

Board of Governors Members 1998 - 2000

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Fredrik S. Eaton, O.C., Chancellor
 Elizabeth Parr-Johnston, President
 Louis Visentin, Vice-President, Academic
 James F. O'Sullivan, Vice-President,
 Finance & Administration (1998 - 1999)
 Daniel V. Murray, Acting Vice-President,
 Finance & Administration (1999 - 2000)
 John D. McLaughlin, Vice-President,
 Research & International Co-operation
 Frederick C. Miner, Vice-President, Saint John
 Robert N. Skillen, Director of Alumni Affairs
 Stephen Strople, University Secretary
 Brad Woodside, Mayor of Fredericton (1998 - 1999)
 A. M. (Sandy) DiGiacinto, Mayor of Fredericton (1999 -)
 Shirley McAlary, Mayor of Saint John

Appointed by Lieutenant-Governor in Council

Robert Boudreau	(1999 -)
Edward Doherty	(1993 -)
David Ganong, Vice-Chair	(1992 -)
David Hawkins	(1997 - 2000)
Sandra Irving	(1998 -)
Kathryn McCain	(1998 -)
Dorothy McDade	(1993 - 1999)
Roderick Nolan, Chair	(1994 -)
David O'Brien	(1997 -)
Gerry Pond	(1997 -)
Carey Ryan	(1993 -)

Appointed by Associated Alumni(ae)

Barbara Baird	(1994 - 1999)
Judith Budovitch	(1994 - 1999)
Sally McAllister	(1999 -)
Jane McGinn-Giberson	(1998 -)
Anne-Marie McGrath	(1998 -)
Marti-Lou Neill	(1999 -)
Richard Scott	(1997 -)

Appointed by Board of Governors

Freeman Dunnett	(1995 -)
Rowland Frazee	(1995 -)
Patrick Gillin	(1989 -)
Nancy McFadyen	(1997 -)
Wayne Squibb	(1993 -)

Elected by Faculty Members, Fredericton

Penny Ericson	(1988 - 1999)
Jane Fritz	(1999 -)
Peter C. Kent	(1994 - 1999)
Thomas S. Kuttner	(1995 - 1999)
Gordon Mason	(1999 -)
Constantine Passaris	(1998 -)
Gillian Thompson	(1999 -)

Appointed by The New Brunswick Teachers' Association

Diane Gillett	(1998 -)
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Elected by Faculty Members, Saint John

John Johnson	(1997 -)
Greg Irving	(1998 - 1999)
Fred Donnelly	(1999 -)

Elected by Students, Fredericton

Nikki Lebrun	(1998 - 1999)
Kate Rogers	(1998 - 1999)
Patricia Blakney	(1999 - 2000)
Samuel Saintonge	(1999 - 2000)

Elected by Students, Saint John

Rob Morrell	(1998 - 1999)
John Gonzales	(1999 - 2000)

Governors Emeriti

Thomas J. Condon
 M. Louise Lynch, Q.C.
 Reginald E. Tweeddale

Committees

Audit
 Freeman Dunnett, Chair

Executive
 Elizabeth Parr-Johnston, Chair

Finance
 Rowland Frazee, Chair

Investments
 David O'Brien, Chair (1999 - 2000)
 James F. O'Sullivan, Chair (1998 - 1999)

Magee Loan
 Elizabeth Parr-Johnston, Chair

Nominating And Review
 David Ganong, Chair

Personnel Policy
 Anne-Marie McGrath, Chair (1999 - 2000)
 Gerry Pond, Chair (1998 - 1999)

Properties
 Wayne Squibb, Chair

Nominations to Office of Chair And Vice-Chair of The Board

Penny Ericson, Chair	(1998 - 1999)
David Ganong, Chair	(1999 - 2000)

UNB: Making a Unique Contribution to the Province

*By Elizabeth Parr-Johnston
 President and Vice-Chancellor*

With great pride and a deep sense of honour, I present again the President's Annual Report for the University of New Brunswick. This document provides highlights and a good measure of accountability for two exceptional and challenging years, fiscal 1998-99 and 1999-2000.

As President and Vice-Chancellor of the University of New Brunswick, I have worked closely with our Board of Governors and faculty and staff members to ensure that we remain fiscally responsible while maintaining excellence and renewing our academic and research programs and services. Our renewal has necessarily occurred in an environment of constrained fiscal and human resources, and in the context of rapid change both within and outside this outstanding University.

The past two years have been banner years in a number of senses. Each year has seen a UNB graduate awarded a Rhodes Scholarship. We have developed innovative new programs on both campuses, our newest and most evocative being *Renaissance College* (UNB Fredericton) which opened to its first students in September 2000. Unique in Canada, *Renaissance College* is designed to educate future leaders who will graduate with a bachelor of philosophy degree in interdisciplinary leadership and a thorough understanding of their responsibilities in a civil society. The program combines an interdisciplinary undergraduate curriculum with internships in the global community and hands-on research on social issues and public policy.

We have redesigned and renewed many of our degree programs, focussing on high quality and relevance, to meet the needs and expectations of our students. Among our newest offerings in Fredericton are an arts and science program with two degree options (a bachelor of arts and sciences in four years *or* both arts and science degrees in five years); a concurrent computer science and arts program designed to provide scientific training and sophisticated analytical and critical thinking skills; and a concurrent computer science and geodesy and geomatics engineering degree which prepares graduates to function in the interstice where computer programming meets the world of global positioning. In Saint John, UNB has led North America in offering electronic commerce in

both BBA and MBA programs.

In meeting our critical research mission, we have seen a 30 per cent increase over the last two years in UNB's level of research funding from the Natural Sciences and Engineering Research Council of Canada. This year's total on our two campuses is \$4.1 million. In addition, UNB was highly successful during the first phase of the Canada Foundation for Innovation program so that, with matching funds, our researchers have access to some \$8 million in new scientific infrastructure.

Scholarships and bursaries are immensely important in attracting excellent students to UNB, and in keeping our University accessible to those who could otherwise not attend. We have seen a 40 per cent increase over the past three years in scholarship funding at UNB. This year, we will award \$2 million in scholarships and bursaries-twice the amount we awarded in 1995-96.

We continue to advance in our strategic use of information technology as an integral element of UNB's learning environment,

most recently with the completion of the Eaton Multimedia Centre, the network of smart classrooms, and the completion of the Computer Science and Information Technology Centre in Fredericton. In Saint John, the opening of K.C. Irving Hall provides much needed new facilities for science, engineering and nursing.

Internationalization has been another UNB strategic thrust and we currently have some 800 international students enrolled at UNB. We have refocused our efforts to attract additional students from around the world to our two campuses. As a result, UNB and all our students benefit from

increasing global knowledge and understanding.

For more than two centuries, the University of New Brunswick has served its students and our communities with skill, dedication and outstanding academic programs and research. We have continued to evaluate ourselves and to change to meet emerging needs and expectations while remaining both excellent and highly relevant.

New Brunswick can be very proud of its investment in UNB.



Elizabeth Parr-Johnston

*“The past two years
 have been banner
 years....”*

Continuing the Tradition of Responsive Innovation 1998-2000

By Frederick C. Miner
Vice-President (Saint John)



**Rick Miner
with Canadian
Finance
Minister
Paul Martin**

Scope of Responsibility

Reporting to the President, the Vice-President (Saint John) is responsible for the academic and administrative operation of UNB Saint John. The Deans of the three Saint John academic faculties (Arts, Business, and Science, Applied Science and Engineering), two multi-campus Deans (Graduate Studies and *Renaissance College*), the Associate Dean of Graduate Studies, the Associate Vice-President, the Registrar and the directors of all administrative units (finance and administrative services, student services, information services and systems, international liaison, community relations, web services, modern language centre and athletics) report to the Vice-President (Saint John). The Vice-President (Saint John) works closely with the President and the other Vice-Presidents located on the Fredericton campus to enhance UNB and to maintain consistency of UNB policy-making among the various UNB campuses.

Overview of 1998-1999

"Continuing the tradition of responsive innovation." That is how I would describe 1998-99 for UNB Saint John. Following on the impressive "firsts" experienced in 1997 - the opening of the first business-based electronic commerce centre in Canada and the introduction of the first BBA with a major in electronic commerce - UNB Saint John continued to mark new milestones throughout its 34th year.

The Faculty of Arts received a boost with two large federal grants and a new research partnership with the campus's

neighbour, the Saint John Regional Hospital. The Faculty of Business continued to lead the world in electronic commerce education, graduating its first class of BBAs with majors in electronic commerce. The Faculty of Science, Applied Science and Engineering (SASE) also celebrated some Convocation firsts, graduating its first class of students in two new programs - nursing and health sciences. SASE experienced significant success in acquiring research funding, as well, receiving the highest amount of new funding in its history.

The introduction of such unique and relevant programs as the BBA in electronic commerce and articulated programs in health sciences and hospitality and tourism punctuated the developmental and recruitment strategy adopted by UNB Saint John to address the declining New Brunswick high school population. These programs, and others like them, clearly recognized the changing educational needs of students entering the 21st century.

In the same vein, UNB Saint John initiated an aggressive recruiting campaign for international students in order to address some of the demographic concerns, but more importantly to broaden and diversify its student population. The results were impressive - international student enrolment was doubled in just one year. On the strength of this success, UNB established the International Recruitment Centre, based at UNB Saint John.

The construction of K.C. Irving Hall, a new facility for biology, engineering and nursing, progressed throughout 1998 - physical evidence of the growth of UNB Saint John. The building opened on January 4, 1999, the first day of classes in the winter term.

Overview of 1999-2000

Furthering its reputation for responsiveness and innovation, UNB Saint John added close to 10 new programs to its offerings during the 1999-2000 academic year and expanded its geographical boundaries when it began to offer the first year of its BBA program in China, at the Beijing Concord College of Sino-Canada. The Faculty of Business also added a new electronic commerce stream to its highly popular one-year MBA and in October 1999, *Canadian Business* named the UNB Saint John MBA as one of the top 10 in Canada. The Faculty added to its accolades when respected business leader Arthur Irving said that it was "earning a reputation [as] one of the best business schools in the country - no question about it."

