



University of Toronto

OFFICE OF THE VICE-PRESIDENT AND PROVOST

APPENDIX “E” TO REPORT NUMBER 161 OF
THE ACADEMIC BOARD – March 26, 2009

TO: **Planning and Budget Committee**

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DATE: For meeting on February 25, 2009

AGENDA ITEM: 6

ITEM IDENTIFICATION

- Long Range Budget Guidelines: 2009-10 to 2013-14 and Budget Report for 2009-10

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. [The concurrence of the Business Board is sought in regard to fiscal soundness before it is forwarded to Council.]

HIGHLIGHTS

This year, the University finds itself in the midst of a very serious economic recession. Economic forecasts suggest that these conditions may persist for several years, introducing a high degree of uncertainty in the projections presented in this report, and requiring careful controls on spending and contingency planning.

The highest impact of the economic slow-down is on endowment and investment revenues. At the time of preparation of this report, the loss, at least on paper, in the University’s Long Term Capital Appreciation Pool (LTCAP) is estimated to be on the order of 30%. As a result, no endowment payout is anticipated in 2008-09, representing a revenue loss of about \$62M. The corresponding drop in revenue in the University’s operating budget is about \$46M, which is the portion of the endowment payout that flows through the operating budget to support endowed chairs and student awards. Part of this loss will impact the current fiscal year and the remainder will affect revenues in 2009-10. In addition, investment income in 2009-10 from the Expendable

Funds Investment Pool (EFIP) is projected to be about \$13M lower than anticipated in last year's budget guidelines.

Revenue projections, excluding divisional income, show no increase in the University's operating revenue in 2009-10. Increases in operating grant and tuition income, which accrue from enrolment increases and a modest increase in tuition fees, are completely offset by the loss in endowment and investment income. At the same time, increases in the costs of utilities and other services continue. As a result, it has been necessary to implement significant cost containment measures in all divisions that provide university-wide services and to use, or where possible redirect, any available carryforward or reserve funds to minimize the impact of these measures on the institution and the students.

According to the provisions of the new budget model, revenues and the costs of university-wide services are attributed to the academic divisions. When costs increase faster than revenues, the academic divisions must implement cost containment in their internal budget plans. A large portion of the growth in revenue during the present planning cycle is derived from graduate enrolment. These revenues have considerable associated costs, particularly for graduate student support. This is in addition to the need to offset the loss in endowment and investments income. Repayment of the accumulated deficit will cost an additional \$11.2M. Coming after several years of expense reductions, budget pressures in 2009-10 are very significant.

Despite the loss of endowment revenue, the University remains committed to maintaining approximately the same level of student aid as in the past few years. A total of \$85M has been allocated to student aid from the operating budget. In addition, an estimated \$4M will be set aside from carryforward funds and new expendable donations to ensure all student aid need is met. It is projected that the endowment payout will resume in outer years and student aid will continue to be fully funded.

To ensure that the University can continue to meet contractual obligations and its accessibility guarantees, the proposed budget includes a planned deficit of \$45M, to be repaid over a five-year period. A new budgetary mechanism has been devised to allow deficit spending only in those divisions where it is necessary to do so. Divisions not significantly affected by the downturn in the economy or with sufficient carryforward funds will continue to plan on the basis of a balanced budget. This process is intended to ensure that the level of the budget deficit will be only as high as absolutely necessary. It is also consistent with the philosophy of the new budget model, which gives academic divisions a considerable degree of budgetary control and independence.

Even if divisions make full use of the proposed \$45M deficit financing, it is estimated that a minimum of \$10M of additional internal cost reductions will be necessary.

FINANCIAL AND/OR PLANNING IMPLICATIONS

Total revenue is projected to increase from \$1,416M in 2008-09 to \$1,438M in 2009-10. Most of this increase is in divisional revenues generated from various services, which are offset by related expenses. After accounting for funds that flow to other institutions, the net increase of revenue available to support university wide services and the academic division is only \$0.5M. Increases in compensation costs, graduate student support and capital debt-service support in the academic divisions are estimated to be about \$41M in 2009-10, based on the budget assumptions and the available enrolment and capital project plans. In addition, it is estimated that academic divisions will need to allocate about \$20M from their operating budgets to cover the endowment shortfall. This leaves an overall shortfall in the academic divisions of \$54.8M, against which up to \$45M in deficit financing may be applied. Thus, the minimum amount of cost containment that academic divisions will need to implement is \$9.7M. A cost containment of \$4.5M will be applied to the administrative divisions.

Following the payments made in 2008-09, the historical accumulated deficit is projected to drop to \$43.9M by the end of the 2009 fiscal year. Repayment will continue at the rate of \$11.2M in each of the next three years, with a final payment of \$10.3M in 2012-13. It is proposed that the new deficit of \$45M be repaid with equal installments over five years.

RECOMMENDATION

Be it Recommended to Academic Board

THAT the *Budget Report, 2009-10*, which includes the long-range budget projection for 2009-10 to 2013-14 and the budget for 2009-10, be approved.

UNIVERSITY OF TORONTO

LONG RANGE BUDGET GUIDELINES

2009-10 to 2013-14

February 17, 2009

University of Toronto

Long Range Budget Guidelines: 2009-10 to 2013-14

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Long Range Budget Guidelines

2009-10 to 2013-14

This report introduces the proposed Long-Range Budget Guidelines for the five-year budget cycle 2009-10 to 2013-14, followed by the detailed annual budget for fiscal year 2010. Projections for the outer years of the cycle provide the framework in which the University's budget will be prepared for fiscal years 2011 to 2014 as foreseen at the time of preparation of this report. They are provided to facilitate planning, and will be updated as appropriate each year to reflect changes in the economic conditions and the most recent information regarding the University's revenues and expenses.

The University is facing very difficult financial circumstances in 2009-10 and possibly for several years after that. An overview of the impact of the current economic conditions is presented in Section I, as part of the discussion of the fiscal context in which this year's Guidelines have been prepared. Section II provides a brief description of the University's new model as well as the process used to transition from the model that was previously used for budgetary allocations to the divisions.

For the past two decades, the University's budget was prepared based on five- or six-year planning cycles. A new cycle started when the previous cycle ended, sometimes sooner if financial circumstances changed significantly. Last year's budget report recommended a new approach based on a rolling five-year window, which was approved by Governing Council. At the same time, Governing Council guidelines for deficit control were revised to work with the rolling-window approach. This year's budget report has been prepared in accordance with the new policy and guidelines, which are summarized in Section III.

Before 2007-08, cost containment was implemented by introducing an across-the-board expense control measure for all academic and administrative divisions. Such a process is not appropriate under the new budget model. Section VII on Budget Impact describes the current approach to cost containment. The remainder of the report describes the budgetary assumptions, the budget guidelines for the next five years, the budget details for 2009-10 and the divisional allocations.

I. Fiscal Context

This year, the University finds itself in the midst of a very serious economic recession. Economic forecasts suggest that these conditions may persist for several years, introducing a high degree of uncertainty in the projections presented in this report, and requiring careful controls on spending and contingency planning.

The highest impact of the economic slow-down is on endowment and investment revenues. At the time of preparation of this report, the loss, at least on paper, in the University's Long Term Capital Appreciation Pool (LTCAP) is estimated to be on the order of 30%. As a result, no endowment payout is anticipated in 2008-09, representing a loss of about \$62M. The corresponding drop in revenue in the University's operating

budget is about \$46M, which is the portion of the endowment payout that flows through the operating budget to support endowed chairs and student awards. Part of this loss will impact the current fiscal year and the remainder will affect revenues in 2009-10. In addition, investment income in 2009-10 from the Expendable Funds Investment Pool (EFIP) is projected to be about \$13M lower than anticipated in last year's budget guidelines.

Enrolment

The primary sources of revenue for the University of Toronto are tuition fees and grant received from the Provincial Government, both of which are a function of student enrolment. We have experienced a period of over fifteen years in which enrolments on the three campuses increased significantly. The corresponding increase in revenue has helped mitigate somewhat the impact of the lack of growth in per-student grant funding relative to inflation and of the government-imposed constraints on tuition fees. But it has exacerbated pressure on faculty-student ratios, space for students, staff and faculty, and so on.

Demographic projections are such that we anticipate a continuing rise in demand for university places, particularly in the GTA. However, no substantial increases in undergraduate enrolment are planned at the University of Toronto for the next five years. Current plans call for an increase in enrolment on the Mississauga campus. Enrolment on St. George will increase slightly in the next two years, and then begin to fall. The Scarborough campus will maintain current enrolment levels until additional space becomes available.

The University's plans to increase graduate enrolment continue to be on track. An intensive process of academic planning took place following the announcement of the Province's *Reaching Higher* plan in 2005 and the funding opportunities it included. This process culminated in the development of the *Framework for Graduate Expansion* approved by Governing Council in 2006, which calls for an increase of about 40% in graduate enrolment relative to 2002-03. Graduate education and financial support for students is costly. While graduate expansion will increase revenue, it will also increase expenditures. It will likely not increase the net expendable funds available to the University.

Tuition and Provincial Grant

Historically, the provincial grant represented the largest portion of the University's revenue. Operating grants were frozen throughout 1992-94 and then reduced. Tuition fees increased by 8 to 10 per cent annually to partially compensate for the loss of grant revenue.

In 1995 the University experienced a further loss of \$54 million in government grants. Again, as a partial offset to the loss of grant revenue, the 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.

The University's operating grant revenue rose to \$583M in 2008-09, mostly as a result of the introduction of several new targeted funding envelopes to support undergraduate and graduate enrolment increases. However, government operating funding per student, including the Quality funds introduced in recent years, has decreased in real terms by almost 30% relative to 1992-93.

The drop in the Provincial grant has dramatically altered the size and composition of the operating budget. Government grants now represent about 41 per cent of total University revenue, down from 70 per cent in 1991-92. Tuition revenue has doubled in proportional terms, from 16 per cent to 36 per cent of the total. If current trends continue, the contribution to university revenue from the government grant will drop below that from tuition fees starting in 2011-12. The practical effect of the Government's funding policy has been that the University had to introduce expense containment measures to absorb a significant portion of cost increases for compensation, library acquisitions, graduate student funding, and utilities. Over the past ten years, cost containment measures have taken over \$200M out of the University's operating budget.

Federal Funding

Funding from the Federal Government is provided to universities primarily to support research and is not generally part of the University's operating budget. However, it interacts with the University's operating budget in three important areas: Canada Research Chairs, the institutional cost of research and graduate student support.

The Canada Research Chairs program introduced in 2000-01 provides salary and research support for outstanding university researchers on a competitive basis. Research chairs are awarded to each university based on its share of research funding by the Federal Granting Councils. This program is of tremendous value to the University of Toronto. It has helped us maintain faculty complement despite the expense containment measures introduced over the years. As a result of a recent redistribution of funding in the program, the University has lost 11 of its chairs. It is expected that there will be a further reduction of 6 chairs over the next five years, but details are not yet available.

Since the CRC program was introduced, inflation has reduced the effective value of Chair funding by over 20%. An appropriate adjustment to Chair funding is overdue.

The funds received from the Federal Granting Councils must be used exclusively to cover the direct costs of research, such as personnel and supplies. The indirect expenses incurred as a result of research activity are very significant and are borne by the universities' operating budgets. At the University of Toronto, they have been estimated to be well in excess of 50% of direct expenditures on research.

As a long-standing subject of government advocacy, universities have been requesting that the Federal Government recognize the full cost of research in its research funding policy, with a 40% rate as a minimum target for the indirect costs. The government started to provide IDC funding in 2001-02, with an effective rate for the University of Toronto of slightly less than 20%. This is currently contributing about \$20M to the University's operating budget, which, while helpful, continues to be considerably short of the actual institutional cost of research, and of what sister institutions in the U.S., U.K. and Europe receive.

The Federal Government supports graduate students by providing fellowships on a competitive basis. Although these funds do not flow through the University's budget, they provide indirect budget relief to the academic divisions by freeing up funds that would otherwise have to be used for graduate student support. There are also several federal programs for student support, including the Canada Scholarship program.

Other Sources

Revenue sources other than government grants and tuition fees include endowment payout, interest income, application fees and divisionally-generated income.

The University of Toronto has many generous friends and benefactors, who have contributed a total endowment in excess of \$1.8B. (Because of the current economic conditions, the paper value of the fund has dropped by about 30%.) Endowment income is highly targeted. Most of this income is directed to student aid and to the support of endowed chairs. Under normal economic conditions, endowment revenue represents a modest but important part of the University's total operating revenue, approximately 3%. This revenue component is not likely to be realized in 2008-09, as mentioned earlier. Because of the timing of the flow of endowment revenue, the financial impact of this shortfall will be felt in both 2008-09 and 2009-10.

In addition to the returns from the long-term investments of the endowment capital, the University receives interest on short- and medium-term investments of the EFIP pool. These tend to be rather small as a percentage of total operating revenue (about 1.5%), and fluctuate with market conditions. The University is anticipating about a 50% loss in interest income in 2009-10.

Academic divisions also generate significant revenues from activities such as continuing education offerings or full cost-recovery programs that do not receive government support. This is a valuable source of revenue because of its flexibility. However, the amount generated is modest and coupled with offsetting expenses.

Together, revenue sources other than government grants and tuition fees represent about 17 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.

Student Aid

In 1996-97 the Government mandated that 10% of revenue from tuition fee increases be spent on student aid; this was increased to 30% in 1997-98 and subsequent years.

The new framework for tuition and student aid introduced by the government in 2006-07 sets limits for annual tuition fee increases. The OSAP program was also modified, relieving some of the financial pressure on universities. The framework does not mandate a specific amount to be set aside by universities for student aid. Instead, it requires universities to ensure accessibility, regardless of the students' financial means.

At the University of Toronto, student aid is guided by Governing Council policy on accessibility, which predates the government's framework. It contains the following Statement of Principle:

“No student offered admission to a program at the University of Toronto should be unable to enter or complete the program due to lack of financial means.”

In fulfillment of this commitment, expenditures on student aid have increased dramatically, from \$7.7 million in 1991 to \$125M in 2008-09, far exceeding government requirements, and thus making the University of Toronto student body one of the most economically diverse in the country.

About \$34M of the expenditures on student aid comes from the University’s endowments. The loss of endowment payout in 2008-09 will place considerable strain on the student aid budget. The University is committed to its student aid policy and will strive to provide financial support to its students to meet the access guarantee as expressed above. Every effort will be made to reallocate carryforward and other funds to this area. The University is very grateful to its friends and supporters who have come forward in recent months with increased donations for student aid.

II. New Budget Model

The University of Toronto adopted a new approach to budgetary allocations starting in 2007-08. The new approach and the reasons for its adoption were recommended by a Provostial Task Force that was struck in April, 2004, and presented its final report in February, 2006. The report of the Task Force, the Provost’s response and related material are available on the Provost’s web page, at <http://www.provost.utoronto.ca/English>.

The final report of the Task Force states:

“The budget allocation process is a primary tool for the implementation of the university’s academic plans and academic priorities.”

This has been the fundamental guiding principle underlying the development of the new budget model. To best support the university’s academic priorities, the new model has three basic objectives:

- to provide a high degree of transparency, enabling all levels of university administration and governance to have a clear understanding of university revenues and expenses,
- to introduce broadly-based incentives to strengthen the financial health of the university by increasing revenues and reducing expenses, and
- to encourage a higher level of engagement of all senior levels of administration in budget planning for academic divisions and in recommending priorities and budgetary allocations for shared services.

The new model introduced a simple methodology for attributing revenues and the costs of shared services to all divisions. A major portion of the expense budget allocated to an academic division is its *Net Revenue*, which is equal to its share of the University’s gross revenue less its share of expenses and its contribution to student aid and to a university-

wide fund called the University Fund. A division's net revenue reflects its programs, student enrolments, fund raising activities, research, etc. Hence, divisions benefit as these activities bring more revenue. Divisions also benefit when, in cooperation with central service units, they are able to make more efficient use of the shared resources.

The remainder of the divisional budget is an allocation from the University Fund. This is an entirely non-formulaic allocation, intended to provide funding in accordance with the university's academic planning. It ensures that the total budget of a division is determined by the university's own priorities rather than by those of an external body. It also enables the university to recognize differences in the cost of delivery of various programs or to support particular activities that it considers to have high academic priority. Program delivery costs may not be fully recognized in the government's funding formula or in tuition fee level.

The process of attributing revenues and costs to divisions has been designed to minimize administrative overhead. For example, no transaction accounting is used to attribute the cost of a particular service. Instead, revenues and costs are attributed using simple, readily available and verifiable parameters that provide a reasonable basis for the distribution of revenue or a suitable measure of the extent to which a division uses a particular resource or service. These measures are referred to as revenue drivers and cost drivers, respectively. They include such parameters as number of students, number of faculty, usable space area occupied, etc.

