BASE:

Balance of Prior Year's Salary/Benefit Increase
Priorities Funds
Expense Offset by Additional Income
Transfers
Contract. Oblig. & Policy Commit.

REDUCTIONS FROM BASE:

Budget Reduction
Academic PTR Recovery
Expense Recovery
Transfers
Contract. Oblig. & Policy Commit.

(INCREASE) DECREASE IN DIVISIONAL REVENUE

RECOMMENDED BASE BUDGET CHANGE

ONE-TIME-ONLY BUDGET CHANGES:

Research Overhead (Net Changes)
Contract. Oblig. & Policy Commit. (Net Changes)

RECOMMENDED ONE-TIME-ONLY BUDGET CHANGE

Recommended Net Base Budget for 2004-05

Recommended OTO Budget for 2004-05

TOTAL RECOMMENDED NET BUDGET FOR 2004-05

DIVISIONAL REVENUE (INCL. RECOVERIES)

Endowment Income :
External Income :
Internal Recoveries :
External Recoveries :
Negative Approp. :

TOTAL DIVISIONAL REVENUE (INCL. RECOVERIES)

GROSS EXPENSE BUDGET FOR 2004-05

	116,016	219,883	62,692		11,535	410,126
		0				0
		0		0		0
	444,085	26,783				470,868
		1,889				1,889
	(65,095)	(111,109)	(24,962)		(5,086)	(206,252)
		(3,433)				(3,433)
		0				0
		0				0
		0	0	0	0	0
0	495,006	134,013	37,730	0	6,449	673,198

0	8,861	88,609	0	0	3,135	100,605
0		0				0
0	8,861	88,609	0	0	3,135	100,605

0	3,633,727	5,515,113	1,223,129	0	249,227	10,621,196
0	26,453	264,531	0	0	15,115	306,099
0	3,660,180	5,779,644	1,223,129	0	264,342	10,927,295

0	577,000	51,000	45,000	10,874,159		11,547,159
0	198,895	136,300		270,000	112,936	718,131
		330,856				330,856
		0				0
0	775,895	518,156	45,000	11,144,159	112,936	12,596,146
0	4,436,075	6,297,800	1,268,129	11,144,159	377,278	23,523,441

BUDGET GROUP III : HEALTH SCIENCES

DIVISIONAL BUDGET SCHEDULES

	DENTISTRY	MEDICINE	NURSING	PHARMACY	PHYSICAL EDUCATION & HEALTH	TOTAL GROUP III
Net Base Budget for 2003-04	14,766,559	63,565,717	5,631,122	6,907,609	2,852,974	93,723,981
One-Time-Only Budget for 2003-04	151,732	1,135,356	2,571	127,708	6,884	1,424,251
TOTAL NET BUDGET FOR 2003-04	14,918,291	64,701,073	5,633,693	7,035,317	2,859,858	95,148,232

RECOMMENDED BUDGET CHANGES:

ADDITIONS TO BASE:						0
Balance of Prior Year's Salary/Benefit Increase	652,942	2,367,312	223,964	263,618	111,368	3,619,204
Priorities Funds	0			0	0	0
Expense Offset by Additional Income	0			0	0	0
Transfers	23,900	2,252,541	798,890	724,261	257,115	4,056,707
Contract, Oblig. & Policy Commit.	250			0	0	250
REDUCTIONS FROM BASE:						
Budget Reduction	(303,590)	(1,224,648)	(112,522)	(139,185)	(48,132)	(1,828,077)
Academic PTR Recovery	(97,725)	(558,627)		0	(35,298)	(691,650)
Expense Recovery	0			0	0	0
Transfers	0			0	0	0
Contract, Oblig. & Policy Commit.	0			0	0	0
(INCREASE) DECREASE IN DIVISIONAL REVENUE	0	0	0	0	0	0
RECOMMENDED BASE BUDGET CHANGE	275,777	2,836,578	910,332	848,694	285,053	5,156,434

ONE-TIME-ONLY BUDGET CHANGES:

Research Overhead (Net Changes)	(5,174)	95,558	(2,687)	(73,068)	(6,884)	7,745
Contract, Oblig. & Policy Commit. (Net Changes)	0			0	0	0
RECOMMENDED ONE-TIME-ONLY BUDGET CHANGE	(5,174)	95,558	(2,687)	(73,068)	(6,884)	7,745

Recommended Net Base Budget for 2004-05
Recommended OTO Budget for 2004-05
TOTAL RECOMMENDED NET BUDGET FOR 2004-05

Recommended Net Base Budget for 2004-05	15,042,336	66,402,295	6,541,454	7,756,303	3,138,027	98,880,415
Recommended OTO Budget for 2004-05	146,558	1,230,914	(116)	54,640	0	1,431,996
TOTAL RECOMMENDED NET BUDGET FOR 2004-05	15,188,894	67,633,209	6,541,338	7,810,943	3,138,027	100,312,411

DIVISIONAL REVENUE (INCL. RECOVERIES)

Endowment Income :	151,100	1,583,953	30,361	0	0	1,765,414
External Income :	4,545,268	17,233,129	80,870	842,194	12,689,068	35,390,529
Internal Recoveries :	3,749,693	4,081,045	239,375	165,856	7,224,895	15,460,864
External Recoveries :	210,972	32,868,068	338,196	0	25,535	33,442,771
Negative Approp. :	0	0	0	0	0	0
TOTAL DIVISIONAL REVENUE (INCL. RECOVERIES)	8,657,033	55,766,195	688,802	1,008,050	19,939,498	86,059,578

GROSS EXPENSE BUDGET FOR 2004-05

23,845,927	123,399,404	7,230,140	8,818,993	23,077,525	186,371,989
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BUDGET GROUP IV : PROFESSIONAL FACULTIES

DIVISIONAL BUDGET SCHEDULES

	APPLIED SCIENCE & ENGINEERING	ARCHITECTURE, LANDSCAPE, & DESIGN	OHSE/UT	OHSE/UT U.T.S.	FORESTRY	LAW	INFORMATION STUDIES	SCHOOL OF MANAGEMENT	MUSIC	SOCIAL WORK	TOTAL GROUP IV
Net Base Budget for 2003-04	43,594,428	4,136,075	5,639,180	216,326	2,353,787	11,702,045	2,955,020	22,815,848	6,907,668	4,204,695	104,527,072
One-Time-Only Budget for 2003-04	2,150,863	1,857	110,525	0	9,875	43,969	10,327	11,115	0	34,692	2,373,223
TOTAL NET BUDGET FOR 2003-04	45,745,291	4,137,932	5,749,705	216,326	2,363,662	11,746,014	2,965,347	22,826,963	6,907,668	4,239,387	106,900,295
RECOMMENDED BUDGET CHANGES:											
ADDITIONS TO BASE:											
Balance of Prior Year's Salary/Benefit Increase	1,796,112	167,686	352,226	0	109,774	461,212	121,068	0	316,035	176,926	3,501,039
Priorities Funds	0	0	0	0	0	0	0	0	0	0	0
Expense Offset by Additional Income	0	0	0	0	0	100,000	0	0	0	100,000	200,000
Transfers	3,416,410	108,365	437,707	0	0	591,704	2,987	0	104,481	180,141	4,841,795
Contract, Oblig. & Policy Commit.	0	0	0	0	0	35,025	0	2,443,404	293	0	2,478,722
REDUCTIONS FROM BASE:											
Budget Reduction	(835,511)	(82,395)	(149,253)	0	(43,511)	(295,106)	(53,262)	0	(133,693)	(148,212)	(1,740,943)
Academic PTR Recovery	(520,353)	0	(117,743)	0	0	(105,938)	0	0	(42,662)	0	(786,696)
Expense Recovery	0	0	0	0	0	0	0	0	0	0	0
Transfers	(584,306)	0	(2,799,786)	0	0	(71,428)	0	0	0	0	(3,455,520)
Contract, Oblig. & Policy Commit.	0	0	0	0	0	0	0	0	0	0	0
(INCREASE) DECREASE IN DIVISIONAL REVENUE	3,272,352	193,656	(2,276,849)	0	66,263	615,469	70,793	2,443,404	244,454	(100,000)	(200,000)
RECOMMENDED BASE BUDGET CHANGE											
	46,866,780	4,329,731	3,362,331	216,326	2,422,050	12,317,514	3,025,813	25,259,252	7,152,122	4,413,550	109,365,469
Research Overhead (Net Changes)	1,702,890	43	53,210	0	51,773	10,326	506	80,743	0	34,429	1,933,920
Contract, Oblig. & Policy Commit. (Net Changes)	(447,973)	(1,814)	(57,315)	0	41,898	(33,643)	(9,821)	69,628	0	(263)	(439,303)
RECOMMENDED ONE-TIME-ONLY BUDGET CHANGE	(447,973)	(1,814)	(57,315)	0	41,898	(33,643)	(9,821)	69,628	0	(263)	(439,303)
Recommended Net Base Budget for 2004-05	46,866,780	4,329,731	3,362,331	216,326	2,422,050	12,317,514	3,025,813	25,259,252	7,152,122	4,413,550	109,365,469
Recommended OTO Budget for 2004-05	1,702,890	43	53,210	0	51,773	10,326	506	80,743	0	34,429	1,933,920
TOTAL RECOMMENDED NET BUDGET FOR 2004-05	48,569,670	4,329,774	3,415,541	216,326	2,473,823	12,327,840	3,026,319	25,339,995	7,152,122	4,447,979	111,299,389
DIVISIONAL REVENUE (INCL. RECOVERIES)											
Endowment Income :	1,200,000	0	338,961	830,000	0	400,000	0	2,255,214	0	330,000	5,354,175
External Income :	776,245	92,500	37,512,767	6,122,548	0	859,500	921,610	12,596,799	302,594	160,000	59,344,563
Internal Recoveries :	6,052,946	341,582	1,846,853	29,050	200,000	2,128,197	96,750	15,459,683	596,082	215,883	26,967,026
External Recoveries :	547,533	0	306,362	0	0	0	179,250	179,250	71,428	0	1,104,573
Negative Approp. :	1,413,196	0	3,660,464	0	200,000	3,387,697	1,018,360	30,490,946	195,000	705,883	52,668,600
TOTAL DIVISIONAL REVENUE (INCL. RECOVERIES)	9,989,920	434,082	43,665,347	6,981,598	200,000	3,387,697	1,018,360	30,490,946	1,165,104	5,153,862	98,038,937
GROSS EXPENSE BUDGET FOR 2004-05	58,559,590	4,763,856	47,080,888	7,197,924	2,673,823	15,715,537	4,044,679	55,830,941	8,317,226	5,153,862	209,338,326

