



Summary of Operating Budget Financial Results

University of New Brunswick

For the Fiscal Year Ended April 30th 2012

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UNRESTRICTED OPERATING BUDGET STATEMENT

Combined Results

For the Year Ended April 30th 2012

Schedule 1: Unrestricted Operating Account (Combined)

Row	Col.	A	B	C	D
				Fav (Unfav) Variance	
(Thousands of Dollars)		Approved Budget (Restated)	Actual Results	Dollars	Percent
Revenue					
1	Provincial Operating Grant	\$ 108,066.7	\$ 107,999.9	\$ (66.8)	(0.1%)
2	Student Fee Income	52,759.6	57,388.3	4,628.7	8.8%
3	Federal Indirect Cost of Research Grant	3,446.4	3,446.4	-	0.0%
4	Other	7,964.5	9,216.8	1,252.3	15.7%
5	Total Revenue	172,237.2	178,051.4	5,814.2	3.4%
Expense					
Academic and Research					
6	Faculties and Departmental Costs	93,735.8	92,809.5	926.3	1.0%
7	Academic and Student Support	27,897.5	27,917.1	(19.6)	(0.1%)
8	Sub-Total	121,633.3	120,726.6	906.7	0.7%
Administration and Support Services					
9	Administration and Development	26,513.2	26,861.2	(348.0)	(1.3%)
10	Maintenance and Utilities	21,543.3	20,041.1	1,502.1	7.0%
11	Sub-Total	48,056.4	46,902.3	1,154.1	2.4%
12	Total Operating Expense	169,689.8	167,628.9	2,060.8	1.2%
13	In Year Priority Allocations	1,585.6	1,585.6	-	0.0%
14	In Year Salary Savings within 'Slices of the Pie'	(1,400.0)	(4,369.2)	2,969.2	212.1%
15	In Year Contingency	1,500.0	1,500.0	-	0.0%
16	Net Ancillary Operations	1,936.8	1,733.9	202.8	10.5%
17	Sub-Total	3,622.4	450.3	3,172.0	87.6%
18	Total Expense	173,312.1	168,079.3	5,232.9	3.0%
19	Accumulated Operating Surplus (Deficit) before One-Time Item	(1,074.9)	9,972.1	11,047.0	
One-Time Items:					
Transfer (to) from Net Assets Restricted for Specific Purposes					
20	Capital	-	(3,300.0)	(3,300.0)	
21	Specific Risk	1,963.9	299.6	(1,664.3)	(84.7%)
22	Contingency	-	(1,800.0)	(1,800.0)	
23	Other: Eliminate Debt of Campus Residence	-	(1,723.0)	(1,723.0)	
24	Other: Provision for Staff Reduction Costs	(889.0)	-	889.0	(100.0%)
25	Other	-	(427.9)	(427.9)	
26	Sub-Total	1,074.9	(6,951.3)	(8,026.2)	(746.7%)
27	Change to Accumulated Operating Surplus (Deficit)	0.0	3,020.8	3,020.8	

EXECUTIVE SUMMARY

The University of New Brunswick completed its fiscal year ended April 30th 2012 with a net operating budget surplus of \$3.0 Million. This result compares favorably with the balanced budget targeted for 2011-12.

There were positive variances in the operating revenues and expenses on each campus which provided one-time funding to the University for deployment as investment (e.g. infrastructure renewal), debt reduction (e.g. unfunded liabilities) and risk mitigation.

Major budget variances, as well as the application of net operating budget surplus, are:

Operating Revenue

- \$4.6 Million (or 42% of the favorable variance) attributed to better than expected Student Fee Income on both the Fredericton Campus (\$1.7 Million) and Saint John Campus (\$2.9 Million). It is important to note that \$2.7 Million is attributed to higher than expected international differential income related to undergraduate students on both campuses.
- \$1.3 Million (or 11% of the favorable variance) attributed to better than expected Other Revenue on both the Fredericton Campus (\$0.8 Million) and Saint John Campus (\$0.4 Million). It is important to note that \$0.5 Million is attributed to higher than expected short term investment income.

Operating Expense

- \$1.5 Million (or 13% of the favorable variance) attributed to better than expected fringe benefit costs, largely on the Fredericton Campus. It is important to note that \$0.5 Million is attributed to better than budgeted faculty pension costs.
- \$1.5 Million (or 14% of the favorable variance) attributed to better than expected maintenance & utilities costs on both the Fredericton Campus (\$1.0 Million) and Saint John Campus (\$0.5 Million).
- \$0.2 Million (or 2% of the favorable variance) attributed to better than expected (net) results for our ancillary operations. On the Fredericton Campus, net ancillary operations at a net cost of \$1.2 Million were \$0.6 Million favorable to budget. This was offset by unfavorable results on the Saint John Campus where net ancillary operations, at a net cost of \$0.6 Million were \$0.4 Million unfavorable.

Other

- \$3.0 Million (or 27% of the favorable variance) attributed to better than expected (net) salary savings on both the Fredericton Campus (\$2.1 Million) and Saint John Campus (\$0.9 Million).