The Faculty of Arts made significant program changes in 1999-2000 when it introduced undergraduate offerings in infor-

The University of New Brunswick Notes to the Financial Statements

for the year ended April 30, 2000
(in thousands of dollars)

(iv) Mortgages Payable

Mortgages payable are carried at cost. The carrying value of mortgages payable approximates fair value based on year end market values of similar instruments.

17. Pension Plans

The University contributes to two separate defined benefit pension plans. For support staff, the University contributes to the Province of New Brunswick Public Service Superannuation Plan (PSSP). This multi-employer plan provides pensions based on length of service and final average earnings. The University's only financial obligation under the Public Service Superannuation Act (PSSA) is to make employer contributions as provided by the Act. The University is not responsible for any unfunded liability that may arise under this plan. The University's contributions to the PSSP during the year amounted to \$1,640 (1999 - \$1,602).

In conjunction with the Association of University of New Brunswick Teachers, the University established a defined benefit pension plan effective January 1, 1993 for academic employees only. The plan is also based on length of service and final average earnings.

As at July 1, 1999 the pension plan had an actuarial liability of \$67,387 and assets on hand of \$56,699 resulting in a plan deficit of \$10,688. The assets and liabilities of the pension plan are not reflected in the financial statements. This plan is funded on a basis such that the University matches contributions made by the plan members. The level of contributions is based on the actuary's assessment of the current service costs plus an amount estimated to amortize over a period of 15 years, the plan deficit as of the latest actuarial valuation, July 1, 1999. The University's contributions during the year amounted to \$3,230 (1999 - \$3,418).

Prior to January 1, 1993, the academic employees of the University were members of the PSSP. As prescribed by the PSSA, no liability exists within the University for any pension benefits which had been earned prior to January 1, 1993 on behalf of the academic employees.

18. Comparative Figures

Prior year's figures have been restated where necessary to conform with the current year's presentation.

The University of New Brunswick Notes to the Financial Statements

for the year ended April 30, 2000
(in thousands of dollars)

15. Statement of Cash Flows

- a) Cash and short-term deposits includes cash and short term investments with terms to maturity of 91 days or less.
- b) The net change in non-cash working capital balances related to operations consists of the following:

	2000	1999
Account receivable	\$ 97	\$ (2,690)
Inventories	589	(240)
Prepaid expenses and deferred charges	(237)	146
Accounts payable and accrued liabilities	770	4,943
Unearned revenue	434	(3,028)
	<u>\$ 1,653</u>	<u>\$ (869)</u>

16. Fair Value Disclosures

The following methods and assumptions were used to estimate the fair value of each class of financial instruments:

(i) General

For certain of the University's financial instruments, including:

- (a) cash
- (b) accrued interest receivable
- (c) accounts receivable
- (d) accounts payable

The carrying amounts approximate fair value due to the immediate or short-term maturity of these financial instruments.

(ii) Investments

Fair values of investments are determined as follows:

Cash and cash equivalents maturing within one year are stated at cost which, together with accrued interest income, approximate fair value given the short-term nature of these instruments.

Bonds and equities are valued at year-end quoted market prices.

In determining fair values, adjustments have not been made for transaction costs as they are not considered to be significant.

(iii) Early Retirement Plan

The carrying value of this long-term liability is calculated based on an actuarial valuation of this liability discounted to present value.

mation and communication studies, international studies, sport and exercise psychology and teaching English as a second language to meet its students' changing needs. Its Centre for Criminal Justice Studies broke new ground when a proposed project to reduce recidivism received both federal and provincial funding. Based on the success of its first project, the Faculty received additional funding through the government's Youth International Program.

The Faculty of Science, Applied Science and Engineering,

under new dean Keith De'Bell, introduced a new program in computer science, with majors in scientific computing and software development and process.

In recognition of the University's significant growth, a new administrative structure was proposed and Robert Chanteloup, director of international initiatives at UNB Saint John, was named Acting Associate Vice-President in charge of implementing the structure.

Major Initiatives and Achievements 1998-99

- First BBAs with a major in Electronic Commerce graduate at Spring Convocation.
 - First class in the cost-recovery MBA graduates.
 - CIDA Tier 2 grant awarded for \$1.1 million project in China, bringing the total value of CIDA projects in which UNB Saint John is involved to \$10.3 million.
 - Faculty of Arts awarded \$120,000 Youth International Project to hire recent Arts graduates to conduct market research and do recruiting in countries abroad.
 - UNB Saint John forms partnership with the Saint John Regional Hospital to establish new Institute for Health Research.
 - K.C. Irving Hall opens for classes at beginning of winter term.
 - UNB's international recruiting office is established at UNB Saint John.
 - Faculty of Business wins an international research competition sponsored by SAP, an international software company.
 - UNB Saint John hosts world's first Electronic Commerce
- International Case Competition for graduate students. Host team takes third place.
 - UNB Saint John's 25th Spring Convocation makes history in many ways:
 - More than 300 students graduate;
 - UNB Saint John's 4,000th alumnus receives a degree;
 - the first class of four-year Bachelor of Nursing students graduates;
 - the first Bachelor of Health Sciences degree is awarded to Tara Green;
 - the Baccalaureate Service is re-instituted after a 15-year hiatus.
 - Researchers realize great success in gaining funding from the Natural Sciences and Engineering Research Council.
 - Keith De'Bell was appointed the Dean of Science, Applied Science and Engineering.

Major Initiatives and Achievements 1999 - 2000

- The UNB Saint John MBA is ranked in the top ten in Canada by *Canadian Business* magazine; business magnate Arthur Irving cites Faculty of Business for "earning a reputation [as] one of the best business schools in the country."
 - UNB Saint John begins to offer its BBA program full-time in China, at the Beijing Concord College of Sino-Canada. Thirty-two students are enrolled. Professors from both UNB campuses offer the courses.
 - Faculty of Business offers a MBA program in Vancouver.
 - Co-op BBA program receives official accreditation.
 - Faculty of Arts introduces new programs in information and communication studies, international studies, sport and exercise psychology and teaching English as a Second Language.
- Faculty of Science, Applied Science and Engineering introduces new program in computer science.
 - First "Red Carpet Days" weekend brings potential students to campus to experience student life.
 - Centre for Criminal Justice Studies breaks ground with joint federally and provincially funded program for parole and probation officers.
 - First Bachelor of Applied Management in hospitality and tourism and Bachelor of Arts in sport and exercise psychology degrees awarded.
 - New Dean of Business, Craig Fleisher, is appointed.

Focus on students

UNB Saint John prides itself on its small, friendly atmosphere and its caring culture. Always striving to make the students' educational experience the best it can be, the University is investing significant time and resources into student support and student life. The Students' Representative Council (SRC) and the Organization for Part-Time and Mature University Students (OPTAMUS) at UNB Saint John are also committed to providing a valuable student life experience. The University and the student groups have worked closely over the past two years to realize this common goal.

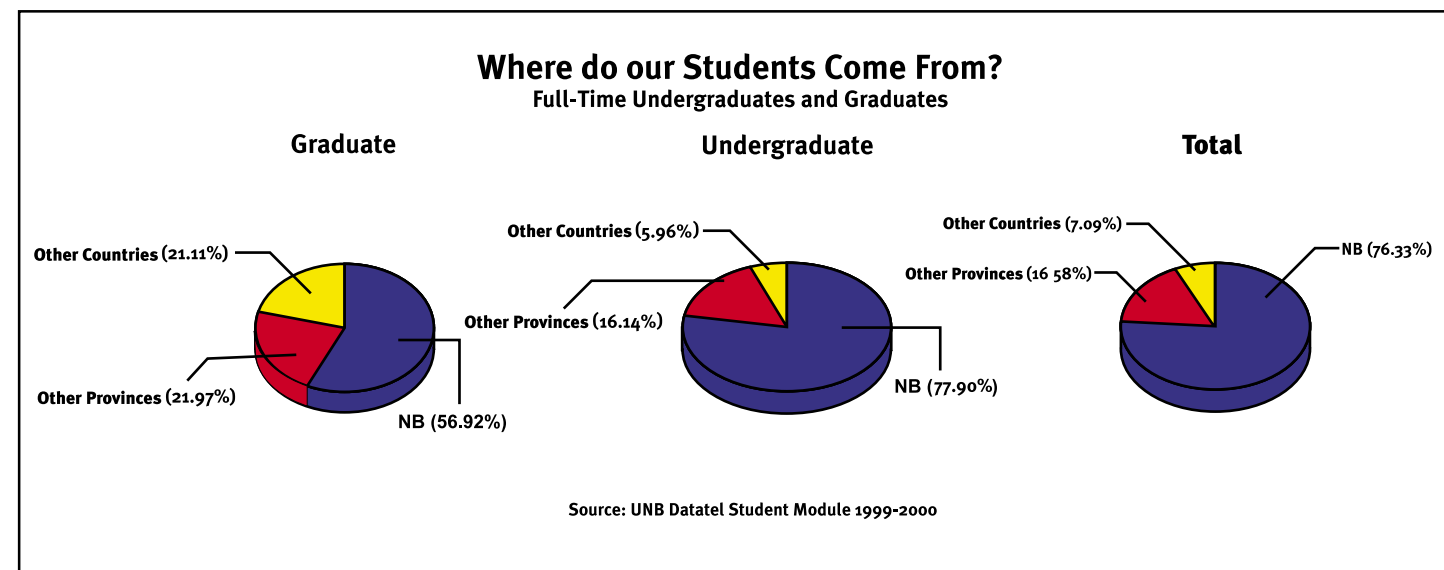
Student Successes Are Numerous

Here are some highlights of our efforts, and of our students' successes:

- Initiated a Commencement Ceremony for new students. The first one was held in the Imperial Theatre in September, 1998.
- With the SRC and OPTAMUS, hired a Coordinator of Orientation and Student Life (OSL). Thanks to the efforts of these groups, and OSL coordinator Carol Ann Spencer, the 1999-2000 year was the best yet for student involvement.
- With the SRC, initiated the Campus Contribution Transcript to record students' extra-curricular on-campus or University-related activities with the purpose of providing a transcript to students upon graduation.
- New learning centre for students with disabilities opens in Student Services Office.
- Martha Garey is the first student to participate in an exchange with l'Université de Poitiers in France.
- Business student Krista Patrick receives prestigious CEO Futures Fund Scholarship valued at \$5000.
- Co-op Business student Aaron MacCracken receives honourable mention in Canadian Co-op Student of the Year competition.
- Philip Dann is the first UNB student to be chosen for a World University Services Canada (WUSC) workshop in Botswana. He is one of only 20 in Canada.
- Runner James Murphy receives UNB's academic achievement award for having attained the highest GPA among UNB's graduating athletes.
- Badminton Seawolves win ACAA championship, go to nationals, two years in a row (1999 & 2000).
- Co-op Business students Krista Veysey and Sarah McGee earn the gold medal in the Canadian Marketing Association's prestigious student RSVP competition. Krista also receives an honorary mention in the Canadian Co-op Student of the Year competition.
- Science student Matthew Parsons receives a prestigious Fairfax Financial Holdings Ltd. Scholarship valued at \$5000 per year for three years, awarded by the Association of Universities and Colleges of Canada (AUCC).

Future Directions

Over the past decade, UNB Saint John has experienced a significant degree of growth and change. It is now a full-fledged university campus offering serious, attractive options for potential faculty, students and staff. And just as the world never stops growing and changing, neither will UNB Saint John. In the immediate future, we plan to continue to expand opportunities for Canadian students to access international experiences by seeking out more exchange arrangements and funding sources. In addition, the campus will continue to diversify its student population as a way of improving the student experience. To this end we will be actively seeking support for a proposed 238-bed residence.



The University of New Brunswick Notes to the Financial Statements

for the year ended April 30, 2000
(in thousands of dollars)

The change in net assets invested in capital assets is calculated as follows:

	2000	1999
Increases in net assets invested in capital assets		
Purchases of capital assets funded from operations	\$ 5,059	\$ 4,983
Less: Purchases funded by long-term debt	(960)	-
Repayment of long term debt	277	125
	<u>4,376</u>	<u>5,108</u>
Decreases in net assets invested in capital assets		
Amortization expense	(10,838)	(10,453)
Less: Amortization of deferred capital contributions (Note 10)	7,707	7,328
	<u>(3,131)</u>	<u>(3,125)</u>
Net increase in net assets invested in capital assets	<u>\$ 1,245</u>	<u>\$ 1,983</u>

13. Endowed Net Assets

Endowed Net Assets consists of restricted donations to the University, the principal of which is required to be maintained intact, as well as funds which have been internally endowed by the University's Board of Governors. The investment income generated from endowments must be used in accordance with the purposes specified by the donors or by the Board.

The income from internally endowed funds is to be used for the payment of scholarships, and to offset specific operating expenses.

Total endowments are as follows:

	2000	1999
Externally endowed	\$ 42,911	\$ 39,107
Internally endowed	7,642	7,369
Total endowments	<u>\$ 50,553</u>	<u>\$ 46,476</u>

14. Contingent Liabilities

The University is a defendant in various legal proceedings. Claims against the University in these proceedings have not been reflected in these financial statements. While the ultimate outcome of these proceedings cannot be predicted at this time, it is the opinion of the University and its legal counsel that the resolution of these claims will not have a material effect on the financial position of the University. Any loss or gain that may result from these proceedings will be accounted for in the period in which the settlement occurs.

The University of New Brunswick Notes to the Financial Statements

for the year ended April 30, 2000
(in thousands of dollars)

Other restrictions are recorded to reflect funds that have been internally restricted for specific projects and purposes including one-time non-recurring expenditures and specific contingencies for areas of operational budget risks, as approved by the University's Board of Governors.

Details of net assets restricted for specific purposes are as follows:

	2000	1999
General Operating		
Departmental non-salary carryovers	\$ 6,502	\$ 5,438
Departmental share of contract overhead income	614	591
	<u>7,116</u>	<u>6,029</u>
Specific Purposes		
Staff unused vacation pay entitlement	(1,273)	(1,170)
Donations restricted by the Board	3,405	3,166
Recruitment initiatives	386	-
Contingency for energy costs	400	300
Systems improvements costs	333	250
Unexpended income on internal endowments	1,101	1,143
Capital improvements	2,015	500
Other operational priorities	740	-
	<u>7,107</u>	<u>4,189</u>
Unfunded portion of early retirement plans	<u>(15,281)</u>	<u>(16,719)</u>
	<u>\$ (1,058)</u>	<u>\$ (6,501)</u>

12. Net Assets Invested In Capital Assets

Net assets invested in capital assets consists of the following:

	2000	1999
Capital assets	\$ 75,107	\$ 71,067
Amounts financed by long term debt	(5,504)	(4,820)
Unamortized deferred capital contributions (Note 10)	<u>(57,816)</u>	<u>(55,705)</u>
Balance, end of year	<u>\$ 11,787</u>	<u>\$ 10,542</u>

Plans are also underway to establish a child care facility at UNB Saint John, in recognition of our students' continuing learning requirements and the need to make higher education accessible to all who qualify to enrol. Again, support for this project is being actively sought.

UNB Saint John will also continue to develop its education options, in the immediate future most specifically in the areas of science and technology, where numerous opportunities exist in coastal studies, environmental studies and computer science.

And in keeping with its global philosophy, UNB Saint John plans to further expand its presence in British Columbia, Hong

Kong and in China, and possibly elsewhere in the world if the appropriate opportunity arises.

The University of New Brunswick in Saint John is a vibrant, full-service, world class institution. Small enough to be friendly and caring, it is also big enough to offer a full range of programs in arts, business, computer studies, education, electronic commerce, engineering, the health sciences, hospitality and tourism, information and communication studies, international studies, marine biology, nursing, the sciences and the social sciences. UNB Saint John is already what the university of the 21st century will be - global, flexible and responsive to society's changing educational needs.

Fostering Scholarship and Outreach 1998-2000

by John D. McLaughlin

Vice-President (Research & International Cooperation)

The Office for Research and International Cooperation is responsible for promoting and coordinating the research and international agendas on both campuses of UNB.

During the past two years UNB also received close to half a million dollars from the Social Sciences and Humanities Research

Council (SSHRC) for regular and strategic grants. As well, a one-time special allocation was made to the University in 1999 which resulted in 24 individual grants being awarded to help new researchers prepare applications for SSHRC competitions. UNB has also received \$8 million for 14 research infrastructure projects from the Canada Foundation for Innovation in combination with support from a number of public and private funding partners, including the Atlantic Canada Opportunities Agency (ACOA) and the Province of New Brunswick.

Research

Our research efforts over the past two years have focused on (i) promoting a better understanding of the importance of academic research and scholarship both within and outside of the University community; (ii) developing and funding major new research initiatives; and (iii) providing more effective research support services.

From a policy perspective, a major milestone was the adoption of a new University Policy on Research Involving Humans. This policy, approved by the Board of Governors in December 1999, is designed to ensure that the rights of human subjects participating in research are respected, and to ensure that such research is conducted ethically. In the fall of 1998 a new policy on governance for University research institutes and centres was implemented; this policy requires the approval of research and business plans annually for each institute/centre. A University-wide research planning exercise was implemented in March 2000 and will be completed in early 2001.

Total funding from the Natural Sciences and Engineering Research Council (NSERC) has increased by 30 per cent since 1998. Individual research and equipment grants totalled \$4,111,775 in 2000, with total NSERC funding of approximately \$5 million.



John D. McLaughlin

Faculty Achievements

Historian Beverly Lemire (UNB Fredericton) received a 1999 Canada Council Killam Research Fellowship. Physicist Bruce Balcom (UNB Fredericton) was awarded a 2000 Steacie Fellowship for outstanding achievement in science and

engineering. Two UNB Fredericton history professors published prize winning books in the past year: David Frank's *J.B. McLachlan: A Biography* and Marc Milner's *Canadian Navy: The First Century*. The Canadian Research Institute for Social Policy (UNB Fredericton) was formally established by the Board of Governors in 1999. The Atlantic Cooperative Wildlife Ecology Research Network (UNB Fredericton) had its NSERC funding secured for another five years in 1999. The Muriel McQueen Fergusson Centre for Family Violence Research moved into its new UNB Fredericton facilities in early 1999. John Hughes Clarke

(UNB Fredericton) was appointed the new Chair in Ocean Mapping in 1999; Shelley Rinehart (UNB Saint John) was appointed Director of the Centre for Electronic Commerce in April 2000. Also in April the UNB Fredericton Centre for Conflict Studies celebrated its 20th anniversary.

Using one-half million dollars of external funding obtained from NSERC and ACOA, the Centre for Research and Development Services (CRDS) is in the process of significantly extending its services to the University community. Through merging the research accounting staff into CRDS and adding staff, a new Office of Research Services has been created to provide more effective research administration services. New positions now enable the Office of Industry-Government Services to provide a full range of intellectual property marketing and management services for researchers. As well, through a new appointment the office will shortly be providing outreach services specifically on behalf of the humanities and social sciences disciplines.