BUDGET GROUP V : OTHER ACADEMIC COSTS

DIVISIONAL BUDGET SCHEDULES

	SHERIDAN JOINT PROGRAMS EXTERNAL	PROVOST'S RESERVE & CONTINGENCY	FACULTY RECRUITMENT	RESERVE FOR RESEARCH OVERHEAD	NON- DEPARTMENTAL PROFESSORS	ACADEMIC PROGRAM PLANNING	INFORMATION TECHNOLOGY INITIATIVES & UPGRADES	RESEARCH SUPPORT P.D.& D.	TUITION SHARING
Net Base Budget for 2003-04	3,231,494	2,936,509	0	952,874	358,690	0	0	345,657	0
One-Time-Only Budget for 2003-04	3,231,494	2,936,509	0	952,874	358,690	0	0	345,657	0
TOTAL NET BUDGET FOR 2003-04									
RECOMMENDED BUDGET CHANGES:									
ADDITIONS TO BASE:									
Balance of Prior Year's Salary/Benefit Increase					3,849				
Priorities Funds									
Expense Offset by Additional Income									
Transfers					85,854				1,224,957
Contract. Oblig. & Policy Commit.	777,869	400,000		0		5,000,000	2,000,000		1,741,296
REDUCTIONS FROM BASE:									
Budget Reduction		(63,399)							
Academic PTR Recovery									
Expense Recovery		(455,608)							(1,181,550)
Transfers									
Contract. Oblig. & Policy Commit.					0				
(INCREASE)DECREASE IN DIVISIONAL REVENUE					89,703	5,000,000	2,000,000	0	1,784,703
RECOMMENDED BASE BUDGET CHANGE	777,869	(119,007)	0	0	89,703	5,000,000	2,000,000	0	1,784,703
ONE-TIME-ONLY BUDGET CHANGES:									
Research Overhead (Net Changes)									
Contract. Oblig. & Policy Commit. (Net Changes)				(231,020)					
RECOMMENDED ONE-TIME-ONLY BUDGET CHANGE	0	0	0	(231,020)	0	0	0	0	0
Recommended Net Base Budget for 2004-05	4,009,363	2,817,502	0	721,854	448,393	5,000,000	2,000,000	345,657	1,784,703
Recommended OTO Budget for 2004-05	0	0	0	721,854	0	0	0	0	0
TOTAL RECOMMENDED NET BUDGET FOR 2004-05	4,009,363	2,817,502	0	721,854	448,393	5,000,000	2,000,000	345,657	1,784,703
DIVISIONAL REVENUE (INCL. RECOVERIES)									
Endowment Income :									
External Income :									
Internal Recoveries :									
External Recoveries :									
Negative Approp. :									
TOTAL DIVISIONAL REVENUE (INCL. RECOVERIES)	0	0	0	0	0	0	0	0	0
GROSS EXPENSE BUDGET FOR 2004-05	4,009,363	2,817,502	0	721,854	448,393	5,000,000	2,000,000	345,657	1,784,703

BUDGET GROUP V : OTHER ACADEMIC COSTS

	ACADEMIC REVIEWS	ACADEMIC ADMINISTRATORS ON LEAVE	ENDOW CHAIRS/ UNIV. PROFS. MATCHING INCOME	ACAD. PRIORITIES FUND	ACADEMIC SERVICE INITIATIVES	DIVISIONAL CAMPAIGN EXPENSES	CANADA RESEARCH CHAIRS	TRANSITIONAL FUNDING	OVERHEAD ON FEDERAL RESEARCH GRANT	FACILITIES RENOVATIONS & UPGRADES FROM PROGRAM PLANNING	OTHER Fields Institute Griev. Cont Sup Search Comm. & Adv. Acad Post.	TOTAL GROUP V
Net Base Budget for 2003-04	225,207	649,710	0	7,471,790	500,000	2,100,000	29,626,763	1,308,000	3,935,335	2,500,000	456,038	85,180,723
One-Time-Only Budget for 2003-04	171,200	649,710	(517,000)	7,471,790	500,000	2,100,000	29,626,763	0	0	0	456,038	1,173,784
TOTAL NET BUDGET FOR 2003-04	396,407	1,298,420	(517,000)	14,943,580	1,000,000	4,200,000	59,253,526	1,308,000	(194,240)	6,200,000	912,076	86,954,507

RECOMMENDED BUDGET CHANGES:

ADDITIONS TO BASE:												
Balance of Prior Year's Salary/Benefit Increase				132,295								136,144
Priorities Funds				0								0
Expense Offset by Additional Income				6,266,223								0
Transfers	3,587,832			500,000			1,291,468					12,456,334
Contract, Oblig. & Policy Commit.	41,636,274			0			3,678,417		(194,240)	6,200,000		63,739,616
REDUCTIONS FROM BASE:												
Budget Reduction				0			0					(63,399)
Academic PTR Recovery				0			0					0
Expense Recovery				0			0					0
Transfers	(30,239,571)			(4,079,677)			(1,055,942)		(689,000)			(38,942,348)
Contract, Oblig. & Policy Commit.				0			0					0
(INCREASE) DECREASE IN DIVISIONAL REVENUE				150,000			3,913,943		(194,240)	6,200,000		150,000
RECOMMENDED BASE BUDGET CHANGE	14,984,535	0	150,000	2,818,841	500,000	2,100,000	79,537,466	820,000	(194,240)	6,200,000	0	37,476,347

ONE-TIME-ONLY BUDGET CHANGES:

Research Overhead (Net Changes)				0			0					0
Contract, Oblig. & Policy Commit. (Net Changes)				(448,334)			0					(850,654)
RECOMMENDED ONE-TIME-ONLY BUDGET CHANGE	0	(171,200)	0	(448,334)	0	0	0	0	0	0	0	(850,654)

Recommended Net Base Budget for 2004-05	42,170,675	225,207	0	10,290,631	1,000,000	2,100,000	33,540,706	2,120,000	3,765,095	6,200,000	456,038	122,657,070
Recommended OTO Budget for 2004-05	0	0	0	201,276	0	0	0	0	0	0	0	921,130
TOTAL RECOMMENDED NET BUDGET FOR 2004-05	42,170,675	225,207	0	10,290,631	1,000,000	2,100,000	33,540,706	2,120,000	3,765,095	6,200,000	456,038	123,578,200

DIVISIONAL REVENUE (INCL. RECOVERIES)

Endowment Income:	367,000	0	0	0	0	0	0	0	0	0	0	367,000
External Income:	0	0	0	0	0	0	0	0	0	0	500,000	500,000
Internal Recoveries:	0	0	0	0	0	0	9,393,126	0	0	0	0	9,393,126
External Recoveries:	0	0	0	0	0	0	0	0	0	0	0	0
Negative Approp.:	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL DIVISIONAL REVENUE (INCL. RECOVERIES)	0	0	0	10,290,631	1,000,000	2,100,000	42,933,832	2,120,000	3,765,095	6,200,000	956,038	133,441,326

GROSS EXPENSE BUDGET FOR 2004-05

Net Base Budget for 2003-04	225,207	649,710	0	7,471,790	500,000	2,100,000	29,626,763	1,308,000	3,935,335	2,500,000	456,038	85,180,723
One-Time-Only Budget for 2003-04	171,200	649,710	(517,000)	7,471,790	500,000	2,100,000	29,626,763	0	0	0	456,038	1,173,784
TOTAL NET BUDGET FOR 2003-04	396,407	1,298,420	(517,000)	14,943,580	1,000,000	4,200,000	59,253,526	1,308,000	(194,240)	6,200,000	912,076	86,954,507

