



Summary of Operating Budget Financial Results

For the Fiscal Year
Ended April 30

2013

Tim J. Walker, C.A.
Assistant Vice-President
(Resource, Planning and Budgeting)

*Our mission is to create
the premier university
environment for our
students, faculty and
staff in which to learn,
work and live.*

UNRESTRICTED OPERATING BUDGET STATEMENT Combined Results	3
EXECUTIVE SUMMARY.....	4
Comparing Actual Results to March Forecast.....	7
Consolidated Operating Budget Statement For the Fiscal Year Ended April 30 th 2013.....	8
UNRESTRICTED OPERATING BUDGET Fredericton Campus & University-wide Units	9
Fredericton Campus & University-wide Units Operating Budget Statement For the Fiscal Year Ended April 30 th 2013.....	10
REVENUE	11
Provincial Operating Grant.....	11
Student Fee Income	11
Other Revenue	13
EXPENSE	14
Faculties and Departmental Costs.....	14
Academic and Student Support.....	14
Administration and Development	14
Maintenance and Utilities	15
In-Year Salary Savings.....	15
Net Ancillary Operations	16
One-Time Items: Application of Budget Savings.....	17
Comparing Actual Results to March Forecast.....	18
UNRESTRICTED OPERATING BUDGET Saint John Campus	19
Saint John Campus Operating Budget Statement For the Fiscal Year Ended April 30 th 2013.....	20
REVENUE	21
Provincial Operating Grant.....	21
Student Fee Income	21
Other Revenue	23
EXPENSE	24
Maintenance and Utilities	24
In-Year Salary Savings.....	24
One-Time Items: Application of Budget Savings.....	25
Comparing Actual Results to March Forecast.....	25

UNRESTRICTED OPERATING BUDGET STATEMENT

Combined Results

For the Year Ended April 30th 2013

EXECUTIVE SUMMARY

Budget Objective

The Operating Budget for the University of New Brunswick's 2012-13 fiscal year was approved in April 2012 as a balanced budget. This balanced budget included one-time funding from the provincial government of \$1.8 Million.

Year-end Results

The University of New Brunswick completed its fiscal year ended April 30th 2013 with a net operating budget surplus of \$11.7 Million. This result compares favorably with the balanced budget targeted for 2012-13 and represents a \$5.9 Million favorable result as compared to the March Forecast.

Positive variances in the operating revenues and expenses on each campus provide one-time funding to the University for deployment as investment (e.g. infrastructure renewal), debt reduction (e.g. unfunded liabilities) and risk mitigation. These decisions have not been made as yet and, accordingly, such allocations are not reflected in these figures.

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

Operating Revenue

- \$2.5 Million (or 22% of the favorable variance) attributed to better than expected Other Revenue on both the Fredericton Campus (\$2.0 Million) and Saint John Campus (\$0.5 Million). It is important to note that \$1.3 Million is attributed to higher than expected Outreach and Extension programming (in Fredericton) and \$0.8 Million is attributed to higher than expected short term investment income (on both campuses).
- \$1.3 Million (or 11% of the favorable variance) attributed to better than expected Student Fee Income on both the Fredericton Campus (\$0.8 Million) and Saint John Campus (\$0.5 Million). It is important to note that \$0.9 Million is attributed to higher than expected international differential income related to undergraduate students on both campuses.

Enrolment

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

Table 1: Fall Enrolment (Historical and Actual)

Row	Col.	A	B	C	D	E
	<u>Enrolment (FTE)</u>	<u>2009FA Act</u>	<u>2010FA Act</u>	<u>2011FA Act</u>	<u>2012FA Bud</u>	<u>2012FA Act</u>
1	Undergraduate Domestic	7,492	7,300	7,272	7,327	7,142
2	Undergraduate International	707	844	1,008	909	1,031
3	Graduate Domestic	912	927	963	1,074	866
4	Graduate International	317	380	433	276	454
5	Total	9,428	9,451	9,676	9,586	9,493
6	Strategic Plan Notional Target	9,427	9,643	9,860	10,076	10,076

Table 2: Winter Enrolment (Historical and Actual)

Row	Col.	A	B	C	D	E
	<u>Enrolment (FTE)</u>	<u>2010WI Act</u>	<u>2011WI Act</u>	<u>2012WI Act</u>	<u>2013WI Bud</u>	<u>2013WI Act</u>
1	Undergraduate Domestic	7,092	6,936	6,828	6,960	6,781
2	Undergraduate International	673	916	997	864	954
3	Graduate Domestic	876	914	908	1,040	842
4	Graduate International	340	382	429	267	444
5	Total	8,981	9,148	9,162	9,131	9,021
	Winter as Percent of Fall	95.3%	96.8%	94.7%	95.3%	95.0%

Operating Expense

- \$1.6 Million (or 13% of the favorable variance) attributed to better than expected maintenance & utilities costs on the Fredericton Campus (\$1.1 Million) and Saint John Campus (\$0.5 Million).
- \$1.1 Million (or 9% of the favorable variance) attributed to better than expected fringe benefit costs, largely on the Fredericton Campus. It is important to note that \$0.8 Million is attributed to better than budgeted retirement allowance costs.
- \$0.7 Million (or 6% 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 \$0.7 Million were \$0.5 Million favorable to budget. On the Saint John Campus, net ancillary operations broke even representing \$0.2 Million favorable to budget.

Other

- \$3.2 Million (or 27% of the favorable variance) attributed to better than expected (net) salary savings on both the Fredericton Campus (\$1.7 Million) and Saint John Campus (\$1.5 Million); and,
- \$1.0 Million (or 9% of the favorable variance) attributed to Fredericton Campus and University-wide Contingency unused by the end of the fiscal year.

