



# Financial Update

## Fall, 2015

### Topics to be Covered



- 2014-15 Operating Results
- 2015-16 Budget & Results to date
- Multi-Year Financial Plan
- Debt management
- Financial Indicators/Targets
- Fee Review
- Capital Projects

## 2014-15 Operating Results



- Budget - \$1.4 million deficit
- Actual result - \$98,256 deficit
  - Financial Statements - \$164,366 deficit
- Contributing factors:
  - Energy savings
  - Expenditure control/restraint

3

## 2015-16 Budget



	2014-15 Budget	2014-15 Actual	2015-16 Budget	Compared to Budget 2014-15	Compared to Actual 2014-15
GOVERNMENT GRANTS	31,857,400	31,955,480	32,241,300	383,900	285,820
TUITION & FEES	35,381,500	35,121,313	35,939,100	557,600	817,787
ENDOWMENT & OTHER	4,341,300	5,080,413	4,512,000	170,700	(568,413)
<b>TOTAL ORDINARY REVENUE</b>	<b>71,580,200</b>	<b>72,157,206</b>	<b>72,692,400</b>	<b>1,112,200</b>	<b>535,194</b>
ACADEMIC	43,365,200	42,671,512	44,341,600	976,400	1,670,088
STUDENT SERVICES	7,300,600	7,709,139	8,229,100	928,500	519,961
ADVANCEMENT	2,102,100	2,185,387	2,165,600	63,500	(19,787)
FINANCE AND ADMINISTRATION	17,831,600	16,550,590	17,422,652	(408,948)	872,062
RESTRICTED & NON-DISCRETIONARY	2,425,000	3,657,301	2,650,948	225,948	(1,006,353)
<b>TOTAL EXPENDITURES</b>	<b>73,024,500</b>	<b>72,773,929</b>	<b>74,809,900</b>	<b>1,785,400</b>	<b>2,035,971</b>
<b>NET OPERATING SURPLUS (DEFICIT)</b>	<b>(1,444,300)</b>	<b>(616,723)</b>	<b>(2,117,500)</b>	<b>(673,200)</b>	<b>(1,500,777)</b>
ANCILLARY SURPLUS (DEFICIT)	2,934	518,467	143,000	140,066	(375,467)
<b>CONSOLIDATED SURPLUS (DEFICIT)</b>	<b>(1,441,366)</b>	<b>(98,256)</b>	<b>(1,974,500)</b>	<b>(533,134)</b>	<b>(1,876,244)</b>

4

## 2015-16 Budget



### Finance & Administration

	ACTUAL FY 13/14	BUDGET FY 14/15	ACTUAL FY 14/15	BUDGET FY 15/16
<b>FACILITIES MANAGEMENT</b>				
Administration	\$ 616,804	\$ 654,473	\$ 618,647	\$ 643,713
Energy & Utilities	1,274,275	1,353,792	1,209,191	1,307,340
Grounds & Transport	903,770	947,661	1,111,862	945,930
Buildings	765,870	830,242	766,684	896,719
Central Heating Plant	559,390	610,100	550,545	703,000
Aquatic Centre	59,053	63,600	65,999	61,200
Safety & Security	843,994	836,475	944,011	885,590
Cleaning	3,094,557	3,228,700	3,039,406	3,178,000
Transfer to KMC	165,000	165,000	165,000	165,000
Pension Adjustment	672,562	332,200	(67,118)	62,000
Utilities	5,410,162	5,495,669	4,481,582	5,204,360
Repairs & Maintenance (Projects)	477,998	400,000	391,699	500,000
Furnishings & Equipment	25,277	35,000	39,768	45,000
FM Allocation of Charges to Ancillary	(4,954,278)	(5,009,200)	(4,500,680)	(4,822,800)
	\$ 9,914,434	\$ 9,943,712	\$ 8,816,595	\$ 9,775,052