BUDGET GROUP VI : ACADEMIC SERVICES

DIVISIONAL BUDGET SCHEDULES

	ST GEORGE LIBRARY OPERATIONS & INFO COMMONS	ST GEORGE LIBRARY BOOK FUND	OISE/UT LIBRARY	ERINDALE LIBRARY	SCARBOROUGH LIBRARY	UNIV. OF TORONTO COMPUTING	TOTAL GROUP VI
Net Base Budget for 2003-04	24,630,902	18,579,714		3,452,120	4,626,039	7,179,763	58,468,538
One-Time-Only Budget for 2003-04	0		0	0	0	0	0
TOTAL NET BUDGET FOR 2003-04	24,630,902	18,579,714	0	3,452,120	4,626,039	7,179,763	58,468,538
RECOMMENDED BUDGET CHANGES:							
ADDITIONS TO BASE:							
Balance of Prior Year's Salary/Benefit Increase	982,898		0	72,854	90,215	251,723	1,397,690
Priorities Funds				0	0	0	0
Expense Offset by Additional Income				0	0	0	0
Transfers	250,000		0	0	0	0	250,000
Contract. Oblig. & Policy Commit.	3,213	771,058		52,719	50,545	0	877,535
REDUCTIONS FROM BASE:							
Budget Reduction	(510,728)		0	(45,093)	(69,966)	(148,630)	(774,417)
Academic PTR Recovery	(172,339)			0	0	0	(172,339)
Expense Recovery				0	0	0	0
Transfers	(2,768)		0	0	0	(3,517)	(6,285)
Contract. Oblig. & Policy Commit.	0		0	0	0	0	0
(INCREASE) DECREASE IN DIVISIONAL REVENUE	0	0	0	0	0	0	0
RECOMMENDED BASE BUDGET CHANGE	550,276	771,058	0	80,480	70,794	99,576	1,572,184

ONE-TIME-ONLY BUDGET CHANGES:

Research Overhead (Net Changes)	13,863	0		0	0	0	13,863
Contract. Oblig. & Policy Commit. (Net Changes)	0			0	0	0	0
RECOMMENDED ONE-TIME-ONLY BUDGET CHANGE	13,863	0	0	0	0	0	13,863

Recommended Net Base Budget for 2004-05

Recommended Net Base Budget for 2004-05	25,181,178	19,350,772	0	3,532,600	4,696,833	7,279,339	60,040,722
Recommended OTO Budget for 2004-05	13,863	0	0	0	0	0	13,863
TOTAL RECOMMENDED NET BUDGET FOR 2004-05	25,195,041	19,350,772	0	3,532,600	4,696,833	7,279,339	60,054,585

DIVISIONAL REVENUE (INCL. RECOVERIES)

Endowment Income :				0	0	0	0
External Income :	2,941,485			50,000	68,000	1,526,739	4,586,224
Internal Recoveries :	1,570,498			0	29,902	7,405,767	9,006,167
External Recoveries :	2,007,633			0	0	0	2,007,633
Negative Approp. :				0	0	100,584	100,584
TOTAL DIVISIONAL REVENUE (INCL. RECOVERIES)	6,519,616	0	0	50,000	97,902	9,033,090	15,700,608

GROSS EXPENSE BUDGET FOR 2004-05

31,714,657	19,350,772	0	3,582,600	4,794,735	16,312,429	75,755,193
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BUDGET GROUP VII : CAMPUS & STUDENT SRVCS

DIVISIONAL BUDGET SCHEDULES

	ST GEORGE CAMPUS & ST SRVCS	ERINDALE CAMPUS & ST SRVCS	SCARBOROUGH CAMPUS & ST SRVCS	TOTAL GROUP VII
Net Base Budget for 2003-04	0	(29,110)	1,210,475	1,181,365
One-Time-Only Budget for 2003-04	0	0	0	0
TOTAL NET BUDGET FOR 2003-04	0	(29,110)	1,210,475	1,181,365

RECOMMENDED BUDGET CHANGES:

ADDITIONS TO BASE:				0
Balance of Prior Year's Salary/Benefit Increase	0	11,950	12,117	24,067
Priorities Funds	0	0	0	0
Expense Offset by Additional Income	0	0	0	0
Transfers	0	0	0	0
Contract. Oblig. & Policy Commit.	0	0	0	0
REDUCTIONS FROM BASE:				
Budget Reduction	0	0	0	0
Academic PTR Recovery	0	0	0	0
Expense Recovery	0	0	0	0
Transfers	0	0	0	0
Contract. Oblig. & Policy Commit.	0	0	0	0
(INCREASE) DECREASE IN DIVISIONAL REVENUE	0	0	0	0
RECOMMENDED BASE BUDGET CHANGE	0	11,950	12,117	24,067

ONE-TIME-ONLY BUDGET CHANGES:

Research Overhead (Net Changes)	0	0	0	0
Contract. Oblig. & Policy Commit. (Net Changes)	0	0	0	0
RECOMMENDED ONE-TIME-ONLY BUDGET CHANGE	0	0	0	0

Recommended Net Base Budget for 2004-05	0	(17,160)	1,222,592	1,205,432
Recommended OTO Budget for 2004-05	0	0	0	0
TOTAL RECOMMENDED NET BUDGET FOR 2004-05	0	(17,160)	1,222,592	1,205,432

DIVISIONAL REVENUE (INCL. RECOVERIES)

Endowment Income :	0	0	0	0
External Income :	9,315,717	3,856,198	2,713,141	15,885,056
Internal Recoveries :	666,541	407,909	217,447	1,291,897
External Recoveries :	383	46,564	45,000	91,947
Negative Approp. :	0	0	0	0
TOTAL DIVISIONAL REVENUE (INCL. RECOVERIES)	9,982,641	4,310,671	2,975,588	17,268,900

GROSS EXPENSE BUDGET FOR 2004-05

9,982,641	4,293,511	4,198,180	18,474,332
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BUDGET GROUP VIII : STUDENT ASSISTANCE

DIVISIONAL BUDGET SCHEDULES

	GRADUATE FELLOWSHIPS		GRADUATE STUDENT AID		OGSST	STUDENT AID REINVESTMENT		STUDENT AID FUNDED FROM RESTRICTED FUNDS		SUB TOTAL CENTRAL ST ASSIST		ERINDALE	SCARBOROUGH	OISE/UT	TOTAL GROUP VIII
	2003-04	2004-05	2003-04	2004-05		2003-04	2004-05	2003-04	2004-05	2003-04	2004-05				
5,755,696	2,124,862	3,037,863	2,600,000	23,349,035	18,376,216	55,243,672	186,000	7,545,969	63,032,041						
Net Base Budget for 2003-04															
One-Time-Only Budget for 2003-04															
TOTAL NET BUDGET FOR 2003-04	5,755,696	2,124,862	3,037,863	2,600,000	23,349,035	55,243,672	186,000	7,545,969	63,032,041						
RECOMMENDED BUDGET CHANGES:															
ADDITIONS TO BASE:															
Balance of Prior Year's Salary/Benefit Increase															
Priorities Funds															
Expense Offset by Additional Income															
Transfers															
Contract, Oblig. & Policy Commit.															
REDUCTIONS FROM BASE:															
Budget Reduction															
Academic PTR Recovery															
Expense Recovery															
Transfers															
Contract, Oblig. & Policy Commit.															
(INCREASE) DECREASE IN DIVISIONAL REVENUE															
RECOMMENDED BASE BUDGET CHANGE	0	0	500,000	0	3,159,664	4,593,448	0	0	4,593,448						
ONE-TIME-ONLY BUDGET CHANGES:															
Research Overhead (Net Changes)															
Contract, Oblig. & Policy Commit. (Net Changes)															
RECOMMENDED ONE-TIME-ONLY BUDGET CHANGE	0	0	0	0	0	0	0	0	0						
Recommended Net Base Budget for 2004-05	5,755,696	2,124,862	3,537,863	2,600,000	26,508,699	59,837,120	186,000	7,545,969	67,625,489						
Recommended OTO Budget for 2004-05	0	0	0	0	0	0	0	0	0						
TOTAL RECOMMENDED NET BUDGET FOR 2004-05	5,755,696	2,124,862	3,537,863	2,600,000	26,508,699	59,837,120	186,000	7,545,969	67,625,489						
DIVISIONAL REVENUE (INCL. RECOVERIES)															
Endowment Income :															
External Income :	801,000					801,000									801,000
Internal Recoveries :	0	0				0									0
External Recoveries :	0					0									0
Negative Approp. :															
TOTAL DIVISIONAL REVENUE (INCL. RECOVERIES)	801,000	0	0	0	0	801,000	0	0	801,000					0	801,000
GROSS EXPENSE BUDGET FOR 2004-05	6,556,696	2,124,862	3,537,863	2,600,000	26,508,699	60,630,120	186,000	7,545,969	68,426,489						

BUDGET GROUP IX : FACILITIES AND SERVICES

DIVISIONAL BUDGET SCHEDULES

	ST GEORGE MAINTENANCE & SERVICES	DEFERRED MAINTENANCE FUNDING	ST GEORGE UTILITIES	ERINDALE MAINTENANCE & SERVICES	ERINDALE UTILITIES	SCARBOROUGH MAINTENANCE & SERVICES	SCARBOROUGH UTILITIES	TOTAL GROUP IX
Net Base Budget for 2003-04	30,595,677	0	25,675,652	3,082,532	2,529,537	3,631,209	2,500,172	68,014,779
One-Time-Only Budget for 2003-04	5,000	0	0	0	0	0	0	5,000
TOTAL NET BUDGET FOR 2003-04	30,600,677	0	25,675,652	3,082,532	2,529,537	3,631,209	2,500,172	68,019,779