International

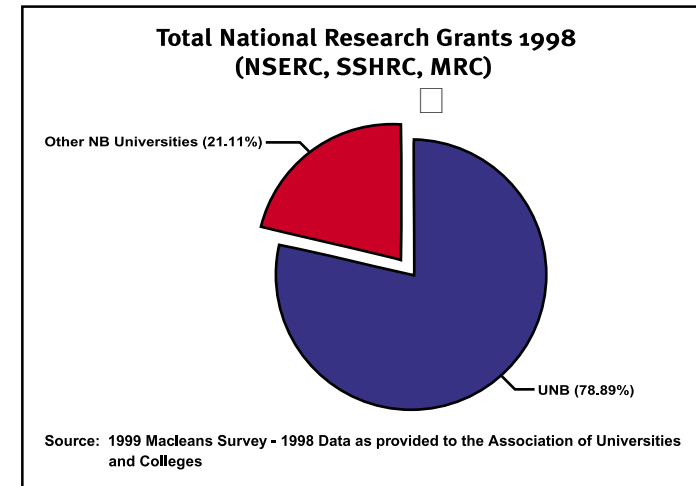
The focus of the international agenda for the past two years has included:

- developing and implementing a new international recruitment plan;
- strengthening the international student and faculty exchange agreements;
- promoting international development activities.

Both to counteract domestic demographic trends and to provide local students with opportunities to directly learn from and work with people from other cultures, UNB is aiming to increase its international student population significantly over the next five years. To achieve this target, a focused, systematic and University-wide international recruiting plan was approved by the Board of Governors in April 1998, establishing a central international recruitment office at UNB Saint John. The first year results of this new program have been quite dramatic: the total number of full-time international students registered with the Fredericton campus has increased from 386 to 500 students, while the total registrations with the Saint John campus have increased from 63 to 140 students. (These numbers include an increase of 124 differential fee paying undergraduate and postgraduate students and significant increases in special programs). Several UNB programs are now being offered offshore, including the BBA in Trinidad and Tobago, Egypt and China, and the B.Ed. in Trinidad and Tobago. New initiatives are planned for Hong Kong (MBA), Dubai (MBA) and Beijing (BScCS).

Considerable attention has also been given to strengthening UNB's international exchange programs for students and faculty. Over the past two years new agreements have been signed with the University of New South Wales, University of Melbourne,

Southern Cross University and Macquarie University in Australia; the University of Sri Jayewardenpura in Sri Lanka; Sadat Academy for Management Sciences in Egypt; the University of Southampton in Britain; Tallin Technical University in Estonia; Ecole Nationale Supérieure de Chimie de Montpellier and Université d'Artois in France; Ben-Gurion University of the Negev in Israel; Universiti Utara Malaysia; Juarez University and Universidad Pedagógica Nacional in Mexico; West University of Timisoara in Romania; University of Jordan; University of Mali; Nanyang Technological University in Singapore; the United States Coast Guard



Academy; and the University of Wisconsin. As well, a NAFTA Agreement was signed in 1998 with Kettering University and Marshall University in the U.S. and Universidad Autónoma de Aguascalientes and Tec de Monterrey San Luis in Mexico. In total UNB currently has more than 60 active international exchange agreements.

The last two years have also witnessed continued growth in UNB's involvement in international development assistance projects funded by the Canadian government and international development agencies. UNB faculty are currently involved in multi-year projects worth more than \$12 million in Cuba, Vietnam, China, Bhutan, Russia, Venezuela, Ukraine and elsewhere. Most recently, UNB Fredericton education faculty have entered into an agreement with CIDA worth more than \$1 million for a civic education and nurturing democracy project in Russia. New initiatives are planned for Bhutan, Cambodia and Laos. The Chinese government has funded a UNB branch of the Chinese Scholars and Students Association. A Japan Foundation grant was received to hire a specialist in Japanese business studies on the Saint John campus. Federal Youth Internship support enabled 18 recent graduates to work overseas to market UNB as an educational destination. UNB Fredericton graduate students Shannon Williams (Sociology) and Manivannan Rajendran (Civil Engineering) received UN internships. The World University Service of Canada (WUSC) sponsored recent graduate Marcelle Thibodeau (UNB Fredericton) to participate in a seminar in Zimbabwe and Erin Kiley (UNB Fredericton) to undertake a six-month internship in Botswana. International Student Advisor Kay Nandlall (UNB Fredericton) has been appointed to the WUSC Board.

The University of New Brunswick Notes to the Financial Statements

for the year ended April 30, 2000
(in thousands of dollars)

Details of early retirement pension plan expense are as follows:

	2000	1999
Cost of retirements during the year	\$ 45	\$ 8,905
Interest on liability	1,556	967
Less: Interest earned on internal fund	(229)	(157)
	<u>\$ 1,372</u>	<u>\$ 9,715</u>

b) Employee Benefit Plans

The University sponsors a number of insured and self-insured benefit plans for employees. The University's share of the annual premiums for insured plans is recorded as an expense, on an accrual basis. The University's share of the actuarially determined annual cost of self-insured plans is recorded as an expense, and related liability.

Details of the liability related to employee benefit plans are as follows:

	2000	1999
Health and Dental Plan	\$ 158	\$ 149
Long-Term Disability Plan	2,409	2,271
	<u>\$ 2,567</u>	<u>\$ 2,420</u>

10. Unamortized Deferred Capital Contributions

Deferred contributions related to capital assets represent the unamortized amount of donations and grants used for the purchase of capital assets. The changes in the deferred contributions balance for the year are as follows:

	2000	1999
Balance, beginning of year	\$ 55,705	\$ 55,077
Purchase of capital assets externally funded	9,818	7,956
Recognized as revenue	(7,707)	(7,328)
Balance, end of year	<u>\$ 57,816</u>	<u>\$ 55,705</u>

11. Restricted for Specific Purposes

The University restricts the use of portions of its operating net assets for specific purposes. In support of multi-year and specific purpose planning, the University has a policy which permits departments to carry over unspent current non-salary budget amounts to future fiscal periods. This carry forward is effected by an internal restriction of operating net assets.

Net assets restricted for specific purposes also includes certain amounts related to unused vacation pay entitlement for support staff and the unfunded portion of the early retirement plans. This is to reflect the fact that the majority of these payments will be made in years subsequent to the expenditure being incurred.

The University of New Brunswick Notes to the Financial Statements

for the year ended April 30, 2000
(in thousands of dollars)

(iii) Principal payments required on mortgages in each of the next five years are as follows:

2001	2002	2003	2004	2005
\$142	\$151	\$161	\$171	\$182

(b) The bank loan is the first annual advance under a Fixed Rate Term Loan Agreement to finance residence building improvements on the Fredericton Campus. The Agreement provides for total borrowing of \$4.8 million to be implemented at the rate of \$960 thousand per year for five years. The loan is at a fixed interest rate of 6.64% per year. Repayment is to be made from the annual residence system operating budget over a period of fourteen years through monthly blended payments of principal and interest.

9. Early Retirement and Employee Benefit Plans

Details of this liability are as follows:

	2000	1999
Early retirement plan	\$ 21,055	\$ 21,217
Employee benefit plans	2,567	2,420
	<u>\$ 23,622</u>	<u>\$ 23,637</u>

a) Early Retirement Plan

Academic employees who have retired under the terms of a supplementary early retirement plan are entitled to receive supplementary retirement benefits payable by the University. As well, for faculty who retire prior to the age of 65 the University pays for one half the cost of group life insurance and supplementary health and dental benefits until the person reaches the age of 65.

Changes in the early retirement pension plan liability are as follows:

	2000	1999
Balance, beginning of year	\$ 21,217	\$ 12,961
Add: Cost of retirements during the year	45	8,905
Interest on liability	1,556	967
Less: Pensions paid during the year	(1,763)	(1,616)
Balance, end of year	<u>\$ 21,055</u>	<u>\$ 21,217</u>

Achieving UNB's Mission through Fiscal Responsibility

by Daniel V. Murray
Vice-President (Finance and Administration)

Scope of Responsibilities

The Office of the Vice-President (Finance and Administration) is responsible for providing a broad range of quality corporate services to the University in general and the Fredericton campus in particular. It is also responsible to ensure the financial planning, financial management and fiscal stewardship necessary to achieve the University's immediate and long-term goals and objectives. While the primary focus of the office is on the Fredericton campus, certain services are shared with the Saint John campus and close collaboration is maintained with the administration of that campus.

computing at the University resulting in the discontinuance of the mainframe in early 2000.

- Undertook significant upgrades to our Fredericton campus network infrastructure to ensure more reliable access to information and technical services.
- Worked closely with public institutions in the development and launch of CA*net 3, Canada's advanced research computer network.

Overview of 1998-99 and 1999-2000

The major challenge for these two fiscal years has been developing a balanced operating budget in a climate of reduced funding and then working closely with the University community to ensure that the balanced budget target was achieved in both years.

The implementation of Datatel, an entirely new suite of integrated, client-server based administrative information systems, during this period also was a huge challenge requiring the support, dedication and cooperation of personnel from all sections of the University to ensure completion.

Major Initiatives and Achievements

Technology

- Completed Datatel implementation. This software handles the financial records, payroll and human resource information, fundraising and alumni information, and the student records, billing and related information.
- Undertook a year 2000 (Y2K) assessment and readiness plan to ensure that no major disruptions of computer and physical systems occurred at the University.
- Completed the transition from mainframe to client-server



Daniel V. Murray

• Supported the roll-out of multimedia technology and the movement towards the establishment of state-of-the-art "smart" classrooms across the Fredericton campus.

• Supported the development and launch of a new and redesigned UNB website including the deployment of a custom-developed web access tool to allow the integration of information in the Datatel system to the access capabilities of the web.