A detailed description of the budget allocation methodology under the new budget model and the revenue and cost drivers used in the attribution process can be found on the Provost's web page mentioned above.

An essential component of the new budget model, and possibly one of its most valuable innovations, is the development of a new process for budgetary reviews for both academic and service divisions. Two review processes have been established, the first for shared services and the associated university-wide costs, and the second for the academic divisions.

Each service division prepares a multi-year budget plan for its service offerings. These plans are reviewed by the Budget Planning and Priorities Committee (BPP), chaired by the President. The purpose of the review is two-fold. First, it ensures that any proposed changes in service are aligned with the needs and priorities of the academic enterprise. The second objective is to establish spending priorities and to ensure that all possible cost reductions have been examined. Recommendations for funding allocations to the service divisions are prepared based on these reviews.

The review process for university-wide services has been evolving over the past two years. Some advisory committees have been established and others are being organized to provide advice to BPP. An important objective in establishing these committees, often referred to as the middle tables, is to examine the overall services needed to support the academic mission of the university and how these services can be best delivered. In some cases, a service is most effectively delivered on a university-wide basis. Other services are best provided within the divisions.

Budgetary plans for the academic divisions are reviewed by a Provostial advisory committee. Each division submits a multi-year budget plan based on the University's Long-Range Budget Guidelines and its own academic plans. Revenue projections are based on the division's enrolment plans, new program offerings, etc. Expense projections take into account, cost increases, changes in faculty and staff complement, student financial support, and so on. The academic reviews inform approvals of academic appointments and allocations from the University Fund and academic reserve funds. The reviews also identify capital priorities and support the development of advancement priorities.

The review process, whether for academic or administrative divisions, amounts to a higher level of engagement by all members of the senior administration in the budget process. As a result, budgetary allocations are informed not only by the overall budget situation of the University but also by the circumstances of individual divisions. Cost containment measures, which are often necessary because of the constraints on revenue, are applied by each division based on its own circumstances.

The review process also promotes a better alignment of the University-wide services with the needs of the academic divisions. The involvement of members of the senior administration leads to a deeper understanding of the nature of the university's expenses, how services can be best delivered, and where and how savings may be realized.

Transition to the New Model

The new budget model differs significantly from the model that had been in use for budgetary allocations at the university prior to 2007-08. Hence, it was essential to develop a smooth transition process from the old model to the new model. Two important criteria guided this process:

- that no division experiences a sudden change in its budget as a result of the transition, and
- that historical integrity is maintained.

The latter of these guidelines meant that funding allocation decisions made in previous years should not be changed simply as a result of the transition to the new budget model.

The transition process that was adopted and used was based on the preparation of a "Shadow Budget" for fiscal year 2006-07 based on the new model. The actual budget for that year was presented to and approved by Governing Council in the spring of 2006 based on the old budget model. The Shadow Budget was prepared under the new model in such a way as to yield exactly the same budgetary allocation to each division as that division has received under the old model. This was possible because of the flexibility afforded by the University Fund. Each division received a University Fund allocation in the Shadow Budget that brought its net expense budget in 2006-07 to the same level as its actual budget.

The University Fund allocation made in the Shadow Budget captures the aggregated history of budgetary allocations to each division, represented in the language of the new budget model. To maintain historical integrity, it will be used as a reference in making

future University Fund allocations, and as such, has been dubbed the University Fund Reference Level. Barring extraordinary circumstances, no division will receive a University Fund allocation in future years that is lower than its Reference Level.

Preliminary calculations of the Reference Level for each division were first made based on the budgeted revenues and expenses for 2006-07 and were included in the Budget Report of 2007-08. Actual revenues and expenses for that transition year became known in May of 2007, after end-of-year accounting was completed and the University's financial report for 2006-07 was released. Because of their important role as a record of the budget history of the academic divisions, the Reference Levels for University Fund allocations were updated based on end-of-year results. The final values are given in Appendix A.

III. Planning Cycle

Last Year, Governing Council approved a new approach to the budget cycle used in preparing the long-range budget guidelines. Starting with the 2009 fiscal year, the budget planning cycle is based on a five-year rolling window. Previously, budget guidelines were prepared for a fixed cycle, and a new cycle started when the previous cycle ended or when financial circumstances changed significantly. Under the new approach, the budget assumptions used in the Long-Range Budget Guidelines are updated each year, and new assumptions are prepared for one additional year. Revised revenue and expense projections are then prepared for the new cycle based on these assumptions.

Surplus/Deficit Management

Governing Council guidelines for deficit control were revised in 2008 as a result of the change from a fixed to a rolling-window planning cycle. According to the new guidelines, the University should strive to plan a balanced budget in every year of the cycle. In addition, any outstanding accumulated deficit from previous years should be reduced to zero by the end of the five-year planning period. An in-year deficit may be allowed in some years to facilitate planning, recognizing that fluctuations often occur in enrolments, government grants, investment income, etc. A planned deficit may also be necessary in exceptional circumstances. Planned budgetary deficits should also be repaid over five years.

Under the new budget model, the University's budget is prepared as an aggregation of the expense budgets of individual divisions. Budget plans for both the academic and administrative divisions are reviewed and approved annually by the President and the Provost, with the assistance of appropriate advisory committees, as explained in Section II. Hence, the deficit or surplus in the University's integrated budget is a result of the aggregated plans of individual divisions. These management control mechanisms encourage divisions to operate within their budgets and to minimize the level of a planned budget deficit when one is necessary.

The revenue shortfall resulting from the current economic conditions makes it impossible for the University to operate with a balanced budget in 2009-10 without causing serious harm to the institution and its students. To ensure that the University can continue to meet contractual obligations and its accessibility guarantees, the proposed budget

includes a planned deficit of \$45M, to be repaid over a five-year period. A new budgetary mechanism has been devised to allow deficit spending only in those divisions where it is necessary to do so. Divisions not significantly affected by the downturn in the economy or with sufficient carryforward funds will continue to plan on the basis of a balanced budget. This process is intended to ensure that the level of the budget deficit will be only as high as absolutely necessary. It is also consistent with the philosophy of the new budget model, which gives academic divisions a considerable degree of budgetary control and independence.

IV. Long Range Budget Guidelines

The University is entering 2009-10 under exceptionally difficult economic circumstances. The University is facing an endowment payout shortfall of approximately \$62M, with \$45M of the loss directly impacting the operating budget. In addition to an accumulated deficit of \$43.9M, last year's budget guidelines anticipated a balanced budget in each of the five years of the planning period and included a payment schedule that would reduce the accumulated deficit to zero by 2012-13. The outlook has changed dramatically.

Within this complex and uncertain environment, the following principles have guided this year's long range budget guidelines:

- The University will honour all commitments under the endowment agreements.
- The University will seek to address the revenue shortfall in a manner that ensures the continued long term academic and fiscal strength of the institution.
- Consistent with the principles of the new budget model, the University will not address the budget shortfall with a blunt instrument such as a hiring freeze or an across-the-board cost containment measure in the academic divisions.
- Measures have been taken to ensure that as much revenue as possible remains in the hands of the academic divisions. This includes funding of only the highest priority needs in the shared services areas. All divisions are being encouraged to use of carryforward reserve and contingency funds where they exist.

The proposed budget for 2009-10 includes a planned deficit of \$45M as a result of the likely cancellation of the 2009 endowment payout, as described in Section III above. A repayment schedule of \$9M per year over the following five years is proposed. The total accumulated deficit will reach a maximum of \$77.7M in 2009-10 and will be fully paid by 2014-15.

Aside from the anticipated loss of the endowment payout, projected revenues over the five-year budget cycle remain highly constrained. The Provincial government has not announced any changes in the funds available for post-secondary education. As a result, it is anticipated the University will continue to receive discounted funding for undergraduate enrolment increases over 2004-05 in each of the next two years. The long-awaited increase in funding for the full cost of research has not materialized, and limited new scholarship funding is being provided to support graduate expansion. The current

tuition framework expires in 2010 and in the absence of new one, projected increases in tuition revenue for domestic students are limited.

Budget Framework

The budget schedules are given in Appendix B. Budget projections for the period 2009-10 to 2013-14 are given in Schedules 1 to 3 and an analysis of the impact of the budget on academic divisions is given in Schedule 4. The expense budgets of the academic divisions are presented in Schedules 5 and 6.

Budget projections are dependent on many factors external to the university, including government policy, market behaviour, and so on. Hence, many assumptions must be made to estimate revenues and expenses over the five-year budget planning window. Key assumptions are described in Sections V and VI, and a complete list is given in Appendix C.

Appendix D provides more detailed information on the University's contractual obligations. These include such items as the cost of electricity or contractual commitments to other institutions. Only essential expenditures that are beyond the University's control are included in this list. All expenditures are subject to review by the Budget Planning and Priorities committee.

Schedule 1 – Budget Summary

Schedule 1 provides a summary of projected revenue and expense, as well as the planned accumulated deficit repayment schedule.

Revenue Projections

Revenues, excluding divisional income, are projected to remain essentially flat next year as increases in grant and tuition revenue are offset by losses in endowment and investment income. Total revenue is projected to increase by \$275M over the planning period, — an average of 4% per year. The government has not announced any increase in university funding beyond 2008-09, and none has been assumed. As a result, only a very modest increase of \$13M is projected for the operating grant over the next five years, which is primarily due to graduate expansion. During the same period, tuition revenue is projected to increase by \$210M. Tuition fees and the provincial operating grant contribute about 77% of the total operating revenue. Historically, the provincial operating grant has been the largest source of revenue to the University.

Divisional income, which consists of revenues collected directly by the academic divisions, is the next highest component, representing about 12% of total revenue. This source of revenue varies considerably from year to year. For budget purposes, actual earnings in any given year are used as the projected value for the following year. For the outer years, divisional income is assumed to increase with inflation.

According to the new budget model, each academic division contributes 10% of its revenues to the University Fund. However, not all revenues are subject to the University Fund assessment, as this fund is not intended to redistribute revenues earned directly by

the divisions. The portion of revenue that contributes to the University Fund is clearly delineated in the schedule.

Expenditure Projections

With the uncertainty in government funding and endowment revenue, the University continues to be forced to apply stringent expense containment measures.

Major budgeted expense items are described briefly below.

Centrally-Administered Student Aid

Part of the financial aid provided to students is administered centrally, and the remainder is provided by the academic divisions. The centrally administered portion includes:

- Funds set aside from the operating budget; and
- Funds available from endowments.

Despite the loss of endowment revenue, the University remains committed to maintaining approximately the same level of student aid as in the past few years.. A total of \$85M has been allocated to student aid from the operating budget. In addition, an estimated \$4M will be set aside from carryforward funds and new expendable donations to ensure all student aid need is met. It is projected that the endowment payout will resume in outer years and student aid will continue to be fully funded.

Flow-through revenue to other institutions

Several university programs include joint activities with other institutions. This expense category captures those portions of university revenue that flow to collaborating institutions. It includes:

- Canada Research Chair revenue flowing to hospitals;
- Provincial grant revenue flowing to the Toronto School of Theology; and
- Grant and tuition revenue flowing to colleges with which the University offers joint programs.

Shared Services

This section includes the central funds that support university-wide services to the academic divisions and the central library. They include:

- Occupancy costs, such as utilities, maintenance and caretaking;
- Shared services, such as human resources, financial services, advancement, procurement and computing services;
- General university-wide expenses, including debt service, legal fees and fees for membership in organizations such as AUCC and COU;
- Central library expense, including acquisitions and operating expenses; and
- Federated block grant, which supports services in the Federated Universities

Academic Divisions

This category includes all the funds that flow to the academic divisions, presented in three components as follows:

- Divisional expense budgets, which make up the bulk of the funding provided to the academic divisions from the operating budget. Under the new budget model each division receives an expense budget equal to net revenue plus an allocation from the University Fund, as described earlier.

In the case of UTM and UTSC, their expense budgets include an additional allocation to support various campus services, such as the cost of utilities, building and grounds maintenance, student services, and so on. These services are provided centrally for Faculties on the St. George campus, and hence are not included in the divisional budgets.

The academic and campus services components of the expense budgets of UTM and UTSC are not delineated. Each campus receives an overall budget, which it manages locally to best suit its own circumstances. Historically, UTM and UTSC have allocated about 70% of their budgets to the academic operation and the remaining 30% to support campus-wide services.

- Pension amortization expense: This is the academic divisions' share of the payment made by the University to amortize the pension loss. The share of this payment belonging to the administrative divisions is included in the cost of shared services described above.
- Academic funds: These are funds held centrally to be allocated to the academic divisions for specific purposes based on academic planning and priorities. Some funds are used to facilitate transitional changes at times of severe budget difficulties or significant academic restructuring. The academic funds include the Academic Initiatives Fund, the Transitional Fund, the Provost's Contingency Fund and the Graduate Expansion Incentive Fund.
- Academic Deficit Financing Fund: In anticipation of the cancellation of the endowment payout in April 2009, a fund will be created for one year to assist academic divisions in meeting their financial commitments, in particular student aid. The University is requesting authorization to incur a deficit of up to \$45M. This amount will be placed in a special account from which funds can be disbursed to the divisions. Because divisions are incented to use only the minimum amount needed, it is expected that only a portion of the requested total of \$45M will actually be used. By the end of the fiscal year, any unused amount will flow to the University's bottom line.

Accumulated Deficit Repayment

The University entered the 2008-09 fiscal-year with an accumulated deficit of \$55.1M, and a planned in-year balanced budget. The University has made a deficit repayment of \$11.2M in 2008-09, as scheduled. Hence, the projected accumulated deficit at the end of

2008-09 is \$43.9M. It should be noted that in-year variances do not impact the accumulated deficit as they are assigned back to academic divisions on a slip-year basis. The previously scheduled repayment plan of \$11.2M each year over the next three years will continue, with a final payment of \$10.3M in 2012-13. In addition, the proposed in-year deficit of \$45M in 2009-10 will be repaid over a five-year period. Assuming the full \$45M deficit room is used by divisions, a payment schedule of \$9M per year is proposed. The planned repayment schedule, including payments of both the institutional deficit and the division-specific deficit, results in payments of \$11.2M in 2009-10, \$20.2M in 2010-11 and 2011-12, \$19.3M in 2012-13 and \$9M in the final year of the cycle. The full schedule is included in Appendix B, Schedule 1.

Schedule 2 – Incremental Shared Expense

Schedules 2 and 3 of the budget provide two different views of the breakdown of expenses. Schedule 2 shows line-by-line, year-over-year increases of various university-wide expenses and funds, grouped in the following four categories:

- *Contractual Obligations:* This category comprises the contractual obligations detailed in Appendix D. These and all other expenditures are subject to review by the Budget Planning and Priorities Committee.
- *Capital and Maintenance:* These expenses include debt service for capital projects as well as costs related to the University's caretaking and maintenance.
- *Funding for Administrative/Academic Service Divisions:* Under the principles of the new budget model, academic divisions are no longer funded centrally for salary and benefit increases, nor are they assigned cost containment measures from the centre. Salary and benefit increases continue to be funded for administrative and academic service divisions as these divisions do not generally generate revenue. Funding for library acquisitions and services is also included in this section. A cost containment measure totalling \$4.5M will be applied to all service divisions.
- *University-wide Funds:* This group of expenses includes the university-wide academic funds described under Schedule 1 as well as several targeted funds to support priority areas in university-wide services. The Academic Initiatives Fund is being reduced by \$5M as no further allocations are planned from this fund in 2009-10. The Student Experience Fund has been fully allocated and has now reached the end of its three-year timeframe. The Academic Deficit Financing Fund is described above.

Schedule 3 – Cost Bins

Expense information is summarized in Schedule 3 using the 12 cost bins defined in the new budget model, which are the basis for cost attribution to divisions. The following is a brief description of expenses in each cost bin. Further information on the cost bins and what each bin covers is contained in the Task Force reports mentioned in Section II of this report.

Cost Bin	Description
Occupancy	Utilities, caretaking, maint., space mgmt. (St George)
Information Technology	Computing & Network Services, Systems management
University Management	Gov. Council, Offices of President, Provost, some VPs
Financial Management	Office of CFO, Financial Services, Internal Audit
Human Resources	All central HR offices and related funds
Pension Amortization	Amortization of pension losses
University Advancement	Alumni Relations, Development
Central Library	Acquisitions and services
Research Administration	Research administration
Student	Admissions & Awards, recruitment, SGS, student services
University-wide Academic	Academic funds (AIF, Transitional, Contingency)
University-wide general	Legal fees, memberships, insurance, debt service

Schedule 4 – Budget Impact

Schedule 4 presents an alternative high-level view of the budget projections that enables an assessment of the impact of the budget on the University's operation. It is organized to show aggregated year-over-year changes in revenue and expense. Section VII on budget impact provides further discussion of this schedule.