One-time Items: Application of Budget Savings

University management reallocated budget savings of \$7.3 Million (equivalent to 4.1% of revenues) to strategic priorities in areas of investment, debt reduction and risk mitigation during 2011-12. The following one-time allocations were made in order to provide funding where no specific funding source was otherwise available:

- \$2.3 Million provision for capital projects to enhance the teaching and learning environment on the Saint John Campus (most notably the Ward Chipman Library);
- \$1.7 Million provision to eliminate internal debt with regard to the Saint John Campus residence;
- \$1.8 Million provision for contingency against uncertain revenues (and particularly provincial operating grant revenues);
- \$1.0 Million provision for capital projects to enhance the teaching and learning environment, safety and security on the Fredericton Campus; and,
- \$0.5 Million provision for administrative costs in support of a fundraising campaign and future collective bargaining.

ENROLMENT

University financial results are largely driven by enrolment. Exhibits 1 and 2 illustrate historical actual and budgeted enrolments.

Exhibit 1: Overall Fall Enrolment (FTE)

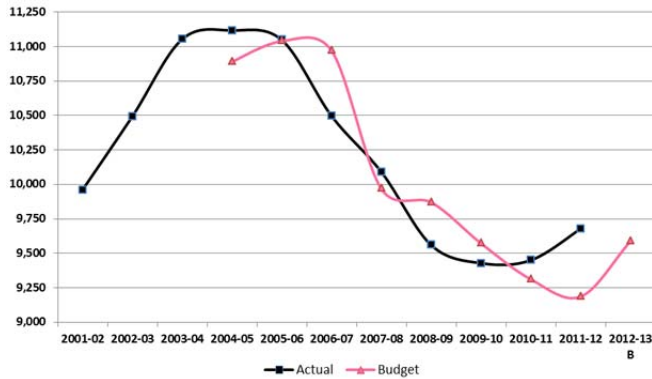
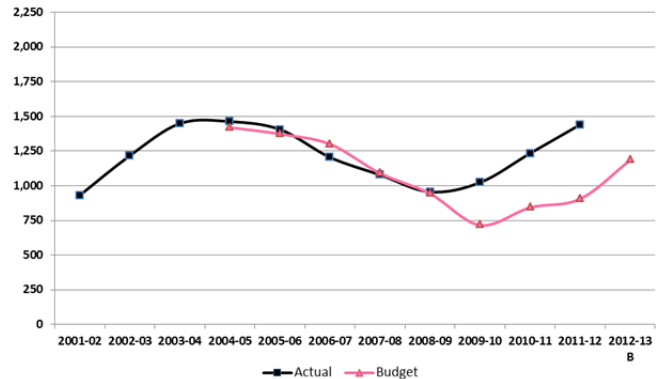


Exhibit 2: International Fall Enrolment (FTE)



Exhibits 3 and 4 provide additional detail with regard to 2011-12 enrolments.

Exhibit 3: Historical and Budgeted Enrolment (Fall, FTE)

<u>Enrolment (FTE)</u>	<u>2009FA Act</u>	<u>2010FA Act</u>	<u>2011FA Bud</u>	<u>2011FA Act</u>	<u>2012FA Bud</u>
Undergraduate Domestic	7,492	7,300	7,258	7,272	7,327
Undergraduate International	707	844	629	1,008	909
Graduate Domestic	912	927	1,022	963	1,074
Graduate International	317	380	276	433	276
Total	9,428	9,451	9,185	9,676	9,586

It is normal for student populations to decline from Fall to Winter. Exhibit 4 provides detail with regard to Winter enrolments and provides a comparison to overall Fall enrolments.

Exhibit 4: Historical and Budgeted Enrolment (Winter, FTE)

<u>Enrolment (FTE)</u>	<u>2010WI Act</u>	<u>2011WI Act</u>	<u>2012WI Bud</u>	<u>2012WI Act</u>	<u>2013WI Bud</u>
Undergraduate Domestic	7,092	6,936	6,912	6,828	6,960
Undergraduate International	673	916	589	997	864
Graduate Domestic	876	914	947	908	1,040
Graduate International	340	382	274	429	267
Total	8,981	9,148	8,722	9,162	9,131
Winter as Percent of Fall	95.3%	96.8%	95.0%	94.7%	95.3%

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UNRESTRICTED OPERATING BUDGET STATEMENT
Fredericton Campus & University-wide Units
For the Year Ended April 30th 2012

Schedule 2:

Unrestricted Operating Account (Fredericton Campus & University-wide Units)