Campus Planning, Physical Services and Capital Projects

Thanks to the generous support of friends of the University through contributions and specific grants, there have been significant new developments in physical infrastructure at both UNB campuses over the past two years. These developments include:

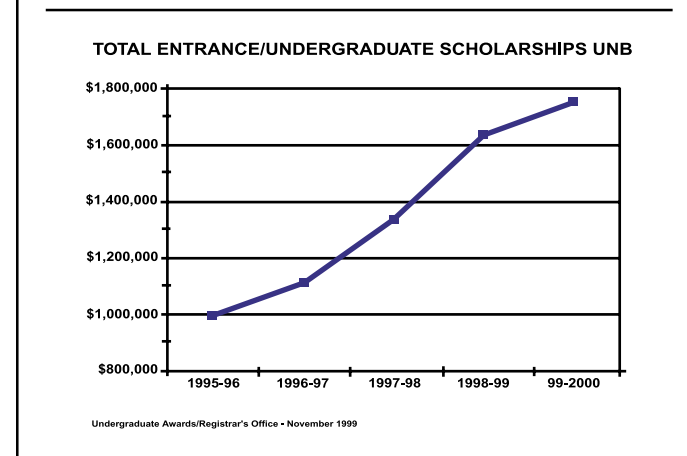
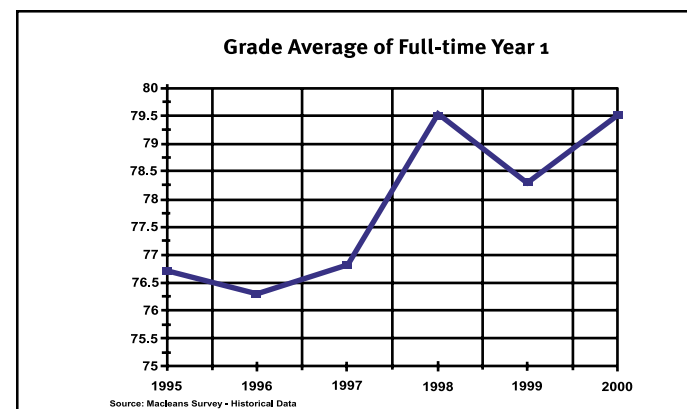
- Completion of K.C. Irving Hall on the Saint John campus providing for much needed academic space for engineering, biology and nursing programs.
- Finalization of the Muriel McQueen Fergusson Centre on the Fredericton campus.
- Fruition of the Eaton Multimedia Learning Centre and the distributed learning technology initiative on the Fredericton campus.

- Commencement of the construction of the new information technology centre on the Fredericton campus that supports growth in Computer Science programs and forges stronger links to the information technology sector in the Province.
- Expansion of the Student Union Building on the Fredericton campus providing space for more student activities and events.

Under the guidance of the Properties Committee of the Board of Governors a detailed inventory and assessment of all University land holdings has been completed. This positions the University for proactive management of properties as an important resource including the vital linkage with our world class forestry program and related research needs.

Financial Services

- Led a review process examining the services and operations of the Fredericton campus bookstore. Established a contractual arrangement with a major provider of bookstore services in North America, Follett of Canada, for the contract management of the bookstore thereby providing for expanded products, services, operating hours and a completely renovated and updated store.
- Successfully completed a merger of the Research Financial Services unit of Financial Services with the Centre for Research and Development Services to provide a one-step, value added service centre for researchers.



- Completed the implementation of all major financial modules of Datatel.
- Participated with other Atlantic universities in joint bulk purchasing and service arrangements through Interuniversity Services Inc. (ISI). Major initiatives included bulk fuel oil tendering, industrial and office paper, consulting services related to the management of fringe benefit programs.
- Participated in a joint competitive process by the Fredericton and Saint John campuses of UNB along with St. Thomas University for an exclusive soft drinks arrangement with Pepsi, thereby generating millions of new funds to be used for scholarships and other student-related activities.

Focus on Students

Students at the University of New Brunswick enjoy free access to fast, high capacity (2.5 million bits per second) broadband connection to the Internet and other advanced networks worldwide.

The new developments in other physical infrastructures such as K. C. Irving Hall at UNB Saint John, and the distributed network of smart classrooms, information technology centre and SUB expansion in Fredericton helped to provide UNB students with access to new classrooms and modern equipment.

The complete renovation of the Fredericton bookstore will provide students with access to an improved facility offering a broader selection of goods.

Future Directions

Technology

Having developed a robust technical infrastructure, we need to further capitalize on this by building a strategic vision and plan for technology as a tool to enhance quality, improve service or increase productivity.

Campus Planning

Assessment of the space needs and resources on the Fredericton campus is essential to optimizing planning and allocation of these resources. Under the direction of the Properties Committee, we are exploring ways to tackle the deferred maintenance issues on both campuses that are prevalent in Canadian universities.

Financial Services

We plan further development of the strategic financial planning processes of the University and improvement of financial information systems to support these strategic information requirements.

The University of New Brunswick Notes to the Financial Statements

for the year ended April 30, 2000
(in thousands of dollars)

7. Deferred Contributions

Deferred contributions represent unexpended amounts which are subject to externally imposed restrictions.

Changes in the balance of deferred contributions are as follows:

	2000	1999
Balance, beginning of year	\$ 35,678	\$ 33,748
Contributions received during the year	37,017	35,115
Transferred to unamortized deferred capital contributions	(9,626)	(8,412)
Recognized as revenue during the year	(29,120)	(24,773)
Balance, end of year	<u>\$ 33,959</u>	<u>\$ 35,678</u>

The balance is made up of the following:

	2000	1999
Sponsored research	\$ 14,293	\$ 13,542
Unexpended restricted donations	16,419	17,787
Unexpended endowment income	3,247	4,349
	<u>\$ 33,959</u>	<u>\$ 35,678</u>

8. Long-Term Debt

Details of this liability are as follows:

	2000	1999
Mortgages payable	\$ 4,686	\$ 4,820
Bank loan	818	-
	<u>\$ 5,504</u>	<u>\$ 4,820</u>

- (a) (i) Central Mortgage and Housing Corporation mortgages on University-operated student residences are repayable with equal semi-annual blended instalments of principal and interest.

Interest Rate	Semi-Annual Instalment	Maturity Date	2000	1999
5 3/8 %	\$ 52	2013	\$ 964	\$ 1,014
5 3/8 %	20	2016	426	442
6 7/8 %	95	2020	2,052	2,099
7 7/8 %	60	2022	1,244	1,265
			<u>\$ 4,686</u>	<u>\$ 4,820</u>

- (ii) Interest paid on mortgages amounted to \$320 for the year ended April 30, 2000 (1999 - \$328).

The University of New Brunswick Notes to the Financial Statements

for the year ended April 30, 2000
(in thousands of dollars)

4. Inventories

	2000	1999
Bookstores	\$ 644	\$ 1,318
Physical Plant	545	473
Chemistry Department	95	82
	<u>\$ 1,284</u>	<u>\$ 1,873</u>

5. Long-Term Investments

The carrying amounts (cost values) and fair values of investments are summarized as follows:

	2000		1999	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Cash and cash equivalents	\$ 5,015	\$ 5,015	\$ 3,597	\$ 3,597
Fixed income securities	37,608	36,628	37,374	37,585
Equity securities	41,998	52,167	40,184	46,402
	<u>\$ 84,621</u>	<u>\$ 93,810</u>	<u>\$ 81,155</u>	<u>\$ 87,584</u>

Fair values have been determined on the basis described in Note 16 and are considered to approximate market values.

Details of significant terms and considerations, exposures to interest rate and credit risks on investments are as follows:

- (i) The quality of fixed income securities is supported by federal, provincial and municipal government guarantees or high quality corporate bonds. Investments are only made in fixed income securities with a credit rating of "A" or higher.
- (ii) Interest rates on the fixed income securities range from 4.25% to 13.5% with maturities that range from 2001 to 2029.

6. Capital Assets

	2000		1999	
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Land	\$ 772	\$ -	\$ 772	\$ 772
Building	167,028	115,231	51,797	49,172
Roads and Tunnels	3,169	3,107	62	66
Furniture and Equipment	37,785	24,405	13,380	12,468
Computer Hardware and Software	32,079	22,983	9,096	8,589
	<u>\$ 240,833</u>	<u>\$ 165,726</u>	<u>\$ 75,107</u>	<u>\$ 71,067</u>

Fostering a Student-Centred Environment

By Louis Visentin
Vice-President (Academic)



Louis Visentin

Scope of Responsibilities

Acting primarily for the Fredericton campus but in consultation with the Vice-President (Saint John), the Vice-President (Academic) is responsible for academic leadership and coordination of academic programs, advising the President on matters relating to academic staff and programs, implementation of long-term academic policy, consideration of faculty appointments, tenure and promotion recommendations, and oversight of the School of Graduate Studies. In addition the Vice-President is responsible on the UNB Fredericton campus for the libraries, the Registrar's Office, the Department of Extension and Summer Session, the Department of Residential Life and Conference Services, the Department of Student Affairs and Services, and the Teaching and Learning Centre.

Achievements: UNB Fredericton 1998-2000

I am indebted to my colleagues across the campus who played major roles in these and many other accomplishments of the past two years.

Organizational Development

- Completed renewal of academic and non-academic deans and directors. Established a gender balance in deans' and directors' appointments from three women in 16 positions to eight of 16 (50 per cent).
- Began bi-campus management training program in collaboration with Human Resources and Organizational Development.
- Hired 70 new tenure-track faculty members.

Student Focused Enrolment Management

- Organized President's receptions for prospective students in the Fredericton area.
- Created Campus Experience Program for visiting schools from New Brunswick as well as Newfoundland, Bermuda and China.
- Held UNB Fredericton Counsellors' Day, a unique, in-depth orientation for high school counsellors throughout Atlantic Canada and neighboring states.
- Developed a Prospective Student database allowing UNB to target communications to prospective students and providing a better understanding of the characteristics and needs of our prospective student markets.
- Introduced recruitment publications that highlight the new images of UNB Fredericton and include detailed faculty information.

- Instituted new Ontario Recruitment initiative to improve opportunities for meeting directly with counsellors, students and parents in Ontario.
- Developed a comprehensive communication program for prospective students through the Recruitment Committee of the Enrolment Management Council at UNB Fredericton.

- In cooperation with the UNB Web Team, developed prospective student web service as a recruitment tool for domestic and international markets.

