

## 1 SUMMARY OF PROPOSED BUDGET

### 1.1 SUMMARY OPERATING AND CAPITAL INVESTMENT

#### SUMMARY BUDGET PROPOSAL - SECTION 1.1

(\$000s)	2020/21 Budget	2021/22 Budget	Inc/(Dec)	% change
<b>REVENUES</b>				
Province of Manitoba	40,977	40,823	(154)	-0.4%
Federal Government	2,398	2,311	(87)	-3.6%
Interest Revenue	190	2,271	2,081	1095.2%
Other Revenue	8,970	8,650	(321)	-3.6%
Tuition Fees	15,656	14,962	(695)	-4.4%
Education Property Tax	-	-	-	0.0%
<b>Total Revenues</b>	<b>68,192</b>	<b>69,016</b>	<b>824</b>	<b>1.2%</b>
<b>EXPENSES</b>				
Salaries and Benefits	49,708	50,328	620	1.2%
Other Expenditures	14,916	11,941	(2,976)	-19.9%
Grants/Transfer Payments	-	3,234	3,234	0.0%
Amortization	2,900	2,842	(58)	-2.0%
Interest	668	671	4	0.6%
<b>Total Expenses</b>	<b>68,192</b>	<b>69,016</b>	<b>824</b>	<b>1.2%</b>
<b>Net Income or (Loss)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.0%</b>

#### CAPITAL ASSET BUDGET - SECTION 4.4

(\$000s)	2020/21 Budget	2021/22 Budget	2022/23 Budget	2023/24 Budget	2024/25 Budget
<b>Total Capital Asset Acquisitions</b>	<b>3,444</b>	<b>3,797</b>	<b>3,805</b>	<b>4,026</b>	<b>2,562</b>
<b>Source of Funding</b>					
Province of Manitoba - Capital grant	488	488	488	488	488
Province of Manitoba - Loan	-	-	-	-	-
Federal grant	-	-	-	-	-
Own source	2,956	3,309	3,317	3,538	2,074
3rd party lender	-	-	-	-	-
Other - please identify	-	-	-	-	-
<b>Total Source of Funding</b>	<b>3,444</b>	<b>3,797</b>	<b>3,805</b>	<b>4,026</b>	<b>2,562</b>

## 1.2 SUMMARY OF SIGNIFICANT VARIANCES

Brandon University's estimated budget compared to last year is reasonably consistent. A few explanations have been provided in the ORE Budget and Forecast Template. A few additional comments are provided here.

A significant change for the budget comparison to the prior year is the consolidation of Brandon University Foundation with the Brandon University financial statements. In prior years, the Foundation was considered to be a non-controlled entity operating at arms-length from the University. This is no longer considered to be the case, as determined by the Provincial Auditor.

The COVID-19 pandemic is a major and unknowable influence on the 2021-22 budget. Since the outbreak started to significantly affect operations in March of 2020, classes moved on line, where possible, and other services and operations either went on line, closed, or were significantly altered to be able to continue safely. This affected staffing in a number of ways. In some cases, it involved layoffs and reduced hours. The University is in the process of preparing to teach primarily on line in the Fall of 2020 and likely the Winter of 2021. Likewise, as many services as can be managed from a distance are being prepared for operations this Fall. Other operations and classes are preparing to open with in-person service, with significant safety measures in place, as well as preparations for the possibility that an active case of COVID-19 is found on campus and measures need to be taken to ensure the safety of staff and students and containment of the illness. Technology is being purchased and implemented and staff, faculty and students are being trained to work with this new technology.

Enrolment is another potentially significant change. Both domestic and international enrolment is down from this date last year. Applications for first-time students is particularly affected, being down more than 10% from this point last year. The question is how soon numbers will stabilize and a new normal established. Will the new normal mean student numbers, including international student numbers, return to pre-COVID levels? International travel regulations will play a significant role.

Residence and Food Service operations, as well as Parking, are directly affected by the enrolment levels generally, and by numbers of students on campus specifically. Courses taught primarily on line means fewer students will be on campus to make use of the ancillary services, which will mean revenue and employment level reductions in those areas. Because the Healthy Living Centre also includes public patrons, the impacts will be reduced but with limitations on public gatherings and sporting activities due to the pandemic, the operations and revenues and likely staffing levels will be reduced. These operations are mandated to operate on a cost-recovery basis so every effort will be made to not incur significant deficits during these pandemic impacted time periods. However, typically ancillary operations contribute to the operating budget of the University to cover overheads. This is not anticipated to be possible in the next couple of years.

Enrolment has been budgeted to remain the same in 2021-22, for both domestic and international students, as 2020-21 levels.

Salary increases are another unknown situation given the recent court case that struck down Bill 28. While the Faculty Association Collective Agreement for 2019-23 has been settled, it contains a Memorandum of Understanding that if The Public Services Sustainability Act is repealed or found to be invalid, a section-specific re-opener is available to the Parties for a certain period of time. The collective agreements with all of the support staff unions expire in 2020 and collective bargaining has not started. Given the constraints related to Bill 28 are in question, the outcomes of bargaining are likewise in question. The agreement with PSAC that expires in August already contained the Bill 28 constraints.

A \$700k level of materiality is used on our \$69 million dollar budget, which is a 1% change.