Row	Col.	A	B	C	D
				Fav (Unfav) Variance	
		Approved Budget (Restated)	Actual Results	Dollars	Percent
(Thousands of Dollars)					
Revenue					
1	Provincial Operating Grant	\$ 90,444.7	\$ 90,380.2	\$ (64.5)	(0.1%)
2	Student Fee Income	38,421.8	40,110.3	1,688.5	4.4%
3	Federal Indirect Cost of Research Grant	3,270.4	3,270.4	-	0.0%
4	Other	5,513.3	6,331.2	817.9	14.8%
5	Total Revenue	137,650.2	140,092.1	2,441.9	1.8%
Expense					
Academic and Research					
6	Faculties and Departmental Costs	74,281.5	73,397.8	883.7	1.2%
7	Academic and Student Support	22,741.0	22,757.6	(16.6)	(0.1%)
8	Sub-Total	97,022.5	96,155.4	867.1	0.9%
Administration and Support Services					
9	Administration and Development	21,370.4	21,660.6	(290.2)	(1.4%)
10	Maintenance and Utilities	16,861.7	15,842.9	1,018.7	6.0%
11	Sub-Total	38,232.0	37,503.5	728.5	1.9%
12	Total Operating Expense	135,254.6	133,658.9	1,595.6	1.2%
13	In Year Priority Allocations	925.6	925.6	-	0.0%
14	In Year Salary Savings within 'Slices of the Pie'	(1,000.0)	(3,062.6)	2,062.6	206.3%
15	In Year Contingency	1,500.0	1,500.0	-	0.0%
16	Net Ancillary Operations	1,745.4	1,182.3	563.0	32.3%
17	Sub-Total	3,171.0	545.3	2,625.6	82.8%
18	Total Expense	138,425.5	134,204.3	4,221.3	3.0%
19	Accumulated Operating Surplus (Deficit) before One-Time Item	(775.3)	5,887.8	6,663.1	
One-Time Items:					
Transfer (to) from Net Assets Restricted for Specific Purposes					
20	Capital	-	(1,000.0)	(1,000.0)	
21	Specific Risk	1,664.3	-	(1,664.3)	(100.0%)
22	Contingency	-	(1,500.0)	(1,500.0)	
23	Other: Eliminate Debt of Campus Residence	-	-	-	
24	Other: Provision for Staff Reduction Costs	(889.0)	-	889.0	(100.0%)
25	Other	-	(367.0)	(367.0)	
26	Sub-Total	775.3	(2,867.0)	(3,642.3)	(469.8%)
27	Change to Accumulated Operating Surplus (Deficit)	(0.0)	3,020.8	3,020.8	

REVENUE

Overall revenue for the Fredericton Campus¹, at \$140.1 Million represent a \$2.4 Million (or 1.8%) favorable variance over the 2011-12 budget. Major drivers are:

- \$1.7 Million (or 1.2%) attributable to an increase in Student Fee Income; and,
- \$0.8 Million (or 0.6%) attributable to an increase in Other Revenue.

Exhibit 5: 2011-12 Revenue, by Type

Fredericton Campus	(\$000s)			
	Approved		Fav (Unfav) Variance	
	Budget 2011/12	Actuals 2011/12	Dollars	Percent
Provincial Operating Grant	\$90,444.7	\$90,380.3	(\$64.4)	(0.0%)
Student Fee Income	38,421.8	40,110.3	\$1,688.5	1.2%
Other Revenues	8,783.7	9,601.6	\$817.9	0.6%
Total Revenues	\$137,650.2	\$140,092.2	\$2,442.0	1.8%

Note: Percent increase (decrease) is a percentage of 2011/12 Total Revenue.

Student Fee Income

Student Fee Income, at \$40.1 Million, represents a \$1.7 Million (or 4.4%) favorable variance over the 2011-12 budget. Major drivers are:

- \$1.2 Million (or 70% of the favorable variance) attributed to higher than expected international differential income related to undergraduate students;
- \$0.3 Million (or 19% of the favorable variance) attributed to higher than expected tuition income related to undergraduate students;
- \$0.1 Million (or 5% of the favorable variance) attributed to higher than expected international differential fees for graduate students; and,
- \$0.1 Million (or 5% of the favorable variance) attributed to lower than expected costs to provide on-campus, degree credit instruction through the College of Extended Learning.

¹ References to “Fredericton Campus” include both the Fredericton Campus “*propre*” as well as University-wide Units.

Student Fee Income is largely driven by enrolment. Exhibits 6 and 7 illustrate historical actual and budgeted enrolments.

Exhibit 6: Overall Fall Enrolment (FTE)

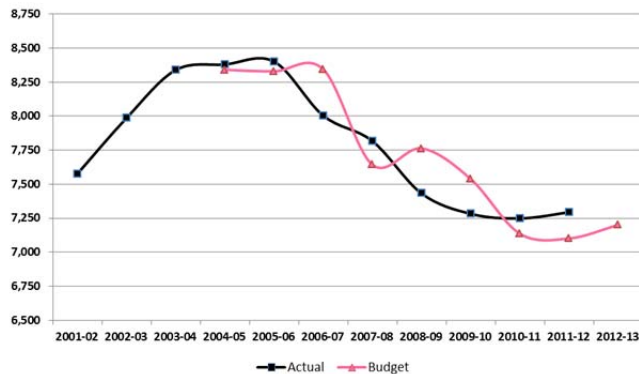
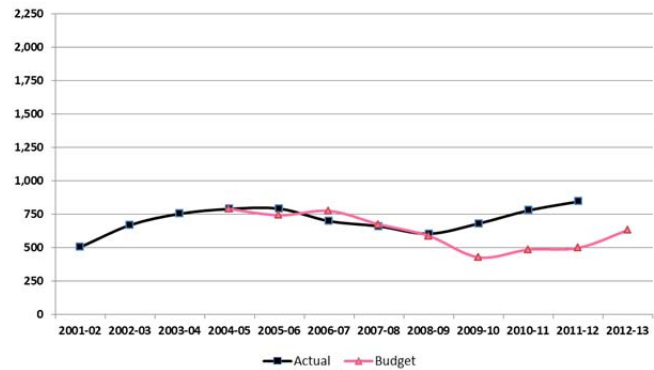


Exhibit 7: International Fall Enrolment (FTE)



Exhibits 8 and 9 provide additional detail with regard to 2011-12 Fredericton Campus enrolments.