One-Time Items: Application of Budget Savings

Where the Operating Surplus before One-time Items totaled \$11.6 Million for 2012-13, University management proposes to allocate \$10.2 Million of these funds to Net Assets Restricted for Specific Purposes for use in 2013-14 and future years. The proposed allocations are:

Capital

- \$1.0 Million towards minimizing repayment period of Fredericton Campus' heating plant renewal;
- \$1.0 Million towards Fredericton Campus facilities improvement;
- \$1.0 Million towards Fredericton Campus deferred maintenance projects;
- \$0.9 Million towards Saint John Campus' Ward Chipman Library;
- \$0.1 Million towards Saint John Campus' Garden Capital project;
- \$0.1 Million towards Saint John Campus contribution to a disaster recovery initiative on the Fredericton Campus;

Specific Risk

- \$1.5 Million towards Fredericton Campus revenue risk (operating grant and tuition);
- \$0.3 Million towards Saint John Campus revenue risk (operating grant);

Contingency

- \$0.3 Million towards unforeseen salary commitments (2012-13) on the Fredericton Campus;

Strategic

- \$1.0 Million towards Fredericton Campus costs of implementing recommendations arising from the upcoming review of academic and non-academic programs at the University;

Timing of Specific Transactions

- \$0.3 Million towards the cost of Deans search & transitions (2012-13) on the Fredericton Campus;

Other

- \$1.0 Million towards Fredericton Campus recruitment & retention initiatives;
- \$1.0 Million towards Saint John Campus recruitment & retention initiatives; and,
- \$0.8 Million towards Saint John Campus contribution to the upcoming University fundraising campaign.

Comparing Actual Results to March Forecast

University management reported in March 2013 that year-end results were projected in the Best Case to be \$5.8 Million favorable as compared to budget.

Actual year-end results have yielded \$11.7 Million before One-Time Items. This represents an improvement in our **forecasted** Operating Surplus of \$5.9 Million. Major drivers of these improved results are:

- \$1.1 Million (or 19% of the variance) in better-than-**forecasted** in-year salary savings;
- \$0.9 Million (or 15% of the variance) in better-than-**forecasted** net revenues from our Outreach and Extension activities (namely, the College of Extended Learning);
- \$0.5 Million (or 8% of the variance) in better-than-**forecasted** results from our Net Ancillary Operations (largely attributed to utility and steam savings);
- \$0.5 Million (or 8% of the variance) in better-than-**forecasted** results from Maintenance & Utilities (largely attributed to utility and steam savings);
- \$0.3 Million (or 5% of the variance) in better-than-**forecasted** short-term-investment income; and,
- \$0.2 Million (or 3% of the variance) in better-than-**forecasted** tuition and related income.

In addition, the following positive variances were not known at the time of the March Forecast:

- \$1.0 Million (or 17% of the variance) in savings with regard to Fredericton & University-wide Contingency unused at the conclusion of our financial year-end;
- \$0.8 Million (or 14%) of savings with regard to retirement allowances;
- \$0.3 Million (or 5%) of savings with regard to unused fringe benefit contingency; and,
- \$0.1 Million (or 1%) of incremental fringe benefit recoveries from ancillary, research and/or outreach operations.

Consolidated Operating Budget Statement
For the Fiscal Year Ended April 30th 2013

Row	Col.	A	B	C	D
				Fav (Unfav) Variance	
		Approved Budget (Restated)	Actual Results	Dollars	Percent
(Thousands of Dollars)					
Revenue					
1		\$ 108,000.1	\$ 108,026.0	\$ 25.9	0.0%
2		58,006.9	59,344.5	1,337.6	2.3%
3		3,473.0	3,460.0	(13.0)	(0.4%)
4		8,861.1	11,404.7	2,543.6	28.7%
5	Total Revenue	178,341.1	182,235.3	3,894.2	2.2%
Expense					
Academic and Research					
6	Faculties and Departmental Costs	96,876.0	96,896.6	(20.6)	(0.0%)
7	Academic and Student Support	26,204.0	26,372.3	(168.3)	(0.6%)
8	Sub-Total	123,080.0	123,268.9	(188.9)	(0.2%)
Administration and Support Services					
9	Administration and Development	31,049.9	29,642.6	1,407.3	4.5%
10	Maintenance and Utilities	21,772.6	20,122.4	1,650.2	7.6%
11	Sub-Total	52,822.5	49,765.0	3,057.5	5.8%
12	Total Operating Expense	175,902.5	173,033.9	2,868.6	1.6%
13	In Year Priority Allocations	1,555.6	1,555.6	-	0.0%
14	In Year Salary Savings within 'Slices of the Pie'	(1,955.4)	(5,144.1)	3,188.7	163.1%
15	In Year Contingency	1,500.0	456.1	1,043.9	69.6%
16	Net Ancillary Operations	1,446.3	757.0	689.3	47.7%
17	Sub-Total	2,546.5	(2,375.4)	4,921.9	193.3%
18	Total Expense	178,449.0	170,658.5	7,790.5	4.4%
19	Operating Surplus (Deficit) before One-Time Items	(107.9)	11,576.8	11,684.7	
One-Time Items:					
Transfer (to) from Net Assets Restricted for Specific Purposes					
20	Capital	(612.4)	(4,686.2)	(4,073.8)	
21	Specific Risk	(722.7)	(2,522.7)	(1,800.0)	
22	Contingency	-	(300.0)	(300.0)	
23	Strategic	(356.9)	(1,356.9)	(1,000.0)	
24	Timing of Specific Transactions	-	(300.0)	(300.0)	
25	Other: Recruitment & Fundraising	-	(2,775.0)	(2,775.0)	
26	One-time Provincial Operating Grant	1,799.9	1,799.9	-	
27	Sub-Total	107.9	(10,140.9)	(10,248.8)	
28	Change to Accumulated Operating Surplus (Deficit)	0.0	1,435.9	1,435.9	
29	Change to Accumulated Operating Surplus (Deficit) as % of Budget		0.8%		

