



St. Thomas
UNIVERSITY

Budget Summary Report
2016-2017

May 18, 2016

1.0 Introduction

An initial *Budget Development Report for 2016-17* was produced and communicated to the University community in February 2016. The report is available on the website at: http://w3.stu.ca/stu/administrative/vp_financial/documents/BudgetDevelopmentReport2016-2017.pdf.

The *Budget Development Report* identified the composition of the President's Advisory Committee on the Budget (PACB) and described the context and challenges of developing the University's 2016-17 budget. The principles which guided the development of the budget recommendations were:

- The requirement to achieve a balanced budget where expenditures do not exceed revenues;
- The importance of developing a budget plan that balances competing priorities in order to serve, to the best of our ability, the needs of students and other members of the community; and
- The desirability of allocating resources to areas that support the strategic direction of the University.

The *Budget Development Report* also requested input with respect to the financial challenges outlined in the report, as well as domestic and international tuition based on the following question:

- Our domestic tuition fee is now getting close to the provincial average, as was intended by implementation of the five-year domestic tuition fee schedule in 2013. As we plan for the future, how should our tuition fees compare to other universities in the Maritimes in light of the competitive nature of the post-secondary education sector?

The feedback received as a result of the *Budget Development Report* was discussed at the PACB.

To further the campus discussion on budget development, the PACB held a Town Hall meeting on March 31, 2016. At this meeting, a status update on our budget development plan to that date was provided, and proposed strategies to help address the operating deficit were presented. Approximately fifty (50) people attended, including PACB members, staff, faculty, and students.

The 2016-17 budget was developed in the context of the University's Strategic Plan 2013-18, which includes Financial Sustainability as a strategic priority. The PACB developed recommendations which were approved by the Board of Governors on May 7, 2016. The following sections of this report provide a summary of the approved operating, ancillary, endowment, and capital budgets for St. Thomas University for 2016-17.

2.0 General Operating Fund

2.1 BACKGROUND INFORMATION

The General Operating Fund covers the core functions of the University, including most of the expenditures directly related to, or in support of, offering programs of instruction to students. The operating budget has two main revenue sources — government operating grant and tuition fees. The expenditure categories are those used generally for university reporting in Canada. At St. Thomas, salaries represent approximately 75% of operating expenditures.

In the fall of 2013, the Province and St. Thomas University agreed to a five-year domestic tuition fee schedule as part of a larger agreement that included a positive adjustment to the operating grant of \$225,000 (representing a 1.7% increase).

In February 2016, the Province of New Brunswick tabled its 2016-17 budget in the Legislative Assembly. The Government has decided to maintain the operating grant to universities at the 2015-16 level. It recommended that any tuition increase be capped at 2% for New Brunswick students and it will not regulate fees for out-of-province students. While other universities were asked to limit tuition increases to 2% for New Brunswick students, the provincial budget explicitly recognized that St. Thomas University will continue to operate under its five-year domestic tuition fee agreement with the Provincial Government. The government stated that this agreement will be respected. Despite the fact that an operating grant freeze leaves us with a gap in funding, the provincial budget was relatively good news for post-secondary education. This was especially so in light of reductions being made in various government departments and the negative impacts on sectors outside government.

In his State of the Province Address in late January 2016, Premier Gallant placed improved financial performance by the government and education at the top of his agenda. In summarizing the post-secondary education part of its Strategic Program Review this past December, the government said that it intended to focus on performance-based funding, a new funding formula and new governance legislation. The recent provincial budget states that the government will work with universities on a new, mutually acceptable funding formula—one that is performance-based and allows universities to focus on growth.

A significant on-going financial risk faced by the University is that of student enrolment. Between 2005 and 2014, overall full-time enrolment declined by roughly 30% (782 net full-time students). (Note: Other Maritime universities have experienced similar declines in the Liberal Arts.) This risk is significant in light of the declining number of New Brunswick high school graduates. On a positive note, there was an 8% increase in new undergraduate students in the fall of 2015. Furthermore, with the changes made in recruitment and retention over the last few years, applications for fall 2015 and fall 2016, admission offers, and confirmations are tracking as well as they have in the past several years.

