

PART B – CAPITAL INVESTMENT

Capital Investment

The Province implemented a new accounting policy for tangible capital assets in 1999/2000 based on standards issued by the Canadian Institute of Chartered Accountants. These standards require that expenditures on tangible assets be amortized over the useful life of the asset. Recognizing amortization in this way allocates the cost of capital assets to the periods of service provided and amortization is recorded as an expense in the statement of operations.

Tangible capital assets are those with a useful life extending beyond one year which are acquired, constructed or developed and held for use, not for resale. Tangible capital assets with a value less than the accepted capitalization limit will be expensed in the year of acquisition.

Advanced Education and Training

Expenditures by Sub-Appropriation	Actual 2004/05 \$000	Estimate 2004/05		Variance Over (Under) \$000	Expl. No.
		FTE	\$000		
B.2 Capital Investment	702.2		3,120.0	(2,417.8)	1
Total Sub-Appropriation	702.2		3,120.0	(2,417.8)	

- 1. Under expenditure results from a delay in the construction of the approved asset, resulting in the deferral of capital expenditures to 2005/06.*

Financial Information

Department of Advanced Education and Training

**Reconciliation Statement
(\$000s)**

DETAILS	2004/05 ESTIMATES
2004/05 Main Estimates	\$541,921.4
Main Estimates Authority Transferred from:	
- Enabling Appropriations re: Hydro Northern Training Initiative	1,000.0
- Enabling Appropriations re: New Deputy Minister position	71.6
Main Estimates Authority Transferred to:	
2004/05 Estimate	\$542,993.0

**Manitoba Advanced Education and Training
Expenditure Summary**

For the fiscal year ended March 31, 2005, with comparative figures for the previous fiscal year (\$000s)

Estimate 2004/05	Appropriation	Actual 2004/05	Actual 2003/04	Increase (Decrease)	Explanation Number
Advanced Education and Training (44)					
	44-1 Administration and Finance				
29.4	(a) Minister's Salary	28.9	28.8	0.1	
	(b) Executive Support				
289.6	- Salaries and Employee Benefits	273.4	192.1	81.3	1
73.0	- Other Expenditures	88.2	66.8	21.4	2
325.0	(c) Administration and Finance	325.0	325.0	0.0	
717.0	Total 44-1	715.5	612.7	102.8	

**Manitoba Advanced Education and Training
Expenditure Summary**

For the fiscal year ended March 31, 2005, with comparative figures for the previous fiscal year (\$000s)

Estimate 2004/05	Appropriation	Actual 2004/05	Actual 2003/04	Increase (Decrease)	Explanation Number
	44-2 Support for Universities and Colleges				
583.9	(a) Council on Post-Secondary Education				
	- Salaries and Employee Benefits	696.5	756.1	(59.6)	
239.9	- Other Expenditures	226.5	381.2	(154.7)	3
267,518.8	(b) University Operating Grants	267,393.8	261,332.3	6,061.5	4
1,154.4	(c) Post-Secondary Strategic Initiatives Fund	1,154.4	500.0	654.4	5
72,059.1	(d) College Grants	72,059.1	91,856.9	(19,797.8)	6
	(e) College Expansion Initiative				
197.4	- Salaries and Employee Benefits	209.6	208.3	1.3	
48.2	- Other Expenditures	74.3	42.6	31.7	7
26,290.0	- College Expansion Initiative Grants	25,860.0	22,000.0	3,860.0	8
6,327.0	(f) Access Program	6,327.0	5,978.5	348.5	9
2,909.0	(g) Advanced Education and Training Assistance	2,909.0	2,809.8	99.2	
	(h) Stevenson Aviation Centre				
1,495.2	- Salaries and Employee Benefits	1,287.7	1,297.9	(10.2)	
(1,495.2)	- Less: Recoverable from Red River College	(1,287.7)	(1,297.9)	10.2	
377,327.7	Total 44-2	376,910.2	385,865.7	(8,955.5)	

**Manitoba Advanced Education and Training
Expenditure Summary**

For the fiscal year ended March 31, 2005, with comparative figures for the previous fiscal year (\$000s)