RECOMMENDED BUDGET CHANGES:

ADDITIONS TO BASE:								
Balance of Prior Year's Salary/Benefit Increase	969,279	0	0	73,801	0	108,212	0	1,151,292
Priorities Funds				0	0	0	0	0
Expense Offset by Additional Income		0		0	0	0	0	0
Transfers	3,517	0		0	0	0	0	3,517
Contract. Oblig. & Policy Commit.	556,495	3,683,213	1,838,585	0	667,254	0	5,001	6,750,548
REDUCTIONS FROM BASE:								
Budget Reduction	(579,704)			(54,429)	0	(72,703)	0	(706,836)
Academic PTR Recovery				0	0	0	0	0
Expense Recovery				0	0	0	0	0
Transfers				0	0	0	0	0
Contract. Oblig. & Policy Commit.				0	0	0	0	0
(INCREASE) DECREASE IN DIVISIONAL REVENUE								
RECOMMENDED BASE BUDGET CHANGE	949,587	3,683,213	1,838,585	19,372	667,254	35,509	5,001	7,198,521

ONE-TIME-ONLY BUDGET CHANGES:

Research Overhead (Net Changes)	24,000	0	0	0	0	0	0	0
Contract. Oblig. & Policy Commit. (Net Changes)	24,000	0	0	0	0	0	0	24,000
RECOMMENDED ONE-TIME-ONLY BUDGET CHANGE	24,000	0	0	0	0	0	0	24,000
Recommended Net Base Budget for 2004-05	31,545,264	3,683,213	27,514,237	3,101,904	3,196,791	3,666,718	2,505,173	75,213,300
Recommended OTO Budget for 2004-05	29,000	0	0	0	0	0	0	29,000
TOTAL RECOMMENDED NET BUDGET FOR 2004-05	31,574,264	3,683,213	27,514,237	3,101,904	3,196,791	3,666,718	2,505,173	75,242,300

DIVISIONAL REVENUE (INCL. RECOVERIES)

Endowment Income :								
External Income :	2,353,291	0	6,510,484	12,000	0	23,760	0	8,899,535
Internal Recoveries :	23,366,879	0	3,799,500	403,945	120,000	1,150,569	0	28,840,893
External Recoveries :				0	0	0	0	0
Negative Approp. :				0	0	0	0	0
TOTAL DIVISIONAL REVENUE (INCL. RECOVERIES)	25,720,170	0	10,309,984	415,945	120,000	1,174,329	0	37,740,428
GROSS EXPENSE BUDGET FOR 2004-05	57,294,434	3,683,213	37,824,221	3,517,849	3,316,791	4,841,047	2,505,173	112,982,728

BUDGET GROUP X : ADMINISTRATIVE & GOVERNANCE

DIVISIONAL BUDGET SCHEDULES

OFFICE OF THE

Table with 11 columns: GOVERNING COUNCIL, OFFICE OF THE OMBUDSPERSON, INSTITUTIONAL COST, VICE-PRES, VICE-PROVOST, OFFICE OF STUDENT AFFAIRS, VICE PROVOST - STUDENTS, VICE PRESIDENT BUSINESS AFFAIRS, VICE PRESIDENT CHIEF ADVANCE, VICE PRESIDENT GOVERNMENT RELATIONS, VICE PRESIDENT RESEARCH & ST. GEORGE ADMIN, TOTAL GROUP X.

Net Base Budget for 2004-04

One-Time-Only Budget for 2004-04

TOTAL NET BUDGET FOR 2004-04

RECOMMENDED BUDGET CHANGES:

ADDITIONS TO BASE:

Table with 2 columns: Description, Amount. Includes items like Balance of Prior Year's Salary/Benefit Increase, Prorated Funds, Expense Offset by Additional Income, Transfer, Contract, Oblig. & Policy Commit, REDUCTIONS FROM BASE, Budget Reduction, Academic PTR Recovery, Expense Recovery, Transfer, Contract, Oblig. & Policy Commit, (INCREASE) DECREASE IN DIVISIONAL REVENUE, RECOMMENDED BASE BUDGET CHANGE.

ONE-TIME-ONLY BUDGET CHANGES:

Table with 2 columns: Description, Amount. Includes Research Overhead (Net Change), Contract, Oblig. & Policy Commit, (NSG Changes), RECOMMENDED ONE-TIME-ONLY BUDGET CHANGE.

Recommended Net Base Budget for 2004-05

Recommended OTO Budget for 2004-05

TOTAL RECOMMENDED NET BUDGET FOR 2004-05

DIVISIONAL REVENUE (INCL. RECOVERIES)

Table with 2 columns: Description, Amount. Includes Endowment Income, External Income, Internal Income, External Recoveries, Internal Recoveries, Net Base Revenue, TOTAL DIVISIONAL REVENUE (INCL. RECOVERIES), GROSS EXPENSE BUDGET FOR 2004-05.

BUDGET GROUP XI : GENERAL UNIVERSITY EXPENSE & OTHERS

DIVISIONAL BUDGET SCHEDULES

	GENERAL UNIVERSITY EXPENSE	ACCOMMODATION & FACILITIES DIRECTORATE	LEASE COST OF OFF CAMPUS SPACE	MUNICIPAL TAXES	TOTAL GROUP XI
Net Base Budget for 2003-04	35,489,764	270,618	987,937	3,559,425	40,307,744
One-Time-Only Budget for 2003-04	0	462,181			462,181
TOTAL NET BUDGET FOR 2003-04	35,489,764	732,799	987,937	3,559,425	40,769,925

RECOMMENDED BUDGET CHANGES:

ADDITIONS TO BASE:					
Balance of Prior Year's Salary/Benefit Increase	(21,168,751)				(21,168,751)
Priorities Funds	0				0
Expense Offset by Additional Income	0				0
Transfers	865,593				865,593
Contract. Oblig. & Policy Commit.	64,086,630		(58,000)	675,900	64,704,530
REDUCTIONS FROM BASE:					
Budget Reduction	221,813	(5,412)			216,401
Academic PTR Recovery	0				0
Expense Recovery	0				0
Transfers	(1,434,555)				(1,434,555)
Contract. Oblig. & Policy Commit.	0				0
(INCREASE) DECREASE IN DIVISIONAL REVENUE	(150,000)				(150,000)
RECOMMENDED BASE BUDGET CHANGE	42,420,730	(5,412)	(58,000)	675,900	43,033,218

ONE-TIME-ONLY BUDGET CHANGES:

Research Overhead (Net Changes)	0	(32,812)	0	0	(32,812)
Contract. Oblig. & Policy Commit. (Net Changes)	206,620				206,620
RECOMMENDED ONE-TIME-ONLY BUDGET CHANGE	206,620	(32,812)	0	0	173,808

Recommended Net Base Budget for 2004-05	77,910,494	265,206	929,937	4,235,325	83,340,962
Recommended OTO Budget for 2004-05	206,620	429,369	0	0	635,989
TOTAL RECOMMENDED NET BUDGET FOR 2004-05	78,117,114	694,575	929,937	4,235,325	83,976,951

DIVISIONAL REVENUE (INCL. RECOVERIES)

Endowment Income :	0				0
External Income :	0				0
Internal Recoveries :	9,156,715				9,156,715
External Recoveries :	0				0
Negative Approp. :	0				0
TOTAL DIVISIONAL REVENUE (INCL. RECOVERIES)	9,156,715	0	0	0	9,156,715

GROSS EXPENSE BUDGET FOR 2004-05

87,273,829	694,575	929,937	4,235,325	93,133,666
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EXPENSE SUMMARY

