

Summary of Consolidated  
Operating Budget Financial  
Results

April 30

2014-2015



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

<b>Executive Summary</b>	<b>3</b>
Highlights: Results as compared to Budget .....	4
<b>Consolidated Operating Budget for 2014-15</b>	<b>5</b>
<b>Fredericton Campus and University-wide Units Operating Budget for 2014-15</b>	<b>6</b>
Provincial Operating Grant .....	7
Student Fee Income .....	7
Other Revenue .....	8
Operating Expense .....	8
In-Year Contingency .....	9
In-Year Salary Savings .....	9
Ancillary Operations (Net) .....	10
One-Time Items: Additional Outreach Revenue .....	11
One-Time Items: Revenue (Stretch Target) .....	11
One-Time Items: Transfers to Internally Restricted Net Assets .....	11
Comparing Actual Results to May Forecast .....	11
<b>Saint John Campus Operating Budget Results for 2014-15</b>	<b>12</b>
Revenue .....	13
Student Fee Income .....	13
Other Revenue .....	14
Expense .....	14
In-Year Salary Savings .....	15
Ancillary Operations (Net) .....	15
One-Time Sources (Uses) of Cash .....	16

## Executive Summary

### Operating Results

The University ended the year with an overall net operating deficit of \$1.4 million compared to a break even budget. The primary reasons for the variance are as follows:

- Student fee income under budget by \$1.1 million due to declining enrolment;
- Increased costs in faculties and departments of \$354 thousand primarily related to the final impact of the faculty arbitration award, PDA costs and fringe benefit costs;
- Increased costs in administration and development of \$607 thousand mostly due to increased contribution rates in the staff pension plan related to the conversion to a shared risk pension plan model;
- Negative variance of \$652 thousand in maintenance and utilities related to increased steam costs and snow removal expenses in the 2015 winter and;
- Offset by lower than budgeted ancillary costs as residence occupancy exceeded budget.

### Comparison to May Forecast

The operating forecast in May was for an operating deficit between \$500 thousand to \$1 million. The main changes from the best case (\$0.5 million deficit) forecast are as follows:


- \$(1.0) million use of Fredericton and University-wide contingency related to unexpected settlement costs
- \$(0.5) million negative variance in fringe benefit costs
- \$(0.3) million unexpected steam costs on the Saint John campus
- \$0.8 million budgeted transfer to internally restricted accounts that was not made

### Challenges for the Future

The University continues to be challenged by declining enrolment – Fall FTE count in 2014-15 was 224 (2.4%) lower than budgeted and 374 (4.0%) lower than in 2013-14. The declines impact both campuses but are more acute on the Saint John campus which is showing a decline of 10.6% from the 2013-14 level.

With wages and benefits approximating 75% of the operating costs, it is very difficult to react to market declines by reducing staff numbers, particularly with no mandatory retirement age in place. Virtually everyone will be without a collective agreement and/or in negotiations by June 2016. Negotiating fair and competitive settlements continues to be a challenge.

The Province of New Brunswick has historically provided roughly 60% of our operating funding in the form of an operating grant. The Province is currently undergoing a strategic program review in which it is expected their operating budget will be reduced by between 5 and 10 percent, or possibly higher. This will have a direct bearing on the level of operating funding they are able to provide to UNB and the other universities.

<b>Highlights:</b> Results as compared to Budget	2014/15 Consolidated	Outlook
<b>Revenue</b> Provincial Operating Grant		
Enrolment/Student Fee Income		
Other		
<b>Expense</b> Academic and Research		
Administrative Support Services		
Ancillaries		
Contingency		
Salary Savings		
One Time Outreach Revenue		

<b>Legend:</b>	 <i>On Track</i>	 <i>Concern</i>	 <i>Significant Concern</i>
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University of New Brunswick  
**Summary of Operating Budget Financial Results**  
As at April 30<sup>th</sup> 2015