Estimate 2004/05	Appropriation	Actual 2004/05	Actual 2003/04	Increase (Decrease)	Explanation Number
	44-3 Manitoba Student Aid				
3,280.1	(a) - Salaries and Employee Benefits	3,634.4	3,480.5	153.9	
1,090.7	(b) - Other Expenditures	1,485.8	1,756.7	(270.9)	10
3,392.5	(c) - Loans and Bursaries	3,224.0	2,707.6	516.4	11
6,260.0	(d) - Manitoba Bursary Fund	6,118.3	6,116.8	1.5	
5,000.0	(e) - Manitoba Scholarship and Bursary Initiative	4,628.0	4,574.7	53.3	
11,000.0	(f) - Canada Millenium Scholarship Fund	11,000.0	11,000.0	0.0	
2,100.2	(g) - Canada Study Grants	2,202.7	2,181.3	21.4	
12,954.5	(h) - Tuition Rebate Grants	12,852.5	12,277.2	575.3	12
2,891.3	(i) - Medical Student/Resident Financial Assistance	2,641.3	2,766.3	(125.0)	
4,781.0	(j) - Loan Portfolio Administration	1,959.0	3,397.9	(1,438.9)	13
1,388.6	(k) - Interest Relief and Debt Reduction	579.3	662.8	(83.5)	
(2,891.3)	(l) - Less: Recoverable from Health	(2,641.3)	(2,766.3)	125.0	
51,247.6	Total 44-3	47,684.0	48,155.5	(471.5)	

**Manitoba Advanced Education and Training
Expenditure Summary**

For the fiscal year ended March 31, 2005, with comparative figures for the previous fiscal year (\$000s)

Estimate 2004/05	Appropriation	Actual 2004/05	Actual 2003/04	Increase (Decrease)	Explanation Number
	44-4 Training and Continuing Education				
	(a) Division Administration				
453.6	- Salaries and Employee Benefits	456.0	448.3	7.7	
153.2	- Other Expenditures	120.0	151.3	(31.3)	14
	(b) Policy and Planning Branch				
471.0	- Salaries and Employee Benefits	625.5	579.5	46.0	
135.7	- Other Expenditures	179.3	187.6	(8.3)	
	(c) Adult Learning and Literacy				
677.7	- Salaries and Employee Benefits	689.5	617.2	72.3	
87.9	- Other Expenditures	92.1	89.5	2.6	
13,670.8	- Adult Learning Centres	13,896.0	13,698.0	198.0	
1,459.6	- Other Grants	1,426.7	1,389.0	37.7	
	(d) Hydro Northern Training Initiative				
230.9	- Salaries and Employee Benefits	231.8	324.4	(92.6)	15
54.0	- Other Expenditures	123.5	81.8	41.7	16
1,250.0	- Training Support	654.0	947.0	(293.0)	17
(125.0)	- Less: Recoverable from Aboriginal and Northern Affairs	(125.0)	0.0	(125.0)	
	(e) Industry Training Partnerships				
380.4	- Salaries and Employee Benefits	526.4	477.5	48.9	
112.4	- Other Expenditures	172.7	128.2	44.5	18
1,045.0	- Training Support	1,341.6	1,094.6	247.0	19

**Manitoba Advanced Education and Training
Expenditure Summary**

For the fiscal year ended March 31, 2005, with comparative figures for the previous fiscal year (\$000s)

Estimate 2004/05	Appropriation	Actual 2004/05	Actual 2003/04	Increase (Decrease)	Explanation Number
	44-4 Training and Continuing Education (cont'd)				
	(f) Apprenticeship				
2,843.2	- Salaries and Employee Benefits	2,968.3	2,886.5	81.8	
1,183.7	- Other Expenditures	1,282.3	1,151.3	131.0	20
2,592.6	- Training Support	1,660.4	2,211.9	(551.5)	21
	(g) Employment and Training Services				
4,702.9	- Salaries and Employee Benefits	4,379.2	4,189.7	189.5	
2,513.8	- Other Expenditures	2,272.6	1,974.2	298.4	22
5,534.5	- Training Support	5,693.0	5,167.4	525.6	23
(300.0)	- Less: Recoverable from Family Services and Housing	(129.0)	(119.2)	(9.8)	
	(h) Canada-Manitoba Labour Market Development Agreement				
5,914.5	- Salaries and Employee Benefits	5,977.6	5,977.4	0.2	
935.7	- Other Expenditures	962.6	990.4	(27.8)	
47,891.0	- Training Support	43,624.8	47,720.4	(4,095.6)	24
93,869.1	Total 44-4	89,101.9	92,363.9	(3,262.0)	