UNRESTRICTED OPERATING BUDGET
Fredericton Campus & University-wide Units
For the Year Ended April 30th 2013

**Fredericton Campus & University-wide Units Operating Budget Statement
 For the Fiscal Year Ended April 30th 2013**

Row	Col.	A	B	C	D
				Fav (Unfav) Variance	
		Approved Budget (Restated)	Actual Results	Dollars	Percent
(Thousands of Dollars)					
Revenue					
1	Provincial Operating Grant	\$ 90,380.4	\$ 90,393.4	\$ 13.0	0.0%
2	Student Fee Income	41,050.0	41,885.3	835.3	2.0%
3	Federal Indirect Cost of Research Grant	3,297.0	3,299.0	2.0	0.1%
4	Other	6,110.6	8,152.4	2,041.8	33.4%
5	Total Revenue	140,838.0	143,730.2	2,892.2	2.1%
Expense					
Academic and Research					
6	Faculties and Departmental Costs	76,287.3	76,287.6	(0.3)	(0.0%)
7	Academic and Student Support	20,865.6	21,003.2	(137.6)	(0.7%)
8	Sub-Total	97,152.9	97,290.8	(137.9)	(0.1%)
Administration and Support Services					
9	Administration and Development	25,763.6	24,317.8	1,445.8	5.6%
10	Maintenance and Utilities	16,688.9	15,584.2	1,104.7	6.6%
11	Sub-Total	42,452.5	39,902.0	2,550.5	6.0%
12	Total Operating Expense	139,605.4	137,192.8	2,412.6	1.7%
13	In Year Priority Allocations	895.6	895.6	-	0.0%
14	In Year Salary Savings within 'Slices of the Pie'	(1,555.4)	(3,232.8)	1,677.4	107.8%
15	In Year Contingency	1,500.0	456.1	1,043.9	69.6%
16	Net Ancillary Operations	1,254.9	745.1	509.8	40.6%
17	Sub-Total	2,095.1	(1,136.0)	3,231.1	154.2%
18	Total Expense	141,700.5	136,056.8	5,643.7	4.0%
19	Operating Surplus (Deficit) before One-Time Items	(862.5)	7,673.4	8,535.9	
One-Time Items:					
Transfer (to) from Net Assets Restricted for Specific Purposes					
20	Capital	-	(3,000.0)	(3,000.0)	
21	Specific Risk	(722.7)	(2,222.7)	(1,500.0)	
22	Contingency	-	(300.0)	(300.0)	
23	Strategic	-	(1,000.0)	(1,000.0)	
24	Timing of Specific Transactions	-	(300.0)	(300.0)	
25	Other: Recruitment	-	(1,000.0)	(1,000.0)	
26	One-time Provincial Operating Grant	1,585.2	1,585.2	-	
27	Sub-Total	862.5	(6,237.5)	(7,100.0)	
28	Change to Accumulated Operating Surplus (Deficit)	0.0	1,435.9	1,435.9	
29	Change to Accumulated Operating Surplus (Deficit) as % of Budget		1.0%		

REVENUE

As shown in Table 1 (below), overall Operating Budget Revenue for the Fredericton Campus¹, at \$143.7 Million represents a \$2.9 Million (or 2.1%) favorable variance over the 2012-13 budget. Major drivers are:

- \$2.0 Million (or 1.5%) attributable to an increase in Other Revenues; and,
- \$0.8 Million (or 0.6%) attributable to an increase in Student Fee Income.

Table 1: Operating Budget Revenue, by Type (\$000s)

Row	COL	A	B	C	D
		Approved		Fav (Unfav) Variance	
Fredericton Campus		Budget	Actuals		
		2012/13	2012/13	Dollars	Percent
1	Provincial Operating Grant	\$90,380.3	\$90,393.3	\$13.0	0.0%
2	Student Fee Income	41,050.0	41,885.3	\$835.3	0.6%
3	Federal Indirect Costs of Research	3,297.0	3,299.0	\$2.0	0.0%
4	Other Revenues	6,110.6	8,152.4	\$2,041.8	1.5%
5	Total Revenues	\$140,838.0	\$143,730.0	\$2,892.1	2.1%

Note: Percent increase (decrease) is a percentage of 2012/13 Total Revenue.

Provincial Operating Grant

The University received confirmation of its 2012-13 Provincial Operating Grant on May 17th 2012, approximately 1 month after budget approval on April 13th 2012. While the final allocation formula implemented by the Province resulted in a \$13.0 K increase in overall operating funds for the 2012-13 year, it is important to note that \$1.6 Million of the Provincial Operating Grant was provided as one-time funding to the Fredericton Campus and does not reside within the base operating grant of the Campus in 2013-14 and future years.

Student Fee Income

Student Fee Income, at \$41.9 Million, represents a \$0.8 Million (or 2.0%) favorable variance over the 2012-13 budget. As shown in Table 4 (below) major drivers are:

- \$0.5 Million (or 66% of the favorable variance) attributed to higher than expected international differential income related to undergraduate students over the entire year but peaking during the Winter Term;
- \$0.4 Million (or 49% of the favorable variance) attributed to higher than expected tuition income related to undergraduate students almost entirely attributed to the Winter Term; and,
- With regard to graduate students, lower than expected tuition income was almost entirely offset by higher than expected international differential income.