- Continued expansion of the UNB Fredericton Return Visit Program to over 30 communities in Atlantic Canada, Ontario and Bermuda so interested students can meet with our campus representatives and UNB Alumni from their communities.

- Enhanced recruitment efforts in areas such as Newfoundland and New England where UNB has the potential to attract quality students.

- Expanded the Scholarship Guarantee program to include an even

greater number of first-year students.

- Improved enrolment figures against the demographic downturn.

Special Retention and Student Services Programs

- Completed restructuring of the residence community and student services to promote student development.
- Better coordinated training for Orientation Teams along with closer cooperation with academic faculties and Student Union Orientation.
- Instituted Summer Reading Program and, in cooperation with the Faculty of Education, a leadership practicum course for residence student leaders and faculty peer mentors.
- Expanded Work/Study programs.
- Created fully funded office for Students with Disabilities.
- Implemented the "fake ID program" in partnership with the New Brunswick Department of Finance to increase awareness of the serious consequences of using false ID.
- Created Safe Space Program identifying areas free of bias and discrimination where gay, lesbian, bisexual and transgender can "come out."
- Strengthened Career Counselling Program, which is vital in student retention efforts and provides students with practical and theoretical skills/tools to obtain future career/employment.
- Revised the Student Disciplinary Code.

Infrastructure and Educational Technologies

- Achieved completion of Phase 1 of the Eaton Multimedia Centre and the Distributed Learning Network of smart classrooms, student laboratories and multimedia facilities.
- Provided support for on-line course development.

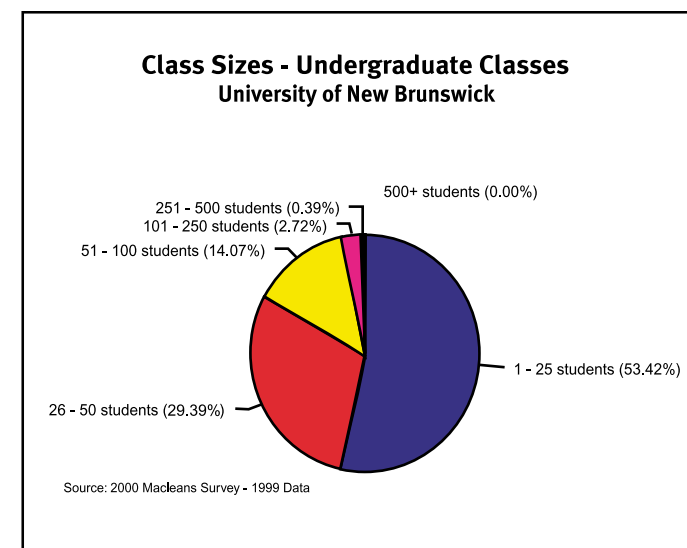
The Harriet Irving Library, Access, Amelioration and E-text Initiatives

- Offered 11 two-hour sessions called "E-Info Labs" to train faculty and staff in the use of various databases and on-line services.
- Signed agreement with Service New Brunswick to mount and provide academic access to the New Brunswick Geographic Information Corporation GIS files.
- Through the challenge grant provided by the Beaverbrook Canadian Foundation, raised more than \$100,000 for library acquisitions on both campuses.
- Consummated partnership between the E-Text Centre and Industry Canada to conduct leading edge work on Metadata.

- To raised eyebrows, opened **Roasters** café in the lobby of HIL, creating a more welcoming atmosphere for patrons and additional income for acquisitions.
- Saw use of electronic journals increase over one year by 140 per cent.
- Published *Anecdotes & Reminiscences*, a 19th century memoir of UNB Fredericton by Joseph Whitman Bailey.
- Completed on-line revision of the *Undergraduate Calendar* through the E-Text Centre.
- Implemented conferencing software to offer real time reference support to distance learners, including to the SAMS project in Egypt.
- Appointed a curator for the Eileen F. Wallace Children's Literature Collection which resulted in increased use of the collection and a weekly story hour.

Program and Curricular Change

- Established a University Coop office and expanded the program to engineering, administration, forestry and the arts on the Fredericton campus.
- Developed Bioinformatics initiative as part of the Atlantic Genome Project.
- Established *Renaissance College* with support of a \$1.875 million grant from the J.W. McConnell Family Foundation.
- Expanded community college/UNB articulated programs.
- Created the Information Technology Program for post-graduates.
- Developed a faculty cross-appointment policy to foster interdisciplinary programs.
- Expanded the Centre for Research into Social Policy and the junior chair concept.



The University of New Brunswick

Notes to the Financial Statements

for the year ended April 30, 2000
(in thousands of dollars)

	2000		1999	
	Fredericton Campus	Saint John Campus	Total	Total
Revenues				
Provincial operating grant	\$ 61,691	\$ 11,327	\$ 73,018	\$ 71,458
Tuition and related fees	29,237	8,582	37,819	36,413
Ancillary operations	11,033	2,060	13,093	15,729
Services and other	7,185	913	8,098	8,353
Transfers from (to) other funds	3,709	(33)	3,676	2,442
	<u>112,855</u>	<u>22,849</u>	<u>135,704</u>	<u>134,395</u>
Expenses				
Operating	96,916	18,914	115,830	115,623
Ancillary operations	11,535	1,641	13,176	16,478
Early retirement plan	1,187	185	1,372	9,715
	<u>109,638</u>	<u>20,740</u>	<u>130,378</u>	<u>141,816</u>
Excess (deficiency) of revenues over expenses	3,217	2,109	5,326	(7,421)
Changes in internal restrictions				
-Early retirement plan	(1,247)	(191)	(1,438)	7,988
-Other	(1,919)	(1,867)	(3,786)	(384)
Net change in unrestricted fund balance	<u>\$ 51</u>	<u>\$ 51</u>	<u>\$ 102</u>	<u>\$ 183</u>
Budgeted change in unrestricted fund balance	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ (135)</u>

The University of New Brunswick Notes to the Financial Statements

for the year ended April 30, 2000
(in thousands of dollars)

f) *Early Retirement Plans and Post Retirement Benefits*

The total present value cost of such plans is recorded as an expense in the year the employee retires irrespective of when payments are actually made. The present value is updated each year by a further charge against operations. Equivalent amounts are recorded as adjustments to the balance of net assets restricted for specific purposes.

Details of the cost of such plans, and the related liability, are disclosed in Note 9.

g) *Pension Plans*

Defined benefit pension plan expense is based on the actuary's assessment of the University's share of current service costs and the amount, if any, required to amortize an unfunded liability. The University's contributions to the pension funds are also made on this basis.

h) *Internal Restrictions*

Portions of operating net assets restricted by the University's Board of Governors for specific purposes are recorded as internal restrictions of operating net assets. Details of net assets restricted for specific purposes are disclosed in Note 11.

3. Fund Accounting Results

Prior to the 1997-98 fiscal year, the University's financial statements were prepared in accordance with the principles of fund accounting. The following schedule summarizes the financial results for the University operating accounts for 1999-2000, with comparative information for 1998-1999, using the fund accounting basis.

- Realized multi-disciplinary, concurrent degree programs, e.g. arts/science and computer science.
- Achieved synergy through the combination of the Entrepreneurial Leadership and International Marketing centres.

Communications

- Instituted Departmental Appreciation Days.
- Improved Management Advisory Council as an instrument of awareness and expanded its authority to advise on budgets.
- Established Colloquium on the "Philosophy of the University".

Outreach and Continuing Education

- Implemented Roytech program (Education) in Trinidad and SAMS program (Administration) in Egypt.
- Encouraged new staff, structure and leadership in Extension and Summer Session.

Performance and Accountability

- Established the Performance Analysis Advisory Group to review accountability measures for UNB.
- Co-Chaired the Steering Committee for the Datatel information systems installation.
- Reviewed and re-assessed means of teaching evaluation.

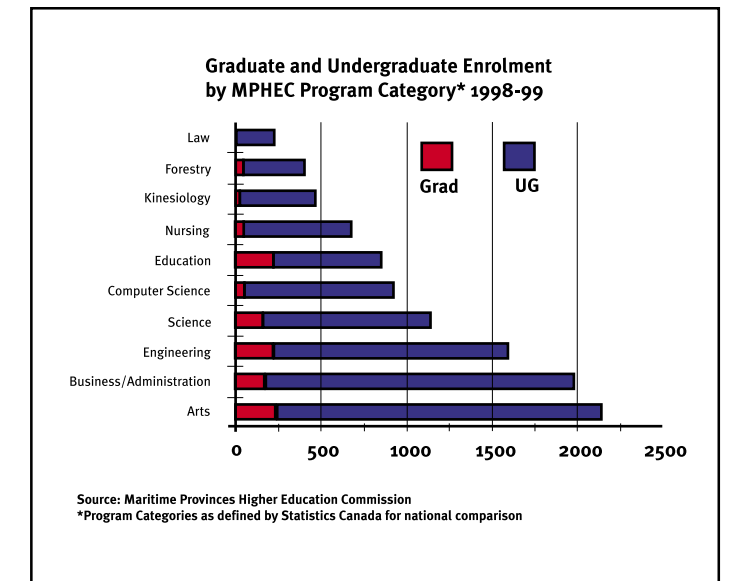
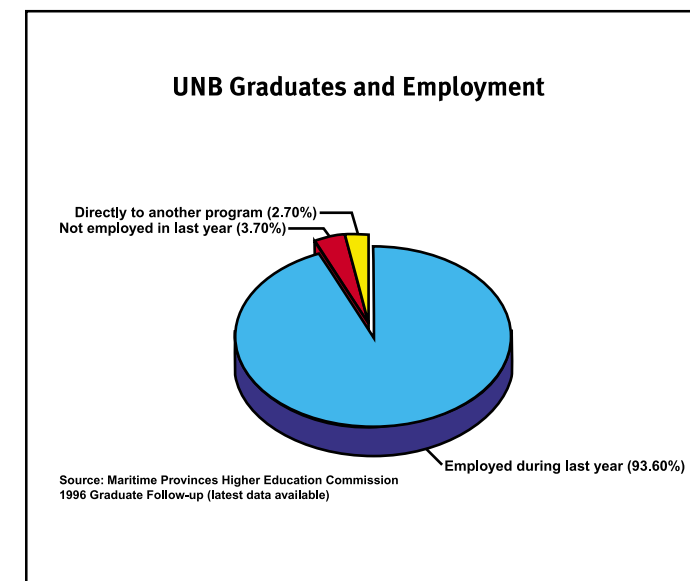
- Revamped equity hiring practices, procedures and policies.
- Articulated a Statement of Ethical Principles for consideration by the University community.