Manitoba Advanced Education and Training

Expenditure Summary

For the fiscal year ended March 31, 2005, with comparative figures for the previous fiscal year (\$000s)

Estimate 2004/05	Appropriation	Actual 2004/05	Actual 2003/04	Increase (Decrease)	Explanation Number
	44-5 Capital Grants				
14,475.0	(a) Universities	20,475.0	14,975.0	5,500.0	25
4,074.5	(b) Colleges	12,611.2	2,245.6	10,365.6	26
18,549.5	Total 44-5	33,086.2	17,220.6	15,865.6	

**Manitoba Advanced Education and Training
Expenditure Summary**

For the fiscal year ended March 31, 2005, with comparative figures for the previous fiscal year (\$000s)

Estimate 2004/05	Appropriation	Actual 2004/05	Actual 2003/04	Increase (Decrease)	Explanation Number
	44-6 Costs Related to Capital Assets				
	(a) Desktop services				
70.0	- Amortization Expense - Transition	69.9	70.0	(0.1)	
117.1	- Enterprise Software Licenses	117.1	117.0	0.1	
703.7	(b) Amortization Expense	581.4	597.1	(15.7)	
391.3	(c) Interest Expense	278.0	285.1	(7.1)	
1,282.1	Total 44-6	1,046.4	1,069.2	(22.8)	
542,993.0	Total - Advanced Education and Training	548,544.2	545,287.6	3,256.6	

**Manitoba Advanced Education and Training
Expenditure Summary**

For the fiscal year ended March 31, 2005 with comparative figures for the previous fiscal year (\$000s)

Explanation Number:

1. Increased expenditure is mainly due to the creation of a Deputy Minister position in 2004/05.
2. Increased expenditure is mainly due to operating costs associated with the creation of a Deputy Minister position and Ministerial travel costs for which recovery from the federal government was not received until 2005/06.
3. Decreased expenditure is due to the completion on the University College of the North Implementation in June 2004.
4. Increased expenditures are due to a 1.8% increase in University Operating Grants in 2004/05, University College of the North increase, and the final Rural Physician Resource Plan increase.
5. Increased expenditure is due to new university programs approved in 2004/05.
6. Decreased expenditure is related to a change in the application of an accounting standard in 2004/05 affecting the Red River College Princess Street loan from the Province in that the full principal value of debentures issued during a fiscal year is to be expensed in that fiscal year.
7. Increased expenditure is mainly related to the Technical Vocational Initiative in 2004/05.
8. Increased expenditure is due to a 19.5% grant increase for the College Expansion Initiative in 2004/05.
9. Increased expenditures are related to a 2.3% increase in Access Grants, Winnipeg Education Centre Social Work expansion, and a new Access Program (Aboriginal Teacher Education Program).
10. Decreased expenditure is mainly due to a lower Manitoba Learning Tax Credit in 2004/05.
11. Increased expenditures are mainly due to a new Post Graduate Scholarship Program introduced in 2004/05; increase in total number of Manitoba Study Assistance awards issued in 2004/05; and increased number of Access Bursaries as well as an increase in the average award amount.
12. Increased expenditure is due to increased claims from the post-secondary institutions as a result of a 4.7% enrolment increase in 2004/05.