DIVISIONAL BUDGET SCHEDULES

TOTAL GROUP I:	TOTAL GROUP II:	TOTAL GROUP III:	TOTAL GROUP IV:	TOTAL GROUP V:	SUBTOTAL GROUPS I-V:	TOTAL GROUP VI:	TOTAL GROUP VII:	TOTAL GROUP VIII:	TOTAL GROUP IX:	TOTAL GROUP X:	TOTAL GROUP XI:	TOTAL
223,006,046	9,947,998	91,723,981	104,527,072	85,180,723	516,382,820	58,468,538	1,181,365	61,032,041	60,291,453	10,000	40,307,744	807,683,740
(1,083,520)	203,494	1,424,251	2,373,223	1,773,784	6,866,272	0	0	0	5,000	0	462,181	7,337,453
224,089,566	10,153,482	95,148,232	106,900,295	86,954,507	523,246,092	58,468,538	1,181,365	61,032,041	60,303,453	10,000	40,769,925	815,021,193
RECOMMENDED BUDGET CHANGES:												
ADDITIONS TO BASE:												
	8,765,442	410,126	3,619,204	3,501,039	16,431,955	1,397,690	24,067	0	1,151,292	2,163,747	(21,168,751)	0
	0	0	0	0	0	0	0	0	0	0	0	0
	100,000	0	0	200,000	300,000	0	0	0	0	0	0	300,000
	22,292,094	470,608	4,056,707	4,841,795	44,117,798	250,600	0	175,000	3,517	434,998	865,593	45,846,906
	433,815	1,889	250	2,478,722	66,654,292	877,535	0	4,725,201	6,750,548	0	64,704,530	143,712,106
REDUCTIONS FROM BASE:												
	(4,313,031)	(206,232)	(1,828,077)	(1,740,943)	(8,151,702)	(774,417)	0	0	(706,836)	(1,061,446)	216,401	(10,478,000)
	(1,906,759)	(3,433)	(691,650)	(786,696)	(3,388,538)	(172,339)	0	0	0	0	0	(3,560,877)
	(1,701,445)	0	0	(3,455,520)	(44,099,313)	(6,285)	0	(306,753)	0	0	(1,434,555)	(45,846,906)
	(100,800)	0	0	(200,000)	(150,000)	0	0	0	0	0	0	(50,000)
	23,570,116	673,198	5,136,434	4,838,397	71,714,492	1,572,184	24,067	4,593,448	7,198,521	1,537,299	43,033,218	129,673,229
RECOMMENDED DECREASE IN DIVISIONAL REVENUE												
RECOMMENDED BASE BUDGET CHANGE												
ONE-TIME-ONLY BUDGET CHANGES:												
	44,352	100,605	7,745	(439,303)	0	13,863	0	0	0	0	(32,812)	(305,550)
	253,788	0	0	(850,654)	(596,866)	0	0	24,000	(10,000)	0	206,620	(376,246)
	298,140	100,605	7,745	(439,303)	(883,467)	13,863	0	24,000	(10,000)	0	173,808	(681,796)
RECOMMENDED ONE-TIME-ONLY BUDGET CHANGE												
	246,576,162	10,621,196	98,880,415	109,165,469	588,100,312	60,040,722	1,205,432	67,625,489	75,213,300	61,830,752	83,340,962	937,356,969
	1,381,560	306,099	1,431,996	1,933,920	5,976,805	13,863	0	29,000	0	0	635,989	6,655,657
	247,957,822	10,927,295	100,312,411	111,299,389	594,077,117	60,054,585	1,205,432	67,625,489	75,242,300	61,830,752	83,976,951	944,012,626
DIVISIONAL REVENUE (INCL. RECOVERIES)												
	2,200,000	0	1,765,414	5,354,175	9,686,589	0	0	0	0	0	0	9,686,589
	10,178,001	11,547,159	35,390,529	59,344,563	116,960,232	4,586,224	15,885,056	801,000	8,899,535	7,392,729	0	154,524,796
	25,573,168	718,131	15,460,864	26,967,026	78,112,315	9,006,167	1,291,897	0	28,840,893	13,831,260	9,156,715	140,239,247
	4,944,746	330,856	33,442,771	1,104,573	39,822,946	2,007,633	91,947	0	54,800	0	0	41,977,326
	6,304,216	0	0	5,268,600	11,572,816	100,584	0	0	39,925	0	0	11,713,325
	49,200,131	12,596,146	86,039,578	98,038,937	256,154,918	15,700,608	17,268,900	801,000	37,740,428	21,318,714	9,156,715	358,141,283
	297,157,953	23,523,441	186,371,989	209,338,326	850,234,035	75,755,193	18,474,332	68,426,489	112,992,728	83,149,466	91,133,666	1,302,153,909
GROSS EXPENSE BUDGET FOR 2004-05												

Appendix A. Revenue and Expense Assumptions for the period 2004-05 to 2009-10.

#	Budget Model Line	Assumption
General Assumptions		
1.	Period of Budget Guidelines	2004-05 to 2009-10
2.	General Rate of Inflation (CPI)	CPI assumed to be 2.0% annually. While the CPI for 2002-03 was greater than 2%, the projections from the Provincial and Federal Governments and the Institute for Policy Analysis range between 1.97 and 2.04 for the period 2004-10.
Revenue Assumptions		
3.	Domestic U/G Enrolment	Enrolment is assumed to follow the plans described as Phases 1 and 2 in <i>Update on Enrolment Expansion</i> , which has received Governing Council approval. A further increase of 750 was added in Phase 3 of this plan. Two additional increases in intake of 750 and 85 students in 2003-04 were included in the March 2003 and April 2003 Enrolment Target Agreements with the Provincial Government.
4.	International U/G Enrolment	International enrolment intake assumptions will be maintained at least at the 2000-01 level. In 2003-04 international enrolment increased. Flow through of this increase is reflected in outer year projections.
5.	Graduate Enrolment	For the purposes of budget projections, modest growth has been assumed. Domestic and international doctoral stream enrolment targets and revenue sharing arrangements will be negotiated as part of new Divisional plans.
6.	Government Operating Grants	<p>It is assumed that Government will continue to provide full funding for increased enrolment associated with the double cohort and its flow through the system. Funding per student will be held at the same level as in 2003-04, but beyond 2006-07, the revenue from Government Operating Grants will increase year over year by CPI to cover increased costs. This increase will be in addition to any revenue from enrolment increases.</p> <p>It is also assumed that there will be no change in the cap on graduate funding over the period of the guidelines. As a result, some graduate BIUs will continue to be unfunded. Only tuition revenue will be realized for any increase in graduate enrolment.</p>
7.	Ontario Quality Assurance Fund	The Double Cohort Quality Assurance Fund will be maintained at the levels announced last year. The University will receive its pro-rata share of this Fund, starting at \$14.7M in 2003-04 and rising to steady state of \$39.1M by 2006-07.
8.	Replacement Funding for Tuition Freeze	It is assumed that the provincial government will provide replacement funding to compensate for tuition fees lost as a result of the two-year freeze. The foregone revenue has been estimated as \$11M in 2004-05 and \$24M in 2005-06. However, for budgeting purposes, conservative estimates of \$6.3M and \$13.3M, respectively, have been used.

9.	Tuition Fee Rates: Domestic	Fees in all programs are assumed to be frozen in 2004-05 and 2005-06 at 2003-04 levels. However, flow through of previous increases is allowed. Fees to be increased by CPI (estimated to be 2%) in 2006-07 and beyond.
10.	Tuition Fee Rates: International	A new tuition fee schedule for international students will be introduced, with a 5% increase in 2004-05 and further increases in 2005-06.
11.	Endowment Revenue for Chairs and Student Aid	The endowment income is based on projected payout rates of \$6.73 for 2003-04, rising by 2% a year to \$7.58 by 2009-10. Revenue includes endowed income from student aid and divisional income from endowed chairs.
12.	Canada Research Chairs Program	The Canada Research Chairs program will be renewed with the same terms after its expiry in 2007-08, and the University of Toronto will maintain its current share of the program.
13.	Indirect Cost Recovery on Research Grants and Contracts	Revenue from indirect cost recovery flows to general university income, from : <ul style="list-style-type: none"> • Provincial Centres of Excellence • Connaught and I'Anson Funds • Other Grants and Contracts • ORDCF • Canada Research Chairs • Ontario Research Performance Fund • Federal Granting Councils
14.	Other Grants and Contracts	Revenue projected to increase by approximately 1% per year.
15.	Ontario Research Performance Fund	This is projected to be \$5.4 M in 2004-05 through to 2009-10.
16.	Federal Government Indirect Cost of Research Program	The Federal Government confirmed a fund of \$225M for the indirect costs of federally supported research in 2003-04 and beyond. The University's share, excluding the affiliated teaching hospitals, is projected at \$15.1M. The program is a 3-year program with an IDC rate of 20%. This will be reviewed in 2005-06 with advocacy toward increasing the rate to 40%. The long range plan is based on a 20% rate.
17.	Endowment Administration and Investment Management Fees	In 2000-01 the University introduced an investment management overhead fee on EFIP, LTCAP and pension funds and an endowment stewardship fee on LTCAP to recover from those funds the indirect costs incurred by the University for these purposes. The projected investment management fee revenue is \$0.6M and the projected endowment administration fee is \$5.4M in 2004-05. Fees are projected to rise at 4% per year thereafter.
18.	Investment Income	UBS Cash-in-Action: 2.93% for 2004-05 and beyond Investments managed by UTAM: 4.5% for 2004-05 and beyond Internal loans with signed agreements: 5.76% for 2004-05, 6.11% for 2005-06, 6.31% 2006-07, 6.34% for 2007-08 and beyond.
19.	Amortization of Investment Losses	The recent market loss in EFIP investment is being amortized at \$10.6M a year for 3 years.

20.	Other Income	<p>This includes revenue from:</p> <ul style="list-style-type: none"> • Surcharge on unpaid fees • Application fees • Central overhead charges to self-funded academic programs <p>Projections for the surcharge and application fees are calculated based on projected enrolment levels. Projections for overhead revenue are based on an established overhead model.</p>
21.	Divisional Income	Increased divisional revenues are offset by increased divisional expense allocations. Divisional income is projected to increase at 2% a year.