Future Directions for UNB Fredericton, 2000 and beyond

- Complete implementation of a new recruiting initiative and structure.
- Create a University-wide computer "fitness"/literacy program.
- Pursue federally funded opportunities to establish one or more chairs in design engineering.
- Expand experiential learning for all students at UNB Fredericton.
- Complete fine arts review and expand association with the New Brunswick College of Craft and Design.
- Participate in UNB Fredericton space audit and rationalization of facilities.
- Expand electronic digital library.
- Expand School of Graduate Studies operations and increase graduate enrolment.
- Implement an appropriate wellness agenda for faculty, staff and students.

Farewell

Although I have left UNB to take up the presidency of Brandon University, I will remember with warmth and pride my five years at this fine institution. It has been an honour to have been associated with UNB and to have had an opportunity to make a contribution to its continued progress and well-being.

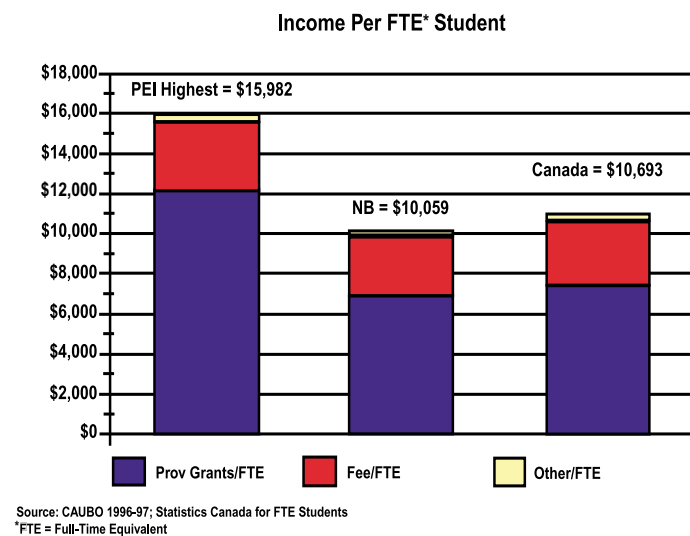


Commentary On Financial Results For The 1999-2000 Fiscal Year

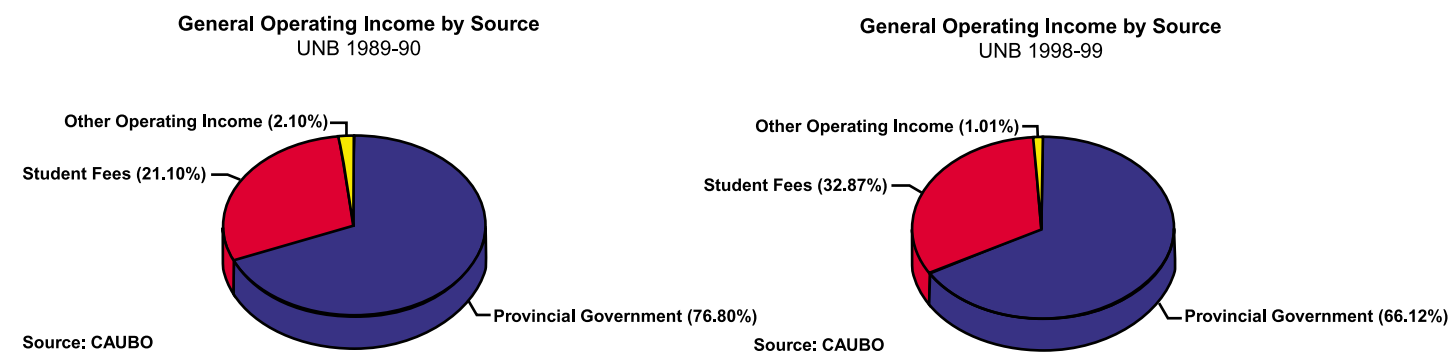
By Daniel V. Murray, Vice-President (Finance and Administration)

Background

New Brunswick universities operate with the lowest amount of per student revenue of all universities in Canada. The most recent Statistics Canada figures illustrate that combined operating revenues consisting of provincial operating grants, tuition fees and other sources of revenue are, on a per student basis, the lowest for New Brunswick universities.



There has also been a marked change in the distribution of the sources of this funding during the last decade. Recent figures from the Canadian Association of University Business Officers illustrate that in 1990, the provincial operating grant accounted for 76.80% of total operating funding for UNB while in 1999, the figure decreased to 66.12%. Decreases in federal transfer payments and reductions in operating grants have resulted in the share of overall funding provided by students rising from 21.10% to 32.87% during this same period.



The University of New Brunswick Notes to the Financial Statements

for the year ended April 30, 2000
(in thousands of dollars)

Externally restricted capital contributions are recorded as deferred contributions until invested to acquire capital assets. Amounts invested in externally funded capital assets with limited useful lives are then transferred to unamortized deferred capital contributions. Unamortized deferred capital contributions are recognized as revenue in the periods in which the related amortization expense of the funded capital asset is recorded.

Endowment donations are recognized as direct increases in endowed net assets in the year in which they are received. The University has a policy to protect the economic value of the endowments from the impact of inflation whereby a portion of the income earned on endowments is reserved by the Board for capital preservation. Such amounts are recorded as increases in endowed net assets.

Externally restricted contributions for purposes other than endowment or the acquisition of capital assets are deferred and recognized as revenue in the year in which the related expenses are incurred. Externally restricted amounts can only be used for purposes designated by the contributors.

Unrestricted contributions are recognized as revenue when received or receivable.

Pledged amounts are not recorded in the accounts.

Investment Income

Restricted investment income is recognized as revenue in the year in which the related expenses are recognized. Unrestricted investment income is recognized as revenue when earned.

c) Inventories

Bookstore inventories held for resale are valued at the lower of cost and net realizable value. Inventories held for consumption are valued at cost. The cost of inventories is determined using the average cost method of inventory valuation.

d) Investments

Short-term and long-term investments are recorded at cost or, where donated, at fair market value at the date of donation. Gains and losses on sales of investments are recognized in the year of disposal and are included in investment income.

e) Capital Assets

Purchased capital assets are recorded at cost. Donated capital assets are recorded at fair value at the date of donation. Capital assets disposed of are removed from the accounts at their net book value. Repairs and maintenance costs are charged to operating expense. Betterments which extend the estimated life of an asset, increase its service capacity, or lower future costs, are capitalized.

Capital assets are amortized on a straight line basis over their estimated useful lives, as per the schedule below:

Buildings	40 years
Roads and Tunnels	20 years
Furniture and Equipment	10 years
Computer Hardware and Software	5 years

The University of New Brunswick Notes to the Financial Statements

for the year ended April 30, 2000
(in thousands of dollars)

1. Authority and Purpose

The University of New Brunswick ("the University") operates under the authority of the University of New Brunswick Act. It is a Board-governed, comprehensive university offering undergraduate and graduate degree programs, a broad range of research, and continuing education programs and activities. The University is a registered charity and is therefore exempt from the payment of income tax under Section 149 of the Income Tax Act.

2. Summary of Significant Accounting Policies and Reporting Practices

The financial statements have been prepared by management in accordance with Canadian generally accepted accounting principles (GAAP). The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities as of the date of the financial statements and the reported amounts of revenue and expenses during the period. Actual amounts could differ from those estimates.

A summary of significant accounting policies is as follows:

a) Accounting Method

The financial statements are prepared on a non-fund basis as the operations for the entire University have been combined for reporting purposes.

b) Accrual Basis

(i) Expense Recognition

The University uses the accrual basis of accounting for expenses with the following exceptions:

- Amounts payable in respect of goods and services related to research projects and service contracts are accrued in the accounts only to the extent of billings received by the year end date.
- Retiring allowances are recorded as an expense in the fiscal year of payment. Calculated at the rate of one week's final pay per year of service to a maximum of twenty-five years, retiring allowances are paid to retiring employees, laid off employees, and the estates of deceased employees who had at least five years of service and who were active employees at the time of death.

(ii) Revenue Recognition

Tuition and Other Fees, and Sales of Goods and Services

Amounts received or receivable for tuition fees and sales of goods and services are recognized as revenue at the time the goods are delivered or the services are provided. Otherwise, these amounts are classified as unearned revenue.

Grants and Donations

The University receives grants and donations from a number of different sources to cover operating, research and capital expenditures. Operating grants are recognized in the period when receivable. Operating grants received for a future period are deferred until that future period and are reported as deferred contributions.

Tuition fees at the University of New Brunswick continue to compare favourably with the 16 other institutions of higher learning in the Maritime Provinces with only three institutions having lower tuition fees than UNB in 1999-2000.

This scarcity of revenue has meant that the University of New Brunswick has one of the most efficient operating budgets of all Canadian universities.

Over the past five years, there has been a great deal of emphasis at UNB on cost control and budget reductions. Activities included: across the board cuts to budgets, salary freezes, postponement of competitive based-salary adjustments contained in collective agreements, and the implementation of voluntary early retirement programs for faculty members and professional librarians. The financial result is that UNB has been able to achieve balanced operating budgets.