**Manitoba Advanced Education and Training
Expenditure Summary**

For the fiscal year ended March 31, 2005 with comparative figures for the previous fiscal year (\$000s)

13. Decreased expenditures are mainly due to lower interest subsidy costs as a result of a decline in the average lending rate; interest savings from a decrease in the loan awards/balances; a decrease in the Provision for Loss due to a decrease in loans issued; and a decrease in the outstanding loan balances at financial institutions.
14. Decreased expenditure is mainly due to ACRS (Accommodation Cost Recovery System) costs for International Education being paid by the Department of Intergovernmental Affairs and Trade in 2004/05.
15. Decreased expenditures are mainly due to the reassignment of one position to 44-4(a)-1 (Division Administration) in 2004/05 and one position being double-filled for the full year in 2003/04 compared to only four months in 2004/05.
16. Increased expenditure is mainly due to development of the Initiative's database to support operations.
17. Decreased expenditure is due to increased federal funding and delayed training plan implementation by the communities.
18. Increased expenditures are mainly due to increased ACRS costs as a result of a departmental reorganization and space reallocation in 2004/05; and replacement of obsolete furniture and equipment.
19. Increased expenditures are mainly due to increased project activities consistent with the Department's Strategic Plan: Prior Learning Assessment and Recognition Initiatives; Essential Skills development and direct delivery training; and higher holdback payments in 2004/05.
20. Increased expenditure is mainly due to the Technical Vocational Initiative, which began in 2004/05.
21. Decreased expenditures are related to a grant payment made to Assiniboine Community College in 2003/04 for realignment of welding training from University College of the North and plumbing from Red River College; a grant paid in 2003/04 for the Skills Canada National Competition; a decrease in block release and living support payments due to increased contribution from 44-4(h)-3 (Canada-Manitoba Labour Market Development Agreement); a decrease in demand for Crane Operator training; and delays in scheduling community-based training. These amounts are partly offset by increased Pork Technician training and higher professional services for the Sheet Metal Impact Study, Essential Skills, and United Food and Commercial Workers Union.
22. Increased expenditures are mainly due to renovation costs for the Selkirk and Flin Flon offices; higher ACRS costs; increased costs for Desktop, Wide Area Network, and Information Technology leasing costs; increased transportation costs associated with Job Vacancy Management activity; computer furniture and software upgrades; and the 2004/05 Oracle software maintenance agreement.

**Manitoba Advanced Education and Training
Expenditure Summary**

For the fiscal year ended March 31, 2005 with comparative figures for the previous fiscal year (\$000s)

23. Increased expenditures are mainly due to increased numbers of clients accessing funding for Skills Development programming due to the increase in tuition costs; increased programming costs and number of clients funded under the Taking Charge! Program; and increased operational costs for the Community Partnerships program; partly offset by decreased activities in the New Careers Program compared to 2003/04 and other miscellaneous variances.
24. Decreased expenditures are due to the deferral of various industry expansion projects to 2005/06; no activity for Canada West Foods in 2004/05; deferral of Standard Aero project activities to 2005/06; programming slippage from the Older Worker's Pilot Project Initiative; transfer of Prior Learning Assessment and Recognition activities and funding to the Council on Post-Secondary Education; reduced tuition and living support costs as a result of reduced number of courses scheduled and individuals attending apprenticeship training; reduced activity in the Wage Subsidy program; reduction in number of contracts approved for the Self-Employment Assistance program; delays in clients submitting claims for the Employment Partnerships program and the Employment Assistance Services program; and a branch encumbrance for the Hydro Northern Training Initiative activities expended in 44-4(g)-3 (Employment and Training Services - Training Support).
25. Increased expenditure is related to increased contribution to the University of Manitoba Capital Upgrade and Replacement Initiative, partly offset by a reduction in funding for universities Major Capital.
26. Increased expenditures are due to the Red River College Princess Street loan from the Province being converted to a grant and the University College of the North's mould remediation at the Thompson campus in 2004/05.