Schedules 5 and 6 – Allocations to Academic Divisions

Schedule 5 contains a detailed summary of revenue attributions and deductions by division for 2009-10. Multi-year projections by division for the entire budget cycle are given in Schedule 6. These two schedules are discussed in more detail in Section VIII on divisional allocations.

V. Planning Assumptions for 2009-2014

A complete list of updated assumptions on revenue and expense is given in Appendix C. The following is a summary of key assumptions.

Revenue

The budget projections are based on the most recent divisional enrolment plans and the information available about government funding. It has been assumed that the Ministry will provide full funding for graduate expansion up to the levels requested in the University's Phase 2 submission to the Ministry in May 2008. Current enrolment projections for Masters programs show that these levels will be significantly exceeded in outer years of the planning period. At the same time, PhD enrolments based on current divisional plans will be below those requested. The University's advocacy position is to allow fungibility between the corresponding funding envelopes, so that the over-enrolment in Masters programs can be funded from unclaimed monies in the PhD envelope. Since the Ministry has not made any commitments in this regard, operating grant projections have been made on the assumption that fungibility will not be allowed. That is, funding for Masters students has been capped at the levels requested in our Phase submission. The impact of this assumption is a shortfall is about \$7M by the end of the planning period. Enrolment plans will be reviewed once Phase 2 allocations are announced.

Undergraduate enrolment is projected to increase by 500 students over the planning period, with most of the growth planned at UTM and a small reduction planned for St. George Arts and Science. Enrolment plans at UTSC are on hold until further capital funding is secured. Full average funding for undergraduate expansion beyond 2004-05 is discounted at approximately 15% (\$4.6M) in 2009-10 and 2010-11 because of the shortfall in the government's funding envelope for undergraduate accessibility. It is assumed that funding will return to the 100% level in the final three years of the budget period, when enrolment is projected to decrease.

Tuition fee increases are assumed to be 4.31% on average for domestic students and about 5.9% for international students each year.

The Federal government has signalled that there will be a further reduction to the University's allocation of Canada Research Chairs starting in 2010-11. Projected revenue has been adjusted accordingly.

Total funding for the indirect costs on research grants and contracts is projected to remain essentially constant over the planning period. No assumptions have been made on increases in the IDC rate either federally or provincially.

Student Aid

The University remains committed to its policy on student financial support and to the provincial government's student access guarantee. As a result of the cancellation of the endowment payout in 2009, expenditures on student are estimated to decrease by \$5M in 2009-10. The remainder of the student-aid budget is derived from government scholarship grants and allocations made by the divisions from their expense budgets. All needs-based student aid commitments will be fully supported and the majority of other forms of student awards will continue.

It is anticipated that there will be a higher demand for needs-based student aid funded from the operating budget as the economic downturn will impact many students and their families.

Additional funds will be set aside from carryforward funds and new expendable donations in 2009-10 to ensure all student need is met.

Funding will increase by \$5.6M in 2010-11 as endowment payouts resume and by \$10.8M over planning the planning period.

University-wide Expenditures

Compensation increases for all university employees are assumed to be as per negotiated agreements. Beyond that, total increases are assumed to be no more than CPI.

Occupancy costs are projected to increase by 5.3% in 2009-10 as a result of significantly higher prices and increased volume. A small previously approved allocation has also been made to improve caretaking levels. Costs are projected to increase sharply again in 2011-12 when several new or expanded buildings are planned to come on-line. Occupancy costs also rise as a result of projected increases in salary and benefit costs. The University anticipates that funding from the Federal Infrastructure program may provide relief to the operating expense budget.

In an effort to contain costs in 2009-10, a previously scheduled increase to the utility infrastructure reserve fund has been delayed by one year.

The costs of shared services and other general expenses are projected to increase by 4.2% in 2009-10. Once again, in an effort to offset the impact of the endowment loss, shared service costs will be partially bridge-financed by carryforward funds in 2009-10, thus leaving as much new revenue as possible in the academic divisions. Increases in shared services costs are projected to be 2.4% on average over the planning period. Cost increases are mainly as a result of :

- continuing support for shared services associated with graduate expansion and student experience
- projected increases in salary and benefit costs in administrative divisions;
- establishment of a Job Evaluation Adjustment Fund as per USW agreements
- funding of city-regulated water backflow infrastructure in each of next few years

Central library expense will increase by \$16M over the next five years. The increase is primarily a result of:

- an increase of \$0.8M for library acquisitions and service improvements in 2009-10 and approximately \$1.1M per year thereafter;
- projected increases in salary and benefit costs

No new allocations will be made in 2009-10 from the Academic Initiatives Fund. The fund will be decreased by \$5M in 2009-10 leaving a balance of \$5M. The Student Experience Fund will be fully wound down as per the original plan.

VI. 2009-10 Budget

The previous section introduced a budget framework for the next five years. This section describes the revenue and expense components of the 2009-10 budget in more detail.

VI.1. 2009-10 Revenue

Total revenue is projected to increase by 1.6%, from \$1,416M in 2008-09 to \$1,438 in 2009-10. The main assumptions underlying this projection are:

- Tuition fees in 2009-10 will rise by an average of 4.31% for domestic students and 5.9% for international students.
- The budget projections do not include funding for capital expansion.
- The provincial government operating grants will not include an inflationary increase.
- The University will receive discounted operating funding for undergraduate enrolment growth over 2004-05, a shortfall of \$4.6M
- Enrolment in professional masters and doctoral stream programs will grow by 2469 eligible FTEs over 2004-05 levels and will be fully funded.
- Funding from the provincial Access to Higher Quality Education Fund will remain constant.
- Clinical Education funding of \$4M is included in the budget.
- Investment income will decrease by \$12M in 2009-10 as a result of a significant decrease in returns from UTAM invested funds and in other short-term investment rates.
- Income from other sources will increase by \$0.9M, primarily as a result of increases in application fee revenue.
- The projections used in this year's budget assume a payout of zero in 2008-09. As described above, endowments support endowed chairs in the year in which the endowment is paid out and student aid on a slip-year basis. For fiscal prudence, endowment revenue for chairs is assumed to be \$6M in 2009-10.
- Canada Research Chair revenue will remain at constant at \$38.3M.
- Funding of the institutional cost of research will remain constant at \$29.4M.

- Divisional income has been adjusted to reflect prior-year actual income and is offset by an equivalent increase in divisional expense. Divisional income is projected to increase by \$22.3M.

VI.2. 2009-10 Expenditures

Total expenditure is projected to increase by 4.7%, from \$1,416M in 2008-09 to \$1,483 in 2009-10. The increase assumes that the Academic Deficit Financing Fund of \$45M will be fully expended.

A cost containment of \$4.5M (3%) will be applied to the administrative divisions. Under the new budget model, academic divisions are responsible for their own increases in expense, including the cost of compensation increases. They will implement internal cost containment measures according to their individual circumstances. The major factors contributing to increases in university-wide expenditure are:

Shared Services

- Utility costs are projected to increase by \$3.6M. This is a result of increased load and rates.
- An additional \$2.2M is provided for increased caretaking and maintenance costs. This increase will fund servicing of new space and deferred maintenance as well as planned improvements in caretaking service for academic programs.
- Pension deficit amortization remains at the 2008-09 level of \$27.3M. This amount includes the pension deficit amortization for both academic and administrative divisions.
- As per the University's agreement with USW, a Job Evaluation Adjustment Fund of \$2.3M will be established.
- Compensation costs in administrative and academic service divisions are projected to rise by \$5M. Increases are assumed to be as per negotiated agreements. Otherwise, total compensation increases are assumed to be no more than CPI. The standard benefit rate is 22.5% for appointed employees and 10% for non-appointed employees.

University-Wide Funds

This section includes both academic and administrative funds. A total of \$1.3M has been transferred to the academic divisions. Transfers to shared-service divisions are not shown as the funds remain within the same cost bin.

- *Academic Initiatives Fund:* No new awards have been made from this fund for 2009-10. The fund will be decreased by \$5M, leaving \$5M to be allocated in future years.
- *Student Experience Fund:* This fund was created to provide one-time-only support for a three-year period. As per the original plan, the balance will be removed from the fund in 2009-10 and the fund will be closed.

- *Provost's Contingency:* The sum of \$1M will be transferred to the Provost's Contingency fund in 2009-10. This fund is primarily available to assist academic divisions with unanticipated expenses.
- *Transitional Fund:* An amount of \$2M is allocated to the Transitional Fund to support academic divisions as they transition to managing resources under difficult budget circumstances.
- *Graduate Expansion Incentive Fund:* This fund is intended to assist divisions to achieve their targets for increased graduate enrolment and to attract top applicants against increased competition. An allocation of \$1.1M is made based on projected enrolment increases.
- *Academic Services Fund:* This fund supports such services as libraries (other than book acquisitions) and academic computing. No new allocation is proposed.
- *Graduate Expansion Services:* This fund is used to extend shared services to support graduate enrolment growth. No new allocation is proposed.
- *Information Technology:* No new allocation is proposed. This account is being used to support projects in the portfolio of the Chief Information Officer.
- *Administrative Priorities Fund:* The sum of \$1.2M is allocated to the Administrative Priorities Fund for new initiatives in the administrative divisions.
- *Academic Deficit Financing Fund:* This fund is described in full in Section IV of this report

VII. Budget Impact

Schedule 4 of the budget (see Appendix B) presents a high-level view of the budget projections and an assessment of the impact of the budget provisions on the University's operations. It provides a summary of year-over-year changes in revenue and expense, and shows the expendable funds available to the divisions after accounting for projected increases in costs. This view is helpful in assessing the extent to which expense containment measures are needed and how they have been apportioned between administrative and academic divisions.

University revenues in 2009-10, excluding divisional income and funds that flow to other institutions, are essentially flat, increasing by only \$0.5M over 2008-09. Expenditures on student aid from the operating fund are expected to decrease by \$5.2M, and total expenses are projected to increase by \$4M before implementing the proposed cost containment of \$4.5M in central administrative divisions for 2009-10. The increase in expenditures includes increases in compensation in the administrative divisions, but does not account for increases in the academic divisions. According to the provisions of the new budget model, the latter are to be funded from the expense budgets of the academic divisions. The incremental net revenue available to the academic divisions in 2009-10 is \$6.2M.

Increases in compensation costs, graduate student support and capital debt-service support in the academic divisions are estimated to be about \$41M in 2009-10, based on

the budget assumptions and the available enrolment and capital project estimates. In addition, it is estimated that academic divisions will use about \$20M from their operating budgets to cover the endowment shortfall. This leaves an overall shortfall in the academic divisions of \$54.8M, against which up to \$45M in deficit financing may be applied. Thus, the minimum amount of cost containment that academic divisions will need to implement is \$9.7M.

Additional reductions in spending will be needed to cover other division-specific increases in operational costs and for the institutional accumulated deficit repayment.

VIII. Divisional Allocations

This section describes the expense budgets for individual academic and administrative divisions.

VIII.1. Academic Divisions

The expense budget of an academic division consists of its Net Revenue plus its share of the University Fund as determined by the Provostial review and the academic planning process. The Net Revenue is equal to the sum of all the revenues attributed to the division less its contribution to the University Fund, student aid and the cost of shared services.

Schedule 5 of Appendix B provides a summary of the attributed revenues and expenses to all academic divisions. It also shows the University Fund allocations and the resulting expense budget subtotals for 2009-10. The final expense budget of each division is determined after accounting for other adjustments and transfers, as detailed in Appendix F.

Administrative Divisions

Expense budgets for administrative divisions are determined following a review process. The recommended allocations take into account increases in the cost of compensation for 2008-09 and the need for cost containment in 2009-10. As salary increases for 2009-10 are not yet known, they are not included in divisional budgets. The funds needed are held centrally. The recommended allocations to administrative divisions for 2009-10 are summarized in Appendix F.

Outer year allocations to administrative divisions will be reviewed annually by the Budget Planning and Priorities Committee. In some cases BPP recommends multi-year allocations.

IX. 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 the 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 created as the vehicle through which operating budget funds are allocated to capital projects.

Since 2001, it became clear that the traditional sources of funding were no longer sufficient 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. 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 budget for expenditures on capital projects separate from the Operating Budget, but where the Operating Budget would be one source of revenue for the debt service charges associated with these projects.

Capital Funds Summary

This report on capital projects and the associated borrowing is intended to provide a comprehensive summary, encompassing construction projects for academic and administrative divisions, residences, parking garages and space for student activities. Capital projects are approved separately and are presented in this report for information only. All capital projects approved by Governance have been incorporated in this summary, including those where the approval to proceed is conditional on raising campaign donations.

Table 1 in Appendix E, depicts the total current costs of all approved capital projects to date. It illustrates the past and the most recently approved capital requirements for all academic, non-academic and ancillary projects and outlines their major funding sources. The total approved project costs up to 2008-09 amounted to \$1.28B. The University of Toronto will undertake approximately \$56M in new capital projects, raising its total capital project costs to just over \$1.34B.

Table 2 presents a detailed summary of the most recently approved capital projects, showing various sources of funding. Of the total \$56M in new projects, \$2M will receive central funding, \$26M will be funded from the divisional operating budgets, and \$28M from other sources such as donations and the provincial government. The table also shows the approved borrowing related to new capital projects, totalling \$19M.

Appendix A

2006-07 Shadow Budget – Update to Actuals

The transition process that was adopted and used was based on the preparation of a “Shadow Budget” for fiscal year 2006-07 based on the new model. The budget for that year was presented to and approved by Governing Council in the spring of 2006 based on the old budget model. The Shadow Budget was prepared under the new model in such a way as to yield exactly the same budgetary allocation to each division as that division has received under the old model. This was possible because of the flexibility afforded by the University Fund. Each division received a University Fund allocation in the Shadow Budget that brought its net expense budget in 2006-07 to the same level as its actual budget.

The University Fund allocation made in the Shadow Budget captures the aggregated history of budgetary allocations to each division, represented in the language of the new budget model. To maintain historical integrity, it will be used as a reference in making future University Fund allocations, and as such, has been dubbed the University Fund Reference Level. Barring extraordinary circumstances, no division will receive a University Fund allocation in future years that is lower than its Reference Level.

Preliminary calculations of the Reference Level for each division were first made based on the budgeted revenues and expenses for 2006-07 and were included in the Budget Report of 2007-08. Actual revenues and expenses for that transition year became known in May of 2007, after end-of-year accounting was completed and the University’s financial report for 2006-07 was released. Because of their important role as a record of the budget history of the academic divisions, the Reference Levels for University Fund allocations were updated based on end-of-year results. The final values are given in Table A2.

Most of the expendable funds available to the divisions were allocated in the 2006-07 budget report. Additional funds were flowed to the divisions during the year, mostly based on revenue-sharing agreements for government grants and tuition. Table A1 shows these two components and the resulting total expense allocation for each division.

A summary of the Shadow Budget, updated to actuals, as derived according to the new budget model is given in Table A2. Columns A to D show the gross revenue attributed to each division, the division’s contribution to the University Fund pool and its share of university-wide expenses and the centrally-administered portion of the student aid budget. The Net Revenue in column E is equal to gross revenue less the deductions in columns B, C and D.

The next step in the development of the Shadow Budget was to determine the University Fund allocation needed to bring the divisional expense budgets to exactly the same level shown in Table A1. However, before that step can be performed, it is necessary to account for the actual budget deficit in 2006-07. Expenses in 2006-07 exceeded revenues

by \$8.9M. Each division's share of this deficit, which is shown in column F, must be added to its net revenue to arrive at its proper shadow expense budget.

The University Fund allocation needed to align the two budgets is now given by:

$$\begin{aligned} \text{UF allocation} &= \text{Total budgeted funds (column K)} \\ &\quad - \text{Net Revenue (E)} - \text{Share of deficit (F)} \end{aligned}$$

The resulting total expense budget under the Shadow Budget (column H) is exactly the same as the total budgeted funds under the previous budget model (column K).