Exhibit 8: Historical and Budgeted Enrolment (Fall, FTE)

Col.	A	B	C	D	E
<u>Enrolment (FTE)</u>	<u>2009FA Act</u>	<u>2010FA Act</u>	<u>2011FA Bud</u>	<u>2011FA Act</u>	<u>2012FA Bud</u>
Undergraduate Domestic	5,768	5,634	5,645	5,598	5,608
Undergraduate International	394	446	258	484	392
Graduate Domestic	834	847	958	851	960
Graduate International	286	322	240	360	240
Total	7,282	7,249	7,101	7,293	7,200

It is normal for student populations to decline from Fall to Winter. Exhibit 9 provides detail with regard to Winter enrolments and provides a comparison to overall Fall enrolments.

Exhibit 9: Historical and Budgeted Enrolment (Winter, FTE)

Col.	A	B	C	D	E
<u>Enrolment (FTE)</u>	<u>2010WI Act</u>	<u>2011WI Act</u>	<u>2012WI Bud</u>	<u>2012WI Act</u>	<u>2013WI Bud</u>
Undergraduate Domestic	5,472	5,398	5,380	5,278	5,327
Undergraduate International	354	435	233	463	373
Graduate Domestic	817	833	886	803	931
Graduate International	294	326	240	362	233
Total	6,937	6,992	6,739	6,906	6,864
Winter as Percent of Fall	95.3%	96.5%	94.9%	94.7%	95.3%

Other Revenue

Other Revenue, at \$9.6 Million, represents a \$0.8 Million (or 9.3%) favorable variance over the 2011-12 budget.

Exhibit 10: Other Revenue, by Type

Fredericton Campus & University-wide Units	(\$000)			
	Approved		Fav (Unfav) Variance	
	Budget	Actuals	Dollars	Percent
	2011/12	2011/12		
Indirect Costs of Research	\$3,270.4	\$3,270.4	(\$0.0)	(0.0%)
Short-term Investment Income	725.0	1,077.1	352.1	48.6%
Management Fees & Campus Overhead	679.5	759.7	80.2	11.8%
Contribution from Saint John Campus	999.4	999.4	0.0	0.0%
Contract Overhead (Net of distributions)	398.8	431.0	32.2	8.1%
Contribution from (to) Capital, Net	266.0	265.0	(1.0)	(0.4%)
Parking Fees and Fines	483.8	585.8	102.0	21.1%
Application Fees	342.0	328.5	(13.5)	(4.0%)
Outreach and Extension	497.0	673.5	176.5	35.5%
Mandatory Student Fees	1,060.4	1,061.8	1.4	0.1%
All Other	61.4	149.4	88.0	143.2%
Total	\$8,783.7	\$9,601.6	\$817.9	9.3%

Major drivers are:

- An increase of \$0.4 Million (or 42% of the favorable variance) attributed to higher than expected Short-term Investment Income;
- An increase of \$0.2 Million (or 22% of the favorable variance) attributed to higher than expected Outreach and Extension from our College of Extended Learning; and,
- An increase of \$0.1 Million (or 12% of the favorable variance) attributed to higher than expected Parking Fees and Fines.

EXPENSE

Total expense of the Fredericton Campus, at \$134.2 Million, represents a \$4.2 Million (or 3.0%) favorable variance over the 2011-12 budget. This result includes Operating Expense, In-Year Priority Allocations, In-Year Salary Savings, In-Year Contingency and Net Ancillary Operations.

Exhibit 11: 2011-12 Expense

Fredericton Campus & University-wide Units	(\$000)			
	Approved Budget 2011/12 (Restated)	Actuals 2011/12	Fav (Unfav) Variance	
			Dollars	Percent
Faculties and Departmental Costs	\$74,281.5	\$73,397.8	\$883.7	1.2%
Academic and Student Support	22,741.0	22,757.6	(16.6)	(0.1%)
Administration and Development	21,370.4	21,660.6	(290.2)	(1.4%)
Maintenance and Utilities	16,861.7	15,842.9	1,018.8	6.0%
Total Operating Expense	135,254.6	133,658.9	1,595.7	1.2%
In-Year Priority Allocations	925.5	925.6	(0.1)	(0.0%)
In-Year Salary Savings	(1,000.0)	(3,062.6)	2,062.6	206.3%
In-Year Contingency	1,500.0	1,500.0	-	0.0%
Net Ancillary Operations	1,745.4	1,182.3	563.1	32.3%
Total Expense	\$138,425.5	\$134,204.2	\$4,221.3	3.0%

Faculties and Departmental Costs

Faculties and Departmental Costs, at \$73.4 Million, represent a \$0.8 Million (or 1.2%) favorable variance over the 2011-12 budget. Major drivers of this positive result are:

- \$0.5 Million (or 62% of the favorable variance) attributed to 2011-12 growth in costs of the faculty pension plan less than the 5% budget assumption;
- \$0.4 Million (or 51% of the favorable variance) attributed to better than budgeted performance on other fringe benefits, for example Canada Pension Plan;

These positive results were partially *offset* by:

- \$0.1 Million over-expenditure in Faculties and Departmental Costs attributed to the earmarking of funds as the Tweeddale Centre transitions to a sustainable operating model.

Academic and Student Support

Academic and Student Support, at \$22.8 Million, represents no material variance over the 2011-12 budget. The major drivers of this result are:

- \$0.2 Million favorable variance attributed to better than budgeted performance on fringe benefits, for example Canada Pension Plan; *offset* by
- \$0.2 Million unfavorable variance attributed to the provision of funding for unbudgeted championship travel in Intercollegiate Athletics.