## Consolidated Operating Budget for 2014-15

(Thousands of Dollars)	Approved		Fav (Unfav) Variance	
	Budget	Actual Results	Dollars	Percent
<b>Revenue</b>				
Provincial Operating Grant	\$ 112,018.4	\$ 111,966.5	\$ (51.9)	0.0%
Student Fee Income	\$ 59,132.9	\$ 58,014.5	\$ (1,118.3)	-1.9%
Other	\$ 14,633.3	\$ 14,610.9	\$ (22.5)	-0.2%
<b>Total Revenue</b>	<b>\$ 185,784.6</b>	<b>\$ 184,592.0</b>	<b>\$ (1,192.6)</b>	<b>-0.6%</b>
<b>Expense</b>				
Academic and Research				
Faculties and Departmental Costs	\$ 103,634.7	\$ 103,988.9	\$ (354.2)	0.3%
Academic and Student Support	\$ 30,601.9	\$ 30,542.0	\$ 60.0	-0.2%
Sub-Total	\$ 134,236.6	\$ 134,530.8	\$ (294.2)	-0.2%
Administration and Support Services				
Administration and Development	\$ 30,691.2	\$ 31,298.2	\$ (607.0)	2.0%
Maintenance and Utilities	\$ 22,453.4	\$ 23,105.2	\$ (651.8)	2.9%
Sub-Total	\$ 53,144.6	\$ 54,403.4	\$ (1,258.8)	-2.4%
<b>Total Operating Expense</b>	<b>\$ 187,381.2</b>	<b>\$ 188,934.2</b>	<b>\$ (1,553.0)</b>	<b>0.8%</b>
Ancillary Operation (Net)	\$ 1,270.9	\$ 1,097.6	\$ 173.3	-13.6%
In-Year Contingency	\$ 1,500.0	\$ 1,500.0	\$ -	0.0%
In-Year Salary Savings	\$ (3,769.4)	\$ (3,725.8)	\$ (43.5)	-1.2%
In-Year Priority Allocations	\$ 1,167.4	\$ 1,167.4	\$ -	0.0%
Contribution to Capital	\$ (1,829.5)	\$ (1,829.5)	\$ 0.0	0.0%
Sub-Total	\$ (1,660.6)	\$ (1,790.4)	\$ 129.8	-7.8%
<b>Total Expense</b>	<b>\$ 185,720.6</b>	<b>\$ 187,143.9</b>	<b>\$ (1,423.2)</b>	<b>-0.8%</b>
<b>Net Position before One-Time Items</b>	<b>\$ 64.0</b>	<b>\$ (2,551.9)</b>	<b>\$ (2,615.9)</b>	
<b>Sources of One-Time Funding</b>				
<u>Operating</u>				
One-time Revenue (Stretch Target)	\$ 655.6	\$ -	\$ (655.6)	
One-time Tuition Revenue	\$ 419.3	\$ -	\$ (419.3)	
One-time Salary Savings	\$ 133.6	\$ 476.9	\$ 343.3	
One-time (Additional) Outreach Revenue	\$ 3,000.0	\$ 3,069.3	\$ 69.3	
Sub-Total	\$ 4,208.5	\$ 3,546.2	\$ (662.3)	
<u>Transfers from Internally Restricted Assets</u>				
Specific Risk	\$ -	\$ -	\$ -	
Strategic	\$ 163.9	\$ 163.9	\$ -	
Sub-Total	\$ 163.9	\$ 163.9	\$ -	
<b>Application of One-Time Funding</b>				
<u>Transfers to Internally Restricted Assets</u>				
Capital	\$ -	\$ -	\$ -	
Special Projects	\$ 3,361.5	\$ 2,585.2	\$ 776.3	
Specific Risk	\$ 655.6	\$ -	\$ 655.6	
Contingency	\$ -	\$ -	\$ -	
Strategic	\$ 419.3	\$ -	\$ 419.3	
Sub-Total	\$ 4,436.4	\$ 2,585.2	\$ 1,851.2	
<b>Net Position</b>	<b>\$ (0.0)</b>	<b>\$ (1,427.0)</b>	<b>\$ (1,427.0)</b>	
<b>Net Position as a Percentage of Budgeted Revenue</b>				

University of New Brunswick  
**Summary of Operating Budget Financial Results**  
**Fredericton Campus**  
As at April 30<sup>th</sup> 2015