Table A1. Total Divisional Budgets in 2006-07 (Adjusted to Actuals)

DIVISION	Net Expense Budget as per Budget Report	In Year Allocations (Actuals)	Total Expense Budget
	(I)	(J)	(K = I + J)
Arts & Science (incl. Colleges)	186,374,932	33,702,428	220,077,360
UTSC	66,354,303	12,410,887	78,765,190
UTM	64,060,811	11,737,446	75,798,257
Dentistry	17,551,616	5,403,529	22,955,145
Medicine	72,551,976	22,551,371	95,103,347
Nursing	8,632,409	807,035	9,439,444
Pharmacy	10,154,074	440,148	10,594,222
Physical Education & Health	3,465,815	433,357	3,899,172
Applied Science & Engineering	54,558,928	10,344,176	64,903,104
Architecture	4,630,218	429,135	5,059,353
OISE/UT ¹	11,772,799	35,543,782	47,316,581
Forestry	2,767,873	588,357	3,356,230
Law	13,855,421	3,978,328	17,833,749
Information Studies	4,654,616	1,396,285	6,050,901
Music	7,843,226	1,476,480	9,319,706
Social Work	4,656,907	1,258,480	5,915,387
Management	29,694,175	6,431,779	36,125,954
Transitional Year Programme	1,340,594	89,466	1,430,060
Graduate Institutes & Centres	4,642,109	553,581	5,195,690
Total	\$ 569,562,802	\$ 149,576,051	\$ 719,138,853

¹ OISE in-year allocation includes \$28.2M transfer from divisional revenue to university-wide revenue as a result of the end of the integration agreement

Table A2. Restated Shadow Budget for 2006-07 Under New Model (Adjusted to Actuals)

DIVISION	Attributed Operating Revenue	10% Contribution to University Fund	Share of University Wide Expense	Student Aid Set-Aside	Share of Deficit	Net Revenue	University Fund Allocation	Expense Budget
	(A)	(B)	(C)	(D)	(E)	(F = A-B-C-D+E)	(G = K - F)	(H)
Arts & Science (incl. Colleges)	366,500,419	33,622,269	115,531,032.7	22,091,752	2,967,227	198,222,593	21,854,767	220,077,360
UTSC	115,582,995	11,259,217	17,478,135.1	5,965,756	935,773	81,815,659	(3,050,469)	78,765,190
UTM	113,972,985	11,052,557	18,920,292	5,674,270	922,738	79,248,604	(3,450,348)	75,798,257
Dentistry	22,330,791	1,935,664	7,728,737	956,921	180,793	11,890,261	11,064,884	22,955,145
Medicine	156,987,625	12,541,031	65,068,947	7,362,189	1,270,989	73,286,447	21,816,900	95,103,347
Nursing	14,101,004	1,284,212	4,293,908	736,779	114,163	7,900,269	1,539,175	9,439,444
Pharmacy	22,379,392	2,036,120	7,133,332	1,825,956	181,186	11,565,171	(970,949)	10,594,222
Physical Education & Health	7,123,863	700,379	2,397,354	362,298	57,676	3,721,508	177,664	3,899,172
Applied Science & Engineering	118,826,327	10,066,369	41,180,986	7,729,356	962,031	60,811,647	4,091,457	64,903,104
Architecture	5,012,941	475,499	1,797,796	365,531	40,585	2,414,700	2,644,653	5,059,353
OISE/UT 2	57,267,909	5,300,059	15,677,142	3,934,617	463,647	32,819,739	14,496,842	47,316,581
Forestry	2,555,326	183,443	1,651,342	115,356	20,688	625,873	2,730,357	3,356,230
Law	18,632,758	1,635,694	4,939,328	1,231,750	150,853	10,976,839	6,856,910	17,833,749
Information Studies	7,159,426	654,152	2,449,318	382,823	57,963	3,731,096	2,319,805	6,050,901
Music	10,237,106	957,278	3,541,051	1,001,333	82,881	4,820,325	4,499,382	9,319,706
Social Work	8,365,699	738,176	2,344,883	525,059	67,730	4,825,311	1,090,076	5,915,387
Management	44,026,248	3,983,637	9,110,695	1,310,192	356,441	29,978,166	6,147,788	36,125,954
Transitional Year Programme	516,685	42,512	384,459	122,875	4,183	(28,978)	1,459,038	1,430,060
Graduate Institutes & Centres	4,454,441	336,702	2,245,919	199,228	36,064	1,708,656	3,487,035	5,195,690
Total	1,096,033,940	98,804,968	323,874,656	61,894,042	8,873,610	620,333,885	98,804,969	719,138,853

Long Range Budget Guidelines
2009-10 to 2013-14
(\$ millions)

Budget Model Summary		2008-09	2009-10	2010-11	2011-12	2012-13	2013-14
Assump.#							
1	Provincial Operating Grants	\$ 583.5	\$ 599.1	\$ 602.6	\$ 599.5	\$ 596.9	\$ 596.9
1	Contingency for Undergraduate Accessibility Discount	-	(4.6)	(4.7)	-	-	-
2	Tuition Fees	506.9	546.8	591.6	631.8	674.6	717.4
	Subtotal Grants plus Fees	1,090.4	1,141.3	1,189.5	1,231.3	1,271.5	1,314.3
3	Investment Income	25.1	13.0	16.0	25.0	28.0	32.0
4	Other Income	10.0	10.9	11.5	12.0	12.5	13.0
	Subtotal - Revenue for University Fund Contribution	1,125.5	1,165.2	1,217.0	1,268.3	1,312.0	1,359.3
5	Endowment Revenue for Chairs and Student Aid	45.9	6.1	29.0	46.4	48.2	50.1
6	Provincial Scholarship Grants	11.5	11.2	11.2	11.2	11.2	11.2
7	Canada Research Chairs	38.3	38.3	38.0	37.7	37.4	37.4
8	Indirect Cost Recovery on Research Grants and Contracts	29.2	29.4	29.1	29.2	29.8	29.8
	Subtotal General University Revenue	1,250.4	1,250.1	1,324.3	1,392.8	1,438.6	1,487.8
9	Divisional Income - Government Grants	1.9	2.6	2.7	2.7	2.8	2.8
9	Divisional Income - Student Fees	49.6	52.9	54.0	55.1	56.2	57.3
9	Divisional Income - Ancillary Fees	56.2	64.6	65.9	67.3	68.6	70.0
9	Divisional Income - External Revenue	57.4	67.2	68.6	69.9	71.3	72.8
	Subtotal Divisional Revenue	165.1	187.4	191.1	195.0	198.9	202.8
	Total Operating Revenue	\$ 1,415.5	\$ 1,437.6	\$ 1,515.4	\$ 1,587.8	\$ 1,637.5	\$ 1,690.6

Long Range Budget Guidelines

2009-10 to 2013-14

(\$ millions)

<u>Projection of Operating Expenditures</u>		2008-09	2009-10	2010-2011	2011-2012	2012-2013	2013-14
Assump.#							
10	University Wide Student Aid Set-Aside	\$ 90.1	\$ 84.9	\$ 90.5	\$ 95.6	\$ 97.8	\$ 100.9
11	Flow-through to Other Institutions (Hospitals, Colleges, TST)	21.3	20.6	20.2	20.0	19.9	20.1
	<u>Shared Services</u>						
	Occupancy Costs (Cost Bin 1)	88.3	93.0	98.0	105.7	109.3	113.3
	Shared Services	99.9	104.6	108.1	111.4	114.7	118.2
	University-wide General Expense (Cost Bin 12)	34.3	32.3	33.2	33.3	33.3	33.3
	Central Library Expense (Cost Bin 8)	65.6	69.6	72.2	75.4	78.6	81.9
	Federated Block Grant	10.9	12.1	13.6	14.1	14.6	15.1
	Sub-total	299.0	311.6	325.1	339.9	350.6	361.8
	<u>Academic Divisions</u>						
	Academic Expense Budget (excluding University Fund	825.7	850.3	909.9	957.0	989.1	1,022.8
	University Fund	110.5	114.5	119.7	124.8	129.2	133.9
	Pension Amortization (Cost Bin 6)	21.5	21.5	21.5	21.5	21.5	21.5
	Academic Funds (Cost Bin 11)	47.3	34.2	28.5	28.9	29.3	29.7
	Academic Deficit Financing Fund	-	45.0	-	-	-	-
	Sub-total	1,005.0	1,065.5	1,079.6	1,132.3	1,169.1	1,207.9
	Total Expenditure	\$ 1,415.5	\$ 1,482.6	\$ 1,515.4	\$ 1,587.8	\$ 1,637.5	\$ 1,690.6
	Annual Planned Deficit	-	(45.0)	-	-	-	-

Accumulated deficit opening balance	\$ (55.1)						
Annual deficit	(45.0)	-	-	-	-	-	-
Repayment of institutional accumulated deficit	11.2	11.2	11.2	11.2	10.3		
Repayment of divisional accumulated deficit		-	9.0	9.0	9.0		9.0
Accumulated deficit closing balance	(43.9)	(77.7)	(57.5)	(37.3)	(18.0)		(9.0)

Long Range Budget Guidelines
2009-10 to 2013-14
Incremental Expenditure Summary of University Wide Expense

Year-Over-Year Increases	Assump.#	2008-09	2009-10	2010-2011	2011-2012	2012-2013	2013-2014
University-Wide Expense							
University Wide Expense, Beginning of Year (excl. deficit fund)		353.5	367.8 \$	367.3 \$	375.2 \$	390.3 \$	401.4
Contractual Obligations							
Federated Block Grant	12	1.0	1.2	1.5	0.5	0.5	0.5
Utilities	13	-	3.6	1.1	3.9	1.0	1.3
Pension Deficit Amortization	14	-	-	-	-	-	-
Capital and Maintenance							
Facilities and Services: Caretaking, Maintenance	15	3.1	2.9	1.6	2.9	1.5	1.5
Utilities Infrastructure Reserve	15	1.3	-	1.3	-	-	-
Operating Fund Debt Service Support of Capital Budget	17	-	0.2	0.2	0.2	0.2	0.2
Funding for Administrative/Academic Service Divisions							
Library Acquisitions and Services	18	1.1	0.8	1.2	1.3	1.3	1.4
Other Budget Planning & Priorities allocation to Shared Services	19		1.3	1.5	2.0	2.0	2.0
Cost of Compensation Settlements (incl. benefits)	20	4.3	5.0	4.7	4.4	4.6	4.7
Expense Containment Requirement	21	(4.0)	(4.5)	(2.0)	(2.0)	(2.0)	(2.0)
University-Wide Funds							
Academic Initiatives Fund (AIF)	22	(0.5)	(5.0)	-	-	-	-
Student Experience Fund	23	3.3	(10.0)	-	-	-	-
Provost's Contingency	24	3.0	1.0	1.0	0.2	0.2	0.2
Transitional Funding - Academic	25	3.0	2.0	0.5	0.2	0.2	0.2
Prior year distribution of academic funds to divisions	26	(14.1)	(1.3)	-	-	-	-
Graduate Expansion Incentive Fund	27	6.2	1.1	(7.3)	-	-	-
Academic Service Initiatives	28	1.9	-	0.4	0.4	0.4	0.4
Graduate Expansion - University-Wide Services	29	1.5	-	0.2	0.2	0.2	0.2
Information Technology Initiatives and Upgrades	30	2.0	-	1.0	0.5	0.5	0.5
Administrative Priorities	31	3.0	1.2	1.0	0.5	0.5	0.5
University Wide Expense, End of Year		367.8	367.3 \$	375.2 \$	390.3 \$	401.4 \$	413.0
Academic Deficit Financing Fund	32	-	45.0	-	-	-	-
Total University Wide Expense, including Deficit Financing Fund		367.8	412.3	375.2	390.3	401.4	413.0

Cost Bins
2009-10 to 2013-14

Bin #	Shared Services	2008-09	2009-10	2010-2011	2011-2012	2012-2013	2013-2014
1	Occupancy	\$ 88.3	\$ 93.0	\$ 98.0	\$ 105.7	\$ 109.3	\$ 113.3
2	Information Technology	19.9	19.8	21.1	21.8	22.5	23.2
3	University Management	15.1	15.5	16.0	16.5	17.1	17.7
4	Financial Management	6.0	6.6	6.8	7.0	7.2	7.5
5	Human Resources	15.1	16.9	17.2	17.6	18.0	18.4
7	University Advancement	15.5	15.8	16.2	16.6	17.1	17.5
8	Central Library	65.6	69.6	72.2	75.4	78.6	81.9
9	Research Administration	9.2	9.6	9.8	10.1	10.4	10.8
10	Student Recruitment, Registrarial & Services	19.1	20.6	21.1	21.8	22.4	23.1
12	University-wide General	34.3	32.3	33.2	33.3	33.3	33.3
	Direct - Federated Block Grant	10.9	12.1	13.6	14.1	14.6	15.1
	Sub-total	299.0	311.6	325.1	339.9	350.6	361.8
	Academic						
11	University-wide Academic	47.3	34.2	28.5	28.9	29.3	29.7
6	Pension Amortization (academic portion)	21.5	21.5	21.5	21.5	21.5	21.5
	Total University Wide Expense	\$ 367.8	\$ 367.3	\$ 375.2	\$ 390.3	\$ 401.4	\$ 413.0

**Budget Impact
2009-10 to 2013-14**

	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14
Revenue						
Increase (decrease) in revenue (excluding divisional income)	\$ 69.6	\$ (0.2)	\$ 74.1	\$ 68.5	\$ 45.8	\$ 49.2
(Increase) decrease in revenue flowing to other institutions	(1.3)	0.8	0.4	0.2	0.1	0.1
Incremental revenue available to University	68.3	0.5	74.5	68.6	45.9	49.3
A						
Expense						
Increase in shared services/academic funds prior to cost containment	18.3	4.0	9.8	17.2	13.1	13.6
Cost containment applied to shared service divisions	(4.5)	(4.5)	(2.0)	(2.0)	(2.0)	(2.0)
Increase (decrease) in Student Aid	16.1	(5.2)	5.7	5.0	2.3	3.0
Incremental expense (expense reduction)	34.4	(5.7)	13.5	20.2	13.3	14.6
B						
Net new revenue available to academic divisions	33.9	6.2	61.0	48.4	32.6	34.7
C= A-B						
Cost pressures						
Estimated cost increases for academic divisions: compensation, graduate expansion, capital projects	50.5	41.0	44.0	45.0	45.0	45.0
D						
Repayment of academic deficit			9.0	9.0	9.0	9.0
E						
Estimated pressure on divisional operating budgets due to loss of endowment payout		20.0	10.0	2.0	-	-
F						
Total cost pressures	50.5	61.0	63.0	56.0	54.0	54.0
G= D+E+F						
Shortfall in academic divisions	(16.6)	(54.8)	(2.0)	(7.5)	(21.4)	(19.3)
H						
Academic Deficit Financing Fund	-	45.0	-	-	-	-
I						
Total expense containment required	(16.6)	(9.8)	(2.0)	(7.5)	(21.4)	(19.3)
J=H+I						

In addition: divisional payment of institutional accumulated deficit						
Total	11.2	11.2	11.2	11.2	10.3	-
Annual repayment assigned to administrative divisions	2.6	2.6	2.6	2.6	2.4	-
Annual repayment assigned to academic divisions	8.6	8.6	8.6	8.6	7.9	-

Summary of Projected Revenue and Expense Allocations for 2009-10

DIVISION	Attributed Operating Revenue	10% Contribution to Univ Fund	Share of University Wide Expense	Student Aid Set-Aside	Net Revenue	less: Revenue in Restricted Funds and Div Income	Adjusted Net Revenue	University Fund Allocation	Expense Budget
	(A)	(B)	(C)	(D)	(E = A-B-C-D)	(F)	(G=E-F)	(H)	(I = G+H)
Arts & Science	397,988,706	37,291,126	132,939,810	27,653,192	200,104,578	13,827,195	186,277,383	26,229,427	212,506,810
UTSC	135,046,789	13,228,364	20,953,139	6,873,537	93,991,748	1,248,189	92,743,559	259,420	93,002,980
UTM	141,686,913	13,878,789	22,558,546	7,007,510	98,242,069	1,210,687	97,031,382	186,501	97,217,882
Dentistry	24,438,250	2,224,997	8,993,519	1,237,344	11,982,391	1,416,269	10,566,122	11,445,350	22,011,472
Medicine	168,035,895	14,155,959	70,904,570	14,844,218	68,131,147	11,759,127	56,372,019	22,360,024	78,732,043
Nursing	15,737,775	1,494,186	5,067,267	1,079,666	8,096,656	324,949	7,771,707	2,000,428	9,772,135
Pharmacy	26,349,199	2,503,064	7,715,786	2,166,271	13,964,079	665,889	13,298,189	(161,576)	13,136,613
Physical Education & Health	7,907,794	777,742	2,567,598	600,952	3,961,502	52,863	3,908,639	303,498	4,212,137
Applied Science & Engineering	128,731,433	11,460,270	44,693,620	10,614,513	61,963,030	8,449,561	53,513,469	5,376,867	58,890,337
Architecture, Landscape & Design	7,067,714	678,703	2,592,816	474,242	3,321,952	141,026	3,180,927	2,912,652	6,093,579
OISE/UT	65,285,246	6,206,987	17,932,523	4,003,249	37,142,487	1,885,286	35,257,201	14,897,684	50,154,885
Forestry	2,601,066	190,439	1,821,817	367,581	221,230	447,021	(225,791)	2,926,383	2,700,593
Law	20,017,868	1,925,896	5,562,625	3,570,968	8,958,380	615,775	8,342,605	7,028,595	15,371,199
Information	9,770,494	925,683	3,146,832	579,208	5,118,771	307,007	4,811,764	2,433,965	7,245,729
Music	12,125,519	1,184,503	4,403,448	1,379,856	5,157,712	103,104	5,054,608	4,795,639	9,850,248
Social Work	9,929,277	912,123	2,726,408	749,996	5,540,750	475,312	5,065,437	1,186,622	6,252,059
Management	54,526,079	5,277,423	11,644,103	1,370,820	36,233,733	1,520,015	34,713,718	6,926,565	41,640,282
Transitional Year Programme	417,368	41,620	384,093	211,686	(220,031)	-	(220,031)	1,461,135	1,241,104
Graduate Centres & Institutes	1,934,804	157,672	725,576	89,378	962,178	88,806	873,372	1,946,365	2,819,737
Subtotal (excl. divisional inc)	1,229,598,189	114,515,545	367,334,096	84,874,187	662,874,360	44,538,081	618,336,279	114,515,545	732,851,824
<i>Divisional Income</i>	<i>187,401,035</i>				<i>187,401,035</i>				<i>187,401,035</i>
Subtotal (incl. divisional inc)	1,416,999,224	114,515,545	367,334,096	84,874,187	850,275,395	44,538,081	618,336,279	114,515,545	920,252,859
<i>Flow-through to Jt. Progr. and TST</i>	<i>6,851,559</i>				<i>6,851,559</i>				<i>6,851,559</i>
<i>Flow-through to hospitals for CRCs</i>	<i>13,700,000</i>				<i>13,700,000</i>				<i>13,700,000</i>
Total	1,437,550,783	114,515,545	367,334,096	84,874,187	870,826,954	44,538,081	618,336,279	114,515,545	940,804,418

¹ The 10% contribution to the UF is calculated on a sub-set of total attributed revenue in column A.