Table 2 (below) outlines historical enrolment as well as the 2012FA Budget (“Bud”) and Actuals while Table 3 provides the same for 2013WI:

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

Table 2: Fall Enrolment (Historical and Actual)

Row	Col.	A	B	C	D	E
	<u>Enrolment (FTE)</u>	<u>2009FA Act</u>	<u>2010FA Act</u>	<u>2011FA Act</u>	<u>2012FA Bud</u>	<u>2012FA Act</u>
1	Undergraduate Domestic	5,768	5,634	5,598	5,608	5,478
2	Undergraduate International	394	446	484	392	530
3	Graduate Domestic	834	847	851	960	774
4	Graduate International	286	322	360	240	376
5	Total	7,282	7,249	7,293	7,200	7,158
6	Strategic Plan Notional Target	7,280	7,407	7,533	7,657	7,657

Table 3: Winter Enrolment (Historical and Actual)

Row	Col.	A	B	C	D	E
	<u>Enrolment (FTE)</u>	<u>2010WI Act</u>	<u>2011WI Act</u>	<u>2012WI Act</u>	<u>2013WI Bud</u>	<u>2013WI Act</u>
1	Undergraduate Domestic	5,472	5,398	5,278	5,327	5,252
2	Undergraduate International	354	435	463	373	483
3	Graduate Domestic	817	833	803	931	747
4	Graduate International	294	326	362	233	364
5	Total	6,937	6,992	6,906	6,864	6,846
	Winter as Percent of Fall	95.3%	96.5%	94.7%	95.3%	95.6%

Table 4: Major Drivers of Inc (Dec) in Student Fee Income (\$000s)

Row	Col.	A	B	C	D
	<u>Increase (Decrease) in \$000s</u>	<u>Summer</u>	<u>Fall</u>	<u>Winter</u>	<u>Actual Result</u>
1	Undergraduate Tuition	\$ 115.2	\$ (75.3)	\$ 364.7	\$ 404.6
2	Undergraduate (Supplementary International Fees)	70.0	194.7	282.7	547.5
3	Graduate Tuition	(9.9)	(86.0)	(132.0)	(227.9)
4	Graduate (Supplementary International Fees)	17.6	96.7	73.1	187.4
5	Fee remissions, miscellaneous and forfeited fees	-	(66.5)	(9.7)	(76.2)
6	Total Projected Result	\$ 192.9	\$ 63.6	\$ 578.8	\$ 835.3

Table 5: Major Drivers of Inc (Dec) in Student Fee Income (Percentage of Approved Budget)

Row	Col.	A	B	C	D
	<u>Increase (Decrease) in %</u>	<u>Summer</u>	<u>Fall</u>	<u>Winter</u>	<u>Actual Result</u>
1	Undergraduate Tuition	(31.5%)	(0.5%)	2.4%	1.3%
2	Undergraduate (Supplementary International Fees)	36.9%	13.7%	22.1%	18.9%
3	Graduate Tuition	(0.6%)	(3.8%)	(5.9%)	(3.6%)
4	Graduate (Supplementary International Fees)	0.1	0.7	0.5	0.5
5	Fee remissions, miscellaneous and forfeited fees		(1.0)	(0.1)	(0.6)
6	Total Projected Result	11.2%	0.3%	3.0%	2.0%

Other Revenue

As shown in Table 6 (below), Other Revenue, at \$8.2 Million, represents a \$2.0 Million (or 33%) favorable variance over the 2012-13 budget.

Table 6: Other Revenue, by Type (\$000s)

Row	COL Fredericton Campus & University-wide Units	A	B	C	D
		Approved Budget 2012/13	Actuals 2012/13	Fav (Unfav) Variance Dollars Percent	
1	Short-term Investment Income	725.0	1,340.2	615.2	84.8%
2	Management Fees & Campus Overhead	852.3	903.9	51.7	6.1%
3	Contribution from Saint John Campus	1,019.0	1,019.0	0.0	0.0%
4	Contract Overhead (Net of distributions)	449.9	448.8	(1.2)	(0.3%)
6	Contribution from (to) Capital, Net	266.0	265.0	(1.0)	(0.4%)
7	Parking Fees and Fines	537.9	630.4	92.6	17.2%
8	Application Fees	335.0	343.5	8.5	2.5%
9	Outreach and Extension	792.2	2,094.0	1,301.8	164.3%
10	Mandatory Student Fees	1,083.4	895.4	(188.0)	(17.4%)
11	All Other	50.0	212.2	162.2	324.4%
12	Total	\$6,110.6	\$8,152.4	\$2,041.8	33.4%

Major drivers are:

- An increase of \$1.3 Million (or 64% of the favorable variance) attributed to higher than expected Outreach and Extension income from our College of Extended Learning and particularly a single new program within the UNB Online stream;
- An increase of \$0.6 Million (or 30% of the favorable variance) attributed to higher than expected Short-term Investment Income; and,
- An increase of \$0.1 Million (or 5% of the favorable variance) attributed to higher than expected Parking Fees and Fines.

EXPENSE

Total expense of the Fredericton Campus, at \$133.1 Million, represents a \$5.6 Million (or 4.0%) favorable variance over the 2012-13 budget. This result includes Operating Expense savings of \$2.4 Million (or 1.7%), incremental In-Year Salary Savings of \$1.7 Million, unused In-Year Contingency of \$1.0 Million and better than expected results from our Net Ancillary Operations of \$0.5 Million.

Table 7: Operating Budget Expense, By Slice (\$000s)

Row	COL	A	B	C	D
Fredericton Campus & University-wide Units		Approved Budget 2012/13	Actuals 2012/13	Fav (Unfav) Variance	
				Dollars	Percent
1	Faculties and Departmental Costs	\$76,287.3	\$76,287.6	(\$0.3)	(0.0%)
2	Academic and Student Support	20,865.6	21,003.0	(137.4)	(0.7%)
3	Administration and Development	25,763.6	24,317.8	1,445.8	5.6%
4	Maintenance and Utilities	16,688.9	15,584.2	1,104.7	6.6%
5	Total Operating Expense	139,605.4	137,192.6	2,412.8	1.7%
6	In-Year Priority Allocations	895.6	895.6	(0.0)	(0.0%)
7	In-Year Salary Savings	(1,555.4)	(3,232.8)	1,677.4	(107.8%)
8	In-Year Contingency	1,500.0	456.1	1,043.9	69.6%
9	Net Ancillary Operations	1,254.9	745.2	509.7	40.6%
10	Total Expense	\$141,700.5	\$136,056.6	\$5,643.8	4.0%

Faculties and Departmental Costs

Faculties and Departmental Costs, at \$76.3 Million, experienced no material variances over the 2012-13 budget.