While New Brunswick universities have been underfunded relative to their counterparts in Canada, St. Thomas University has been underfunded relative to the other universities in the province: the University's 2015-16 operating grant level is 86% of the provincial average (See Appendix I). Despite the progress achieved as a result of the 2013 agreement with the Province,

our annual revenue base is approximately \$2.3 million lower than it could be because of our operating grant level. This is compounded by several factors: a shrinking number of high school graduates; a relatively small endowment; and uncertainty of capital markets that affect endowment/investment income.

The fiscal year that just ended (2015-16) is expected to produce the following financial results:

- A forecasted deficit of \$1.3 million in the General Operating Fund (before inter-fund transfers);
- A forecasted deficit of approximately \$193,000 in Ancillary Operations, due to lower than expected occupancy in residence; (Note: this does not include principal payments on long-term debt of \$213,000, for a net cash flow deficit of \$406,000);
- For restricted funds (and as approved as part of the 2015-16 budget), expenditure levels significantly in excess of the University's investment policy as a way to balance the 2015-16 operating budget.

The current extensive use of restricted funds is a short term solution to our fiscal challenges and is not financially sustainable. In the absence of a significant increase in enrolment, which is neither realistic nor anticipated in the near term, there is a pressing need to address our structural operating deficit, and to return to a balanced budget within a 2 to 3 year time period.

It is a policy of the MPHEC that universities should not incur an operating deficit. If a university accumulates a deficit in excess of 2% of its operating grant (this would be approximately \$282,000 for STU), specific provisions apply. Please see Appendix II for the MPHEC policy. In practice, it is customary to strive for a balanced budget; if a planned deficit is considered, there needs to be a clear plan and dependable strategies to overcome the deficit.

2.2 TUITION FEES

The five-year tuition fee schedule approach that was approved in 2013 is presented in Table A below. Further to the agreement with the Province, the domestic tuition at STU is being increased annually by no more than 3% plus \$170. The 3% increase is based on the provincial average tuition of the three other publicly funded universities in New Brunswick. Under this schedule, our tuition for a Bachelor of Arts will be brought close to the provincial average over the five-year period.

| Table A: | | | | |
|---|----------------|----------------|----------------|----------------|
| Provincial Average Tuition at Other NB universities (1) | | | | |
| | Year 1 | Year 2 | Year 3 | Year 4 |
| University | 2013-14 | 2014-15 | 2015-16 | 2016-17 |
| Mount Allison | \$7,245 | \$7,464 | \$7,464 | \$7,613 |
| U de Moncton | \$5,442 | \$5,604 | \$5,604 | \$5,716 |
| UNB | \$6,007 | \$6,187 | \$6,187 | \$6,311 |
| <i>Prov. Avg. excl. STU</i> | <i>\$6,231</i> | <i>\$6,418</i> | <i>\$6,418</i> | <i>\$6,547</i> |
| <i>incr. in prov. average</i> | <i>\$150</i> | <i>\$187</i> | <i>\$0</i> | <i>\$128</i> |
| <i>% incr.</i> | <i>2.5%</i> | <i>3.0%</i> | <i>0.0%</i> | <i>2.0%</i> |
| <i>(1) assumed 2% increase for Year 4</i> | | | | |
| STU Five-year Tuition Fee Schedule for Domestic Students (BA programs) | | | | |
| | Year 1 | Year 2 | Year 3 | Year 4 |
| | 2013-14 | 2014-15 | 2015-16 | 2016-17 |
| STU | \$5,195 | \$5,552 | \$5,914 | \$6,276 |
| <i>incr. in tuition</i> | <i>\$250</i> | <i>\$357</i> | <i>\$362</i> | <i>\$363</i> |
| <i>% incr.</i> | <i>5.1%</i> | <i>6.9%</i> | <i>6.5%</i> | <i>6.1%</i> |
| <i>gap to prov avg exc STU</i> | <i>\$1,036</i> | <i>\$866</i> | <i>\$505</i> | <i>\$271</i> |

Appendix III provides a comparison of 2015-16 tuition fees of domestic and international students at Maritime Universities which shows that St. Thomas had the third lowest tuition for domestic students.