## Fredericton Campus and University-wide Units Operating Budget for 2014-15

(Thousands of Dollars)	Approved		Fav (Unfav) Variance		Fav (Unfav) Variance per Last Report		Fav (Unfav) Variance from May Board
	Budget	Actual Results	Dollars	Percent	Dollars	Percent	
<b>Revenue</b>							
Provincial Operating Grant	93,627.4	93,575.1	-52.3	-0.1%	-43.4		-8.9
Student Fee Income	43,472.3	42,651.1	-821.2	-1.9%	-655.0		-166.2
Other	10,595.5	10,579.9	-15.7	-0.1%	-325.9		310.2
<b>Total Revenue</b>	<b>147,695.2</b>	<b>146,806.1</b>	<b>-889.1</b>	<b>-0.6%</b>	<b>-1,024.3</b>		<b>135.2</b>
<b>Expense</b>							
Academic and Research							
Faculties and Departmental Costs	81,936.5	82,152.6	-216.1	0.3%	-200.0		-16.1
Academic and Student Support	25,173.1	25,290.0	-116.9	0.5%	0.0		-116.9
Sub-Total	107,109.6	107,442.6	(332.9)	-0.3%	(200.0)		-132.9
Administration and Support Services							
Administration and Development	24,818.5	25,351.77	-533.2	2.1%	0.0		-533.2
Maintenance and Utilities	17,001.2	16,969.89	31.3	-0.2%	-200.0		231.3
Sub-Total	41,819.7	42,321.7	(502.0)	-1.2%	-200.0		-302.0
<b>Total Operating Expense</b>	<b>148,929.3</b>	<b>149,764.2</b>	<b>(834.9)</b>	<b>0.6%</b>	<b>(400.0)</b>		<b>-434.9</b>
Ancillary Operation (Net)	1,270.9	1,097.6	173.3	-13.6%	385.9		-212.6
In-Year Contingency	1,500.0	1,500.0	0.0	0.0%	1,000.0		-1,000.0
In-Year Salary Savings	-3,044.4	-3,000.8	-43.5	-1.4%	0.0		-43.5
In-Year Priority Allocations	507.4	507.4	0.0	0.0%	0.0		0.0
Contribution to Capital	-1,829.5	-1,829.5	0.0	0.0%	0.0		0.0
Sub-Total	-1,595.6	-1,725.4	129.8	-8.1%	1,385.9		-1,256.1
<b>Total Expense</b>	<b>147,333.7</b>	<b>148,038.9</b>	<b>-705.1</b>	<b>-0.5%</b>	<b>985.9</b>		<b>-1,691.0</b>
<b>Net Position before One-Time Items</b>	<b>361.5</b>	<b>-1,232.8</b>	<b>-1,594.3</b>		<b>-38.4</b>		<b>-1,555.9</b>
<b>Sources of One-Time Funding</b>							
<u>Operating</u>							
One-time Revenue (Stretch Target)	655.6	0.0	-655.6		-655.6		0.0
One-time (Additional) Outreach Revenue	3,000.0	3,069.3	69.3		275.0		-205.7
Sub-Total	3,655.6	3,069.3	-586.3		-380.6		-205.7
<u>Transfers from Internally Restricted Assets</u>							
Specific Risk	0.0	0.0	0.0		0.0		0.0
Strategic	0.0	0.0	0.0		0.0		0.0
Sub-Total	0.0	0.0	0.0		0.0		0.0
<b>Application of One-Time Funding</b>							
<u>Transfers to Internally Restricted Assets</u>							
Capital	0.0	0.0	0.0		0.0		0.0
Special Projects	3,361.5	2,585.2	776.3		-275.0		1,051.3
Specific Risk	655.6	0.0	655.6		655.6		0.0
Contingency	0.0	0.0	0.0		0.0		0.0
Strategic	0.0	0.0	0.0		0.0		0.0
Sub-Total	4,017.1	2,585.2	1,431.9		380.6		1,051.3
<b>Net Position</b>	<b>0.0</b>	<b>-748.7</b>	<b>-748.7</b>		<b>-38.4</b>		<b>-710.3</b>
<b>Net Position as a Percentage of Budgeted Revenue</b>							

## Revenue

### Provincial Operating Grant

The University received confirmation regarding the 2014-15 Provincial Operating Grant on April 22nd 2014. The final allocation formula implemented by the Province resulted in a \$52,300 decrease in overall operating funds for the 2014-15 year. It is important to note that for the first time, the \$1.6 Million of the Provincial Operating Grant previously provided as one-time funding resides within the base operating grant for 2014-15.

### Student Fee Income

Table 1 outlines historical enrolment as well as the Fall 2014 Budget (“Bud”) and Actual (“Act”) enrolment while Table 2 outlines historical data as well as the Winter 2015 Budget (“Bud”) and Actual (“Act”) enrolment:

**Table 1: Fall Enrolment (Historical and Projected)**

<u>Enrolment (FTE)</u>	<b>2011FA Act</b>	<b>2012FA Act</b>	<b>2013FA Act</b>	<b>2014FA BU</b>	<b>2014FA Act</b>
<b>Undergraduate Domestic</b>	5,598	5,478	5,468	5,357	5,343
<b>Undergraduate International</b>	484	530	581	576	564
<b>Graduate Domestic</b>	851	774	720	759	741
<b>Graduate International</b>	360	376	381	384	355
<b>Total</b>	<b>7,293</b>	<b>7,158</b>	<b>7,150</b>	<b>7,076</b>	<b>7,003</b>

The Fredericton Campus experienced a shortfall against the overall FTE budget for Fall 2014 of 73 FTE. This represents a 147 FTE decrease from prior year.