² Includes student aid in the operating fund (administered central through admissions & Awards) and student aid which is administered through restricted funds, but reflected in the operating fund.

Long Range Academic Divisional Projections

Arts & Science	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14
Attributed Revenue	399,368,456	397,988,706	418,297,987	433,877,181	442,244,231	454,045,700
Deductions ¹	(197,729,262)	(197,884,128)	(205,182,249)	(213,070,214)	(217,856,252)	(223,722,940)
Revenue adjustments ²	(15,196,258)	(13,827,195)	(14,912,480)	(14,997,743)	(15,256,722)	(15,367,724)
University Fund Allocation ³	24,086,310	26,229,427	26,229,427	26,229,427	26,229,427	26,229,427
Expense Budget	210,529,246	212,506,810	224,432,685	232,038,651	235,360,684	241,184,462

UTSC	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14
Attributed Revenue	129,484,655	135,046,789	140,469,130	145,810,516	149,585,218	154,679,017
Deductions ¹	(41,306,933)	(41,055,040)	(42,186,946)	(43,542,188)	(44,607,510)	(45,971,345)
Revenue adjustments ²	(1,224,166)	(1,248,189)	(1,250,848)	(1,251,877)	(1,257,304)	(1,257,926)
University Fund Allocation ³	(807,798)	259,420	259,420	259,420	259,420	259,420
Expense Budget	86,145,757	93,002,980	97,290,756	101,275,871	103,979,824	107,709,167

UTM	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14
Attributed Revenue	130,541,605	141,686,913	151,645,156	163,215,089	171,173,593	178,131,809
Deductions ¹	(42,588,168)	(43,444,844)	(45,762,897)	(48,332,027)	(50,442,408)	(52,369,006)
Revenue adjustments ²	(1,268,303)	(1,210,687)	(1,253,770)	(1,258,424)	(1,267,383)	(1,271,805)
University Fund Allocation ³	(1,022,403)	186,501	186,501	186,501	186,501	186,501
Expense Budget	85,662,731	97,217,882	104,814,989	113,811,138	119,650,302	124,677,500

Dentistry	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14
Attributed Revenue	24,801,262	24,438,250	25,765,007	27,033,278	28,087,328	29,046,014
Deductions ¹	(12,876,776)	(12,455,859)	(12,737,565)	(13,263,150)	(13,667,426)	(14,112,814)
Revenue adjustments ²	(1,698,012)	(1,416,269)	(1,585,239)	(1,601,345)	(1,618,325)	(1,634,481)
University Fund Allocation ³	11,712,829	11,445,350	11,445,350	11,445,350	11,445,350	11,445,350
Expense Budget	21,939,303	22,011,472	22,887,554	23,614,133	24,246,927	24,744,069

Notes:

1. Includes: UF contribution, student aid set-aside and university-wide costs
2. Adjustments to reflect revenue included in restricted funds and divisional income
3. Includes reference level and incremental allocations for 2007-08 to 2009-10. Flatlined for outer years.

Long Range Academic Divisional Projections

Medicine	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14
Attributed Revenue	171,884,597	168,035,895	173,871,695	180,917,916	184,076,462	187,424,755
Deductions ¹	(98,934,579)	(99,904,748)	(100,948,950)	(104,142,316)	(106,467,363)	(108,963,474)
Revenue adjustments ²	(12,733,144)	(11,759,127)	(12,779,347)	(12,811,240)	(13,107,664)	(13,221,487)
University Fund Allocation ³	22,020,344	22,360,024	22,360,024	22,360,024	22,360,024	22,360,024
Expense Budget	82,237,218	78,732,043	82,503,422	86,324,384	86,861,459	87,599,817

Nursing	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14
Attributed Revenue	15,341,445	15,737,775	16,589,746	17,600,144	18,372,598	19,008,173
Deductions ¹	(7,601,203)	(7,641,119)	(7,846,077)	(8,144,152)	(8,408,404)	(8,676,217)
Revenue adjustments ²	(435,548)	(324,949)	(433,176)	(443,592)	(453,607)	(463,020)
University Fund Allocation ³	1,845,123	2,000,428	2,000,428	2,000,428	2,000,428	2,000,428
Expense Budget	9,149,817	9,772,135	10,310,921	11,012,828	11,511,016	11,869,364

Pharmacy	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14
Attributed Revenue	25,827,336	26,349,199	28,110,724	29,728,018	30,579,350	31,346,336
Deductions ¹	(12,106,224)	(12,385,121)	(12,857,623)	(13,516,811)	(13,922,690)	(14,334,169)
Revenue adjustments ²	(580,434)	(665,889)	(668,541)	(670,508)	(674,421)	(676,056)
University Fund Allocation ³	(358,750)	(161,576)	(161,576)	(161,576)	(161,576)	(161,576)
Expense Budget	12,781,927	13,136,613	14,422,983	15,379,123	15,820,664	16,174,536

PE&H	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14
Attributed Revenue	8,282,659	7,907,794	8,471,673	9,301,042	9,697,418	10,175,909
Deductions ¹	(3,971,250)	(3,946,292)	(4,162,447)	(4,441,772)	(4,649,715)	(4,843,141)
Revenue adjustments ²	(7,184)	(52,863)	(53,355)	(53,851)	(54,353)	(54,860)
University Fund Allocation ³	256,644	303,498	303,498	303,498	303,498	303,498
Expense Budget	4,560,869	4,212,137	4,559,370	5,108,918	5,296,848	5,581,407

Notes:

1. Includes: UF contribution, student aid set-aside and university-wide costs
2. Adjustments to reflect revenue included in restricted funds and divisional income
3. Includes reference level and incremental allocations for 2007-08 to 2009-10. Flatlined for outer years.

Long Range Academic Divisional Projections

APSE	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14
Attributed Revenue	132,333,400	128,731,433	138,457,381	146,781,046	152,807,735	158,023,169
Deductions ¹	(66,667,513)	(66,768,403)	(68,858,109)	(72,014,561)	(74,188,711)	(76,483,567)
Revenue adjustments ²	(9,102,526)	(8,449,561)	(9,571,783)	(9,753,625)	(10,027,403)	(10,149,824)
University Fund Allocation ³	5,358,009	5,376,867	5,376,867	5,376,867	5,376,867	5,376,867
Expense Budget	61,921,369	58,890,337	65,404,357	70,389,728	73,968,489	76,766,645

Architecture, L & D	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14
Attributed Revenue	6,772,902	7,067,714	7,002,058	7,198,661	7,538,344	7,572,254
Deductions ¹	(3,479,919)	(3,745,761)	(3,730,937)	(3,830,361)	(3,946,607)	(4,044,772)
Revenue adjustments ²	(101,169)	(141,026)	(142,182)	(144,273)	(144,440)	(144,609)
University Fund Allocation ³	2,668,415	2,912,652	2,912,652	2,912,652	2,912,652	2,912,652
Expense Budget	5,860,229	6,093,579	6,041,591	6,136,679	6,359,950	6,295,526

OISE/UT	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14
Attributed Revenue	65,400,539	65,285,246	69,376,389	71,943,789	73,927,599	76,416,102
Deductions ¹	(28,745,069)	(28,142,759)	(29,010,546)	(30,282,612)	(31,158,064)	(32,165,054)
Revenue adjustments ²	(2,216,581)	(1,885,286)	(2,176,528)	(2,201,539)	(2,228,858)	(2,255,915)
University Fund Allocation ³	14,893,315	14,897,684	14,897,684	14,897,684	14,897,684	14,897,684
Expense Budget	49,332,204	50,154,885	53,086,999	54,357,322	55,438,361	56,892,818

Forestry	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14
Attributed Revenue	2,963,828	2,601,066	3,064,502	3,458,895	3,766,200	3,963,370
Deductions ¹	(2,403,470)	(2,379,836)	(2,464,557)	(2,638,927)	(2,756,826)	(2,870,995)
Revenue adjustments ²	(364,502)	(447,021)	(487,934)	(496,743)	(504,093)	(508,590)
University Fund Allocation ³	2,881,314	2,926,383	2,926,383	2,926,383	2,926,383	2,926,383
Expense Budget	3,077,170	2,700,593	3,038,394	3,249,609	3,431,664	3,510,168

Notes:

1. Includes: UF contribution, student aid set-aside and university-wide costs
2. Adjustments to reflect revenue included in restricted funds and divisional income
3. Includes reference level and incremental allocations for 2007-08 to 2009-10. Flatlined for outer years.

Long Range Academic Divisional Projections

Law	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14
Attributed Revenue	20,097,468	20,017,868	22,462,945	24,617,454	26,035,594	27,551,762
Deductions ¹	(10,853,305)	(11,059,488)	(11,401,980)	(11,962,111)	(12,419,812)	(12,868,115)
Revenue adjustments ²	(1,048,882)	(615,775)	(900,718)	(923,603)	(947,402)	(972,149)
University Fund Allocation ³	6,906,233	7,028,595	7,028,595	7,028,595	7,028,595	7,028,595
Expense Budget	15,101,514	15,371,199	17,188,842	18,760,334	19,696,974	20,740,093

Information	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14
Attributed Revenue	9,862,529	9,770,494	11,858,344	13,847,536	15,145,682	15,914,280
Deductions ¹	(4,554,174)	(4,651,723)	(5,109,112)	(5,716,705)	(6,195,840)	(6,522,355)
Revenue adjustments ²	(259,406)	(307,007)	(308,094)	(308,785)	(310,515)	(311,311)
University Fund Allocation ³	2,445,012	2,433,965	2,433,965	2,433,965	2,433,965	2,433,965
Expense Budget	7,493,961	7,245,729	8,875,102	10,256,011	11,073,291	11,514,578

Music	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14
Attributed Revenue	13,251,812	12,125,519	13,031,567	13,643,297	13,615,592	13,767,102
Deductions ¹	(7,103,568)	(6,967,807)	(7,118,630)	(7,473,003)	(7,676,368)	(7,864,813)
Revenue adjustments ²	(102,974)	(103,104)	(103,104)	(103,104)	(103,104)	(103,104)
University Fund Allocation ³	4,770,645	4,795,639	4,795,639	4,795,639	4,795,639	4,795,639
Expense Budget	10,815,915	9,850,248	10,605,472	10,862,830	10,631,760	10,594,825

Social Work	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14
Attributed Revenue	10,709,780	9,929,277	10,462,845	10,735,539	10,848,134	11,017,865
Deductions ¹	(4,172,899)	(4,388,527)	(4,410,727)	(4,531,344)	(4,609,896)	(4,704,571)
Revenue adjustments ²	(517,438)	(475,312)	(855,902)	(886,664)	(919,727)	(953,071)
University Fund Allocation ³	1,196,147	1,186,622	1,186,622	1,186,622	1,186,622	1,186,622
Expense Budget	7,215,590	6,252,059	6,382,838	6,504,152	6,505,134	6,546,845

Notes:

1. Includes: UF contribution, student aid set-aside and university-wide costs
2. Adjustments to reflect revenue included in restricted funds and divisional income
3. Includes reference level and incremental allocations for 2007-08 to 2009-10. Flatlined for outer years.

Long Range Academic Divisional Projections

Management	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14
Attributed Revenue	56,079,110	54,526,079	62,697,367	70,441,599	78,599,010	86,972,404
Deductions ¹	(19,580,056)	(18,292,346)	(20,022,931)	(22,180,066)	(23,780,351)	(25,513,391)
Revenue adjustments ²	(2,809,350)	(1,520,015)	(2,785,163)	(2,886,498)	(2,991,881)	(3,101,476)
University Fund Allocation ³	6,714,576	6,926,565	6,926,565	6,926,565	6,926,565	6,926,565
Expense Budget	40,404,279	41,640,282	46,815,837	52,301,600	58,753,343	65,284,102

Trans. Year. Prog.	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14
Attributed Revenue	625,148	417,368	546,609	691,868	712,941	734,213
Deductions ¹	(592,974)	(637,399)	(669,172)	(712,065)	(742,280)	(766,727)
Revenue adjustments ²	(220)	-	-	-	-	-
University Fund Allocation ³	1,462,391	1,461,135	1,461,135	1,461,135	1,461,135	1,461,135
Expense Budget	1,494,347	1,241,104	1,338,572	1,440,937	1,431,796	1,428,620

SGS (Centres & Inst.)	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14
Attributed Revenue	5,430,930	1,934,804	1,928,370	1,905,071	1,877,518	1,915,085
Deductions ¹	(3,166,410)	(972,627)	(917,165)	(922,464)	(923,032)	(934,545)
Revenue adjustments ²	(256,576)	(88,806)	(89,121)	(89,439)	(89,761)	(90,085)
University Fund Allocation ³	3,491,159	1,946,365	1,946,365	1,946,365	1,946,365	1,946,365
Expense Budget	5,499,104	2,819,737	2,868,449	2,839,532	2,811,091	2,836,820

Incremental University Funds Available to be Allocated	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14
	3,996,029	5,180,710	5,121,538	4,355,250	4,706,560	4,706,560

Notes:

1. Includes: UF contribution, student aid set-aside and university-wide costs
2. Adjustments to reflect revenue included in restricted funds and divisional income
3. Includes reference level and incremental allocations for 2007-08 to 2009-10. Flatlined for outer years.

**Revenue and Expense Assumptions
Long Range Budget Guidelines 2009-10 to 2013-14**

1) Provincial Operating Grants and Enrolment

a. Undergraduate Enrolment and funding

Over the next five years, the University's plan is to increase its undergraduate enrolment by about 572 student FTEs relative to 2008-09. Arts & Science at St. George is planning to reduce enrolment by 235 FTEs to 20,114 FTEs. This will be more than offset by increases at UTM. Applied Science is projected to reduce its undergraduate enrolment by approximately 290 FTEs to 3,971 as part of a plan to rebalance its undergraduate/graduate mix. The number of students in professional faculties is projected to decline slightly to 7,463 FTEs.

It is assumed that the Ministry will continue to discount funding for undergraduate accessibility (enrolment increase over 2004-05) by 15% for the next two years. This is accounted for as a revenue contingency of \$4.6M in 2009-10 and \$4.7M in 2010-11.

b. Graduate Enrolment and funding

Graduate enrolment expansion plans have been revised to reflect actual enrolment to date and new divisional plans. The total planned increase in 2009-10 is 2667 total FTEs, relative to 2004-05. This is composed almost entirely of domestic FTEs, with planned growth of only 16 international FTEs.