Undergraduate international students are not funded through government operating grants. During the past few years, the international tuition increase was based on 3% of the provincial average domestic tuition at other NB universities, representing an annual increase of \$187 to \$193. In addition, in 2013-14, a health plan fee for international students was introduced in the amount of \$284. The intent was to increase the health plan fee over time in order to eventually fully recover the cost of the health plan (\$630), similar to the approach used by the other Atlantic Universities. In 2015-16, the health plan fee was \$630, representing full cost recovery. The health plan covers accidental, unexpected, unforeseen, and medical emergency services. The program is similar to most international student programs available at other universities in Canada for undergraduate students. The University reviews the claims experience data on an annual basis to determine if any changes are required. We do not expect a significant health plan premium increase for 2016-17.

For 2016-17, the international tuition fees will be increased by \$363, the same amount as for domestic students.

2.3 STRATEGIES TO MINIMIZE THE 2016-17 OPERATING DEFICIT

In early April 2016, Senior Management made the decision to cancel the Men's Hockey program in the context of addressing the operating budget deficit. It is estimated that this will result in net cost savings of \$143,900 in operations and \$110,000 in internally restricted funds.

The following additional strategies to help minimize the 2016-17 operating deficit are incorporated into the approved operating budget:

- Continued implementation of the 5 year domestic tuition fee schedule.
- Similar to the fiscal year 2015-16, greater use of internally restricted funds and external endowments to incur certain expenditures, where the terms of the endowment permit. We expect the investment income for 2015-16 to be relatively flat, thus this will continue an over-use of these funds.
- Similar to the fiscal year 2015-16, all scholarship and bursary expenditures (\$1.7M) will be charged to the Scholarship Endowment. This will continue an over-use of these funds.
- Continued restrained approach to academic staffing. The hiring of Limited Term Appointments and of Tenure Track positions is only authorized in exceptional circumstances where there is a significant need.
- Hiring constraint to reduce administrative salary cost (review vacancies as they occur to determine if replace or leave vacant).
- Wage restraint measures, including cost of living increment of 0% for non-unionized staff (including Senior Leaders) for 2016-17.

2.4 APPROVED OPERATING BUDGET

The General Operating Budget is presented in Schedule 1. It reflects a deficit of \$978,800 before the transfer of \$980,000 from certain restricted funds. As indicated previously, **the extensive use of restricted funds is a short-term solution to our fiscal challenges. For next fiscal year (2017-18) and beyond, we will need to downsize the salary components of the operating budget in order to address our structural deficit.**

Highlights of the General Operating Budget include:

- A budget of \$28.4 million in revenues and \$29.3 million in expenditures.
- The provincial operating grant of \$12.2 million and the fiscal transfer to UNB of \$1.9 million for a total of \$14.1 million. This represents the second year of a freeze of the operating grant.

- A projected enrolment of 1,805 which is 15 students less than budgeted last year (1,820).
- Tuition fee and compulsory revenues of \$13.1 million based on:
 - A \$363 increase that would bring tuition fee levels to
 - \$6,276 for Arts programs
 - \$8,808 for Education
 - \$9,008 for Social Work
 - A \$363 increase that would bring tuition fee levels to:
 - \$13,747 for international students
 - The following compulsory fees remain at current levels:

| | |
|----------------------------|-------|
| - UNB Health Centre fee | \$50 |
| - Journalism years 3 and 4 | \$250 |
| - Technology fee | \$100 |
| - Facility fee | \$100 |
- External funding from provincial and federal governments totalling \$446,700. This includes Aboriginal education initiatives (\$99,600), indirect costs related to research (\$171,000), and access and success funding from PETL (\$176,100).
- Academic expenses totalling \$17.6 million.
- Administrative and General expenses totalling \$5.0 million. The increase in budgeted expenditures is mainly due to an increased allocation to recruitment, an increase in the provision for bad debts with respect to students accounts receivable, and an increase in the provision for legal fees.
- Student Services expenses totalling \$1.7 million – a decrease of 1.2% over 2015-16 budget. This reflects a decrease of \$269,400 compared to the 2015-16 budget as a result of the cancellation of the Men’s Hockey Program (before considering the impact of reduced tuition revenue from having fewer student-athletes).