**Table 2: Winter Enrolment (Historical and Projected)**

<u>Enrolment (FTE)</u>	<b>2012WI Act</b>	<b>2013WI Act</b>	<b>2014WI Act</b>	<b>2015WI BU</b>	<b>2015WI Act</b>
<b>Undergraduate Domestic</b>	5,278	5,252	5,160	5,089	5,120
<b>Undergraduate International</b>	463	483	509	552	473
<b>Graduate Domestic</b>	803	747	696	697	742
<b>Graduate International</b>	362	364	379	372	343
<b>Total</b>	<b>6,906</b>	<b>6,846</b>	<b>6,744</b>	<b>6,710</b>	<b>6,678</b>

As shown in Table 2 (above), the Fredericton Campus annually budgets an overall student persistence rate of approximately 95% from Fall to Winter. The actual persistence rate is in line with this.

**Table 3: Major Drivers of Variance in Student Fee Income (\$000s)**

<u>Increase (Decrease) in \$000s</u>				<b>Actual</b>
	<b>Summer</b>	<b>Fall</b>	<b>Winter</b>	<b>Result</b>
<b>Undergraduate Tuition</b>	\$ (386.6)	\$ 131.6	\$ (13.2)	\$ <b>(268.2)</b>
<b>Undergraduate (Supplementary International Fees)</b>	26.6	(44.3)	(95.5)	<b>(113.2)</b>
<b>Graduate Tuition</b>	(73.6)	(134.5)	(210.8)	<b>(418.8)</b>
<b>Graduate (Supplementary International Fees)</b>	4.5	(36.0)	(27.0)	<b>(58.4)</b>
<b>Fee remissions, miscellaneous and forfeited fees</b>	(104.7)	166.0	(23.8)	<b>37.5</b>
<b>Total Actual Result</b>	<b>\$ (533.7)</b>	<b>\$ 82.8</b>	<b>\$ (370.2)</b>	<b>\$ (821.2)</b>

As shown in Table 3 (above), an overall negative result for 2014-15 is attributed to significant unfavorable results for Summer (\$533.7k or 65% of the net variance) and Winter (\$370.2k or 45% of the net variance). Note that Fall results represented a favorable variance of \$82.8k or (10)% of the net variance, largely attributed to fee remissions and miscellaneous revenues reported over budget by \$166k.

### Other Revenue

Other Revenue came in at \$10,579.9k, within \$15.7k or 0.1% of budget.

### Operating Expense

**Faculties and Departmental Costs** experienced a \$216.1 negative variance from budget mainly attributable to an over expenditure of PDA and relocation related expenses (\$122.5k or 56.7% of the net variance) in addition to an over expenditure of fringe benefits and salary related provisions (\$92.2k or 42.7% of the net variance).

**Academic and Student Support** experienced a \$116.9 negative variance from budget which is mainly attributable to an over expenditure of fringe benefits (\$126.2k or 108% of the net variance) mitigated by small savings in expenses (\$8.9k or 7.6% of the net variance) within the SUB and Intercollegiate Athletics departments.

**Administration and Development** on the Fredericton Campus experienced a \$533.2k negative variance from budget mainly attributable to an over expenditure of fringe benefits (\$565.4k or 106% of the net variance) offset by other variances, the most significant being the under expenditure of sustainability funds (\$195k or 36.6% of the net variance).

**Maintenance and Utilities** experienced a \$31.3k positive variance from budget mainly attributable to savings within the maintenance and cleaning budget (\$27.4k or 87.5% of the net variance) in addition to a small under expenditure in fringe benefits (\$3.8k or 12.1% of the net variance).



### ***In-Year Contingency***

The 2014-15 budget for the Fredericton Campus provided for \$1,500.0k of in-year contingency which could be used by University Management to offset the financial impact of unforeseen items.

At year-end, the Fredericton Campus expensed the in-year contingency as follows:

- \$868.4k of unplanned settlement costs within the Academic and Research slice.
- \$631.6k of unplanned settlement costs within the Administration and Support Service slice.

The contingency expense has not been allocated to the appropriate slices in the operating statement.

### ***In-Year Salary Savings***

The Fredericton Campus approved budget assumed a base level of \$3,044.4k of in-year salary savings (net) and realized \$3,000.8k of net savings, a shortfall of \$43.5k. The savings originated from the following slices: \$3,930.7k (or 73.3%) from Faculties and Departmental Costs, \$235.6k (or 4.4%) from Academic & Student Support; \$904.9k (or 16.9%) from Administrative and Development Services and \$289.7k (or 5.4%) from Maintenance and Utilities. \$2,360.1k (or 44.0%) of these savings were returned to units to facilitate the backfill of unforeseen vacancies.

Major sources of the realized salary savings are reflected in Table 4 (below).