Academic and Student Support

Academic and Student Support, at \$21.0 Million, represents a \$0.1 Million unfavorable variance over the 2012-13 budget. The major driver of this result is:

- \$0.1 Million attributed to the provision of one-time funding for championship travel in Intercollegiate Athletics.

Administration and Development

Administration and Development costs, at \$24.3 Million, represents a \$1.4 Million (or 6%) favorable variance over the 2012-13 budget. Major drivers of this positive result are:

- \$0.8 Million (or 58%) of the variance attributed to better than budgeted costs with regard to retirement allowances;

- \$0.3 Million (or 19%) of the variance attributed to unused fringe benefit contingency; and,
- \$0.1 Million (or 7%) of the variance attributed to higher than budgeted recoveries from ancillary, research and/or outreach operations.

Maintenance and Utilities

Maintenance and Utilities, at \$15.6 Million, represent a \$1.1 Million (or 7%) favorable variance over the 2012-13 budget. This favorable variance is 90% attributable to better than budgeted utilities. Major drivers are:

- \$0.6 Million (or 55%) of the variance attributed to lower than expected utility costs for buildings on the Fredericton Campus; and,
- \$0.5 Million (or 45%) of the variance attributed to higher than expected net recoveries from UNB's Central Heating Plant.

Seen differently, the major drivers of this \$1.1 Million favorable variance are:

- \$0.4 Million (or 34%) of the variance attributed to lower than expected steam consumption in Fredericton Campus buildings;
- \$0.3 Million (or 34%) of the variance attributed to lower than expected steam prices for consumption related to Fredericton Campus buildings from our Central Heating Plant;
- \$0.6 Million (or 57%) of the variance attributed to lower than expected fuel prices to produce steam at our Central Heating Plant;
- \$0.6 Million (or 50%) of the variance attributed to lower than expected salary, amortization, furniture & equipment and supply costs at our Central Heating Plant;

Offset by:

- \$0.7 Million (or 62%) *negative* variance attributed to lowering the effective charge-out rate to both internal and external customers during the annual true-up in March 2013; and,
- \$0.2 Million (or 18%) *negative* variance attributed to the creation of a provision for sustainability planning and incremental external maintenance for academic buildings.

In-Year Salary Savings

In-Year Salary Savings (net) of \$3.2 Million represent a \$1.7 Million (or 107%) favorable variance over the 2012-13 budget. The Fredericton Campus budgeted for \$1.5 Million of in-year salary savings (net of funds returned to maintain quality of programs). At year end, a total of \$4.7 Million in gross in-year salary savings were surrendered.

This balance comprises \$3.4 Million (or 73%) from Faculties and Departmental Costs, \$0.3 Million (or 6%) from Academic and Student Support, \$0.7 Million (or 15%) from Administration and Development and \$0.3 Million (or 6%) from Maintenance & Utilities. Of these savings, \$1.5 Million (or 31%) were returned to units for strategic purposes to net \$3.2 Million of in-year salary savings.

Additional information about the origin of these salary savings is provided in Tables 8 and 9.

Table 8: In-Year Salary Savings, by Source (\$000s)

Row	COL	A	B	C	D	E	F	G
		Net Salary Savings Comprises				Fav (Unfav)		
		Surrendered	Returned	Net	Percentage Returned	Budgeted	Dollars	Percent
<u>Fredericton Campus</u>								
1	Vice-President (Fredericton)	\$3,807.5	(\$1,095.6)	\$2,711.9	\$0.3	\$1,355.4	\$1,356.6	100.1%
2	Vice-President (Finance & Corporate Services)	200.9	0.0	200.9	0.0		200.9	
3	Sub-total	4,008.5	(1,095.6)	2,912.8	0.3	1,355.4	1,557.5	114.9%
<u>University-wide Units</u>								
4	President	42.4	(17.8)	24.6	0.4		24.6	
5	Vice-President (Advancement)	98.1	(98.1)	0.0	1.0		0.0	
6	Vice-President (Finance & Corporate Services)	549.6	(273.3)	276.3	0.5	200.0	76.3	38.1%
7	Vice-President (Research)	19.0	0.0	19.0	0.0		19.0	
8	Total Salary Savings	\$4,717.6	(\$1,484.8)	\$3,232.8	\$0.3	\$1,555.4	\$1,677.4	107.8%

Table 9: In-Year Salary Savings, by Type (\$000s)

Row	COL	A
		Net
1	Deferral of Appointment/Vacancy	\$1,332.1
2	Resignation, Retirement or other Unforeseen Attrit	1,061.8
3	Sabbatical Leave	667.2
4	Provisions Not Required (Redeployed) for Strategi	501.4
5	Leave without Pay or Parental Leave	407.6
6	Flexible hiring "pools" unused	392.7
7	Appointment at less than budget	241.4
8	Reduced Work Load	58.3
9	Other	31.3
10	Long Term Disability	0.0
11	Salary Savings Returned for Strategic Backfill	(1,460.9)
12	Total Salary Savings	\$3,232.8

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.

As shown in Table 10, Net Ancillary Operations at \$0.7 Million represent a \$0.5 Million (or 41%) favorable variance over the 2012-13 budget. The single largest driver of this favorable variance is the Residence operation itself, accounting for \$0.5 Million (or 92%) of the total positive result. The Residence operation benefited from better-than-expected utilities including lower-than-expected consumption and steam rates from UNB's Central Heating Plant.