Administration and Development

Administration and Development costs, at \$21.7 Million, represents a \$0.3 Million (or 1%) unfavorable variance over the 2011-12 budget. Major drivers of this negative result are:

- \$0.3 Million (or 36% of the unfavorable variance) attributed to higher than budgeted legal and other consulting costs; and,
- \$0.2 Million (or 17% of the unfavorable variance) attributed to the creation of a provision for in-year corrections to non-salary budget carry forwards in 2012-13.

These items are *offset* by:

- \$0.2 Million (or 69% of the variance) attributed to better than budgeted performance on fringe benefits, for example Canada Pension Plan.

Maintenance and Utilities

Maintenance and Utilities, at \$15.8 Million, represent a \$1.0 Million (or 6.0%) favorable variance over the 2011-12 budget. This favorable variance is 90% attributable to better than budgeted utilities. Major drivers are:

- \$0.4 Million (or 40% of the variance) attributed to lower than expected heat consumption due mainly to a warm heating season;
- \$0.3 Million (or 30% of the variance) attributed to lower than expected fuel prices (particularly in the cost of Natural Gas, which was predicted to increase in 2011-12);
- \$0.2 Million (or 20% of the variance) attributed to adjustment of the Campus fuel consumption mix to increase Natural Gas and decrease No. 6 (Bunker) Oil; and,
- \$0.1 Million (or 10% of the variance) attributed to better than budgeted performance on fringe benefits, for example Canada Pension Plan.

In-Year Salary Savings

In-Year Salary Savings, at \$3.1 Million, represent a \$2.19 Million (or 206%) favorable variance over the 2011-12 budget. The Fredericton Campus budgeted for \$1.0 Million of in-year salary savings (net of funds returned to maintain quality of programs). At year end, a total of \$4.6 Million in gross in-year salary savings was surrendered by units on the Fredericton Campus. This balance comprises \$2.7 Million (or 60%) from Faculties and Departmental Costs, \$0.7 Million (or 16%) from Academic and Student Support, \$1.0 Million (or 21%) from Administration and Development and \$0.2 Million (or 4%) from Maintenance & Utilities. Of these savings, \$1.5 Million (or 33%) were returned to units for strategic purposes.

Exhibit 12: 2011-12 In-Year Salary Savings, by Source

	2011/12 Net Salary Savings Comprises				Budgeted	Fav (Unfav)
	Surrendered	Returned	Net	Percentage Returned		Dollars
Fredericton Campus						
Vice-President (Fredericton)	\$3,084,748	(\$1,007,336)	\$2,077,412	32.7%	\$1,000,000	\$1,077,412
Vice-President (Finance & Corporate Services)	682,340	(99,743)	582,597	14.6%		582,597
Sub-total	3,767,088	(1,107,079)	2,660,009	29.4%	1,000,000	1,660,009
University-wide Units						
President	81,587	(23,243)	58,344	28.5%		58,344
Vice-President (Advancement)	140,000	(140,000)	0	100.0%		0
Vice-President (Finance & Corporate Services)	592,273	(248,345)	343,928	41.9%		343,928
Vice-President (Research)	302	0	302	0.0%		302
Total Salary Savings	\$4,581,250	(\$1,518,667)	\$3,062,583	33.1%	\$1,000,000	\$2,062,583

As shown in Exhibit 12, \$2.7 Million (or 87% of net salary savings) were surrendered by units of the Fredericton Campus with University-wide Units contributing the remaining \$0.4 Million (or 13%).

Exhibit 13: 2011-12 In-Year Salary Savings, by Type

	2011/12 Net Salary Savings Comprises			
	Surrendered	Returned	Net	Percentage Returned
Deferral of Appointment/Vacancy	\$1,674,761	(\$367,952)	\$1,306,809	22.0%
Provisions Not Required (Redeployed) for Strategic Purposes	500,000	(342,551)	157,449	68.5%
Resignation, Retirement or other Unforeseen Attrition	827,072	(300,330)	526,742	36.3%
Flexible hiring "pools" unused	618,246	(247,527)	370,719	40.0%
Long Term Disability	235,035	(77,887)	157,148	33.1%
Appointment at less than budget	190,965	(24,193)	166,772	12.7%
Recoveries in Excess of Budget	162,784	0	162,784	0.0%
Leave without Pay or Parental Leave	152,878	(25,093)	127,785	16.4%
Reduced Work Load	122,221	(44,372)	77,849	36.3%
Other	97,288	(88,762)	8,526	91.2%
Total Salary Savings	\$4,581,250	(\$1,518,667)	\$3,062,583	33.1%

Exhibit 13 further details the source of these salary savings. Major drivers of the net salary savings in 2011-12 are:

- \$1.3 Million (43% of the variance) attributed to deferral of faculty and staff appointments;
- \$0.5 Million (or 17% of the variance) attributed to in-year resignations, retirements and other unforeseen attrition; and,
- \$0.4 Million (or 12% of the variance) attributed to in-year flexible hiring pools unused by year-end.

Net Ancillary Operations

Certain operations of the Fredericton Campus are accounted for as business units having separate budgets as well as profit/loss statements. Ancillary units are expected to either remain self-sustaining or generate a small contribution towards the Fredericton Campus. To that end, the Fredericton Campus has now assigned responsibility for all of these units to the Residential Life, Campus and Conference Services portfolio in an effort to promote synergies and a business-orientation.