**Table 4: Major Sources of Salary Savings**

	<b>Net</b>
<b>1</b> Deferral of Appointment/Vacancy	\$ 2,021.2
<b>2</b> Resignation, Retirement or other Unforeseen Attrition	\$ 811.4
<b>3</b> Sabbatical Leave	\$ 553.6
<b>4</b> Leave without Pay or Parental Leave	\$ 559.6
<b>5</b> Flexible hiring "pools" unused	\$ 599.0
<b>6</b> Provisions	\$ (221.1)
<b>7</b> Appointment at less than budget	\$ 268.6
<b>8</b> Reduced Work Load	\$ 59.6
<b>9</b> Other	\$ 631.5
<b>10</b> Long Term Disability	\$ 77.5
<b>11</b> Salary Savings Returned for Strategic Backfill	\$ (2,360.1)
<b>12 Total Salary Savings</b>	<b>\$ 3,000.8</b>

### Ancillary Operations (Net)

Table 5 (below) outlines the multiple budgets considered to be Fredericton Campus Ancillaries and Table 6 provides information with regard to Residence occupancy.

**Table 5: Ancillaries**

Fredericton Campus	Budget 2014/15	Actual Results 2014/15	Fav (Unfav) Variance	
			Dollars	Percent
<b>Deficit (Surplus) \$000s</b>				
1 Residential Life, Campus and Conference Services	\$ 856.0	\$ 542.9	\$ 313.1	36.6%
2 Aitken University Centre	\$ 551.1	\$ 512.3	\$ 38.8	7.0%
3 Student Union Building	\$ 20.0	\$ 20.0	\$ -	0.0%
4 Turf Field and Dome	\$ (22.1)	\$ 41.3	\$ (63.4)	286.9%
5 Wu Conference Centre	\$ 0.8	\$ 47.5	\$ (46.7)	(5837.5%)
6 Bookstore	\$ (134.9)	\$ (66.3)	\$ (68.6)	50.9%
<b>7 Total Ancillary Operations</b>	<b>\$ 1,270.9</b>	<b>\$ 1,097.7</b>	<b>\$ 173.2</b>	<b>13.6%</b>

Final year-end review indicates that Fredericton Campus Ancillaries achieved better than budgeted results attributed to better than budgeted occupancy in residences.

**Table 6: Residence Occupancy (Final Fall and Winter)**

FALL	2013/14		2014/15 Bud		Occupancy:			Inc (Dec) over Fall
	Budget	Rentable Beds	Approved Budget	Final	Over(Under) Budget	Budgeted Beds	Rentable Beds	
Fredericton Campus	1,330	1,477	1,330	1,379	49	103.7%	93.4%	

WINTER	2013/14		2014-15		Occupancy:			FTE	Percent
	Budget	Rentable Beds	Approved Budget	Final	Over(Under) Budget	Budgeted Beds	Rentable Beds		
Fredericton Campus	1264	1477	1,264	1255	(9)	99.3%	85.0%	(124)	(9.0%)

### ***One-Time Items: Additional Outreach Revenue***

The College of Extended Learning target of \$3,000.0k of additional outreach revenue was met and exceeded by an additional \$69.3k attributable to the continued success of UNB Online.

### ***One-Time Items: Revenue (Stretch Target)***

In 2014/15, the Fredericton Campus budgeted for a stretch tuition revenue target of \$655.6k. This did not materialize and the corresponding application of this one-time funding was therefore not used. These items offset each other for a net zero impact.

### ***One-Time Items: Transfers to Internally Restricted Net Assets***

The original budget included a transfer to internally restricted net assets of \$3,361.5k to come from one time revenue sources as well as from the budgeted operating surplus. Of that, \$2,585.2k was earmarked for the following specific commitments:

- \$1.2M Nursing teach out in Bathurst (3 years)
- \$640K Executive administrative leave (upcoming in 4 to 5 years)
- \$360K PhD Scholarship (3 years)
- \$285K Harriet Irving Library
- \$100K Legal costs

The remaining \$776.3K was to be used for discretionary items. In both cases the transfers could only be made if the revenue was realized. Because the one-time revenue was realized (\$3,069.3K), the transfers for the committed amounts were made. No transfer was made for the discretionary amounts because there was an operating deficit (before one-time items).

### ***Comparing Actual Results to May Forecast***

As reported in May 2015 the year-end results for the Fredericton Campus and University-wide Units were projected in the Best Case to be between \$38.4k and \$376.9k unfavorable.

Actual year-end results have yielded a \$748.7 thousand of unfavorable variance after one-time items. Major drivers of these results are:

- (\$.5) Million in worse-than-forecasted fringe benefit costs;
- (\$1.0) Million in worse-than-forecasted use of in-year contingency due to unforeseen late settlement costs;
- \$0.8 Million budgeted discretionary one-time transfer to internally restricted net assets was not made.