Current Year Operating Results

The Board of Governors approved a balanced operating budget for the 1999-2000 fiscal year. The audited financial statements illustrate that this financial objective was achieved with a final operating surplus of \$51,000 on the Fredericton campus and \$50,000 on the Saint John campus.

The final operating results were influenced by two important financial outcomes.

The first outcome was that actual enrolment figures exceeded budget assumptions. Demographic projections within New Brunswick forecast a continuing decline in the numbers of students graduating from high school. UNB was able to counter these forecasted figures in fiscal 1999-2000. Initiatives such as enhanced international student recruiting, proactive local recruiting and a continuation of a broad variety of quality academic programs were important factors in this outcome.

The second outcome was the realization of overall salary savings when final actual figures were compared to budgeted amounts. A significant component of this outcome can be traced to the impact of the recent early retirement program. After factoring in the replacement of approximately one-quarter of the positions vacated by early retirements, the University operated with an overall decrease in the academic staffing of over 10% in comparison to before the early retirement program. During the 1999-2000 year, a combination of replacements being hired later into the fiscal year than planned, the use of term positions as the staffing plans crystalized, and the impact of a number of acting positions were the main factors in achieving salary savings when compared to budget.

As a result of these one-time outcomes, budget funds were redeployed to other institutional priorities. These included immediate capital needs, as well as providing for a measure of security against future operating risks including fuel oil prices.

Financial Status

As at April 30, 2000, the University had an accumulated operating deficit of \$3.4 million. This level of deficit has been financed through working capital funds and has not resulted in the requirement to borrow external funds.

The University has outstanding long-term debt totalling \$5.5 million. This debt relates to University operated residence buildings and is serviced by cash flows from the operation of the residence system.

Note 9 to the financial statements outlines the composition of the \$23.6 million in liabilities for early retirement and employee benefit plans. Of the total liabilities, \$15.2 million is unfunded. The University finances these obligations on a pay-as-you-go basis through annual provisions in the operating budget.

Appropriate and sustainable levels of funding are vital factors in the University's ability to maintain a viable financial position. The levels of funding are essential to the continuation of the top quality programs and research activities at the University of New Brunswick.

1999 - 2000 Undergraduate Tuition Fees Maritime Universities		
Highest Tuition Fees	1	4,620
	2	
	3	
	4	
	5	
	6	
	7	
	8	
	9	
Average Tuition Fees		3,785
	10	
	11	
	12	
	13	
UNB	14	3,430
	15	
	16	
Lowest Tuition Fees	17	2,950
		(General Arts and Science)



AUDITORS' REPORT

The Board of Governors,
 The University of New Brunswick

We have audited the balance sheet of the University of New Brunswick as at April 30, 2000 and the statements of operations, changes in net assets and cash flows for the year then ended. These financial statements are the responsibility of the University's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the University as at April 30, 2000 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Chartered Accountants

Saint John, New Brunswick
 July 20, 2000

**The University of New Brunswick
 Statement of Cash Flows**

for the year ended April 30, 2000
 (in thousands of dollars)

	2000	1999
Operating activities		
Excess (deficiency) of revenues over expenses	\$ 7,079	\$ (5,211)
Add (deduct) non-cash items		
Amortization of capital assets	10,838	10,453
Amortization of deferred capital contributions	(7,707)	(7,328)
Early retirement plan	1,372	(9,715)
Net change in non-cash working capital balances (Note 15)	1,653	(869)
	<u>13,235</u>	<u>6,760</u>
Investing activities		
Net increase in long-term investments	(3,466)	(1,919)
Capital asset acquisitions	(14,877)	(12,938)
	<u>(18,343)</u>	<u>(14,857)</u>
Financing activities		
Net increase (decrease) in long-term debt	684	(125)
Early retirement pensions paid	(1,763)	(1,616)
Capital contributions received	9,818	7,956
Net increase (decrease) in deferred contributions	(1,719)	1,930
Endowment contributions	2,452	1,934
Endowment income capitalized	1,336	680
Other	375	446
	<u>11,183</u>	<u>11,205</u>
Net increase in cash and short-term deposits	6,075	3,108
Cash and short-term deposits, beginning of year	<u>13,467</u>	<u>10,359</u>
Cash and short-term deposits, end of year	<u>\$ 19,542</u>	<u>\$ 13,467</u>

The accompanying notes are an integral part of these financial statements

The University of New Brunswick Statement of Changes in Net Assets

for the year ended April 30, 2000
(in thousands of dollars)

	2000			1999
	Accumulated Operating Deficit	Restricted for Specific Purposes	Invested in Capital Assets	Total
Net assets, beginning of year	\$ (3,533)	\$ (6,501)	\$ 10,542	\$ 46,984
Changes during the year				
Excess (deficiency) of revenues over expenses for the year	7,079	-	-	7,079
Change in net assets restricted for specific purposes	(5,717)	5,717	-	-
Increase in investment in capital assets (Note 12)	(1,245)	-	1,245	-
Capitalized income and other transfers	(15)	(274)	-	1,336
Endowment contributions	-	-	-	2,452
Net change during the year	102	5,443	1,245	4,077
Net assets, end of year	\$ (3,431)	\$ (1,058)	\$ 11,787	\$ 57,851
			\$ 46,476	\$ 49,581

The accompanying notes are an integral part of these financial statements

The University of New Brunswick Notes to the Financial Statements

for the year ended April 30, 2000
(in thousands of dollars)

Statement of Management Responsibility

The University is responsible for the preparation of the financial statements and has prepared them in accordance with accounting principles generally accepted for Universities in accordance with guidelines developed by the Canadian Association of University Business Officers and the Canadian Institute of Chartered Accountants. The financial statements present fairly the financial position of the University as at April 30, 2000, and the results of its operations and its cash flows for the year then ended.

In fulfilling its responsibilities and recognizing the limits inherent in all systems, the University has developed and maintains a system of internal control designed to provide reasonable assurance that University assets are safeguarded from loss and that the accounting records are a reliable basis for the preparation of financial statements.

The Board of Governors carries out its responsibility for review of the financial statements principally through the work of its Audit Committee. The Audit Committee meets with management and the external auditors to discuss the results of audit examination and financial reporting matters. The external auditors have full access to the Audit Committee, with and without the presence of management.

The financial statements for the year ended April 30, 2000 have been reported on by Deloitte & Touche, Chartered Accountants. The auditors are appointed by the Board of Governors. The auditors' report outlines the scope of their audit and their opinion on the fairness of presentation of the information in the financial statements.

Elizabeth Parr-Johnston, Ph.D.
President & Vice-Chancellor

D.V. Murray, C.A.
Vice-President
Finance and Administration

The University of New Brunswick

Balance Sheet

as at April 30, 2000
(in thousands of dollars)

	Assets	2000	1999
Current assets			
Cash and short-term deposits		\$ 19,542	\$ 13,467
Accounts receivable		13,080	13,177
Inventories (Note 4)		1,284	1,873
Prepaid expenses and deferred charges		1,456	1,219
		<u>35,362</u>	<u>29,736</u>
Long-term investments (Note 5)		84,621	81,155
Capital assets (Note 6)		75,107	71,067
		<u>159,728</u>	<u>152,222</u>
		<u>195,090</u>	<u>181,958</u>
Liabilities and Net Assets			
Current liabilities			
Accounts payable and accrued liabilities		\$ 14,215	\$ 13,445
Unearned revenue		2,123	1,689
		<u>16,338</u>	<u>15,134</u>
Long-term liabilities			
Deferred contributions (Note 7)		33,959	35,678
Long-term debt (Note 8)		5,504	4,820
Early retirement and employee benefit plans (Note 9)		23,622	23,637
Unamortized deferred capital contributions (Note 10)		57,816	55,705
		<u>120,901</u>	<u>119,840</u>
Net assets			
Accumulated operating deficit		(3,431)	(3,533)
Restricted for specific purposes (Note 11)		(1,058)	(6,501)
Invested in capital assets (Note 12)		11,787	10,542
Endowed (Note 13)		50,553	46,476
		<u>57,851</u>	<u>46,984</u>
		<u>\$ 195,090</u>	<u>\$ 181,958</u>

The accompanying notes are an integral part of these financial statements.

Approved: _____
Roderick Nolan, BScE, MScE
Chair, Board of Governors

Elizabeth Parr-Johnston, Ph.D
President & Vice-Chancellor

The University of New Brunswick

Statement of Operations

for the year ended April 30, 2000
(in thousands of dollars)

	2000	1999
Revenues:		
Government grants	\$ 75,352	\$ 74,166
Tuition and related fees	38,024	36,004
Research grants, contracts, and donations	22,048	19,393
Services and other income	8,822	9,064
Investment income	5,701	4,922
Ancillaries	12,133	15,729
Amortization of deferred capital contributions	7,707	7,328
	<u>169,787</u>	<u>166,606</u>
Expenses:		
Instruction and non-sponsored research	66,921	66,927
Non-credit instruction	3,381	3,266
Student services	4,281	3,982
Plant operations	14,108	13,756
Administration and general	12,038	12,325
Library	8,067	8,476
Central computing	4,519	4,249
Research grants and contracts	19,930	18,352
Scholarships and bursaries	2,590	2,370
Ancillaries	11,626	15,944
Amortization of capital assets	10,838	10,453
Early retirement plan (Note 9)	1,372	9,715
Other	3,037	2,002
	<u>162,708</u>	<u>171,817</u>
Excess (deficiency) of revenues over expenses before changes in net assets	<u>7,079</u>	<u>(5,211)</u>
Changes in:		
Net assets restricted for specific purposes (Note 11)	(5,717)	7,593
Net assets invested in capital assets	(1,245)	(1,983)
Internally endowed net assets	(15)	(216)
	<u>\$ 102</u>	<u>\$ 183</u>
Increase in operating net assets	<u>\$ 102</u>	<u>\$ 183</u>

The accompanying notes are an integral part of these financial statements