Exhibit 14 details the net costs (contributions) from ancillary operations on the Fredericton Campus:

Exhibit 14: 2011-12 Net Ancillary Operations

	(\$000)			
	Approved Budget 2011/12	Actuals 2011/12	Fav (Unfav) Variance	
Deficit (Surplus) \$000s			Dollars	Percent
Residential Life, Campus and Conference Services	\$1,009.9	760.9	\$249.0	24.7%
Aitken University Centre	594.2	547.7	46.6	7.8%
Turf Field and Dome	359.4	64.6	294.8	82.0%
Wu Conference Centre	(21.0)	(1.4)	(19.6)	93.6%
Bookstore	(197.2)	(189.5)	(7.7)	3.9%
Total Ancillary Operations	\$1,745.4	\$1,182.3	\$563.0	32.3%

Net Ancillary Operations, at a cost of \$1.2 Million, represent a \$0.6 Million (or 32%) favorable variance over the 2011-12 budget. Major drivers are:

- \$0.2 Million (or 44% of the variance) attributed to residence and conference operations. During 2011-12, residence operations experienced in-year salary savings (e.g. due to retirements and reduced workload arrangements). Conference services recorded the positive financial impacts of Congress 2011.

- \$0.3 Million (or 52% of the variance) attributed to Turf Field and Dome operations. Investment by the Fredericton Campus during 2011-12 eliminated outstanding capital debt, and therefore, annual debt service on the facility. This has significantly improved the annual result and future financial outlook for the facility.

ONE-TIME ITEMS: APPLICATION OF BUDGET SAVINGS

Where the Accumulated Operating Surplus before One-Time Items totaled \$5.9 Million for 2011-12, University management proposes to allocate a portion of these funds to Net Assets Restricted for Specific Purposes for use in 2012-13 and future years. The proposed allocations are:

- \$1.5 Million provision for contingency against uncertain revenues (and particularly provincial operating grant revenues);
- \$1.0 Million provision for capital projects to enhance the teaching and learning environment, safety and security on the Fredericton Campus; and,
- \$0.4 Million provision for administrative costs in support of a fundraising campaign and future collective bargaining.

COMPARE YEAR-END to PREVIOUS REPORT

The Fredericton Campus reported in March 2012, (as part of the Supplement to the Comptroller's Report,) that year-end results were projected in the Best Case to be \$2.4 Million favorable as compared to budget. Actual year-end results have yielded a \$5.9 Million favorable variance before final Transfers (to) from Net Assets Restricted for Specific Purposes. This represents an improvement by \$3.5 Million. Major drivers of these improved results are:

- \$1.5 Million in lower than budgeted fringe benefit costs than projected in our Best Case;
- \$1.1 Million more in-year salary savings than projected in our Best Case;
- \$0.9 Million more utility savings than projected in our Best Case;
- \$0.6 Million more Student Fee Income than projected in our Best Case; and,
- \$0.5 Million more Other Revenue than projected in our Best Case.

The above are partially *offset* by:

- \$0.8 Million less transfers from Net Assets Restricted for Specific Purposes than budgeted; and,
- \$0.3 Million higher than budgeted legal and other consulting costs.

UNRESTRICTED OPERATING BUDGET STATEMENT

Saint John Campus

For the Year Ended April 30th 2012

Schedule 3: Unrestricted Operating Account (Saint John Campus)

Row	Col.	A	B	C	D
				<u>Fav (Unfav) Variance</u>	
(Thousands of Dollars)		<u>Approved Budget (Restated)</u>	<u>Actual Results</u>	<u>Dollars</u>	<u>Percent</u>
Revenue					
1	Provincial Operating Grant	\$ 17,622.0	\$ 17,619.7	\$ (2.3)	(0.0%)
2	Student Fee Income	14,337.8	17,278.0	2,940.2	20.5%
3	Federal Indirect Cost of Research Grant	176.0	176.0	-	0.0%
4	Other	2,451.2	2,885.6	434.4	17.7%
5	Total Revenue	34,587.0	37,959.3	3,372.3	9.8%
Expense					
Academic and Research					
6	Faculties and Departmental Costs	19,454.3	19,411.7	42.6	0.2%
7	Academic and Student Support	5,156.5	5,159.5	(3.0)	(0.1%)
8	Sub-Total	24,610.8	24,571.2	39.6	0.2%
Administration and Support Services					
9	Administration and Development	5,142.8	5,200.6	(57.8)	(1.1%)
10	Maintenance and Utilities	4,681.6	4,198.2	483.4	10.3%
11	Sub-Total	9,824.4	9,398.8	425.6	4.3%
12	Total Operating Expense	34,435.2	33,970.0	465.2	1.4%
13	In Year Priority Allocations	660.0	660.0	-	0.0%
14	In Year Salary Savings within 'Slices of the Pie'	(400.0)	(1,306.6)	906.6	226.7%
15	In Year Contingency	-	-	-	-
16	Net Ancillary Operations	191.4	551.6	(360.2)	(188.2%)
17	Sub-Total	451.4	(95.0)	546.4	121.0%
18	Total Expense	34,886.6	33,875.0	1,011.6	2.9%
19	Accumulated Operating Surplus (Deficit) before One-Time Item	(299.6)	4,084.3	4,383.9	
One-Time Items:					
Transfer (to) from Net Assets Restricted for Specific Purposes					
20	Capital	-	(2,300.0)	(2,300.0)	
21	Specific Risk	299.6	299.6	-	0.0%
22	Contingency	-	(300.0)	(300.0)	
23	Other: Eliminate Debt of Campus Residence	-	(1,723.0)	(1,723.0)	
24	Other: Provision for Staff Reduction Costs	-	-	-	
25	Other	-	(60.9)	(60.9)	
26	Sub-Total	299.6	(4,084.3)	(4,383.9)	(1463.3%)
27	Change to Accumulated Operating Surplus (Deficit)	0.0	(0.0)	-	

REVENUE

Overall revenue for the Saint John Campus, at \$38.0 Million represent a \$3.4 Million (or 9.8%) favorable variance over the 2011-12 budget. Major drivers are:

- \$2.9 Million (or 8.5%) attributable to an increase in Student Fee Income; and,
- \$0.4 Million (or 1.3%) attributable to an increase in Other Revenue.