Table 10: Net Ancillary Operations (\$000s)

ROW	COL	A	B	C	D
		Approved			
	Fredericton Campus	Budget	Final Results		
		2012/13	2012/13	Fav (Unfav)	Variance
	Deficit (Surplus) \$000s			Dollars	Percent
1	Residential Life, Campus and Conference Services	\$874.6	407.0	\$467.6	53.5%
2	Aitken University Centre	592.0	496.5	95.5	16.1%
3	Turf Field and Dome	(30.0)	(42.9)	12.9	(42.9%)
4	Wu Conference Centre	(16.6)	(3.9)	(12.7)	76.6%
5	Bookstore	(165.1)	(111.6)	(53.5)	32.4%
6	Total Ancillary Operations	\$1,254.9	\$745.2	\$509.6	40.6%

One-Time Items: Application of Budget Savings

Where the Operating Surplus before One-time Items totaled \$8.5 Million for 2012-13, University management proposes to allocate \$7.1 Million of these funds to Net Assets Restricted for Specific Purposes for use in 2013-14 and future years. The proposed allocations are:

Capital

- \$1.0 Million towards minimizing repayment period of Fredericton Campus' heating plant renewal;
- \$1.0 Million towards Fredericton Campus facilities improvement;
- \$1.0 Million towards Fredericton Campus deferred maintenance projects;

Specific Risk

- \$1.5 Million towards Fredericton Campus revenue risk (operating grant and tuition);

Contingency

- \$0.3 Million towards unforeseen salary commitments (2012-13) on the Fredericton Campus;

Strategic

- \$1.0 Million towards Fredericton Campus costs of implementing recommendations arising from the upcoming review of academic and non-academic programs at the University;

Timing of Specific Transactions

- \$0.3 Million towards the cost of Deans search & transitions (2012-13) on the Fredericton Campus;

Other

- \$1.0 Million towards Fredericton Campus recruitment & retention initiatives.

Comparing Actual Results to March Forecast

The Resource Planning & Budgeting (RPB) Team reported in March 2013 that year-end results for the Fredericton Campus and University-wide Units were projected in the Best Case to be \$3.3 Million favorable as compared to budget.

Actual year-end results have yielded an \$8.5 Million favorable variance before One-Time Items. This represents an improvement in our Operating Surplus of \$5.2 Million. Major drivers of these improved results are:

- \$0.9 Million (or 17% of the variance) in better-than-**forecasted** net revenues from our Outreach and Extension activities (namely, the College of Extended Learning);
- \$0.7 Million (or 13% of the variance) in better-than-**forecasted** in-year salary savings;
- \$0.5 Million (or 10% of the variance) in better-than-**forecasted** results from our Net Ancillary Operations (largely attributed to utility and steam savings);
- \$0.5 Million (or 10% of the variance) in better-than-**forecasted** results from Maintenance & Utilities (largely attributed to utility and steam savings).
- \$0.2 Million (or 4% of the variance) in better-than-**forecasted** short-term-investment income; and,
- \$0.1 Million (or 2% of the variance) in better-than-**forecasted** tuition and related income.

In addition, the following positive variances were not known at the time of the March Forecast:

- \$1.0 Million (or 19% of the variance) in savings with regard to Fredericton & University-wide Contingency unused at the conclusion of our financial year-end;
- \$0.8 Million (or 15%) of savings with regard to retirement allowances;
- \$0.3 Million (or 6%) of savings with regard to unused fringe benefit contingency; and,
- \$0.1 Million (or 2%) of incremental fringe benefit recoveries from ancillary, research and/or outreach operations.

UNRESTRICTED OPERATING BUDGET
Saint John Campus
For the Year Ended April 30th 2013

**Saint John Campus Operating Budget Statement
 For the Fiscal Year Ended April 30th 2013**

Row	Col.	A	B	C	D
				<u>Fav (Unfav) Variance</u>	
(Thousands of Dollars)		Approved Budget (Restated)	Actual Results	Dollars	Percent
Revenue					
1	Provincial Operating Grant	\$ 17,619.7	\$ 17,632.6	\$ 12.9	0.1%
2	Student Fee Income	16,956.9	17,459.2	502.3	3.0%
3	Federal Indirect Cost of Research Grant	176.0	161.0	(15.0)	(8.5%)
4	Other	2,750.5	3,252.3	501.8	18.2%
5	Total Revenue	37,503.1	38,505.1	1,002.0	2.7%
Expense					
Academic and Research					
6	Faculties and Departmental Costs	20,588.7	20,609.0	(20.3)	(0.1%)
7	Academic and Student Support	5,338.4	5,369.1	(30.7)	(0.6%)
8	Sub-Total	25,927.1	25,978.1	(51.0)	(0.2%)
Administration and Support Services					
9	Administration and Development	5,286.3	5,324.8	(38.5)	(0.7%)
10	Maintenance and Utilities	5,083.7	4,538.2	545.5	10.7%
11	Sub-Total	10,370.0	9,863.0	507.0	4.9%
12	Total Operating Expense	36,297.1	35,841.1	456.0	1.3%
13	In Year Priority Allocations	660.0	660.0	-	0.0%
14	In Year Salary Savings within 'Slices of the Pie'	(400.0)	(1,911.3)	1,511.3	377.8%
15	In Year Contingency	-	-	-	-
16	Net Ancillary Operations	191.4	11.9	179.5	93.8%
17	Sub-Total	451.4	(1,239.4)	1,690.8	374.6%
18	Total Expense	36,748.5	34,601.7	2,146.8	5.8%
19	Operating Surplus (Deficit) before One-Time Items	754.6	3,903.4	3,148.8	
One-Time Items:					
Transfer (to) from Net Assets Restricted for Specific Purposes					
20	Capital	(612.4)	(1,686.2)	(1,073.8)	
21	Specific Risk	-	(300.0)	(300.0)	
22	Contingency	-	-	-	
23	Strategic	(356.9)	(356.9)	-	
24	Timing of Specific Transactions	-	-	-	
25	Other: Recruitment & Fundraising	-	(1,775.0)	(1,775.0)	
26	One-time Provincial Operating Grant	214.7	214.7	-	
27	Sub-Total	(754.6)	(3,903.4)	(3,148.8)	
28	Change to Accumulated Operating Surplus (Deficit)	0.0	0.0	0.0	
29	Change to Accumulated Operating Surplus (Deficit) as % of Budget		0.0%		