3.0 Ancillary Operations

The ancillary budget covers the operations of the residences and Conference Centre/food services. A separate budget is required for these operations because they are funded from separate sources and because of generally accepted and long-standing policies that ancillary operations be self-supporting and not eligible for government financial assistance.

The revenues and expenses related to food services are not reflected in the University's budget, as those revenues and expenditures are the responsibility of the Food Services Provider (Aramark). The University continues to sell the meal plans to students. However the revenue is transferred to Aramark.

The 2016-2017 budget for ancillary operations is presented in Schedule II. It assumes that Harrington Hall will be off-line from April 2016 until August 2017 while it undergoes significant renovations. The ancillary budget will result in a deficit of approximately \$451,000. After principal payments on long-term debt associated with Chatham Hall is considered, ancillary operations are expected to produce a negative cash flow of \$675,000.

The ancillary budget incorporates the following:

- Occupancy of 450 students (215 doubles; 205 singles; 30 Windsor Street) – a decrease of 43 compared to the 2015-2016 budget. December 2015 occupancy was 455.
- Residence room fees reflect a price increase of 4%. The residence room rates have remained the same for the past three (3) years. A price increase is required to keep up with inflation and to reflect expected cost increases in 2016-17 including an increase in minimum wages and an HST increase. Approved residence fees are as follows:
 - On-campus double room rate: \$5,075
 - On-campus single room rate: \$7,050
 - Off-campus double room rate: \$5,440
 - Off-campus single room rate: \$7,415
 - Windsor Street: \$4,100

The approved rates are relatively comparable to what is charged at other NB Anglophone Universities.

It is recognized that lower enrolment and the changing living habits of university students have resulted in reduced residence occupancy and surplus capacity in our residence system. We do not foresee returning to a residence occupancy of 600 in light of the student enrolment numbers and the availability of other rental housing in Fredericton. We will need to adjust the size of the system from the current capacity of 839 to approximately 400 to 450 in the next few years. Our long term goal is to consolidate residence life on the main campus to produce a vibrant campus community with residences at full capacity.

The approved meal plan fees for the 2016-17 Academic Year are:

- Freedom Plan \$3,744; 19 Meal Plan \$3,536; and 10 Meal Plan \$3,016.

4.0 Endowment Funds

The University's endowed funds consist of 9 major endowment fund categories that have varying origins. The scholarship endowment, which represents approximately 45% of total endowment value, has a number of funds that originated with gifts and bequests and are managed in accordance with terms specified by the donors and accepted by the University. However, most of

the scholarship endowments have resulted from operating surpluses over the years that have been transferred by the Board of Governors to the scholarship fund.

The other endowment funds relate mainly to eight endowed chairs. A number of the chairs were established with the assistance of external funding. Generally these funds support teaching and research activities in a number of disciplines and supplement the operating fund budget. However, expenditures must be in accordance with the respective terms of reference of the endowed chairs.

The University's investment policy permits expenditures of up to 5% of endowment fund values based on a rolling three-year average of market values (\$30.4 million at February 29, 2016). A spend rate in excess of 5% for (internally restricted) endowment funds requires the approval of the Board of Governors. This normally takes place as part of the budget approval process.

The expenditure allocations from the University's endowment funds are presented in Schedule III, and incorporate the following:

- Total endowment fund expenditures of \$3.4 million.
- Externally restricted endowments are budgeted at a 5% spend rate, while the internally restricted endowments are budgeted at a higher spend rate in order to balance the operating budget (this higher spend rate varies from 6% to 17%).

The cancellation of the Men's Hockey program will result in an annual expenditure reduction of approximately \$110,000 in internally restricted scholarship funds compared to 2015-16.

5.0 Capital Expenditures Budget

The 2016-2017 capital expenditure budget of \$6.5 million is detailed in Schedule IV.

Capital expenditures will be funded from the restricted grants provided by the provincial government and from the University's fund-raising activities, with the exception of the capital expenditures relating to the Grant-Harvey Centre. Pepsi funds (internally restricted fund) will be utilized to fund the fifth year instalment payments to the City for the Grant-Harvey Centre.