5

## 2015-16 Budget



### Finance & Administration

	ACTUAL FY 13/14	BUDGET FY 14/15	ACTUAL FY 14/15	BUDGET FY 15/16
<b>IT SERVICES</b>				
Desktop Support	\$ 693,926	\$ 669,900	\$ 605,484	\$ 686,500
Infrastructure	895,587	854,600	895,764	1,009,000
MIS	424,044	338,300	316,873	336,700
Academic Tech Support	49,632	50,500	40,005	52,800
Audio Visual	252,491	247,500	228,462	235,000
IT Projects	402,866	508,600	690,963	501,000
	\$ 2,718,546	\$ 2,669,400	\$ 2,777,551	\$ 2,821,000
<b>ADMINISTRATION &amp; GENERAL</b>				
Academic Vice President Office	\$ 462,184	\$ 445,900	\$ 444,218	\$ 404,600
President's Office	695,656	783,800	762,392	844,000
VP Finance Office, Finance Functions	1,422,394	1,256,500	1,206,060	1,257,600
Procurement	343,842	328,900	326,825	342,000
Human Resources & Payroll	614,833	558,500	570,314	562,000
Post Office	95,388	76,800	76,876	76,400
Institutional Dues/Legal/Audit/Other	1,475,473	1,450,000	1,569,759	1,340,000
	\$ 5,109,770	\$ 4,900,400	\$ 4,956,444	\$ 4,826,600
<b>TOTAL FINANCE &amp; ADMINISTRATION</b>	<b>\$ 17,742,750</b>	<b>\$ 17,513,512</b>	<b>\$ 16,550,590</b>	<b>\$ 17,422,652</b>

6

## 2015-16 Operating Results



Undergraduate Enrolment as at September 21, 2015			
	Full Time	Part Time	Total
<b>First Year</b>			
2014	1,155	27	1,182
2015	1,308	42	1,350
<b>Total</b>			
2014	3,889	396	4,285
2015	3,864	399	4,263

7

## 2015-16 Operating Results



- Detailed review completed at end of September
- Preliminary indications:
  - Tuition revenue - \$300,000 over budget
  - Scholarship Expense - \$400,000 over budget
  - Repairs & Maintenance
- Residence Occupancy – 97%

8



## Multi-Year Financial Plan

9

## Pro Forma - Status Quo



	2014-15 Budget	2014-15 Actual	2015-16 Budget	2016-17 Target	2017-18 Target
GOVERNMENT GRANTS	31,857,400	31,955,480	32,241,300	32,563,713	32,889,350
TUITION & FEES	35,381,500	35,121,313	35,939,100	37,017,273	38,127,791
ENDOWMENT & OTHER	4,341,300	5,080,413	4,512,000	4,000,000	4,000,000
<b>TOTAL ORDINARY REVENUE</b>	<b>71,580,200</b>	<b>72,157,206</b>	<b>72,692,400</b>	<b>73,580,986</b>	<b>75,017,141</b>
ACADEMIC	43,365,200	42,671,512	44,341,600	46,336,972	48,422,136
STUDENT SERVICES	7,300,600	7,709,139	8,229,100	8,558,264	8,900,595
ADVANCEMENT	2,102,100	2,185,387	2,165,600	2,208,912	2,253,090
FINANCE AND ADMINISTRATION	17,831,600	16,550,590	17,422,652	17,945,332	18,483,692
RESTRICTED & NON-DISCRETIONARY	2,425,000	3,657,301	2,650,948	2,730,476	2,812,391
<b>TOTAL EXPENDITURES</b>	<b>73,024,500</b>	<b>72,773,929</b>	<b>74,809,900</b>	<b>77,779,956</b>	<b>80,871,904</b>
<b>NET OPERATING SURPLUS (DEFICIT)</b>	<b>(1,444,300)</b>	<b>(616,723)</b>	<b>(2,117,500)</b>	<b>(4,198,970)</b>	<b>(5,854,763)</b>
ANCILLARY SURPLUS (DEFICIT)	2,934	518,467	143,000	150,000	150,000
<b>CONSOLIDATED SURPLUS (DEFICIT)</b>	<b>(1,441,366)</b>	<b>(98,256)</b>	<b>(1,974,500)</b>	<b>(4,048,970)</b>	<b>(5,704,763)</b>