University of New Brunswick  
**Summary of Operating Budget Financial Results**  
**Saint John Campus**  
As at April 30<sup>th</sup> 2015

## Saint John Campus Operating Budget Results for 2014-15

(Thousands of Dollars)	Approved Budget	Projected Results	Final April	
			Dollars	Percent
<b>Revenue</b>				
Provincial Operating Grant	\$ 18,391.0	\$ 18,391.4	\$ 0.4	0.0%
Student Fee Income	15,660.6	15,363.5	(297.1)	-1.9%
Other	4,037.8	4,031.0	(6.8)	-0.2%
<b>Total Revenue</b>	<b>38,089.4</b>	<b>37,785.9</b>	<b>(303.5)</b>	<b>-0.8%</b>
<b>Expense</b>				
Academic and Research				
Faculties and Departmental Costs	21,698.2	21,836.3	(138.1)	-0.6%
Academic and Student Support	5,428.8	5,252.0	176.8	3.3%
Sub-Total	27,127.0	27,088.3	38.7	0.1%
Administration and Support Services				
Administration and Development	5,872.7	5,946.5	(73.8)	-1.3%
Maintenance and Utilities	5,452.2	6,135.3	(683.1)	-12.5%
Sub-Total	11,324.9	12,081.7	(756.8)	-6.7%
<b>Total Operating Expense</b>	<b>38,451.9</b>	<b>39,170.0</b>	<b>(718.1)</b>	<b>-1.9%</b>
In-Year Salary Savings	(725.0)	(725.0)	-	0.0%
In-Year Priority Allocations	660.0	660.0	-	0.0%
Sub-Total	(65.0)	(65.0)	-	0.0%
<b>Total Expense</b>	<b>38,386.9</b>	<b>39,105.0</b>	<b>(718.1)</b>	<b>-1.9%</b>
<b>Net Position before One-Time Items</b>	<b>(297.5)</b>	<b>(1,319.1)</b>	<b>(1,021.6)</b>	
<b>Sources of One-Time Funding</b>				
<u>Operating</u>				
One-time Tuition Revenue	419.3	-	(419.3)	
One Time Salary Savings	133.6	476.9	343.3	
Sub-Total	552.9	476.9	(76.0)	
<u>Transfers from Internally Restricted Assets</u>				
Strategic	163.9	163.9	-	
Sub-Total	163.9	163.9	-	
<b>Application of One-Time Funding</b>				
<u>Transfers to Internally Restricted Assets</u>				
Strategic	(419.3)	-	419.3	
Sub-Total	(419.3)	-	419.3	
<b>Net Position</b>	<b>-</b>	<b>(678.3)</b>	<b>(678.3)</b>	
<b>Net Position as a Percentage of Budgeted Revenue</b>		<b>(1.8%)</b>	<b>(1.8%)</b>	

## Revenue

### Student Fee Income

Table 1 outlines historical enrolment coupled with the 2014 Fall Budget (“Bud”) and Actual (“Act”) enrolment figures. Table 2 outlines historical data along with the 2015 Winter Budget and Actual:

**Table 1: Fall Enrolment (Historical and Actual)**

Enrolment (FTE)	2011 FA Act	2012 FA Act	2013 FA Act	2014 FA Bud	2014 FA Act
Undergraduate Domestic	1674	1664	1529	1605	1441
Undergraduate International	524	501	468	350	348
Graduate Domestic	112	92	96	70	64
Graduate International	73	78	58	50	71
	<b>2383</b>	<b>2335</b>	<b>2151</b>	<b>2075</b>	<b>1924</b>

The Saint John Campus experienced an overall enrolment shortfall against budget of 151 FTE for the fall term. This represents an 11% decrease compared to the previous year’s actual.

**Table 2: Winter Enrolment (Historical and Projected)**

Enrolment (FTE)	2012 WI Act	2013 WI Act	2014 WI Act	2015 WI Bud	2015 WI Act
Undergraduate Domestic	1550	1529	1417	1525	1359
Undergraduate International	534	471	415	334	355
Graduate Domestic	105	95	84	70	86
Graduate International	67	80	94	50	69
	<b>2256</b>	<b>2175</b>	<b>2010</b>	<b>1979</b>	<b>1869</b>
	95%	93%	93%	95%	97%

As shown in Table 2 (above), the Saint John Campus annually budgets an overall student persistence rate of approximately 95% from fall to winter. For 14/15, winter enrolment was 97% compared to fall enrolment. This is broken down by, domestic undergraduate enrolment was 94%, international undergraduate was 102%, graduate domestic was 134% and graduate international was 97%. The total enrolment represents a 7% decrease compared to the previous winter term.