In November 2015, the University submitted a request to the City of Fredericton to extend the capital lease agreement relating to the Grant Harvey Centre (where our hockey, rugby and soccer teams hold their home games) from a 10 year re-payment period to a 20 year period and to request that the interest rate charged be based on the City's borrowing interest rate through the Municipal Capital Borrowing Board (this represents a lower interest rate compared to the current interest rate charged). This request was approved effective January 1, 2016. For the fiscal year 2016-17, this will represent a capital expenditure of \$118,100, (including HST) compared to last year's budget of \$265,800.

5.1 HARRINGTON HALL CAPITAL PROJECT

There is a clear priority to renew residences in the 2013-2018 Strategic Plan in order for the residence system to become a self-sustaining operation that contributes positively to student

retention and the student experience. At its February 2016 meeting, the Board of Governors approved the capital project for the renewal of Harrington Hall in the amount of \$6.1 million, extending over four fiscal years, with the majority of the costs in 2016-17.

The financing of this capital project is mainly from a construction loan, with the loan to be repaid in full within 25 years. The University will repay the loan from the annual revenues from residence room fees and from residence renewal fund-raising.

6.0 Risks and Uncertainties

As we progress through the fiscal year, actual results will vary from budget. For example, the amount budgeted for tuition revenue is based on estimated enrolment of 1,805 students. Ten fewer undergraduate (BA) students represent a revenue shortfall of \$62,760. We will monitor closely and make adjustments as needed.

7.0 Financial Sustainability

The approved operating budget for 2016-17 represents a deficit of \$978,800 before inter-fund transfers. As mentioned a number of times in this Report, the use of inter-fund transfers to balance the operating budget is unsustainable.

Financial sustainability is an important strategic priority in the University's Strategic Plan 2013-2018. Achieving financial sustainability hinges on the following key strategies, a number of which will take more than one fiscal year to realize the financial results:

- Stabilizing the enrolment level.
- Developing a new multi-year tuition approach for both domestic and international tuition for implementation in 2017-18.
- Developing retirement incentive options for full-time faculty for implementation in 2016. This will help to re-align the number of tenure track faculty positions in light of student enrolment numbers.
- Continuing to rationalize non-academic expenditures where possible.
- Exploring the sale of the Forest Hill property in order to consolidate residence life on the main campus.
- Although it does not have a significant impact on Operations, the launching of a successful Capital Campaign in 2016-17 will improve the overall financial health of the University as the funds raised will help to re-build the scholarship endowment, could provide modest assistance with the cost of residence renewal, etc.

**Appendix I
New Brunswick Universities
Operating Grant Support
2015-2016**

| | 2015-16 Operating Grant | WFTE* | Total Grant/ WFTE | % of Average |
|-----------------------------|--|--------------|------------------------------|-------------------------|
| Mount Allison University | 20,334,159 | 5,374 | 3,784 | 94% |
| St. Thomas University | 14,082,351 | 4,073 | 3,457 | 86% |
| Université de Moncton | 64,344,883 | 14,240 | 4,519 | 112% |
| University of New Brunswick | 110,064,308 | 28,231 | 3,899 | 97% |
| Provincial Total | 208,825,701 | 51,918 | 4,022 | 100% |

A Full-Time Equivalent (FTE) is a calculated total of full-time students on December 1, part-time students on December 1, students in the previous Intersession/Summer Session, and new part-time students in Semester 2, each category given a value between 0.1 and 1.0 FTE. The MPHEC calculates FTEs for full-time undergraduate students based on headcounts while FTEs for part-time students are based on course load.

*The weighted full-time equivalent (WFTE) is a calculated value intended to reflect the difference in the relative costs of various programmes of instruction. The WFTE value for each full-time student (as of December 1) is obtained by multiplying the student's Full-Time Equivalent value (FTE) by the specified weighting factor assigned to their programme. Psychology is assigned a weighting factor of 2.5; Journalism, Education, and Social Work are 2.0; and all other full-time or non-degree programmes are assigned 1.5. All part-time FTEs are assigned a weighting factor of 2.0.

The WFTE figures shown here are three-year averages in accordance with the provincial funding formula.