10

## Pro Forma - Target



	2014-15	2014-15	2015-16	2016-17	2017-18
	Budget	Actual	Budget	Target	Target
GOVERNMENT GRANTS	31,857,400	31,955,480	32,241,300	32,563,713	32,889,350
TUITION & FEES	35,381,500	35,121,313	35,939,100	38,214,133	41,142,557
ENDOWMENT & OTHER	4,341,300	5,080,413	4,512,000	4,400,000	4,600,000
<b>TOTAL ORDINARY REVENUE</b>	<b>71,580,200</b>	<b>72,157,206</b>	<b>72,692,400</b>	<b>75,177,846</b>	<b>78,631,907</b>
ACADEMIC	43,365,200	42,671,512	44,341,600	45,671,848	47,042,003
STUDENT SERVICES	7,300,600	7,709,139	8,229,100	8,393,682	8,561,556
ADVANCEMENT	2,102,100	2,185,387	2,165,600	2,187,256	2,209,129
FINANCE AND ADMINISTRATION	17,831,600	16,550,590	17,422,652	17,771,105	18,126,527
RESTRICTED & NON-DISCRETIONARY	2,425,000	3,657,301	2,650,948	2,703,967	2,758,046
<b>TOTAL EXPENDITURES</b>	<b>73,024,500</b>	<b>72,773,929</b>	<b>74,809,900</b>	<b>76,727,858</b>	<b>78,697,261</b>
<b>NET OPERATING SURPLUS (DEFICIT)</b>	<b>(1,444,300)</b>	<b>(616,723)</b>	<b>(2,117,500)</b>	<b>(1,550,012)</b>	<b>(65,354)</b>
ANCILLARY SURPLUS (DEFICIT)	2,934	518,467	143,000	150,000	250,000
<b>CONSOLIDATED SURPLUS (DEFICIT)</b>	<b>(1,441,366)</b>	<b>(98,256)</b>	<b>(1,974,500)</b>	<b>(1,400,012)</b>	<b>184,646</b>

11

## Revenue/Savings Required



In order to achieve the target numbers we need to either increase revenue or decrease expenses by the following:

- 2016-17 - \$2,600,000
- 2017-18 - \$5,900,000
  
- In addition we need immediate action to reduce the current year's budgeted deficit

12

## Action Plan - Summary



	2015-16	2016-17	2017-18
Target	\$900,000	\$2,600,000	\$5,900,000
Increase Enrolment	\$458,000	\$1,460,000	\$2,278,000
Student/Faculty Ratio	\$120,000	\$825,000	\$1,450,000
High Cost Programs	\$100,000	\$300,000	\$500,000
Other Initiatives	\$50,000	\$725,000	\$1,350,000
Ancillary	\$100,000	\$350,000	\$600,000
	\$828,000	\$3,650,000	\$6,178,000

13


## Action Plan



1. Increase Enrolment			
	2015-16	2016-17	2017-18
Expand BBA		\$370,000	\$510,000
Internationalization	\$280,000	\$370,000	\$510,000
Recruitment/Retention	\$175,000	\$315,000	\$448,000
Non-Credit Programs	(\$25,000)	\$40,000	\$60,000
Transfer Students	\$35,000	\$70,000	\$210,000
January Intake	\$93,000	\$170,000	\$240,000
New Programming	(\$100,000)	\$125,000	\$300,000
	\$458,000	\$1,460,000	\$2,278,000

14


# Action Plan



2. Increase Student/Faculty Ratio			
	2015-16	2016-17	2017-18
Reduce small classes	\$20,000	\$50,000	\$100,000
Faculty/Staff Replacement		\$400,000	\$800,000
Delete low enrolment pgms	\$100,000	\$175,000	\$350,000
Internal replacements		\$200,000	\$200,000
	\$120,000	\$825,000	\$1,450,000

15

# Action Plan




3. Address High Cost Departments			
	2015-16	2016-17	2017-18
Redesign/Eliminate	\$100,000	\$300,000	\$500,000

16



# Action Plan



4. Other Initiatives			
	2015-16	2016-17	2017-18
Endowment Funds		\$150,000	\$250,000
Government Grants	\$50,000	\$75,000	\$100,000
Union Contracts		\$500,000	\$1,000,000
	\$50,000	\$725,000	\$1,350,000