Expenditure Assumptions		
22.	Contractual Obligations and Policy Commitments (COPC)	This section includes expenditures which are protected because they are required through contractual obligations or policy. For further detail, refer to the 2004-05 COPC Report.
23.	Compensation	<p>The following assumptions are for modelling purposes only and do not represent a strategy for salary negotiations.</p> <ul style="list-style-type: none"> • Compensation increases for 2003-04 and 2004-05 for UTFA are included. • Compensation increases for all university employees, including the costs associated with benefit improvements, are assumed to be as follows for 2005-06 and beyond: <ul style="list-style-type: none"> UTFA: CPI plus cost of PTR annually, Professional/ management: CPI plus merit Other employees: CPI annually (step increases are funded by the Divisions) • Cost increases associated with the provision of the existing level of employee benefits are captured in assumption # 25. • The sum of \$0.5M in base will be transferred annually from general university revenue to the Faculty Retention Fund.
24.	Pension Deficit Amortization	The deficit in the pension fund is being amortized at \$26.5M a year for 15 years.
25.	Employer Benefits Costs	<p>It is assumed that the standard benefit rates will increase to 20.75% for appointed employees and at 9.75% for non-appointed employees. The higher rates do not include the pension amortization payments that are required beginning 2004-05.</p> <p>The Guidelines include the full current service costs for the regular pension plan and the supplementary retirement allowance (SRA) in base. Projections have been updated based on latest consultations with actuaries which have resulted in the Pension Strategy that was approved by the Business Board on January 19, 2004.</p>

26.	Enrolment Growth Fund	<p>Expenditures from this fund are based on the same enrolment levels used for operating grant and tuition revenue projections. In general, Divisions will receive:</p> <ul style="list-style-type: none"> • 75% of the tuition fee revenue net of mandated student aid plus 75% of the operating grant revenue generated by the approved increased undergraduate domestic enrolment, • 60% of tuition fee revenue generated by the increased undergraduate international enrolment, • In certain approved cases, 75% of the tuition fee revenue net of mandated student aid generated by increased enrolment in professional masters programs. <p>Funding will not be allocated for enrolment increases planned prior to 2000-01, nor those increases funded from other funding envelopes.</p>
27.	Student Aid Reinvestment	<p>A portion of tuition revenue will continue to be set aside for undergraduate student aid. The retained portion consists of 30% of the incremental tuition revenue due to tuition fee increases above the 1995-96 levels. Projections have been updated to reflect the impact of the tuition freeze.</p> <p>The Stepping Up academic plan includes as an important objective a substantial increase in student aid. The amount set aside from incremental tuition fee revenue will form part of this increase. In addition, the University will strive to achieve its objectives in this area through the OSOTF program and other development efforts.</p>
28.	Graduate Student Support	<p>A portion of tuition revenue will continue to be set aside for graduate student support. The retained portion consists of 100% of the incremental tuition revenue due to tuition fee increases above the 1995-96 levels. Projections have been updated to reflect the impact of the tuition freeze.</p>
29.	Matching Programs	<p>\$2.5M in base is allocated for various matching programs.</p>
30.	Quality Enhancement Funds from Tuition Sharing	<p>Revenue from tuition fee increases greater than 5%, net of mandated student aid, will flow to the Tuition Sharing Fund to be allocated to Divisions in response to plans for quality improvement. Projections have been updated to reflect the impact of tuition freeze.</p>
31.	International Tuition Sharing	<p>Revenue from international tuition fee increases greater than 5%, net of 30% for student aid and recruitment, will flow to the International Tuition Sharing Fund to be allocated to Divisions.</p>
32.	Academic Program Planning	<p>\$5M in base is allocated annually for academic planning program initiatives under Stepping Up.</p>
33.	Academic Service Initiatives	<p>\$0.5M in base will be transferred to the Academic Service Initiatives fund from general university revenue in 2004-05 and 2005-06 and \$0.25M in 2006-07. This fund supports such services as libraries (other than book acquisition) and academic computing, and the added funding is needed to meet the increased demands resulting from enrolment expansion.</p>

34.	Information Technology Initiatives and Upgrades	\$2M in base is allocated for administrative information technology initiatives and upgrades.
35.	Transitional Funding	This fund is used to assist a limited number of divisions who are in transition. The provision of funding will be dependent on attainment of transitional objectives developed by agreement with the Provost.
36.	Administrative Priorities	\$0.5M in base will be transferred to the Administrative Priorities fund from general university revenue each year to meet the increased demands resulting from enrolment expansion.
37.	Facilities Renovations and Deferred Maintenance	About 1% of the Operating Budget has been allocated to renovations and deferred maintenance on all campuses, \$3.7M in base in 2004-05 and a further \$4.7M in 2005-06. This is in addition to funding expected from the Provincial Government for deferred maintenance, via the Facilities Renewal Program (FRP). Expenditure of these funds will be approved by the Accommodation and Facilities Directorate (AFD) and in accordance with FRP regulations.
38.	Endowment Matching Funds	Approximately \$44M is needed from 2004-05 to 2009-10 to meet existing matching commitments. Debt service charges on this are included in item # 22.

Appendix B
Contractual Obligation and Policy Commitments Budget
2004-05

The Budget Model organizes projected expenses into several generic categories, each representing a different degree of annual budgetary discretion. One of these is Contractual Obligations and Policy Commitment (COPC) items. These are expenses that must be honoured, and hence are protected from budget cuts. They include:

- Payments resulting from contractual obligations to other institutions, such as for the joint programs with Sheridan College or Centennial College.
- Inevitable expenses, such as the cost of utilities or legal fees.
- Expenditures that are protected by University policy to maintain academic quality, such as the book acquisition budget for the library.

The COPC Report for 2004-05 is presented in two attached tables, as follows:

Table 1: A brief explanation for each COPC item and the reasons for budget increase/decrease, if any. The last column in this table indicates whether any significant changes in budget are expected over the remainder of the planning period (2005 to 2010);

Table 2: The 2004-05 budget allocation for each of the COPC budget categories. The last page of this report gives the contingency budget.

The projections for various COPC items include a degree of uncertainty resulting from events such as the volatility of the Canadian dollar or fluctuations in utility rates. The recommended budget for each item is based on the middle of the range of projected costs. The uncertainty is accounted for in a contingency allocation. The contingency budget is calculated as 75% of the sum of the contingencies estimated for various items. Historically, the 75% factor has been found to be a realistic measure of the variability.

The main contributors to the contingency budget are utilities costs (\$1.7million), the library book fund (\$1.4 million) and the legal expense budget (\$700,000). The contingency budget, after applying the 75% factor, is \$3 million, a decrease of \$900,000 from last year. The items included in the contingency budget are identified by an asterisk in Table 2.

Overall the increase in the base budget for the COPC Report is \$9.6 million. The main reasons for this increase are the additional funds needed to service the central debt (\$2.7million), the utility costs (\$2.5) million and funding for the library system acquisitions (\$920,000). A correction to the 2003-4 charges for new space is also included.

The OTO portion of the 2004-05 budget is \$6.7 million higher than in 2003-04. Of this amount, \$5.8 million is funded from Research Overhead and is offset by related income to the University. In addition, \$385,000 is needed to cover the shortfall related to the Block Grant arrangements with the three Federated Colleges (largely to fund increased utility costs) and another \$201,000 is associated with the Administrators on Leave account.

**COPC Table 1
Contractual Obligations Policy Commitments -
2004 - 2010.**

	<u>Item</u>	<u>Explanation</u>	<u>2004-05 year</u>	<u>2005-06 through 2009-10</u>
1	<u>Contractual Obligations to Affiliated Institutions.</u> Federated Colleges block grant (incl PIMS)	Under the Financial Arrangements provision of the Memorandum of Understanding, the University annually makes a block grant to St. Michael's College, Trinity College and Victoria College. Total grant includes funding for Library Operations, Registrarial and Academic support, Maintenance & Represents a flow through of graduate enrollment related Provincial grant revenue to the Toronto School of Theology	Grant increase of \$385,245 relates to increased activity in book transactions for Victoria college, and higher per NASM charges for operating cost and Utilities. For 2004-05, the grant formula produced an amount of \$1,906,262 which is a 2.5% increase over last year's payment of \$1,860,970. The 04-05 calculation takes into consideration the unfunded graduate BIU's. TST's share was calculated based on incremental increase year over year in LRBG. (Grad. BIU count divided by total funded Grad. BIU)	A zero percent increase in provincial grant payment for 2004-5 and 2005-06 is assumed. Thereafter, a provincial grant increase assumption of 2% annually sees the payment increase.
	TST Theology Grant	Provincial grant revenue to the Toronto School of Theology		
	Transfer Payments re Joint Programs with Colleges	Represents various agreements with local colleges to provide for courses under joint study.	The increase is due to the growth in enrollment in joint programs.	The budget is \$6,657,500, \$9,535,564, \$10,584,893, \$10,915,643, \$11,119,072 (2005-2010) respectively.
2	<u>Other Contractual Obligations</u> Lease Cost of Off-Campus Space	Provides central funding to cover costs related to external lease agreements for the space occupied by various departments.	As some leases have been terminated, the forecast sees a drop to \$929,937 versus the value for 2003-04 of \$987,936.	For the remaining years of the forecast, the forecast will depend on whether or not a concerted effort is made to move departments away from the use of off-campus space and take greater advantage of existing and new space. It was decided that the Provost should be informed of the need for departments to utilize campus space to a greater extent and, perhaps, have Ron Venter take the lead in moving towards this goal.
3	<u>Institutional Statutory Commitments</u> Membership Fees Negotiating Expense - UTFA, USWA, CUPE Job Accommodation Fund/ Program Legal Fees	Provides central funding for the University's membership in the COU, AUCC, AAU, and selected international associations. Central funding for the cost of negotiating new service agreements. Common expenditures include pension consulting, administrative costs, research, and special project costs. Disabled access funding Central funding for the cost of legal services	Rates are assumed to rise by about 50% of the Consumer Price Index (CPI). UTFA - savings of \$30k due to underspending. USWA - OTO funding of \$25k to cover the cost of negotiations, \$70k for Job Evaluation project, with a \$30k contingency provision. CUPE - OTO funding of \$3k. The current budget of \$25,000 appears appropriate. The account has a \$70,000 carryforward balance, which is needed to cover special equipment needs of the employees. Recommended to keep the base budget at the current level of \$2,792,000, with a contingency of \$700,000 for the 2004-05 year.	Increase at 50% of the CPI rate change is forecast. Base Budgets were flat lined during the long range budget period, OTO funding in 2005-06 of \$113k for USWA negotiations to cover the cost for next round of negotiations. BPS approved the continuation of the \$25,000 base budget throughout the long range budget period. Flat lined during the long range budget period.