**Table 3: Major Drivers of Variance in Student Fee Income (\$000s)**

Actual Increase (Decrease) in \$000s	Summer	Fall	Winter	Total Actual Result
<b>Undergraduate Tuition</b>	\$ (69.3)	\$ (408.5)	\$ (372.6)	\$ <b>(850.5)</b>
<b>Undergraduate (Supplementary International Fees)</b>	58.6	196.2	256.0	<b>510.8</b>
<b>Graduate Tuition</b>	12.9	(8.5)	27.9	<b>32.3</b>
<b>Graduate (Supplementary International Fees)</b>	(6.1)	(9.2)	(8.2)	<b>(23.4)</b>
<b>Fee remissions, miscellaneous and forfeited fees</b>	-	16.9	16.9	<b>33.8</b>
<b>Total Projected Result</b>	<b>\$ (4.0)</b>	<b>\$ (213.1)</b>	<b>\$ (96.9)</b>	<b>\$ (297.1)</b>

The largest concern related to student fee revenue is the continued decrease in undergraduate student enrolment. Although the international undergraduate enrolment was slightly below budget for the fall term, the campus is reporting a positive variance – this is due to the lower than expected enrolment at Saint John College and therefore the transfer of tuition was less than budgeted.

Miscellaneous student fees resulted in a positive variance of almost \$34 K. This is largely realized from fewer faculty, staff and dependents taking advantage of the tuition benefit as well as a larger volume in forfeited fees.

### **Other Revenue**

The MBA management fee exceeded budget by approximately \$27 K. The lease for the Dalhousie Medical building operation was increased after the budget was finalized and exceeded budget by \$110 K. Saint John College experienced a large decrease in enrolment. It was unable to contribute the full management fee this fiscal year, consequently, a negative \$300 K variance is included in these numbers. Saint John College also realized an overall deficit of \$433 K this year which was offset by prior year surpluses. Short term investment income exceeded budget by \$118 K (attributed to higher than expected interest rates).

### **Expense**

The actual impact of the AUNBT settlement exceeded the amount originally budgeted but following the Arbitrator’s final decision regarding implementation of the award, it was less than the amount projected in the February operating statement. The final result was a negative variance from budget of \$124 K.

Due to the campus’ declining enrolment, the scholarship budget had a positive variance of \$168K.

Utilities were overspent by \$508 K with the largest contributing factor related to the cost of steam supplied by the hospital. An unexpected large increase in pricing for natural gas came into effect this past fall. Therefore year-end reconciliation from the hospital resulted in a much higher than anticipated additional expense.

University of New Brunswick  
**Summary of Operating Budget Financial Results**  
**Saint John Campus**  
As at April 30<sup>th</sup> 2015



The variance breakdown for utilities is:

Steam	\$(451 K)
Power	\$(48 K)
Garbage	\$(7 K)
Water	\$(4 K)
Cleaning	\$2 K

Snow removal was overspent by \$182 K due to the exceptional amounts of snow Saint John received this winter.

### ***In-Year Salary Savings***

The Saint John Campus Board-approved budget assumed \$725.0 K of in-year salary savings (net) as well as *One-time* (Additional) Salary Savings of \$133.6 K relating to exceptional retirements for a total 2014-15 budget of \$858.6 K. The campus exceeded this by \$343 K.

The Saint John Campus realized \$1,765 K in gross salary savings. This balance comprises \$1,402 K (or 79.5%) from Faculties and Departmental Costs, \$153 K (or 8.5%) from Academic & Student Support, \$166 K (or 9.5%) from Administrative and Development Services and \$44 K (or 2.5%) from Maintenance & Utilities. It is important to note that, of these savings, \$862 K (or 49%) were returned to units to facilitate the strategic backfill of unforeseen vacancies for a final net salary savings of \$903 K.

In addition to salary savings identified from turnover, there were savings from student, stipend and other pools totaling \$299 K for a total net savings of \$1,202 K.

### ***Ancillary Operations (Net)***

The Residence system on the Saint John Campus is expected to be a self-sustaining operation, having separate budgets, as well as profit/loss statements. This unit is expected to break even, or generate a small contribution to address future deferred maintenance for the residence system. In 14/15, the residence realized a surplus of \$70 K. It also underwent some capital renewal totaling \$53 K resulting in an overall contribution to the appropriation of \$17 K.

### ***One-Time Sources (Uses) of Cash***

#### Sources:

In addition to the one-time salary savings listed above related to the exceptional retirements in 14/15, the Saint John campus directed \$163.9 K from a revenue risk reserve to help offset the original budgeted deficit.