17

# Action Plan



5. Ancillary Services			
	2015-16	2016-17	2017-18
Bookstore		\$50,000	\$100,000
Residence Occupancy	\$100,000	\$300,000	\$500,000
	\$100,000	\$350,000	\$600,000


18

**Long-Term Financial Outlook** 

**Other Opportunities**

- **Energy Management**
- **Finance System Upgrade**
- **Supplier Contracts**
- **Space Utilization**

19


**Long-Term Financial Outlook** 

**Other Challenges**

- **Unfunded Debt**
  - Academic & other - \$19.8 million
  - Operating Deficit – \$8 million
- **Deferred Maintenance**
  - Buildings & Infrastructure - \$3-5 million annually
  - Technology & Equipment - \$1-1.5 million annually

20


## Debt Profile



Long Term Debt – Financial Statements March 31, 2014			
	2014	Funding Sources	Notes
Residences	78,007,000	Rental Fees	
Academic Facilities	8,514,000	Operating Budget	New Science Hall/Misc. Projects
<b>Total Long Term Debt</b>	<b>96,051,000</b>		
<b>Ancillary Services</b>	<b>6,535,264</b>	<b>Ancillary Fees</b>	<b>KMC/Boiler replacement</b>
<b>Technology &amp; Infrastructure</b>	<b>369,353</b>	<b>Tech Fee</b>	
<b>Academic &amp; Service Projects</b>	<b>12,008,756</b>	<b>Operating Budget</b>	<b>Music &amp; Art/Nicholson/J. Bruce Brown/Various other campus improvements</b>
<b>Other</b>	<b>873,300</b>	<b>Operating Budget</b>	<b>Campaign costs (pre 2001)</b>
<b>Total Internal Debt</b>	<b>19,802,873</b>		
<b>Total Debt</b>	<b>115,853,873</b>		

21


## Financial Indicators/Targets



- Annual Surplus/(Deficit)
- Quick Ratio
- Debt Service Ratio
- Budget Development Targets
  - Tuition
  - Enrolment
  - Contract Obligations
  - Debt Payments
  - Infrastructure Maintenance
  - Equipment/Technology Replacement
  - Contingency

22


## Fee Review



- How much of an increase in fees should the University consider under the market adjustment opportunity?
- Should the University change from a Program based fee to a Credit Based Fee?
- Should there be differential fees for certain programs?
  - Should there be additional fees for lab based courses?
  - Should there be additional fees for courses with a very low student/teacher ratio delivery model (eg. music/modern languages)
  - Should there be higher fees for programs with significant market demand?

23

## Fee Review



	Undergrad Tuition - F/T		International	Intern'l Factor	BEd	Per 3 Credit Tuition	
	Arts	Science				Arts	Science
Acadia	\$7,713	\$7,713	\$15,440	2.0	\$8,015	\$771.30	\$771.30
Mount Allison	\$7,464	\$7,464	\$16,421	2.2		\$746.40	\$746.40
<b>SIFX</b>	<b>\$7,195</b>	<b>\$7,195</b>	<b>\$14,390</b>	<b>2.0</b>		<b>\$719.50</b>	<b>\$719.50</b>
Dal	\$6,990	\$7,932	\$15,693	2.2		\$699.00	\$793.20
U of Kings	\$6,990	\$7,932	\$15,693	2.2		\$699.00	\$793.20
CBU	\$6,570	\$6,570	\$13,260	2.0		\$657.00	\$657.00
USA	\$6,570	\$7,600	\$9,090	1.4		\$657.00	\$760.00
SMU	\$6,470	\$6,470	\$13,930	2.2		\$647.00	\$647.00
MSV	\$6,436	\$6,786	\$12,820	2.0		\$643.60	\$678.60
NSCAD	\$6,360	N/A	\$14,064	2.2		\$636.00	N/A
St. Thomas	\$5,914	N/A	\$13,385	2.3		\$591.40	N/A
U of Moncton	\$5,604	\$5,604	\$10,270	1.8		\$560.40	\$560.40
U of New Brunswick*	\$6,187	\$6,187	\$13,905	2.2		\$618.70	\$618.70

24

## Capital Projects



- Energy Management Projects
- Nicholson Hall Renovation
- Mount Saint Bernard Redevelopment
- Parking

25



**QUESTIONS?**