REVENUE

Overall revenue for the Saint John Campus, at \$38.5 Million represent a \$1.0 Million (or 2.7%) favorable variance over the 2012-13 budget. Major drivers are:

- \$0.5 Million (or 1.3%) attributed to an increase in Student Fee Income; and,
- \$0.5 Million (or 1.3%) attributed to an increase in Other Revenue.

Table 1: Revenue, by Type (\$000s)

Row	COL	A	B	C	D
		Approved		Fav (Unfav) Variance	
		Budget	Actuals	Dollars	Percent
		2012/13	2012/13		
	Saint John Campus				
1	Provincial Operating Grant	\$17,619.7	\$17,632.6	\$12.9	0.0%
2	Student Fee Income	16,956.9	17,459.3	\$502.5	1.3%
3	Federal Indirect Costs of Research	176.0	161.0	(\$15.0)	(0.0%)
4	Other Revenues	2,750.5	3,252.3	\$501.8	1.3%
5	Total Revenues	\$37,503.1	\$38,505.3	\$1,002.2	2.7%

Note: Percent increase (decrease) is a percentage of 2012/13 Total Revenue.

Provincial Operating Grant

The University received confirmation of its 2012-13 Provincial Operating Grant on May 17th 2012, approximately 1 month after budget approval on April 13th 2012. While the final allocation formula implemented by the Province resulted in a \$13.0 K increase in overall operating funds for the 2012-13 year, it is important to note that \$0.2 Million of the Provincial Operating Grant was provided as one-time funding to the Saint John Campus and does not reside within the base operating grant of the Campus in 2013-14 and future years.

Student Fee Income

Student Fee Income, at \$17.5 Million, represents a \$0.5 Million (or 3.0%) favorable variance over the 2012-13 budget. As shown in Table 4 (below), major drivers are:

- \$0.3 Million (or 63% of the favorable variance) attributed to higher than expected tuition revenue related to undergraduate students; and,
- \$0.1 Million (or 28% of the favorable variance) attributed to higher than expected international differential revenue related to undergraduate students.

Table 2 (below) outlines historical enrolment as well as the 2012FA Budget (“Bud”) and Actuals while Table 3 provides the same for 2013WI:

Table 2: Fall Enrolment (Historical and Actual)

Row	Col.	A	B	C	D	E
	<u>Enrolment (FTE)</u>	<u>2009FA Act</u>	<u>2010FA Act</u>	<u>2011FA Act</u>	<u>2012FA Bud</u>	<u>2012FA Act</u>
1	Undergraduate Domestic	1,724	1,666	1,674	1,719	1,664
2	Undergraduate International	313	398	524	517	501
3	Graduate Domestic	78	80	112	114	92
4	Graduate International	31	58	73	36	78
5	Total	2,146	2,202	2,383	2,386	2,335
6	Strategic Plan Notional Target	2,147	2,236	2,327	2,420	2,420

Table 3: Winter Enrolment (Historical and Actual)

Row	Col.	A	B	C	D	E
	<u>Enrolment (FTE)</u>	<u>2010WI Act</u>	<u>2011WI Act</u>	<u>2012WI Act</u>	<u>2013WI Bud</u>	<u>2013WI Act</u>
1	Undergraduate Domestic	1,620	1,538	1,550	1,633	1,529
2	Undergraduate International	319	481	534	491	471
3	Graduate Domestic	59	81	105	109	95
4	Graduate International	46	56	67	34	80
5	Total	2,044	2,156	2,256	2,267	2,175
	Winter as Percent of Fall	95.2%	97.9%	94.7%	95.0%	93.1%

Table 4: Major Drivers of Inc (Dec) in Student Fee Income (\$000s)

Row No.	Col.	A	B	C	D
	<u>Increase (Decrease) in \$000s</u>	<u>Summer</u>	<u>Fall</u>	<u>Winter</u>	<u>Total Projected</u>
1	Undergraduate Tuition	\$ 95.9	\$ (22.6)	\$ (124.5)	\$ (51.2)
2	Undergraduate (Supplementary International Fees)	256.6	45.0	14.0	315.6
3	Graduate Tuition	65.5	35.3	40.8	141.5
4	Graduate (Supplementary International Fees)	23.1	10.0	5.1	38.2
5	Fee remissions, miscellaneous and forfeited fees	-	29.1	29.1	58.1
6	Total Projected Result	\$ 441.1	\$ 96.7	\$ (35.6)	\$ 502.2

Table 5: Major Drivers of Inc (Dec) in Student Fee Income (Percentage of Approved Budget)

Row No.	Col.	A	B	C	D
	<u>Increase (Decrease) in %</u>	<u>Summer</u>	<u>Fall</u>	<u>Winter</u>	<u>Total Projected</u>
1	Undergraduate Tuition	9.2%	(0.4%)	(2.1%)	(0.4%)
2	Undergraduate (Supplementary International Fees)	61.5%	3.0%	1.0%	9.4%
3	Graduate Tuition	56.2%	30.3%	35.0%	40.5%
4	Graduate (Supplementary International Fees)				
5	Fee remissions, miscellaneous and forfeited fees		26.7%	26.7%	26.7%
6	Total Projected Result	28.0%	0.9%	(0.9%)	2.7%

Other Revenue

Other Revenue, at \$3.3 Million, represents a \$0.5 Million (or 18%) favorable variance over the 2012-13 budget.