#### **Summary of major challenges facing the Saint John campus:**

1. Undergraduate enrolment, notably domestic, continues to decline
2. Saint John College enrolment continues to decline resulting in a reduced management fee for the campus operating account
3. Salaries continue to increase
4. Heating costs are increasing at an alarming rate due to a substantial increase in natural gas
5. Snowfall for 14/15 broke records resulting in a significant over-expenditure in snow removal

#### **Summary of major change since last report:**

1. Utilities were overspent by an additional \$289 K due to receipt of the reconciliation for the year from the hospital



University of New Brunswick  
**Summary of Operating Budget Financial Results**  
**Saint John Campus**  
As at April 30<sup>th</sup> 2015

**Comparison of Early Projections to Final Result**

(Thousands of Dollars)			Best Case Jan	Best case Mar	Best Case April	Final April
	Approved Budget	Final Results	Dollars	Dollars	Dollars	Dollars
<b>Revenue</b>						
Provincial Operating Grant	\$ 18,391.0	\$ 18,391.4	\$ (8.9)	\$ (8.9)	\$ (8.5)	\$ 0.4
Student Fee Income	15,660.6	15,363.5	(302.3)	(308.3)	(296.4)	(297.1)
Other	4,037.8	4,031.0	(109.2)	(30.6)	24.6	(6.8)
<b>Total Revenue</b>	<b>38,089.4</b>	<b>37,785.9</b>	<b>(420.4)</b>	<b>(347.8)</b>	<b>(280.3)</b>	<b>(303.5)</b>
<b>Expense</b>						
<b>Academic and Research</b>						
Faculties and Departmental Costs	21,698.2	21,836.3	(355.6)	(143.1)	(147.9)	(138.1)
Academic and Student Support	5,428.8	5,252.0	166.0	151.6	170.9	176.8
Sub-Total	27,127.0	27,088.3	(189.6)	8.5	23.0	38.7
<b>Administration and Support Services</b>						
Administration and Development	5,872.7	5,946.5	-	(69.1)	(89.4)	(73.8)
Maintenance and Utilities	5,452.2	6,135.3	(225.0)	(298.6)	(406.9)	(683.1)
Sub-Total	11,324.9	12,081.7	(225.0)	(367.7)	(496.2)	(756.8)
<b>Total Operating Expense</b>	<b>38,451.9</b>	<b>39,170.0</b>	<b>(414.6)</b>	<b>(359.2)</b>	<b>(473.2)</b>	<b>(718.1)</b>
<b>Ancillary Operation (Net)</b>						
In-Year Contingency	-	-	-	-	-	-
In-Year Salary Savings	(725.0)	(725.0)	-	-	-	-
In-Year Priority Allocations	660.0	660.0	-	-	-	-
Sub-Total	(65.0)	(65.0)	-	-	-	-
<b>Total Expense</b>	<b>38,386.9</b>	<b>39,105.0</b>	<b>(414.6)</b>	<b>(359.2)</b>	<b>(473.2)</b>	<b>(718.1)</b>
<b>Net Position before One-Time Items</b>	<b>(297.5)</b>	<b>(1,319.1)</b>	<b>(835.0)</b>	<b>(707.0)</b>	<b>(753.6)</b>	<b>(1,021.6)</b>
<b>Sources of One-Time Funding</b>						
<u>Operating</u>						
One-time Tuition Revenue	419.3	-	(419.3)	(419.3)	(419.3)	(419.3)
One-time (Additional) Outreach Revenue	-	-	-	-	-	-
One Time Salary Savings	133.6	476.9	188.6	330.1	361.1	343.3
Sub-Total	552.9	476.9	(230.7)	(89.2)	(58.2)	(76.0)
<u>Transfers from Internally Restricted Assets</u>						
Capital	-	-	-	-	-	-
Specific Risk	-	-	-	-	-	-
Contingency	-	-	-	-	-	-
Strategic	163.9	163.9	-	-	-	-
Sub-Total	163.9	163.9	-	-	-	-
<b>Application of One-Time Funding</b>						
<u>Transfers to Internally Restricted Assets</u>						
Capital	-	-	-	-	-	-
Operating	-	-	-	-	-	-
Strategic	(419.3)	-	419.3	419.3	419.3	419.3
AUNBT settlement	-	-	-	-	-	-
Sub-Total	(419.3)	-	419.3	419.3	419.3	419.3
<b>Net Position</b>	<b>-</b>	<b>(678.3)</b>	<b>(646.4)</b>	<b>(376.9)</b>	<b>(392.5)</b>	<b>(678.3)</b>
<b>Net Position as a Percentage of Budgeted Revenue</b>		<b>(1.8%)</b>	<b>(1.7%)</b>	<b>(1.0%)</b>	<b>(1.0%)</b>	<b>(1.8%)</b>