Exhibit 15: 2011-12 Revenue, by Type

Saint John Campus	(\$000s)			
	Approved		Fav (Unfav) Variance	
	Budget 2011/12	Actuals 2011/12	Dollars	Percent
Provincial Operating Grant	\$17,622.0	\$17,619.7	(\$2.3)	(0.0%)
Student Fee Income	14,337.8	17,278.0	\$2,940.2	8.5%
Other Revenues	2,627.2	3,061.6	\$434.4	1.3%
Total Revenues	\$34,587.0	\$37,959.3	\$3,372.3	9.8%

Note: Percent increase (decrease) is a percentage of 2011/12 Total Revenue.

Student Fee Income

Student Fee Income, at \$17.3 Million, represents a \$2.9 Million (or 8.5%) favorable variance over the 2011-12 budget. Major drivers are:

- \$1.5 Million (or 51% of the favorable variance) attributed to higher than expected international differential revenue related to undergraduate students;
- \$1.0 Million (or 35% of the favorable variance) attributed to higher than expected tuition revenue related to undergraduate students; and,
- \$0.2 Million (or 7% of the favorable variance) attributed to higher than expected tuition revenue related to graduate students.

Student Fee Income is largely driven by enrolment. Exhibits 16 and 17 illustrate historical actual and budgeted enrolments.

Exhibit 16: Overall Fall Enrolment (FTE)

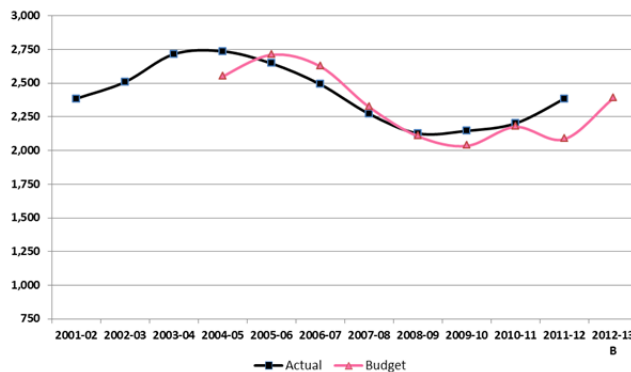
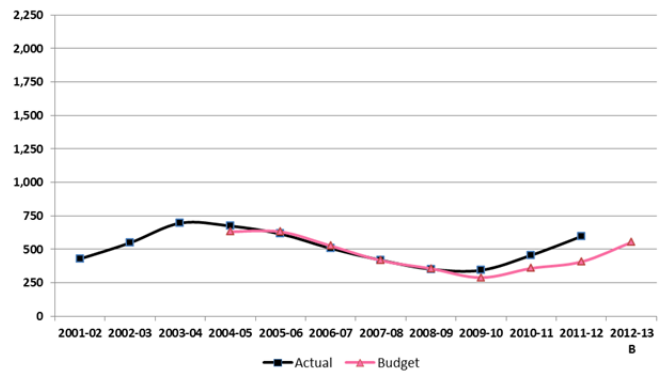


Exhibit 17: International Fall Enrolment (FTE)



Exhibits 18 and 19 provide additional detail with regard to 2011-12 Saint John Campus enrolments.

Exhibit 18: Historical and Budgeted Enrolment (Fall, FTE)

<u>Enrolment (FTE)</u>	<u>2009FA Act</u>	<u>2010FA Act</u>	<u>2011FA Bud</u>	<u>2011FA Act</u>	<u>2012FA Bud</u>
Undergraduate Domestic	1,724	1,666	1,613	1,674	1,719
Undergraduate International	313	398	371	524	517
Graduate Domestic	78	80	64	112	114
Graduate International	31	58	36	73	36
Total	2,146	2,202	2,084	2,383	2,386

It is normal for student populations to decline from Fall to Winter. Exhibit 19 provides detail with regard to Winter enrolments and provides a comparison to overall Fall enrolments.

Exhibit 19: Historical and Budgeted Enrolment (Winter, FTE)

<u>Enrolment (FTE)</u>	<u>2010WI Act</u>	<u>2011WI Act</u>	<u>2012WI Bud</u>	<u>2012WI Act</u>	<u>2013WI Bud</u>
Undergraduate Domestic	1,620	1,538	1,532	1,550	1,633
Undergraduate International	319	481	356	534	491
Graduate Domestic	59	81	61	105	109
Graduate International	46	56	34	67	34
Total	2,044	2,156	1,983	2,256	2,267
Winter as Percent of Fall	95.2%	97.9%	95.2%	94.7%	95.0%

Other Revenue

Other Revenue, at \$3.0 Million, represents a \$0.4 Million (or 16.5%) favorable variance over the 2011-12 budget.