**Appendix II:
MPHEC Policy
on Operating Deficits**

Operating Deficits

It is a policy of the MPHEC that institutions should not incur an operating deficit. However, where an institution has accumulated a deficit subsequent to 1974-75 in excess of 2.0% of annual operating grants, the following policy applies:

- (1) Any such accumulated operating deficits must be reduced by a minimum of 2% of the next year's operating grant, up to the amount of the accumulated deficit. Institutions have the option of using operating funds or presenting a proposal for the use of Restricted Operating Assistance allotments for this purpose.
- (2) Should an institution not reduce its accumulated operating deficit by such an amount in any given year the Commission will subsequently suspend consideration of that institution's request for new programmes and new capital projects.

**APPENDIX III:
Tuition Fees
Comparison
2015-2016**

| | Canadian | International | International Health Fee | International Total |
|------------|-----------------|----------------------|---------------------------------|----------------------------|
| STU | 5,914 | 13,385 | 630 | 14,015 |
| Acadia | 7,713 | 15,440 | 744 | 16,184 |
| Dal | 6,990 | 15,693 | 491 | 16,184 |
| Kings | 6,990 | 15,693 | 491 | 16,184 |
| MSVU | 6,436 | 12,820 | 618 | 13,438 |
| SMU | 6,470 | 13,930 | 820 | 14,750 |
| StFX | 7,195 | 14,390 | 899 | 15,289 |
| CBU | 6,570 | 13,260 | 732 | 13,992 |
| USA | 6,570 | 9,090 | 562 | 9,652 |
| NSCAD | 6,360 | 14,064 | 650 | 14,714 |
| UPEI | 5,690 | 12,312 | 867 | 13,179 |
| MtA | 7,464 | 16,421 | 595 | 17,016 |
| UdeM | 5,604 | 10,270 | 1,392 | 11,662 |
| UNB | 6,187 | 13,905 | 966 | 14,871 |

St. Thomas University
General Operating Revenue and Expenses
For Budget Year Ending April 30, 2017

Schedule I

| | 2016-2017 Budget | 2015-2016 Budget | 2015-2016 Forecast | Budget Increase/ (Decrease) (\$) | Budget Increase/ (Decrease) % |
|---|---------------------|---------------------|-----------------------|---|--|
| Revenues | | | | | |
| MPHEC Operating Grant | 12,180,800 | 12,180,800 | 12,180,800 | 0 | 0.00% |
| MPHEC Fiscal Transfer to UNB | 1,902,200 | 1,902,200 | 1,902,200 | 0 | 0.00% |
| Tuition and Compulsory Fees | 13,092,700 | 12,530,900 | 12,629,000 | 561,800 | 4.48% |
| Miscellaneous student fees | 473,000 | 446,000 | 446,000 | 27,000 | 6.05% |
| Other Government Grants | 446,700 | 371,000 | 471,000 | 75,700 | 20.40% |
| Advancement annual fund | 75,000 | 75,000 | 75,000 | 0 | 0.00% |
| Miscellaneous revenues | 194,000 | 309,000 | 209,000 | -115,000 | -37.22% |
| Total Revenue | <u>28,364,400</u> | <u>27,814,900</u> | <u>27,913,000</u> | <u>549,500</u> | <u>1.98%</u> |
| Expenses | | | | | |
| Academic | | | | | |
| Faculty salaries and benefits | 16,372,300 | 16,325,600 | 16,225,600 | 46,700 | 0.29% |
| Department Expenses | 232,900 | 232,900 | 232,900 | 0 | 0.00% |
| Travel Study and Research | 584,000 | 584,800 | 584,800 | -800 | -0.14% |
| Other Academic | 382,900 | 400,300 | 400,300 | -17,400 | -4.35% |
| | <u>17,572,100</u> | <u>17,543,600</u> | <u>17,443,600</u> | <u>28,500</u> | <u>0.16%</u> |
| Computing Services | | | | | |
| Salaries and benefits | 645,200 | 632,600 | 632,600 | 12,600 | 1.99% |
| Systems Support | 225,000 | 165,000 | 165,000 | 60,000 | 36.36% |
| Other Computing | 130,200 | 148,200 | 148,200 | -18,000 | -12.15% |
| | <u>1,000,400</u> | <u>945,800</u> | <u>945,800</u> | <u>54,600</u> | <u>5.77%</u> |
| Administration and General | | | | | |
| Salaries and benefits | 2,860,700 | 2,817,100 | 2,817,100 | 43,600 | 1.55% |
| Unit Expenses | 761,700 | 686,700 | 770,000 | 75,000 | 10.92% |
| Other Administrative | 466,700 | 377,000 | 577,000 | 89,700 | 23.79% |
| Advancement and Alumni | 598,200 | 601,800 | 601,800 | -3,600 | -0.60% |
| Professional Services and memberships | 280,000 | 175,000 | 290,000 | 105,000 | 60.00% |
| | <u>4,967,300</u> | <u>4,657,600</u> | <u>5,055,900</u> | <u>309,700</u> | <u>6.65%</u> |
| Student Services | | | | | |
| Salary and Benefits | 1,226,000 | 1,022,900 | 1,215,800 | 203,100 | 19.86% |
| Athletics | 344,900 | 568,000 | 449,500 | -223,100 | -39.28% |
| Other Student Services | 129,700 | 129,700 | 129,700 | 0 | 0.00% |
| | <u>1,700,600</u> | <u>1,720,600</u> | <u>1,795,000</u> | <u>-20,000</u> | <u>-1.16%</u> |
| Physical Plant | | | | | |
| Salary and Benefits | 170,400 | 170,600 | 170,600 | -200 | -0.12% |
| Utilities and Insurance | 1,215,300 | 1,119,800 | 1,119,800 | 95,500 | 8.53% |
| Cleaning | 478,900 | 480,000 | 480,000 | -1,100 | -0.23% |
| Maintenance and Repairs | 336,000 | 331,500 | 331,500 | 4,500 | 1.36% |
| | <u>2,200,600</u> | <u>2,101,900</u> | <u>2,101,900</u> | <u>98,700</u> | <u>4.70%</u> |
| Fiscal Transfer to UNB | 1,902,200 | 1,902,200 | 1,902,200 | 0 | 0.00% |
| Total Expenditures | <u>29,343,200</u> | <u>28,871,700</u> | <u>29,244,400</u> | <u>471,500</u> | <u>1.63%</u> |
| Excess of expenses over revenues before inter-fund transfers | -978,800 | -1,056,800 | -1,331,400 | 78,000 | -7.38% |
| Inter-fund transfers | 980,000 | 1,060,000 | 1,331,400 | -80,000 | -7.55% |
| Excess of revenue over expenses after inter-fund transfers | <u>1,200</u> | <u>3,200</u> | <u>0</u> | <u>-2,000</u> | <u>-62.50%</u> |