Table 6: Other Revenue, by Type (\$000s)

Row	COL	A	B	C	D
		Approved Budget 2012/13	Actuals 2012/13	Fav (Unfav) Variance	
				Dollars	Percent
Saint John Campus					
1	Short-term Investment Income	300.0	509.3	209.3	69.8%
2	Management Fees & Campus Overhead	289.5	466.5	177.0	61.1%
3	Contribution from Fredericton Campus	278.3	278.3	0.0	0.0%
4	Contract Overhead (Net of distributions)	-	1.4	1.4	
5	Commissions and Rental Income	245.0	257.2	12.2	5.0%
6	Contribution from (to) Capital, Net	-	-	0.0	
7	Parking Fees and Fines	207.1	207.1	0.0	0.0%
8	Application Fees	78.0	125.3	47.3	60.7%
9	Outreach and Extension	600.0	600.0	0.0	0.0%
10	Mandatory Student Fees	-	-	0.0	
11	All other	752.6	807.2	54.6	7.3%
12	Total	\$2,750.5	\$3,252.3	\$501.8	18.2%

As shown in Table 6, major drivers of this positive result are:

- \$0.2 Million (or 42% of the favorable variance) attributed to higher-than-budgeted Short-term Investment Income; and,
- \$0.2 Million (or 35% of the favorable variance) attributed to higher-than-budgeted management fees from the MBA program.

EXPENSE

Total expense of the Saint John Campus, at \$34.6 Million, represents a \$2.1 Million (or 5.8%) favorable variance over the 2012-13 budget. This result includes Operating Expense savings of \$0.5 Million (or 1.3%), incremental In-Year Salary Savings of \$1.5 Million and better than expected results from our Net Ancillary Operations of \$0.2 Million.

Table 7: Operating Budget Expense, By Slice (\$000s)

Row	COL	A	B	C	D
		Approved Budget 2012/13	Actuals 2012/13	Fav (Unfav) Variance	
				Dollars	Percent
	Saint John Campus				
1	Faculties and Departmental Costs	\$20,588.7	\$20,609.0	(\$20.3)	(0.1%)
2	Academic and Student Support	5,338.4	5,369.1	(30.8)	(0.6%)
3	Administration and Development	5,286.3	5,324.8	(38.5)	(0.7%)
4	Maintenance and Utilities	5,083.7	4,538.2	545.5	10.7%
5	Total Operating Expense	36,297.1	35,841.1	456.0	1.3%
6	In-Year Priority Allocations	660.0	660.0	-	0.0%
7	In-Year Salary Savings	(400.0)	(1,911.3)	1,511.3	(377.8%)
8	In-Year Contingency	-	-	-	
9	Net Ancillary Operations	191.4	11.9	179.5	93.8%
10	Total Expense	\$36,748.5	\$34,601.7	\$2,146.8	5.8%

Maintenance and Utilities

Maintenance and Utilities, at \$4.5 Million, represents a \$0.5 Million (or 10.7%) favorable variance over the 2012-13 budget. Major drivers of this positive result are:

- \$0.5 Million in lower than budgeted utility costs attributed to better than budgeted fuel prices, consumption and maintenance costs.

In-Year Salary Savings

In-Year Salary Savings, at \$1.9 Million, represent a \$1.5 Million (or 378%) favorable variance over the 2012-13 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 \$3.3 Million (gross in-year salary savings) was surrendered by units on the Saint John Campus prior to funds returned. This balance mainly comprises \$2.4 Million (or 72%) from Faculties and Departmental Costs, \$0.4 Million (or 12%) from Academic & Student Support, \$0.3 Million (or 10%) from Administration and Development and \$0.2 Million (or 7%) from Maintenance & Utilities. Of these savings, \$1.4 Million was returned to units for strategic backfill to maintain teaching quality, netting \$1.9 Million savings.

One-Time Items: Application of Budget Savings

Where the Operating Surplus before One-time Items totaled \$3.1 Million for 2012-13, University management proposes to allocate \$3.1 Million of these funds to Net Assets Restricted for Specific Purposes for use in 2013-14 and future years. The proposed allocations are:

Capital

- \$0.9 Million towards Saint John Campus' Ward Chipman Library;
- \$0.1 Million towards Saint John Campus' Garden Capital project;
- \$0.1 Million towards Saint John Campus contribution to a disaster recovery initiative on the Fredericton Campus;

Specific Risk

- \$0.3 Million towards Saint John Campus revenue risk (operating grant);

Other

- \$1.0 Million towards Saint John Campus recruitment & retention initiatives; and,
- \$0.8 Million towards Saint John Campus contribution to the upcoming University fundraising campaign.

Comparing Actual Results to March Forecast

Financial & Administrative Services (UNBSJ) reported in March 2013 that year-end results for the Saint John Campus were projected in the Best Case to be \$2.5 Million favorable as compared to budget.

Actual year-end results have yielded a \$3.1 Million favorable variance before One-Time Items. This represents an improvement in our Operating Surplus of \$636 K. Major drivers of these improved results are:

- \$366 K (or 57% of the variance) in better-than-**forecasted** in-year salary savings;
- \$149 K (or 23% of the variance) in better-than-forecasted utility savings;
- \$85 K (or 13% of the variance) in better-than-**forecasted** short-term-investment income;
- \$64 K (or 10% of the variance) in better-than-**forecasted** tuition and related income; and,
- \$43 K (or 7% of the variance) in better-than-**forecasted** management fees from the UNBSJ MBA program.

The above were offset by other small negative variances to reach a total improvement of \$636 K.