It has been assumed that the Ministry will provide full funding for graduate expansion up to the levels requested in the University's Phase 2 submission of May 2008. Current enrolment projections for Masters programs show that these levels will be significantly exceeded in outer years of the planning period. At the same time, PhD enrolments will be below those requested. The University's advocacy position is to allow fungibility between the corresponding funding envelopes, so that the over-enrolment in Masters programs can be funded from unclaimed monies in the PhD envelope. Since the Ministry has not made any commitments in this regard, the operating grant projections have been made on the assumption that fungibility will not be allowed. That is, funding for Masters students has been capped at the levels requested in our Phase submission. The impact of this assumption is a shortfall of about \$7M by the end of the planning period.

c. Other grants

No significant changes are assumed in other funding envelopes.

**Revenue and Expense Assumptions
Long Range Budget Guidelines 2009-10 to 2013-14**

2) Tuition Fees

a. Domestic

Tuition fees are assumed to increase by 4.31% on average in 2009-10. In the absence of a new government framework beyond 2009-10, the current multi-year tuition policy is assumed to continue in the outer years.

b. International

Tuition fees are assumed to increase approximately 5.9% on average in 2009-10. Arts & Science and Engineering undergraduate international fees are projected to increase by 10% in 2010-11.

3) Investment Income

It is assumed that investment income for 2009-10 will remain at the 2008-09 forecast level of approximately \$13M. The forecast was based on a return assumption of 1.98%, which is 2.35% lower than the budgeted return of 4.33%. This is offset by a higher than budgeted capital of \$240M. In the outer years investment income returns are projected to gradually return to the historical levels of 4-5%.

4) Other Income

Other income includes primarily service charges on unpaid fees and application fees. Service charge revenue is projected to increase at the same rate as tuition fees. Application fee revenue projections are based on application projections.

5) Endowment Revenue for Chairs and Student Aid

By policy, pay-outs on the University's endowed funds range from 3% to 5% of the market value of the relevant assets, with a target around 4%. We are assuming that a pay-out will be made from earnings on endowed funds in 2009-10. However, as a precautionary measure, the budget for 2009-10 is based on two very conservative assumptions: that ongoing instability in markets will depress the value of units in the endowment fund below current levels; and that the relevant pay-out percentage will be at the bottom end of the range. This cautious approach is essential given current market conditions, and is being adopted by many sister institutions. For 2010-11, we assume the unit values will be close to mid-2008 values and that a pay-out will be made near the usual target level.

**Revenue and Expense Assumptions
Long Range Budget Guidelines 2009-10 to 2013-14**

6) Provincial Scholarship Grants

This revenue line includes Ontario Graduate Scholarships and Aim for the Top Scholarships. Revenue is projected to continue at the 2008-09 forecast level of \$11.2M.

7) Canada Research Chairs

The Federal government has signaled that Canada Research Chairs may be reduced by up to six chairs in the future; however no details on exact numbers, timing or the particular chairs to be eliminated are available at this time. There will be no reduction in 2009-10. It has been assumed that a reduction of \$0.9M will be phased in over three years starting in 2010-11.

8) Indirect Cost Recovery

- a. Indirect cost recovery from provincial and industrial grants and contracts is projected to remain relatively constant at \$9M.
- b. Projected federal IDC revenue is assumed to remain constant at \$20.5M for 2009-10 and has been flat-lined beyond.

9) Divisional Income

Divisional income has been adjusted in 2009-10 to reflect prior year actual income. It is projected to increase by 2% each year.

10) University-wide Student Aid

- a. Student aid amounts have been assessed to ensure sufficient funding to meet the Student Access Guarantee and the University's Policy on Student Financial Support.
- b. Student aid is supported by both operating and endowed funds. As a result of the anticipated cancellation of the 2009 endowment payout it is projected that student aid funded by the endowment will decrease by \$5M in 2009-10, from \$33M to \$28M. This is the amount that will come from the operating budget. At least another \$4M, which will be funded from prior year savings and new expendable donations.

11) Flow-through to other institutions

The University receives grant and /or tuition revenue on behalf of other institutions for the CRC program, the joint programs with colleges and the Toronto School of Theology. Funds are flowed directly to these institutions when they are received.

**Revenue and Expense Assumptions
Long Range Budget Guidelines 2009-10 to 2013-14**

12) Federated Block Grant

Payments to the federated colleges are projected to increase by \$1.2M and \$1.5M, respectively, over the next two years. These payments include both annual funding as per the memorandum of agreement plus phased-in adjustments.

13) Utilities

Utility costs are projected to increase by \$3.6M in 2009-10 as a result of both volume increase and higher utility prices. Costs are anticipated to increase significantly again in 2011-12 as new or expanded buildings will come on-line (Rotman expansion, Munk Centre, Student Centre, High Performance Centre)

14) Pension Deficit Amortization

Annual amortization continues at \$27.3M a year.

15) Facilities and Services: Caretaking and Maintenance

Funding has been provided to increase the level of caretaking and maintenance at the St. George campus.

16) Utilities Infrastructure Reserve

The third and final increase in allocation to the annual funding of the utilities reserve will be delayed for one year. The fund will reach \$3.5M in 2010-11.

17) Operating Fund Debt Service Support of Capital Budget

An additional allocation is planned in support of debt service on the Exam Centre and 172 St George.

18) Library Acquisitions and Services

Allocation to library acquisitions will be increased by 2% in 2009-10. Additional funding is provided for improved library services.

19) Other Budget Planning & Priorities allocation to Shared Services

Requests for additional funding for the shared-services portfolios are reviewed by the Budget Planning and Priorities Committee. Allocations are approved by the President based on recommendations from the committee, taking into consideration high priority needs and new revenues available to the University.

20) Compensation: salaries and benefits for administrative/ academic service divisions

Compensation increases for all university employees are assumed to be as per negotiated agreements or, in the case of ongoing negotiations, as per the University's offer. Beyond that, total compensation increases are assumed to be no more than CPI. The standard benefit rate will remain at 22.50% for appointed employees and at 10% for non-appointed staff.

**Revenue and Expense Assumptions
Long Range Budget Guidelines 2009-10 to 2013-14**

21) Expense Cost Containment

An across-the-board reduction in expenditures on central services will be applied, amounting to 3% of the relevant base.

University-Wide Funds

- 22) **Academic Initiative Fund:** Base funds will be withdrawn in 2009-10 leaving \$5M in the fund. The 2009-10 competition was cancelled.
- 23) **Student Experience Fund:** This fund was established to provide one-time-only funding for three years. The full \$9.9M in base will be removed from the fund and returned to academic divisions as per the original plan.
- 24) **Provost's Contingency Fund:** \$1M in additional funds will be allocated to the Provost's Contingency in 2009-10 and an additional \$1.6M will be allocated over the remaining four years. These funds generally flow back out to academic divisions to meet unanticipated needs.
- 25) **Transitional Funding (Academic):** An additional \$2M will be allocated to the Transitional Fund in 2009-10 and \$1.1M is allocated over the remaining four years to continue to support academic divisions in transition.
- 26) **Prior year distribution of academic funds to divisions:** Base allocations to the academic divisions must be removed from the funds and added to the University Fund total of a division the year following the allocation. In 2008-09 \$1.3M was allocated to academic divisions.
- 27) **Graduate Expansion Incentive Fund:** One time only funding of \$1.1M has been provided for 2009-10 in the final year of the Graduate Expansion Incentive Fund. These funds flow to the academic divisions based on graduate enrolment growth over 2006-07.
- 28) **Academic Service Initiatives Fund:** This fund supports such services as libraries (other than book and electronic acquisition) and academic computing. No new allocations to this fund are required in 2009-10.
- 29) **Graduate Expansion University-wide Services:** This fund was created to support university wide services associated with the expansion, including library support, information technology, SGS, student services, student experience. Sufficient carryforward remains in the fund and therefore additional funds are not required in 2009-10.

**Revenue and Expense Assumptions
Long Range Budget Guidelines 2009-10 to 2013-14**

- 30) **Information Technology Initiatives and Upgrades:** Adequate funds are still available for 2009-10. As revenues are projected to increase, allocations of \$2.5M will be made over the remaining four years to support improved information technology.
- 31) **Administrative Priorities Fund:** The purpose of this fund is to support unanticipated high-priority needs in various Vice-Presidential portfolios. An additional \$1.2M will be allocated in 2009-10 and \$2.5M is allocated over the remaining period.
- 32) **Academic Deficit Financing Fund:** In anticipation of the cancellation of a payout on the endowment in April 2009, a fund will be created for one year to assist academic divisions in meeting their financial commitments, in particular student aid. The University is requesting authorization to incur a deficit of up to \$45M. This amount will be placed in a special account from which funds can be disbursed to the divisions. Because divisions are incented to use only the minimum amount needed, it is expected that only a portion of the requested total of \$45M will actually be used. By the end of the fiscal year, the unused amount will flow to the University's bottom line.

Contractual Commitments List
2009-10

Appendix D

PAYMENTS TO AFFILIATED INSTITUTIONS

Federated Universities Block Grant									
Toronto School of Theology Grant									
Transfer Payments re Joint Programs with Colleges									
Total									

UTILITIES

St George									
St George - Utilities Infrastructure Reserve									
University of Toronto at Scarborough ¹									
University of Toronto at Mississauga ¹									
Total									

¹ net of recoveries

PAID LEAVE COMMITMENTS

Administrative leaves									
UTFA Released Time									
USW Released Time *									
CUPE 3902 unit 1 Released Time									
CUPE 3902 unit 3 Released Time									
CUPE 3261 Released Time									
CUPE 1230 Released Time									
Teaching Assistants - Training Program									
Total									

OPERATING FUND TRANSFER TO CAPITAL

Debt Service									
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	2008-09 Budget	Base Changes	OTC Allocations	Reversal of Prior Year OTO	Total Increase (Decrease)	2009-10 Budget
	10,932,002	1,200,000	-	-	1,200,000	12,132,002
	2,371,112	(280,475)	-	-	(280,475)	2,090,637
	5,040,664	(279,742)	-	-	(279,742)	4,760,922
Total	18,343,778	639,783	-	-	639,783	18,983,561
	39,825,779	3,568,609	-	-	3,568,609	43,394,388
	2,515,596	-	-	-	-	2,515,596
	3,628,335	335,296	-	-	335,296	3,963,631
	3,534,888	787,283	-	-	787,283	4,322,171
Total	49,504,598	4,691,188	-	-	4,691,188	54,195,786
	(66,905)		651,000	(491,945)	159,055	92,150
	382,928	13,402	-	-	13,402	396,330
	660,562	10,800	-	(352,007)	(341,207)	319,355
	-	8,620	-	-	8,620	8,620
	-	-	-	-	-	-
	51,495	-	-	-	-	51,495
	51,953	-	-	-	-	51,953
	275,000	-	-	-	-	275,000
Total	1,355,033	32,822	651,000	(843,952)	(160,130)	1,194,903
Total	18,504,583	200,000	-	-	200,000	18,704,583

Contractual Commitments List
2009-10

Appendix D

	2008-09 Budget	Base Changes	OTO Allocations	Reversal of Prior Year OTO	Total Increase (Decrease)	2009-10 Budget
OTHER INSTITUTIONAL COMMITMENTS						
Membership fees						
AUCC	241,506				-	241,506
COU Subscriptions	688,664	80,000			80,000	768,664
Other Membership	81,360				-	81,360
Subtotal- Membership Fees	1,011,530	80,000	-	-	80,000	1,091,530
UTFA Negotiating Expenses	205,037	-		(15,000)	(15,000)	190,037
USW Negotiating Expenses	15,000	-		-	-	15,000
CUPE Negotiating Expenses *	450,150	68,788	15,000	(15,000)	68,788	518,938
USW Job Evaluation Adjustment Fund	-	-	2,004,664	-	2,004,664	2,004,664
Job Accommodation Fund/ Program	65,000				-	65,000
Legal Fees *	2,243,820				-	2,243,820
Pension Consulting *	60,000	20,000			20,000	80,000
EH&S - Certification Training & Release	32,000				-	32,000
EH&S - Waste Management Fund	517,000				-	517,000
EH&S - Fund	243,250				-	243,250
City water backflow prevention			141,011	(15,000)	126,011	369,261
Other misc. & reversals of prior year OTOs			750,000	-	750,000	750,000
University Student Assistance Administration			85,201	(542,005)	(456,804)	(456,804)
Insurance	1,613,354				-	1,613,354
Lease Cost of Off-Campus Space	1,400,000				-	1,400,000
	1,085,327	90,000			90,000	1,175,327
Total	8,941,468	258,788	2,995,876	(587,005)	2,667,659	11,609,127
CONTINGENCY ITEMS (see list at end)	1,485,000	(365,000)			(365,000)	1,120,000
TOTAL CONTRACTUAL COMMITMENTS	98,134,460	5,457,581	3,646,876	(1,430,957)	7,673,500	105,807,960

	Base
* Contingency Items	
Legal Fees	1,000,000
Pension Consulting	40,000
USW Release Time	60,000
CUPE Negotiations	20,000
TOTAL CONTINGENCY	1,120,000
Prior Year Contingency	1,485,000
Net Change in Contingency for 2009-10	(365,000)

Table 1: Capital Project Summary

	Total Capital Requirements		Total Approved Projects
	Approved to 2008-2009	New Projects 2008-09	
Capital Projects, Academic and Non-Academic	\$ 950,615,044	\$ 56,350,000	\$ 1,006,965,044
Capital Projects, Ancillaries	290,490,000	-	290,490,000
Matching Funds for endowment capital	44,000,000	-	44,000,000
Total Capital Projects	1,285,105,044	56,350,000	1,341,455,044
Funding Sources			
Federal Government	59,990,000	-	59,990,000
Provincial Government	294,037,700	19,270,000	313,307,700
Campaign Donations	104,440,000	7,240,000	111,680,000
Other (interest earned, municipal)	79,277,250	-	79,277,250
Sub-Total	537,744,950	26,510,000	564,254,950
Funded by the Central Operating Budget	200,696,984	3,720,000	204,416,984
Funded by Academic Divisional Budgets	319,603,110	26,120,000	345,723,110
Funded by Ancillaries Budgets and Student Levies	227,060,000	-	227,060,000
Sub-Total	747,360,094	29,840,000	777,200,094
Total Funding identified	\$ 1,285,105,044	\$ 56,350,000	\$ 1,341,455,044
Total Funding surplus/(deficit)	\$ -	\$ -	\$ -

Table 2: New Projects Budget Details

	Project Cost	Sources of Funding			Total Sources of Funding	New Projects Approved Divisional Borrowing	Projected Completion Date
		Central	Divisional Operating Budget	Other Funding Sources			
UTM South Master Plan	\$ 10,060,000		\$ 10,060,000		\$ 10,060,000	\$ 6,560,000	Jan. 2010
Galbraith Sanford Fleming Structures Lab	2,150,000		880,000	1,270,000	2,150,000		Mar. 2009
245 College Street Purchase	2,170,000	2,170,000			2,170,000		Apr. 2008
90 Wellesley Street West	12,570,000		12,570,000		12,570,000	12,570,000	Apr. 2008
South East Electrical Plan	3,000,000			3,000,000	3,000,000		Mar. 2009
Robarts Renewal and Expansion	24,400,000		610,000	23,790,000	24,400,000		Sept. 2011
Faculty of Law Expansion	2,000,000		2,000,000		2,000,000		May. 2009
Total New Projects	\$ 56,350,000	\$ 2,170,000	\$ 26,120,000	\$ 28,060,000	\$ 56,350,000	\$ 19,130,000	

DIVISIONAL BUDGET SCHEDULES

EXPENSE SUMMARY

ACADEMIC DIVISIONS	Academic Deficit Financing Fund	University-Wide Student Aid Set-Aside	Flow-Through to Other Institutions	Shared Services, Pension and Acad. Funds	TOTAL EXPENSE SUMMARY
	90,174,187	90,174,187	21,311,776	406,985,716	518,471,679
				1,430,957	1,430,957
				408,416,673	519,902,636

Net Budget for 2008-09
 One-Time-Only Budget for 2008-09
TOTAL NET BUDGET FOR 2008-09

BUDGET CHANGES:

ACADEMIC DIVISIONS-					
Adjusted Net Revenue	618,336,279				618,336,279
University Fund Allocation	114,515,546				114,515,546
SUBTOTAL	732,851,825				732,851,825
2009-10 Allocations from Central Funds	547,497		(469,086)		78,411
SHARED SERVICES DIVISIONS-					
Cost Containment		(4,500,000)			(4,500,000)
Balance of Prior Year's Salary/Benefit Increase					
Adjustments: Contractual / Budget Model	45,000,000	(5,300,000)	(760,217)	4,563,724	43,503,507
ALL DIVISIONS-					
Transfers in	2,418,568				2,418,568
Transfers out	(2,418,568)				(2,418,568)
Expense Offset by Additional Divisional Revenue					
(Increase) / Decrease in Divisional Revenue					
TOTAL	733,399,322	(5,300,000)	(760,217)	(405,362)	771,933,743