Exhibit 20: Other Revenue, by Type

Saint John Campus	(\$000)			
	Approved	Actuals	Fav (Unfav) Variance	
	Budget			
	2011/12	2011/12	Dollars	Percent
(Restated)				
Indirect Costs of Research	\$176.0	\$176.0	\$0.0	0.0%
Short-term Investment Income	300.0	439.9	139.9	46.6%
Management Fees & Campus Overhead	279.5	312.4	32.9	11.8%
Contribution from Fredericton Campus	278.3	252.5	(25.8)	(9.3%)
Contract Overhead (Net of distributions)	-	-	0.0	
Commissions and Rental Income	156.6	184.7	28.1	18.0%
Contribution from (to) Capital, Net	-	-	0.0	
Parking Fees and Fines	202.1	202.1	0.0	0.0%
Application Fees	70.0	143.4	73.4	104.9%
Outreach and Extension	600.0	600.0	0.0	0.0%
Mandatory Student Fees	-	-	0.0	
All other	564.7	750.6	185.9	32.9%
Total	\$2,627.2	\$3,061.6	\$434.4	16.5%

Major drivers are:

- \$0.1 Million (or 32% of the favorable variance) attributed to higher-than-budgeted Short-term Investment Income resulting from higher cash balances during 2011-12; and,
- \$0.2 Million (or 43% of the favorable variance) attributed to higher-than-budgeted recoveries from Dalhousie Medical Education partnership as well as management fees from the MBA program.

EXPENSE

Total expense of the Saint John Campus, at \$33.9 Million, represents a \$1.0 Million (or 2.9%) favorable variance over the 2011-12 budget. This result includes Operating Expense, In-Year Priority Allocations, In-Year Salary Savings, In-Year Contingency and Net Ancillary Operations.

Exhibit 21: 2011-12 Expense

Saint John Campus	(\$000)			
	Approved Budget	Actual	Fav (Unfav) Variance	
	2011/12 (Restated)	2011/12	Dollars	Percent
Faculties and Departmental Costs	\$19,454.3	\$19,411.6	\$42.7	0.2%
Academic and Student Support	5,156.5	5,159.5	(3.0)	(0.1%)
Administration and Development	5,142.8	5,200.6	(57.8)	(1.1%)
Maintenance and Utilities	4,681.6	4,198.2	483.4	10.3%
Total Operating Expense	34,435.2	33,969.9	465.3	1.4%
In-Year Priority Allocations	660.0	660.0	-	0.0%
In-Year Salary Savings	(400.0)	(1,306.6)	906.6	226.7%
In-Year Contingency	-	-	-	-
Net Ancillary Operations	191.4	551.6	(360.2)	(188.2%)
Total Expense	\$34,886.6	\$33,874.9	\$1,011.7	2.9%

Maintenance and Utilities

Maintenance and Utilities, at \$4.2 Million, represents a \$0.5 Million (or 10.3%) favorable variance over the 2011-12 budget. Major drivers of this positive result are:

- \$0.4 Million in lower than budgeted utility costs attributed to better than budgeted fuel prices as well as positive variances specifically related to the new Hans W Klohn Learning Commons and Ward Chipman Library; and,
- \$0.1 Million in lower than budgeted non-salary costs attributed to savings as the Campus transitions from a facilities management contract to a new service model.

In-Year Salary Savings

In-Year Salary Savings, at \$1.3 Million, represent a \$0.9 Million (or 227%) favorable variance over the 2011-12 budget. The Saint John Campus budgeted for \$0.4 Million of in-year salary savings (net of funds returned to maintain quality of programs). At year end, a total of \$1.1 Million (gross in-year salary savings) was surrendered by units on the Saint John Campus prior to funds returned. This balance mainly comprises \$0.9 Million (or 83%) from Faculties and Departmental Costs and \$0.2 Million (or 18%) from Administration and Development.

ONE-TIME ITEMS: APPLICATION OF BUDGET SAVINGS

The Accumulated Operating Surplus (before One-Time Items) totaled \$4.1 Million for the Saint John Campus in 2011-12. Available funds were further increased by a planned transfer from Specific Risk Reserves of \$0.3 Million for a total of \$4.4 Million of available funds. University management proposes to allocate these funds to Net Assets Restricted for Specific Purposes for use in 2012-13 and future years. The proposed allocations are:

- \$2.3 Million provision for capital projects to enhance the teaching and learning environment on the Saint John Campus (most notably the Ward Chipman Library);
- \$1.7 Million provision to eliminate internal debt with regard to Campus residence;
- \$0.3 Million provision for contingency against uncertain revenues (and particularly provincial operating grant revenues); and,
- \$0.1 Million provision for administrative costs in support of a fundraising campaign and future collective bargaining.

COMPARE YEAR-END TO PREVIOUS REPORT

The Saint John Campus reported in March 2012, (as part of the Supplement to the Comptroller's Report,) that year-end results were projected in the Best Case to be \$3.9 Million favorable as compared to budget. Actual year-end results have yielded a \$4.4 Million favorable variance representing an improvement by \$0.5 Million. Major drivers of these improved results are:

- \$0.2 Million more Student Fee Income than projected in our Best Case;
- \$0.2 Million more Other Revenue than projected in our Best Case; and,
- \$0.2 Million more In-Year Salary Savings than projected in our Best Case.