**COPC Table 1
Contractual Obligations Policy Commitments -
2004 - 2010.**

	<u>Item</u>	<u>Explanation</u>	<u>2004-05 year</u>	<u>2005-06 through 2009-10</u>
	Pension Consulting	Central funding for the cost of pension consulting	No significant change in funding requirement for this item.	Flat lined during the long range budget period.
	Radioactive & Chemical Waste Disposal	Relates to the waste generated by the research and teaching activities of academic departments, and the announced and anticipated rates that will be charged by waste disposal contractors.	Some increases in expense are expected in order to address laboratory decommissioning projects and sealed-source radioactive waste disposal needs. Consequently, a contingency provision of \$55,000 has been allocated.	Flat-lined for outer years. To be reviewed every year based on new information available.
	Environmental Health & Safety Fund	To cover expenses related to various projects identified as necessary for compliance under the Occupational Health & Safety Act, e.g. Asbestos Inspections, Sampling/Analysis for concerns related to air quality, and potential exposure to hazardous agents.	There is need for continued monitoring of asbestos presence in work/access areas. A contingency of \$15,000 was approved as a reserve for the 04/05 fiscal year should inspections and characterizations require more funding than currently allocated. In addition a further contingency of \$30,000 is reserved for the 04/05 fiscal year to fund any required additional sampling or external consultation costs.	Flat-lined for outer years. To be reviewed every year based on new information available.
4	<u>Utilities</u>			
	Utilities : St George	Provides for anticipated rate and volume increases for electricity, water, natural gas, oil and steam.	Current year increase of \$1.8m is to cover the cost for increased rates for Gas & Hydro. There is a contingency provision of further \$1.7m to cover a required correction between the estimates used for prior budgets versus actual volumes incurred. This adjustment largely relates to electricity cost forecasting over the past three years.	The forecasted values are net of recovery from added new space. For 2005-06 to 2009-10 the incremental increases are \$284,018, \$1,210,598, \$1,382,702, \$1,478,218, and \$606,588.
	Utilities : Scarborough	Provides for anticipated rate and volume increases for electricity, water, natural gas, oil and steam.	Small increase of \$5,000 is a result of savings in their current budget to cover the volume and rate increases.	For 2005-06 there is an incremental increase of \$64,000, and 2% each year thereafter.
	Utilities : Erindale	Provides for anticipated rate and volume increases for electricity, water, natural gas, oil and steam.	Approved increase of \$667,000 is to cover the cost for their added space, and volume and rate increases.	Forecast includes an incremental increase of 2% for each year for the planning period.
5	<u>Additional Cost of New Space</u>			
	Additional cost of New space.	Provides for anticipated volume increases for electricity, water, natural gas, oil and steam. There is also provision for operating cost (caretaking, maintenance)	The current year approval of \$1.5m includes a correction of recovery from divisions of approx. \$92.5k related to delay in the use of the TDSB building, and a collection from the Faculty of Medicine related to 500 University Ave., which should not have been included. The remaining funding of \$500k is mainly to cover the cost in Board of Education building.	
6	<u>Paid Leave Commitments</u>			

**COPC Table 1
Contractual Obligations Policy Commitments -
2004 - 2010.**

Item	Explanation	2004-05 year	2005-06 through 2009-10
Administrative leaves	Central budget provision to meet the cost of leaves for faculty members who serve in the University's administration, the School of Graduate Studies, and St. George Campus Constituent and Federated Colleges	Variances over last year's submission are primarily due to the shifting in timing of administrative leaves (2004-08) and the addition of additional leave due to increased administrative services (2008,09)	The budget is \$305,557, \$661,736, \$901,296, \$727,065, \$726,142 (2005-2010) respectively.
Release Time - UTFA, USWA, CUPE	Central funding for the contract-related secondments associated with union agreements.	Effective January, 2004, the release time per FTE for UTFA officers will increase to \$107,200 plus benefits from \$63,516 plus benefits. The requested base budget increase of \$118,993 was approved by BPS for 2004-5. USWA - for 2004-5 and beyond assumes an average salary of \$58,000 plus benefits, BPS approved the request for an added \$35,487 in base budget. OTO funding of \$138,620 for 2004-05 was also approved to fund the commitment for 2 FTE's for the Job Evaluation program. CUPE: Base adjustment of \$732.	UTFA - 3% in each year through 2009/10. USWA - 3% in each year through 2009/10, and OTO funding of \$23,102 for 2005-06 was also approved to fund the commitment for 2 FTE's for Job Evaluation program, ending June 30 2005. CUPE - 3% in each year through 2009/10.
7 Library Acquisitions Commitments Library acquisitions	Provides for library acquisition expenses from budget reductions and to adjust those expenses annually in relation to price inflation and currency fluctuation. Thus the policy is aimed at maintaining the real purchasing power of the library acquisitions budgets.	The required increase in funding for the next budget year is calculated based on expected changes in the prices of books/periodicals and on exchange rate fluctuations. A 4.15% rate of base budget increase was approved for 2004-5. The Book Fund Contingency is calculated to protect the book fund budget from fluctuations of the currencies during the next budget year. The benchmark rates are compared to the forward rates (purchasing, 1 year out) for each of the four major currencies - US dollar, Euro, Pound and Yen and the proportion of the budget actually spent in each of the currencies. A contingency requirement of \$1,440,358 was approved for 2004-05.	BPS approved the continuation of the 4.15% base budget throughout the long range budget period, with annual review.
8 Other Policy Commitments Expenses Funded from Overhead on Contract Research Expenses Funded from Overhead on Federal Research Grant Overhead on University Student Assistance	Funds distributed to the units which incur the indirect costs on a slip year basis as a one-time-only budget in the unit's operating fund. Divisional portion of the total overhead generated from the Federal Granting Councils. Overhead of 5% applied to the total Student Aid reinvestment budget to cover administrative cost.	OTO provision for the current year is \$5.8m. Base Budget of \$3.8m. Base Budget of \$1.4m.	

**COPC Table 1
Contractual Obligations Policy Commitments -
2004 - 2010.**

	<u>Item</u>	<u>Explanation</u>	<u>2004-05 year</u>	<u>2005-06 through 2009-10</u>
Insurance		Provides funding for protection against specific loss and/or damage.	Insurance costs have come under pressure due to events related to the September 11 tragedy, the general increase in the UofT's property values (particularly to the new construction) and the increase in the rates of the university's carrier CURIE (Canadian University Reciprocal Insurance Exchange) resulting from higher claims experience. Continued use of the Insurance reserve to offset these cost pressures is not feasible. The reserves actual level of \$1.3 million (with a \$1.5 million target level) is already below recommended levels. It was agreed to place a \$275,000 contingency on the COPC list for 2003-4 to address immediate needs. In addition, for 2004-5 a base budget increase of \$589,792 was approved, bringing the total budget to \$1,450,000.	No base increase is expected at this time for the remaining years of the forecast.
Governing Council Elections		Provide funding to re-imburse candidates for expenses related to Governing Council elections.	The base budget addition of \$3,605 reflects the need to revise documentation concerning election guidelines and expected election-related costs. In addition, the prior-year's contingency approval of \$11,000 was extended as election-related announcements in local newspapers are likely.	Flat-lined for outer years. To be reviewed every year based on new information available.
9 Operating Fund Transfer to Capital	1 Amortization of Capital debt, UJIF & MARS Loan	Provide funds to cover debt charges.	Debt service charge to increase by \$2.7m in 2004-05 due to added debt load for matching funds commitments known through to 2008-09.	Increase of \$1.2m in 2005-06 relates to purchase of the Medical Arts Building. There are insufficient funds to allow for the added \$8 million in capital debt financing for 2004-05, rising to \$14.6 million in 2009-10. The budget was revised accordingly.
10 Contingency Items	2 COPC Contingency	Additional funding provision, held centrally, to cover expense fluctuations for major COPC items, i.e. Library book fund, Legal fees, etc. Based on need, the funds are transferred OTO during the year.	BPS approved the use of the 75% rate.	BPS approved the use of the 75% rate.