ONE-TIME-ONLY BUDGET CHANGES:

Adjustments: Contractual / Budget Model		2,215,919			2,215,919
ONE-TIME-ONLY BUDGET CHANGE					2,215,919

Net Budget for 2009-10
 OTO Budget for 2009-10

TOTAL NET BUDGET FOR 2009-10

DIVISIONAL REVENUE (INCL. RECOVERIES)

Endowment Income :	12,762,724			141,905	12,904,629
External Income :	134,162,474			47,664,031	183,726,505
Internal Recoveries :	118,666,403	1,900,000		49,210,882	167,877,285
External Recoveries :	49,461,856		20,551,559	1,581,882	51,043,738
Negative Approp. :	1,612,727				1,612,727
TOTAL DIV REVENUE (INCL. RECOVERIES)	316,666,184	1,900,000	20,551,559	98,598,700	417,164,884

GROSS EXPENSE BUDGET FOR 2009-10

1,050,065,506 **45,000,000** **86,774,187** **20,551,559** **508,825,930** **1,711,217,182**

Note 1 Reconciliation to Budget Model:
 Net Expense Budget as per Div. Schedules
 plus Divisional Income as per Budget Model
 plus Endowment Income as per Budget Model
 less Municipal Taxes not in Budget Model
 Total

Academic Divisions

DIVISIONAL BUDGET SCHEDULES

	ARTS & SCIENCE (incl Colleges)	UTSC TOTAL	UTM TOTAL	DENTISTRY	MEDICINE	LAWRENCE S. BLOOMBERG FACULTY OF NURSING	LESLIE DAN FACULTY OF PHARMACY
Adjusted Net Revenue	186,277,383	92,743,559	97,031,382	10,566,122	56,372,019	7,771,707	13,298,189
University Fund Allocation	26,229,427	259,420	186,501	11,445,350	22,360,024	2,000,428	(161,576)
SUBTOTAL	212,506,810	93,002,979	97,217,883	22,011,472	78,732,043	9,772,135	13,136,613
2009-10 Allocations from Central Funds	110,641	225,426	126,474	9,250	6,393	6,468	6,027
Transfers in	2,271,866				146,702		
Transfers out		(1,838)					
Expense Offset by Additional Divisional Revenue (Increase) Decrease in Divisional Revenue							
TOTAL	214,889,317	93,226,567	97,344,357	22,020,722	78,885,138	9,778,603	13,142,640

DIVISIONAL REVENUE (INCL. RECOVERIES)

Endowment Income :	2,450,000
External Income :	9,616,094
Internal Recoveries :	43,146,704
External Recoveries :	9,796,003
Negative Approp. :	591,453

TOTAL DIV REVENUE (INCL. RECOVERIES)

	65,600,254	18,296,750	18,911,620	12,378,341	84,615,680	983,094	1,533,191
GROSS EXPENSE BUDGET FOR 2009-10	280,489,571	111,523,317	116,255,977	34,399,063	163,500,818	10,761,697	14,675,831

Appendix F

Academic Divisions

**JOHN H. DANIELS
FACULTY OF
ARCHITECTURE,
LANDSCAPE
& DESIGN**

	PHYSICAL EDUCATION & HEALTH	APPLIED SCIENCE & ENGINEERING	FORESTRY	OISE/UT	LAW	INFORMATION
Adjusted Net Revenue	3,908,639	53,513,469	(225,791)	35,257,201	8,342,605	4,811,764
University Fund Allocation	303,498	5,376,867	2,926,383	14,897,684	7,028,595	2,433,965
SUBTOTAL	4,212,137	58,890,336	2,700,592	50,154,885	15,371,200	7,245,729
2009-10 Allocations from Central Funds	2,573	919	2,634	4,901	23,583	(1,905)
Transfers in						
Transfers out						
Expense Offset by Additional Divisional Revenue						
(Increase) Decrease in Divisional Revenue						
TOTAL	4,214,710	58,891,255	2,703,226	50,159,786	15,394,783	7,243,824

DIVISIONAL REVENUE (INCL. RECOVERIES)

Endowment Income :	2,490,203
External Income :	8,145,022
Internal Recoveries :	8,122,330
External Recoveries :	237,754
Negative Approp. :	1,021,274
	1,502,667

TOTAL DIV REVENUE (INCL. RECOVERIES)

GROSS EXPENSE BUDGET FOR 2009-10

	608,378	76,000	600,000	1,429,177	362,356	2,224,266
	9,682,608	249,742	1,609,279	6,456,750	4,015,799	
	6,798,407	325,742	1,407,373	21,851,533	11,259,623	
	158,621					
	17,248,014					
	1,021,274					
	1,502,667					
	7,600,100	3,028,968	21,851,533	11,259,623		
	77,886,564					
	31,346,023					
	3,028,968					
	21,851,533					
	11,259,623					

Appendix F

Academic Divisions

	MUSIC	FACTOR-INWENTASH FACULTY OF SOCIAL WORK	JOSEPH L. ROTMAN SCHOOL OF MANAGEMENT	TRANSITIONAL YEAR PROGRAMME	GRADUATE CENTRES & INSTITUTES	TOTAL Academic Divisions
Adjusted Net Revenue	5,054,608	5,065,437	34,713,718	(220,031)	873,372	618,336,279
University Fund Allocation	4,795,639	1,186,622	6,926,565	1,461,137	1,946,365	114,515,546
SUBTOTAL	9,850,247	6,252,059	41,640,283	1,241,106	2,819,737	732,851,825
2009-10 Allocations from Central Funds	13,084	3,185		1,348	2,642	547,497
Transfers in						2,418,568
Transfers out					(2,416,730)	(2,418,568)
Expense Offset by Additional Divisional Revenue						
(Increase) Decrease in Divisional Revenue						
TOTAL	9,863,331	6,255,244	41,640,283	1,242,454	405,649	733,399,322

DIVISIONAL REVENUE (INCL. RECOVERIES)

Endowment Income :		800,000	2,664,641			12,762,724
External Income :	390,500	175,000	16,956,116	90,000	84,159	134,162,474
Internal Recoveries :	1,245,455	100,000	15,907,995	64,500	121,865	118,666,403
External Recoveries :	71,429					49,461,856
Negative Approp. :						1,612,727
TOTAL DIV REVENUE (INCL. RECOVERIES)	1,707,384	1,075,000	35,528,752	154,500	206,024	316,666,184
GROSS EXPENSE BUDGET FOR 2009-10	11,570,715	7,330,244	77,169,035	1,396,954	611,673	1,050,065,506

University Wide Student Aid Set-Aside

DIVISIONAL BUDGET SCHEDULES

	AIM FOR THE TOP SCHOLARSHIPS	GRADUATE FELLOWSHIPS	GRADUATE STUDENT AID	ONTARIO GRADUATE SCHOLARSHIPS	OGSST	OSOTF MATCHING	STUDENT AID REINVESTMENT	STUDENT AID REINVESTMENT INTERNATIONAL	STUDENT AID FUNDED FROM RESTRICTED FUNDS	TOTAL Student Aid Set-Aside
Net Budget for 2008-09	5,400,000	1,017,431	390,393	6,100,000	2,600,000	1,500,000	37,195,103	3,071,260	32,900,000	90,174,187
One-Time-Only Budget for 2008-09	5,400,000	1,017,431	390,393	6,100,000	2,600,000	1,500,000	37,195,103	3,071,260	32,900,000	90,174,187
TOTAL NET BUDGET FOR 2008-09										
BUDGET CHANGES:										
ACADEMIC DIVISIONS-										
Adjusted Net Revenue										
University Fund Allocation										
SUBTOTAL										
2009-10 Allocations from Central Funds										
SHARED SERVICES DIVISIONS-										
Cost Containment										
Balance of Prior Year's Salary/Benefit Increase										
Adjustments: Contractual / Budget Model	(300,000)								(5,000,000)	(5,300,000)
ALL DIVISIONS-										
Transfers in										
Transfers out										
Expense Offset by Additional Divisional Revenue										
(Increase) Decrease in Divisional Revenue										
TOTAL	(300,000)								(5,000,000)	(5,300,000)

ONE-TIME-ONLY BUDGET CHANGES:
Adjustments: Contractual / Budget Model
ONE-TIME-ONLY BUDGET CHANGE

Net Budget for 2009-10	5,100,000	1,017,431	390,393	6,100,000	2,600,000	1,500,000	37,195,103	3,071,260	27,900,000	84,874,187
OTO Budget for 2009-10	5,100,000	1,017,431	390,393	6,100,000	2,600,000	1,500,000	37,195,103	3,071,260	27,900,000	84,874,187
TOTAL NET BUDGET FOR 2009-10										

DIVISIONAL REVENUE (INCL. RECOVERIES)

Endowment Income :										
External Income :							1,900,000			1,900,000
Internal Recoveries :										
External Recoveries :										
Negative Approp. :										
TOTAL DIV REVENUE (INCL. RECOVERIES)							39,095,103			1,900,000

GROSS EXPENSE BUDGET FOR 2009-10

	5,100,000	1,017,431	390,393	6,100,000	2,600,000	1,500,000	39,095,103	3,071,260	27,900,000	86,774,187
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Flow-through to Other Institutions

DIVISIONAL BUDGET SCHEDULES

TORONTO SCHOOL OF THEOLOGY	CRC Flow Through to Hospitals	JT PROGRAMS WITH COLLEGES	TOTAL Flow-through
2,371,112	13,900,000	5,040,664	21,311,776
2,371,112	13,900,000	5,040,664	21,311,776

Net Budget for 2008-09
 One-Time-Only Budget for 2008-09
TOTAL NET BUDGET FOR 2008-09

BUDGET CHANGES:

ACADEMIC DIVISIONS-
 Adjusted Net Revenue
 University Fund Allocation
 SUBTOTAL
 2009-10 Allocations from Central Funds
 SHARED SERVICES DIVISIONS-
 Cost Containment
 Balance of Prior Year's Salary/Benefit Increase
 Adjustments: Contractual / Budget Model
 ALL DIVISIONS-
 Transfers in
 Transfers out
 Expense Offset by Additional Divisional Revenue
 (Increase) Decrease in Divisional Revenue
 TOTAL

ONE-TIME-ONLY BUDGET CHANGES:
 Adjustments: Contractual / Budget Model
 ONE-TIME-ONLY BUDGET CHANGE

2,090,637	13,700,000	4,760,922	20,551,559
2,090,637	13,700,000	4,760,922	20,551,559

Net Budget for 2009-10
 OTO Budget for 2009-10
TOTAL NET BUDGET FOR 2009-10

DIVISIONAL REVENUE (INCL. RECOVERIES)
 Endowment Income :
 External Income :
 Internal Recoveries :
 External Recoveries :
 Negative Approp. :
 TOTAL DIV REVENUE (INCL. RECOVERIES)

GROSS EXPENSE BUDGET FOR 2009-10 **2,090,637** **13,700,000** **4,760,922** **20,551,559**

Shared Services, Pension and Acad. Funds

DIVISIONAL BUDGET SCHEDULES

	Other Academic Costs (excl CRCflow, JtProg, Acad Deficit Financfd)	Central Library	St George Student Life Programs & Services	St George Facilities & Svcs	Governance & Administration
Net Budget for 2008-09	98,401,395	52,527,573	475,400	96,264,007	81,303,182
One-Time-Only Budget for 2008-09	491,945		542,005		15,000
TOTAL NET BUDGET FOR 2008-09	98,893,340	52,527,573	475,400	96,806,012	81,318,182
BUDGET CHANGES:					
ACADEMIC DIVISIONS-					
Adjusted Net Revenue					
University Fund Allocation					
SUBTOTAL	(37,400)	(57,971)			
2009-10 Allocations from Central Funds					
SHARED SERVICES DIVISIONS-					
Cost Containment		(926,000)	(14,000)	(1,375,000)	(2,147,000)
Balance of Prior Year's Salary/Benefit Increase		1,229,777	6,687	1,240,937	2,801,852
Adjustments: Contractual / Budget Model	(10,156,342)	721,589		5,719,000	606,000
ALL DIVISIONS-					
Transfers in		125,000	86,740	121,154	1,816,161
Transfers out	(728,800)		(26,325)		(1,331,397)
Expense Offset by Additional Divisional Revenue					
(Increase) Decrease in Divisional Revenue	(10,922,542)	1,092,395	53,102	5,706,091	1,745,616
TOTAL					
ONE-TIME-ONLY BUDGET CHANGES:					
Adjustments: Contractual / Budget Model	159,055			224,971	194,236
ONE-TIME-ONLY BUDGET CHANGE	159,055			224,971	194,236
Net Budget for 2009-10	87,478,853	53,619,968	528,502	101,970,098	83,048,798
OTO Budget for 2009-10	651,000			766,976	209,236
TOTAL NET BUDGET FOR 2009-10	88,129,853	53,619,968	528,502	102,737,074	83,258,034
DIVISIONAL REVENUE (INCL. RECOVERIES)					
Endowment Income :		141,905			
External Income :	500,000	2,273,210	14,150,735	5,561,652	11,464,857
Internal Recoveries :		2,530,447	2,009,427	26,816,938	13,577,321
External Recoveries :		1,270,048	330		311,504
Negative Approp. :					
TOTAL DIV REVENUE (INCL. RECOVERIES)	500,000	6,215,610	16,160,492	32,378,590	25,353,682
GROSS EXPENSE BUDGET FOR 2009-10	88,629,853	59,835,578	16,688,994	135,115,664	108,611,716

Shared Services, Pension and Acad. Funds

	Gen Univ & Other (includes Mun Taxes)	Federated Block Grant	School of Graduate Studies	School of Continuing Studies	TOTAL Shared Svcs, Pension & Acad. Funds
Net Budget for 2008-09	62,847,072	10,932,002	4,235,085		406,985,716
One-Time-Only Budget for 2008-09	382,007				1,430,957
TOTAL NET BUDGET FOR 2008-09	63,229,079	10,932,002	4,235,085		408,416,673
BUDGET CHANGES:					
ACADEMIC DIVISIONS-					
Adjusted Net Revenue					
University Fund Allocation					
SUBTOTAL	(373,715)				(469,086)
2009-10 Allocations from Central Funds					
SHARED SERVICES DIVISIONS-					
Cost Containment	93,000		(131,000)		(4,500,000)
Balance of Prior Year's Salary/Benefit Increase	(5,449,219)		169,966		
Adjustments: Contractual / Budget Model	6,342,477	1,200,000	131,000		4,563,724
ALL DIVISIONS-					
Transfers in	101,714				2,250,769
Transfers out	(164,247)				(2,250,769)
Expense Offset by Additional Divisional Revenue					
(Increase) Decrease in Divisional Revenue					
TOTAL	550,010	1,200,000	169,966		(405,362)
ONE-TIME-ONLY BUDGET CHANGES:					
Adjustments: Contractual / Budget Model	1,637,657				2,215,919
ONE-TIME-ONLY BUDGET CHANGE	1,637,657				2,215,919
Net Budget for 2009-10	63,397,082	12,132,002	4,405,051		406,580,354
OTO Budget for 2009-10	2,019,664				3,646,876
TOTAL NET BUDGET FOR 2009-10	65,416,746	12,132,002	4,405,051		410,227,230
DIVISIONAL REVENUE (INCL. RECOVERIES)					
Endowment Income :					141,905
External Income :			908,500	12,805,077	47,664,031
Internal Recoveries :	3,879,350		142,399	255,000	49,210,882
External Recoveries :					1,581,882
Negative Approp. :					
TOTAL DIV REVENUE (INCL. RECOVERIES)	3,879,350		1,050,899	13,060,077	98,598,700
GROSS EXPENSE BUDGET FOR 2009-10	69,296,096	12,132,002	5,455,950	13,060,077	508,825,930

Other Academic Costs (excl CRC Flow, Jt Prog,
Academic Deficit Financing Fund)

DIVISIONAL BUDGET SCHEDULES

	ACADEMIC INITIATIVES (AIF)	ACADEMIC SERVICES INITIATIVES	ACADEMIC REVIEWS	ACADEMIC ADMINISTRATORS ON LEAVE	CAMPAIGN EXPENSE-Divisional	FACILITIES RENOVATIONS & UPGRADES FROM PROGRAM PLANNING	FACULTY RECRUITMENT	Fields Institute
Net Budget for 2008-09	11,051,253	1,764,694	225,307	491,945	2,100,000	2,000,000	3,372,075	276,553
One-Time-Only Budget for 2008-09	11,051,253	1,764,694	225,307	491,945	2,100,000	2,000,000	3,372,075	276,553
TOTAL NET BUDGET FOR 2008-09								