St. Thomas University
Ancillary Budget
For Budget Year Ending April 30, 2017

Schedule II

| | 2015-16 Budget | 2016-2017 Budget | 2015-16 Forecast | Budget Increase/ (Decrease) (\$) |
|---------------------------------------|---------------------------|-----------------------------|-----------------------------|---|
| Residence Fees | 2,923,100 | 2,732,400 | 2,841,100 | -190,700 |
| English Language Program Room Revenue | 180,000 | 144,000 | 183,900 | -36,000 |
| Conferences and rentals | 145,000 | 160,000 | 160,000 | 15,000 |
| Miscellaneous | 78,100 | 78,100 | 78,100 | 0 |
| Total Revenue | 3,326,200 | 3,114,500 | 3,263,100 | -211,700 |
| | | | | |
| Administration Salaries and Benefits | 453,100 | 453,100 | 453,100 | 0 |
| Utilities | 926,000 | 1,057,500 | 926,000 | 131,500 |
| Property Management | 911,000 | 852,000 | 909,400 | -59,000 |
| Maintenance and Repairs | 750,000 | 709,300 | 750,000 | -40,700 |
| Interest on long-term debt | 110,000 | 233,800 | 110,000 | 123,800 |
| Insurance | 55,500 | 50,000 | 55,500 | -5,500 |
| Residence Bursaries | 60,000 | 150,000 | 192,000 | 90,000 |
| Equipment Purchases | 20,000 | 20,000 | 20,000 | 0 |
| Miscellaneous | 40,000 | 40,000 | 40,000 | 0 |
| Total Expenses | 3,325,600 | 3,565,700 | 3,456,000 | 240,100 |
| | | | | |
| Excess of Revenue over Expenses | 600 | -451,200 | -192,900 | -451,800 |
| | | | | |
| Principal payments on long-term debt | 213,000 | 224,000 | 213,000 | 11,000 |
| | | | | |
| Net cash flow Ancillary | -212,400 | -675,200 | -405,900 | -462,800 |

Assumptions:

- (1) Occupancy of 450 for 2016-17; 215 doubles and 205 singles; 30 Windsor
- (2) Rate increase of 4%
- (3) ELP revenue reduction due to decrease in programming.
- (4) Harrington Hall renovations of \$6,000,000 financed for 20 years at 2.75% interest.
2016-17 budget incorporates interest-only during construction period.