COPC TABLE 2
Contractual Obligations and Policy Commitments (COPC) List.
Budget Allocations 2004-05

	<---Base Changes--->				Total 2004-05 Budget
	2003-04 BUDGET	Price Inflation & Formula Adjustments	Other	Total Base	
<u>1. CONTRACTUAL OBLIGATIONS TO AFFILIATED INSTITUTIONS</u>					
Federated Colleges block grant (incl PIMS)	6,802,381	385,245		385,245	7,572,871
TST Theology Grant	1,860,975	45,287		45,287	1,906,262
Transfer Payments re Joint Programs with Colleges	3,231,494	777,869		777,869	4,009,363
TOTAL-CONTRACTUAL OBLIGATIONS TO AFFILIATED INST.	11,894,850	1,208,401	-	1,208,401	13,488,496
<u>2. OTHER CONTRACTUAL OBLIGATIONS</u>					
Lease Cost of Off-Campus Space	987,937		(58,000)	(58,000)	929,937
TOTAL- OTHER CONTRACTUAL OBLIGATIONS	987,937	-	(58,000)	(58,000)	929,937

COPC TABLE 2
Contractual Obligations and Policy Commitments (COPC) List.
Budget Allocations 2004-05

	←---Base Changes---→				Total 2004-05 Budget
	2003-04 BUDGET	Price Inflation & Formula Adjustments	Other	Total Base	
Membership fees :					
-A.U.C.C.	169,104	2,429		2,429	171,533
-COU Subscriptions	638,001	6,380		6,380	644,381
-Total Other Membership	84,199	842		842	85,041
Subtotal- Membership Fees	891,304	9,651	-	9,651	900,955
Negotiating Expenses (a) UTFA	75,037			-	45,037
Negotiating Expenses (b) USWA *	15,000			-	110,000
Negotiating Expenses (c) TA (CUPE 3902)	19,694		(9,694)	(9,694)	13,000
TA/ TATP	50,000			-	50,000
Job Accommodation Fund/ Program	25,000			-	25,000
Legal Fees *	2,792,000			-	2,792,000
Pension Consulting	50,000			-	50,000
Radioactive & Chemical Waste Disposal *	470,000			-	470,000
Biomedical Waste Disposal (F&S)	41,712			-	41,712
Environmental Health & Safety Fund *	38,000			-	38,000
Drinking Water Regulation Testing - F&S.	5,000			-	5,000
EH&S - Certification Training & transfer from USWA	32,000			-	32,000
TOTAL- INSTITUTIONAL STATUTORY COMMITMENTS	4,504,747	9,651	(9,694)	(43)	4,572,704

* SEE COPC CONTINGENCY

COPC TABLE 2
Contractual Obligations and Policy Commitments (COPC) List.
Budget Allocations 2004-05

	←---Base Changes---→				Total 2004-05 Budget
	2003-04 BUDGET	Price Inflation & Formula Adjustments	Other	OTO	
4. UTILITIES					
Utilities: St George *					
Energy Management Fund	25,539,132	1,838,585			27,377,717
Relamping Project	200,000				200,000
Co-Generation Savings	(163,467)				(163,467)
Flue Heat Recovery Project	(292,480)				(292,480)
Sub total - St George Utilities	392,467				392,467
	25,675,652	1,838,585	-	-	27,514,237
Utilities : UTSC					
	2,500,172	5,001			2,505,173
Utilities : UTM					
	2,537,137	667,254			3,204,391
TOTAL - UTILITIES	30,712,961	2,510,840	-	-	33,223,801

* SEE COPC CONTINGENCY

COPC TABLE 2
Contractual Obligations and Policy Commitments (COPC) List.
Budget Allocations 2004-05

	←-----Base Changes-----→			Total
	2003-04 BUDGET	Price Inflation & Formula Adjustments	Other	
5. ADDITIONAL COST OF NEW SPACE				
Other Requests	-			-
Gerstein Addition - 3/12's	73,226			73,226
Earth Science Greenhouse - 2/12's	82,270			82,270
Haultain Bldg Conversion	25,818			25,818
Canadiana Building	75,604			75,604
Sid Smith Infill - balance of 9 months	26,142	55,585		81,727
New Daycare Centre (2/12 in 04-05)	64,525	21,463		85,988
500 University (12/12)	519,834			519,834
Medical Arts (12/12)	45,041			45,041
Lash Miller Nanolab (8 month cost)		6,177		6,177
Lash Miller CED High Voltage substation		7,539		7,539
BCIT - CED High Voltage substation		10,628		10,628
Incremental Operation & Maintenance		10,000		10,000
Roof Anchor - Annual Inspection & Certification - OHS Requirement		19,500		19,500
New Compulsory Annual Electrical Permit - St. George Campus		77,000		77,000
Emergency Deluge Showers - Annual Cost of Repairs Identified by OHS		30,000		30,000
Annual Gas Line Inspection/Repairs Due to Legislative Requirements		10,000		10,000
City Of Toronto Areaways Tax Increases		12,000		12,000
West Nile virus prevention			25,000	25,000
Daycare Facilities - Play ground inspections			4,000	4,000
Board of Ed - 155 College (4/12)	488,065	125,924		613,989
Board of Ed - 255 McCaul (4/12)	225,587	58,206		283,793
Board of Ed - 263 McCaul (4/12)	105,268	112,473		217,741
Recovery from Divisions		925,218		925,218
TOTAL - ADDITIONAL COST OF NEW SPACE	1,731,380	1,481,713	29,000	3,242,093

COPC TABLE 2
Contractual Obligations and Policy Commitments (COPC) List.
Budget Allocations 2004-05

	<----Base Changes---->				Total 2004-05 Budget
	2003-04 BUDGET	Price Inflation & Formula Adjustments	Other	Total Base	
6. PAID LEAVE COMMITMENTS					
Administrative leaves	-			-	201,276
UTFA Released Time	201,267		118,993	118,993	320,260
USWA Released Time	172,443		35,487	35,487	346,550
CUPE 3902 Released Time	-		10,486	10,486	10,486
CUPE 3261 Released Time	38,403			-	38,403
CUPE 1230 Released Time	24,388	732		732	25,120
TOTAL- PAID LEAVE COMMITMENTS	436,501	732	164,966	165,698	942,095

COPC TABLE 2
Contractual Obligations and Policy Commitments (COPC) List.
Budget Allocations 2004-05

	←---Base Changes---→			Total 2004-05 Budget
	2003-04 BUDGET	Price Inflation & Formula Adjustments	Other OTO	
St George (excl. binding)				
-Books *	5,971,064	247,799		6,218,863
-Periodicals *	8,663,301	359,527		9,022,828
-Automation	3,945,346	163,732		4,109,078
	18,579,711	771,058	-	19,350,769
Scarborough				
-Books *	1,217,945	50,545		1,268,489
-Periodicals *	-	-		-
-Automation	-	-		-
	1,217,945	50,545	-	1,268,489
Erindale				
-Books *	293,911	12,197		306,109
-Periodicals *	763,761	31,696		795,457
-Automation	212,664	8,826		221,489
	1,270,336	52,719	-	1,323,055
Law				
-Books *	138,907	5,765		144,672
-Periodicals *	555,629	23,059		578,687
-Automation	149,470	6,203		155,673
	844,006	35,026	-	879,032
Graduate Institutes & Centres				
Audio Visual Library	45,527	1,889		47,416
Dentistry	77,420	3,213		80,633
Innis College	6,019	250		6,269
Management	10,459	434		10,893
Music	-	-		-
New College	7,062	293		7,356
Fine Arts	18,837	782		19,618
University College	41,944	1,741		43,685
	7,846	326		8,171
TOTAL - LIBRARY ACQUISITIONS	22,127,111	918,275	-	23,045,386

* SEE COPC CONTINGENCY

COPC TABLE 2
Contractual Obligations and Policy Commitments (COPC) List.
Budget Allocations 2004-05

	<-----Base Changes----->			Total 2004-05 Budget
	2003-04 BUDGET	Price Inflation & Formula Adjustments	Other	
		Total Base	OTO	
8. OTHER POLICY COMMITMENTS				
Expenses Funded from Overhead on Contract Research	-	-	5,833,516	5,833,516
Expenses Funded from Overhead on Federal Research Grant	3,959,335	(194,240)		3,765,095
Overhead on University Student Assistance	1,088,442	306,753		1,395,195
Insurance	860,208	589,792		1,450,000
Governing Council Elections *	32,760	3,605		36,365
OCGS Periodic Appraisal Costs	-	-		-
* SEE COPC CONTINGENCY				
TOTAL - OTHER POLICY COMMITMENTS	5,940,745	705,910	5,833,516	12,480,171
9. OPERATING FUND TRANSFER TO CAPITAL				
Amortization of UIIF Loan and MaRS Loan	11,750,000	2,731,321		14,481,321
10. CONTINGENCY ITEMS (see list at end)				
	3,870,750	(896,177)		2,974,573
TOTAL COPC - ITEMS 1 TO 10	93,956,982	8,670,666	97,272	109,380,577

COPC TABLE 2
Contractual Obligations and Policy Commitments (COPC) List.
Budget Allocations 2004-05

	←---Base Changes---→			Total 2004-05 Budget
	2003-04 BUDGET	Price Inflation & Formula Adjustments	Other	
			OTO	
<u>Contingency Items</u>				
Library books (currency fluctuations)			Base	
Legal Fees			1,440,358	
Utilities			700,000	
CUPE 3902 Negotiation Expense			1,684,739	
Radioactive & Chemical Waste Disposal			-	
Environmental Health & Education Fund			55,000	
Governing Council Elections			45,000	
Insurance			11,000	
USWA Negotiations - Job Evaluation Project			-	
			30,000	
TOTAL CONTINGENCY			3,966,097	
Contingency Coverage of Risk 2004-05 @ 75%			2,974,573	
Prior Year Contingency			3,870,750	
Net Change in Contingency for 2004-05			(896,177)	