BUDGET CHANGES:

ACADEMIC DIVISIONS- Adjusted Net Revenue University Fund Allocation SUBTOTAL 2009-10 Allocations from Central Funds SHARED SERVICES DIVISIONS- Cost Containment Balance of Prior Year's Salary/Benefit Increase Adjustments: Contractual / Budget Model ALL DIVISIONS- Transfers in Transfers out Expense Offset by Additional Divisional Revenue (Increase) Decrease in Divisional Revenue TOTAL	(5,000,000)
	(5,000,000)

ONE-TIME-ONLY BUDGET CHANGES:

Adjustments: Contractual / Budget Model	159,055
ONE-TIME-ONLY BUDGET CHANGE	159,055
Net Budget for 2009-10	6,051,253
OTO Budget for 2009-10	1,764,694
TOTAL NET BUDGET FOR 2009-10	6,051,253

DIVISIONAL REVENUE (INCL. RECOVERIES)

Endowment Income :	
External Income :	500,000
Internal Recoveries :	
External Recoveries :	
Negative Approp. :	500,000
TOTAL DIV REVENUE (INCL. RECOVERIES)	
GROSS EXPENSE BUDGET FOR 2009-10	6,051,253

	1,764,694	225,307	651,000	2,100,000	2,000,000	3,372,075	276,553
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**Other Academic Costs (excl CRC Flow, Jt Prog,
Academic Deficit Financing Fund)**

	GRADUATE EXPANSION INCENTIVE	GRADUATE EXPANSION- UNIV-WIDE	Info Tech Courseware Developmt Fund (ITCDF)	INFORMATION TECHNOLOGY INITIATIVES & UPGRADES	NON- DEPARTMENTAL PROFESSORS	OVERHEAD ON FEDERAL RESEARCH GRANTS	PROVOST'S RESERVE & CONTINGENCY	RESEARCH ALLOWANCE- EndCh/UnProf
Net Budget for 2008-09	6,157,617	2,580,000	216,422	3,274,986	233,972	5,125,000	6,324,606	2,100,000
One-Time-Only Budget for 2008-09	6,157,617	2,580,000	216,422	3,274,986	233,972	5,125,000	6,324,606	2,100,000
TOTAL NET BUDGET FOR 2008-09								

BUDGET CHANGES:

ACADEMIC DIVISIONS- Adjusted Net Revenue University Fund Allocation SUBTOTAL				(37,400)				
2009-10 Allocations from Central Funds SHARED SERVICES DIVISIONS- Cost Containment								
Balance of Prior Year's Salary/Benefit Increase Adjustments: Contractual / Budget Model ALL DIVISIONS- Transfers in Transfers out Expense Offset by Additional Divisional Revenue (Increase) Decrease in Divisional Revenue TOTAL	1,135,739	(143,600)		(445,200)			1,000,000	
	1,135,739	(143,600)		(482,600)			1,000,000	

ONE-TIME-ONLY BUDGET CHANGES:

Adjustments: Contractual / Budget Model ONE-TIME-ONLY BUDGET CHANGE								
Net Budget for 2009-10	7,293,356	2,436,400	216,422	2,792,386	233,972	5,125,000	7,324,606	2,100,000
OTO Budget for 2009-10	7,293,356	2,436,400	216,422	2,792,386	233,972	5,125,000	7,324,606	2,100,000
TOTAL NET BUDGET FOR 2009-10								

DIVISIONAL REVENUE (INCL. RECOVERIES)

Endowment Income :								
External Income :								
Internal Recoveries :								
External Recoveries :								
Negative Approp. :								
TOTAL DIV REVENUE (INCL. RECOVERIES)								

GROSS EXPENSE BUDGET FOR 2009-10

	<u>7,293,356</u>	<u>2,436,400</u>	<u>216,422</u>	<u>2,792,386</u>	<u>233,972</u>	<u>5,125,000</u>	<u>7,324,606</u>	<u>2,100,000</u>
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Other Academic Costs (excl CRC Flow, Jt Prog,
Academic Deficit Financing Fund)

	RESEARCH ALLOWANCE-Canada Res Chairs	RESEARCH SUPPORT P.D.& D.	RESEARCH RESERVE FOR OVERHEAD	RESEARCH RESIDENCE FUNDING	Search Committees	STUDENT EXPERIENCE FUND	TRANSITIONAL FUNDING	CANADA RESEARCH CHAIRS	TOTAL
Net Budget for 2008-09	1,260,000	590,657	8,279,496	1,860,000	100,152	9,966,666	5,141,939	24,400,000	98,401,395
One-Time-Only Budget for 2008-09	1,260,000	590,657	8,279,496	1,860,000	100,152	9,966,666	5,141,939	24,400,000	491,945
TOTAL NET BUDGET FOR 2008-09									98,893,340
BUDGET CHANGES:									
ACADEMIC DIVISIONS-									
Adjusted Net Revenue									
University Fund Allocation									
SUBTOTAL									(37,400)
2009-10 Allocations from Central Funds									
SHARED SERVICES DIVISIONS-									
Cost Containment									
Balance of Prior Year's Salary/Benefit Increase			474,585			(9,966,666)	2,000,000	200,000	(10,156,342)
Adjustments: Contractual / Budget Model									
ALL DIVISIONS-									
Transfers in							(140,000)		(728,800)
Transfers out									
Expense Offset by Additional Divisional Revenue									
(Increase) Decrease in Divisional Revenue									
TOTAL			474,585			(9,966,666)	1,860,000	200,000	(10,922,542)
ONE-TIME-ONLY BUDGET CHANGES:									
Adjustments: Contractual / Budget Model									159,055
ONE-TIME-ONLY BUDGET CHANGE									159,055
Net Budget for 2009-10	1,260,000	590,657	8,754,081	1,860,000	100,152		7,001,939	24,600,000	87,478,853
OTO Budget for 2009-10									651,000
TOTAL NET BUDGET FOR 2009-10	1,260,000	590,657	8,754,081	1,860,000	100,152		7,001,939	24,600,000	88,129,853
DIVISIONAL REVENUE (INCL. RECOVERIES)									
Endowment Income :									
External Income :									500,000
Internal Recoveries :									
External Recoveries :									
Negative Approp. :									500,000
TOTAL DIV REVENUE (INCL. RECOVERIES)									
GROSS EXPENSE BUDGET FOR 2009-10	1,260,000	590,657	8,754,081	1,860,000	100,152		7,001,939	24,600,000	88,629,853

Central Library

DIVISIONAL BUDGET SCHEDULES

	ST GEORGE LIBRARY OPERATIONS & INFO COMMONS	ST GEORGE LIBRARY ACQUISITIONS	Central Library TOTAL
	29,751,612	22,775,961	52,527,573
	29,751,612	22,775,961	52,527,573

Net Budget for 2008-09
 One-Time-Only Budget for 2008-09
TOTAL NET BUDGET FOR 2008-09

BUDGET CHANGES:

ACADEMIC DIVISIONS- Adjusted Net Revenue University Fund Allocation SUBTOTAL	(67,971)	10,000	(57,971)
2009-10 Allocations from Central Funds			
SHARED SERVICES DIVISIONS- Cost Containment Balance of Prior Year's Salary/Benefit Increase Adjustments: Contractual / Budget Model	(926,000) 1,229,777 300,000	421,589	(926,000) 1,229,777 721,589
ALL DIVISIONS- Transfers in Transfers out Expense Offset by Additional Divisional Revenue (Increase) Decrease in Divisional Revenue TOTAL	125,000 660,806		125,000 1,092,395

ONE-TIME-ONLY BUDGET CHANGES:
 Adjustments: Contractual / Budget Model
 ONE-TIME-ONLY BUDGET CHANGE

Net Budget for 2009-10 OTO Budget for 2009-10 TOTAL NET BUDGET FOR 2009-10	30,412,418	23,207,550	53,619,968
	30,412,418	23,207,550	53,619,968

DIVISIONAL REVENUE (INCL. RECOVERIES)

Endowment Income :	141,905		141,905
External Income :	2,273,210		2,273,210
Internal Recoveries :	2,530,447		2,530,447
External Recoveries :	1,270,048		1,270,048
Negative Approp. :			
TOTAL DIV REVENUE (INCL. RECOVERIES)	6,215,610		6,215,610

GROSS EXPENSE BUDGET FOR 2009-10

	36,628,028	23,207,550	59,835,578
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Facilities and Services

DIVISIONAL BUDGET SCHEDULES

	ST GEORGE MAINTENANCE & SERVICES	DEFERRED MAINTENANCE FUNDING	ST GEORGE UTILITIES	St George TOTAL
Net Budget for 2008-09	44,585,659	9,336,973	42,341,375	96,264,007
One-Time-Only Budget for 2008-09	542,005	0	0	542,005
TOTAL NET BUDGET FOR 2008-09	45,127,664	9,336,973	42,341,375	96,806,012

BUDGET CHANGES:

ACADEMIC DIVISIONS-				
Adjusted Net Revenue	0	0	0	0
University Fund Allocation	0	0	0	0
SUBTOTAL	0	0	0	0
2009-10 Allocations from Central Funds				
SHARED SERVICES DIVISIONS-				
Cost Containment	(1,375,000)			(1,375,000)
Balance of Prior Year's Salary/Benefit Increase	1,240,937			1,240,937
Adjustments: Contractual / Budget Model	1,400,000	750,000	3,569,000	5,719,000
ALL DIVISIONS-				
Transfers in	121,154			121,154
Transfers out	0			0
Expense Offset by Additional Divisional Revenue	0	0	0	0
(Increase) Decrease in Divisional Revenue	0	0	0	0
TOTAL	1,387,091	750,000	3,569,000	5,706,091

ONE-TIME-ONLY BUDGET CHANGES:

Adjustments: Contractual / Budget Model	224,971	0	0	224,971
ONE-TIME-ONLY BUDGET CHANGE	224,971	0	0	224,971

Net Budget for 2009-10	45,972,750	10,086,973	45,910,375	101,970,098
OTO Budget for 2009-10	766,976	0	0	766,976
TOTAL NET BUDGET FOR 2009-10	46,739,726	10,086,973	45,910,375	102,737,074

DIVISIONAL REVENUE (INCL. RECOVERIES)

Endowment Income :				0
External Income :	2,206,803	0	3,354,849	5,561,652
Internal Recoveries :	20,553,140	0	6,263,798	26,816,938
External Recoveries :				0
Negative Approp. :				0
TOTAL DIV REVENUE (INCL. RECOVERIES)	22,759,943	0	9,618,647	32,378,590

GROSS EXPENSE BUDGET FOR 2009-10

	69,499,669	10,086,973	55,529,022	135,115,664
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Governance and Administration

DIVISIONAL BUDGET SCHEDULES

	GOVERNING COUNCIL, FIPPA, OMBUDSPERSON, & INTERNAL AUDIT	OFFICE OF THE PRESIDENT	OTHER INSTITUTIONAL COSTS (incl Convocation)	OFFICE OF VICE-PRESIDENT & PROVOST	VICE-PROVOST ACADEMIC	CAMPUS & FACIL. PLANNING	ASST VICE PRESIDENT	CHIEF INFORMATION OFFICER	VICE-PROVOST PLANNING & BUDGET
Net Budget for 2008-09	3,350,561	1,139,602	1,294,925	1,737,319	1,120,710	2,454,465	15,504,362	2,184,855	
One-Time-Only Budget for 2008-09	3,350,561	1,139,602	1,294,925	1,737,319	1,120,710	2,454,465	15,504,362	2,184,855	
TOTAL NET BUDGET FOR 2008-09									
BUDGET CHANGES:									
ACADEMIC DIVISIONS- Adjusted Net Revenue									
University Fund Allocation									
SUBTOTAL									
2009-10 Allocations from Central Funds									
SHARED SERVICES DIVISIONS- Cost Containment	(99,000)	(32,000)	(25,000)	(54,000)	(35,000)	(77,000)	(482,000)	(68,000)	
Balance of Prior Year's Salary/Benefit Increase	134,045	18,322	18,154	53,592	46,990	98,797	566,026	98,162	
Adjustments: Contractual / Budget Model	99,000								
ALL DIVISIONS- Transfers in	55,000			(318,423)	(47,297)	113,800	350,000		
Transfers out									
Expense Offset by Additional Divisional Revenue									
(Increase) Decrease in Divisional Revenue	189,045	(13,678)	(6,846)	(318,831)	(35,307)	135,597	434,026	30,162	
TOTAL									
ONE-TIME-ONLY BUDGET CHANGES:									
Adjustments: Contractual / Budget Model									
ONE-TIME-ONLY BUDGET CHANGE									
Net Budget for 2009-10	3,539,606	1,125,924	1,288,079	1,418,488	1,085,403	2,590,062	15,938,388	2,215,017	
OTO Budget for 2009-10	3,539,606	1,125,924	1,288,079	1,418,488	1,085,403	2,590,062	15,938,388	2,215,017	
TOTAL NET BUDGET FOR 2009-10									
DIVISIONAL REVENUE (INCL. RECOVERIES)									
Endowment Income :									
External Income :	167,637					773,000	278,330		
Internal Recoveries :	140,200			134,652		824,342	2,386,926	51,707	
External Recoveries :	30,694								
Negative Approp. :	338,531			134,652		1,597,342	2,665,256	51,707	
TOTAL DIV REVENUE (INCL. RECOVERIES)	<u>3,878,137</u>	<u>1,125,924</u>		<u>1,553,140</u>	<u>1,085,403</u>	<u>4,187,404</u>	<u>18,603,644</u>	<u>2,266,724</u>	
GROSS EXPENSE BUDGET FOR 2009-10									

Governance and Administration

	VICE-PROVOST - STUDENTS	VICE PRESIDENT BUSINESS AFFAIRS	VICE PRESIDENT HUMAN RESOURCES & EQUITY	VICE PRESIDENT & CHIEF ADVANCEMENT OFFICER	VICE PRESIDENT UNIVERSITY RELATIONS	VICE PRESIDENT RESEARCH	TOTAL
Net Budget for 2008-09	1,361,334	7,204,799	9,546,049	13,463,340	5,288,578	8,593,217	81,303,182
One-Time-Only Budget for 2008-09			15,000				15,000
TOTAL NET BUDGET FOR 2008-09	1,361,334	7,204,799	9,561,049	13,463,340	5,288,578	8,593,217	81,318,182
BUDGET CHANGES:							
ACADEMIC DIVISIONS-							
Adjusted Net Revenue							
University Fund Allocation							
SUBTOTAL							
2009-10 Allocations from Central Funds							
SHARED SERVICES DIVISIONS-							
Cost Containment	(41,000)	(166,000)	(237,000)	(182,000)	(163,000)	(266,000)	(2,147,000)
Balance of Prior Year's Salary/Benefit Increase		238,429	412,966	412,754	152,003	260,581	2,801,852
Adjustments: Contractual / Budget Model		270,000	237,000				606,000
ALL DIVISIONS-							
Transfers in	669,132	580,932	47,297				1,816,161
Transfers out	(844,523)			(121,154)			(1,331,397)
Expense Offset by Additional Divisional Revenue							
(Increase) Decrease in Divisional Revenue							
TOTAL	(216,391)	653,361	341,031	460,263	(109,997)	(5,419)	1,745,616

ONE-TIME-ONLY BUDGET CHANGES:

Adjustments: Contractual / Budget Model	68,225	126,011					194,236
ONE-TIME-ONLY BUDGET CHANGE	68,225	126,011					194,236
Net Budget for 2009-10	1,144,943	7,858,160	7,400,097	13,572,940	5,277,581	8,587,798	83,048,798
OTO Budget for 2009-10			68,225	141,011			209,236
TOTAL NET BUDGET FOR 2009-10	1,144,943	7,858,160	7,468,322	13,572,940	5,277,581	8,587,798	83,258,034

DIVISIONAL REVENUE (INCL. RECOVERIES)

Endowment Income :							
External Income :	3,310,000	1,837,782	2,103,608	2,736,650	152,500	105,350	11,464,857
Internal Recoveries :	907,533	5,192,716	3,139,366	714,086	4,500	81,293	13,577,321
External Recoveries :		243,392		37,418			311,504
Negative Approp. :							
TOTAL DIV REVENUE (INCL. RECOVERIES)	4,217,533	7,273,890	5,242,974	3,488,154	157,000	186,643	25,353,682
GROSS EXPENSE BUDGET FOR 2009-10	1,144,943	12,075,693	14,742,212	17,061,094	5,434,581	8,774,441	108,611,716