**St. Thomas University
Endowment Fund Expenditures
For Budget Year Ending April 30, 2017**

| | Budget 2016-2017 | Forecast 2015-2016 | Budget 2015-2016 | Average Fund Balance 2014-2016 | Available (5%) |
|--|-----------------------------|-------------------------------|-----------------------------|---|---------------------------|
| Scholarships | 1,700,000 | 1,925,000 | 1,700,000 | 13,180,400 | 659,000 |
| Endowed Chairs | | | | | |
| Aquinas Chair in Interdisciplinary Studies | 812,000 (1) | 842,000 | 842,000 | 4,839,400 | 242,000 |
| Canadian Citizenship & Human Rights | 190,000 (2) | 190,000 | 190,000 | 2,020,000 | 101,000 |
| Catholic Theology | 107,000 | 107,000 | 107,000 | 2,193,100 | 110,000 |
| Criminology and Social Justice | 74,500 (3) | 103,800 | 103,800 | 1,235,700 | 62,000 |
| Camp Endowment in Journalism | 52,000 | 50,000 | 50,000 | 1,049,000 | 52,000 |
| Gerontology | 251,000 (4) | 291,000 | 291,000 | 3,306,000 | 165,000 |
| Irving Chair in Journalism | 51,000 | 51,000 | 51,000 | 1,017,100 | 51,000 |
| Native Studies | 134,000 (5) | 134,000 | 134,000 | 1,568,600 | 78,000 |
| | <u>3,371,500</u> | <u>3,693,800</u> | <u>3,468,800</u> | <u>30,409,300</u> | <u>1,520,000</u> |

(1) Includes an additional transfer to operations for academic salaries bringing annual draw to 17%.

(2) Includes an additional transfer to operations for academic salaries bringing annual draw to 9%.

(3) Includes an additional transfer to operations for academic salaries bringing annual draw to 6%

(4) Includes an additional transfer to operations for academic salaries bringing annual draw to 8%.

(5) Includes an additional transfer to operations for academic salaries bringing annual draw to 9%.

Schedule IV

**St. Thomas University
Capital Expenditures
2016-2017**

OperationsEquipment

| | | |
|------------------------------------|--|---------|
| Computer equipment and furnishings | | 291,100 |
|------------------------------------|--|---------|

Renovations

| | | |
|---|--|---------|
| Academic buildings and grounds improvements | | 340,300 |
|---|--|---------|

Grant-Harvey Centre

| | | |
|---------------------|--|----------------|
| 2016-17 installment | | <u>105,800</u> |
|---------------------|--|----------------|

| | | |
|---------------------------------------|--|----------------|
| Total capital expenditures-operations | | <u>737,200</u> |
|---------------------------------------|--|----------------|

Funding Sources

| | | |
|---|----------------|----------------|
| Restricted Government Assistance-Non-space | 291,100 | |
| Restricted Government Assistance-Alteration and Renovations | 189,400 | |
| University Deferred Maintenance Program (UDMP) | 150,900 | |
| Internally retracted funds (Grant-Harvey) | <u>105,800</u> | |
| | | <u>737,200</u> |

Ancillary

| | | | |
|-----------------|---|------------------|--|
| Martin Hall | Kitchen equipment per Aramark agreement | 10,000 | |
| Harrington Hall | Residence renewal | <u>5,800,000</u> | |

| | | |
|--------------------------------------|--|------------------|
| Total capital expenditures-ancillary | | <u>5,810,000</u> |
|--------------------------------------|--|------------------|

| | | |
|----------------------------|--|------------------|
| Total Capital Expenditures | | <u>6,547,200</u> |
|----------------------------|--|------------------|