**Manitoba Advanced Education and Training
Revenue Summary by Source**

For the fiscal year ended March 31, 2005, with comparative figures for the previous fiscal year (\$000s)

Actual 2003/04	Actual 2004/05	Increase (Decrease)	Source	Actual 2004/05	Estimate 2004/05	Variance	Expl. No.
TAXATION							
0.0	0.0	0.0	Subtotal	0.0	0.0	0.0	
OTHER REVENUE							
328.8	385.0	56.2	Fees	385.0	322.5	62.5	1
174.7	316.2	141.5	Sundry	316.2	1,102.0	(785.8)	2
503.5	701.2	197.7	Subtotal	701.2	1,424.5	(723.3)	
GOVERNMENT OF CANADA							
11,129.2	11,130.0	0.8	Canada Millennium Scholarship Awards	11,130.0	11,131.0	(1.0)	
470.0	470.0	0.0	Canada Student Loan Act Service Fee	470.0	470.0	0.0	
2,181.3	2,202.7	21.4	Canada Study Grants	2,202.7	2,100.2	102.5	
266.4	214.7	(51.7)	Labour Market Agreement for Persons with Disabilities	214.7	189.1	25.6	3
54,408.7	53,969.3	(439.4)	Labour Market Development Agreement	53,969.3	53,943.0	26.3	
136.4	168.4	32.0	Older Workers Pilot Projects	168.4	0.0	168.4	4
68,592.0	68,155.1	(436.9)	Subtotal	68,155.1	67,833.3	321.8	
69,095.5	68,856.3	(239.2)	Total – Advanced Education and Training	68,856.3	69,257.8	(401.5)	

Explanation Number:

1. **Fees:** \$ 56.2 over 2003/04 Actual
\$ 62.5 over 2004/05 Estimate

Increase relates to an increase in certification without examination and trades qualification assessments as a result of the Steamfitter/Pipefitter trade becoming compulsory; general increase in registrations; and an increase in clients challenging certification.

2. **Sundry:** \$ 141.5 over 2003/04 Actual
\$ 785.8 under 2004/05 Estimate

Decrease from the 2004/05 estimate relates to a delay in the start up of Job Vacancy Management Services for the Manitoba Hydro Initiative.

Increase from the 2003/04 actual mainly relates to Interest Revenue on Class B Manitoba Student Loans due to an increase in actual loan balances in repayment and other miscellaneous variances, partly offset by a decrease in the average lending rate.

3. **Labour Market Agreement for Persons with Disabilities:** \$ 51.7 under 2003/04 Actual

Decrease results from changes in the distribution of federal revenue.

4. **Older Worker's Pilot Projects:** \$ 32.0 over 2003/04 Actual
\$ 168.4 over 2004/05 Estimate

Increase from the 2004/05 estimate is due to the renewal of funding for the Older Workers Pilot Project Initiative.

Increase from the 2003/04 actual is related to more projects being delivered in 2004/05.

Manitoba Advanced Education and Training
Five Year Expenditure and Staffing Summary by Main Appropriation

For the fiscal years ended March 31, 2001 to March 31, 2005

Main Appropriation	2000/01		2001/02		2002/03		2003/04		2004/05	
	FTE	\$000	FTE	\$000	FTE	\$000	FTE	\$000	FTE	\$000
44-1 Administration and Finance		356.3	5.00	561.5	5.00	565.4	5.00	612.7	5.00	715.5
44-2 Support for Universities and Colleges	33.50	318,861.6	35.50	336,095.6	35.50	347,088.7	35.50	385,865.7	34.50	376,910.2
44-3 Manitoba Student Aid	48.50	52,521.2	56.00	56,146.3	68.25	44,801.2	72.25	48,155.5	68.25	47,684.0
44-4 Training and Continuing Education	265.00	88,620.0	279.00	89,504.3	281.00	85,978.4	281.00	92,363.9	277.50	89,101.9
Sub-total	347.00	460,359.1	375.50	482,307.7	389.75	478,433.7	393.75	526,997.8	385.25	514,411.6
44-5 Capital Grants		42,685.6		15,720.6		15,220.6		17,220.6		33,086.2
44-6 Costs Related to Capital Assets		1,150.6		1,123.8		1,548.5		1,069.2		1,046.4
Total - Advanced Education and Training	347.00	504,195.3	375.50	499,152.1	389.75	495,202.8	393.75	545,287.6	385.25	548,544.2

* Historical actual expenditures have been adjusted to reflect program transfers between departments, to facilitate year over year comparison.