

2006—
2007

Dalhousie University
**Operating
Budget**

Published June 2006



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2006-07 University Operating Budget

The budget for 2006-07 is the nineteenth consecutive year a balanced budget is being recommended to the Board of Governors for approval. This year the operating budget includes revenues and expenditures each of \$239.5 million.

Base operating revenues and expenditures are budgeted to increase by \$10,946,000 (4.8%).

- Operating revenues will increase in the following areas:
 - Provincial Operating Grant (unrestricted) will increase by 5.3%
 - Provincial grant for expanded enrolment in the Faculty of Medicine (\$451,000)
 - Investment income by \$1,963,000
 - Federal Indirect Cost of Research Grant (\$372,000)
 - Tuition fee rates by 3.5% to 3.9% except as follows: 5.9% for LLB, 7.9% for MD, 9.9% for DDS and MD/MSc (Oral and Maxillofacial Surgery), 14.4% for undergraduate and graduate (non-thesis-based) international differential fees. Revenue also includes the annualization of 2005-06 rates (\$845,000)
 - The budget assumes that overall enrolment will decline by 400 students.
- The Budget Plan allows the University to continue to address the strategic objectives outlined in the President's Strategic Focus document (January 2003). The 2006-07 recommended Operating Budget has been developed in the context of a multi-year plan and incorporates progress in strategic initiatives through base budget increases totaling \$1,275,000 in 2006-07. The investment in strategic initiatives continues to emphasize areas benefitting student learning, support and service.

The 2005-06 budget includes base budget changes as follows:

- Student Assistance – \$594,000 (4.8%)
 - Enhanced student recruitment activities – \$1,300,000
 - Student Services – \$50,000
 - Library Collections – \$235,000
 - Facilities Renewal – \$711,000
 - Provision for faculty and staff compensation costs – \$8,400,000 including insured employee benefits and increased pension contribution costs
 - Faculty Enrolment Related Budget Allocations (ERBA) reduction – \$527,000 (Appendix A)
 - A base budget reduction of 2.1% (\$3.7 million) for all budget units has been implemented to achieve a balanced budget. (This reduction exceeds the 1% 'productivity factor' required under the MOU with the Province.)
- Total expenditures on Faculties and other direct Academic Cost Centres will increase by \$5,426,000 (3.5%) in 2006-07.

Operating Budget Revenue and Expenditure Synopsis

The schedule below provides a synopsis of the University's 2006-07 operating budget showing the major sources of revenue and categories of expenditure.

<u>REVENUES</u>	2006-07	
	\$	%
N.S. Government Grants	120,497	50.3%
Tuition	91,227	38.1%
Other	<u>27,772</u>	<u>11.6%</u>
TOTAL:	<u>239,496</u>	<u>100.0%</u>

EXPENDITURES:

Compensation	184,259	76.9%
Student Assistance	13,321	5.6%
Energy, Water, Taxes, Insurance	11,019	4.6%
Facilities Renewal (includes A&R, Facilities Renewal and Classrooms)	7,903	3.3%
Library Books and Journals	5,977	2.5%
All Other Costs (net of unit revenues and recoveries)	<u>17,017</u>	<u>7.1%</u>
TOTAL:	<u>239,496</u>	<u>100.0%</u>

Key Assumptions and Highlights of the 2006-07 Budget

This budget has been developed based on the recommendations and assumptions in the BAC XXXIII report with some modification relating to more recent developments.

1. Revenue

- a) **Government Grant.** The budget for provincial operating grants will increase by \$6.3 million for 2006-07. Of this total, \$5.9 million (5.3%) is for general operating purposes in 2006-07 and is in accordance with the Memorandum of Understanding between the Provincial Government and Nova Scotia universities. The other significant component is an increase of \$451,000 to support expanded enrolment in the Faculty of Medicine.
- b) **Federal Indirect Costs of Research Grant** – The University's operating budget incorporates funding from the Federal Government for the indirect costs of research. The Federal Government's 2006-07 budget proposed an increase in this grant for Canadian universities. Dalhousie's 2006-07 operating budget includes an estimated increase of \$372,000 in this grant based on the Federal proposal.
- c) **Investment Income**
 - (i) **Endowment** - Endowment income has been budgeted to reflect the spending allocation from University endowments as well as projected income from externally-held endowment and estate funds. The total increase from this source is \$1,213,000 resulting from a general increase to the year-over-year change in CPI (3.35%) plus income allocated from new gifts.
 - (ii) **Operating** - This budget line includes the investment earnings on surplus operating cash balances net of bank charges. The 2006-07 budget is based on current interest rates which have risen sharply in recent months and projected cash flows for the year. Operating interest revenue is budgeted to increase by \$750,000 in 2006-07.
- d) **Tuition Fees** - The tuition fee revenue budget is based on a projected decline of 400 students as compared to overall enrolment levels in 2005-06 and the approved fee schedule for 2006-07. The fee schedule was approved by the Board of Governors on April 18, 2006 and includes a general increase of between 3.5% to 3.9% for all programs except for LLB, MD, DDS and MD/MSc (Oral and Maxillofacial Surgery) which will increase by 5.9%, 7.9% and 9.9% respectively. International differential fees will increase by \$810 (14.4%) to \$6,450 p.a.

International students in thesis-based graduate programs will see a decrease in fees for 2006-07 due to a decision to hold fee increases for this group of students to 3.9% per annum retroactive to 2005-06.

(Note: Tuition fee revenue and student assistance both have been increased by \$360,000 to reflect certain tuition waivers previously netted against revenue.)

- e) **Facilities Renewal Fee** - The auxiliary fee for facilities renewal has been increased from \$41 per term to \$42 per term for full-time students with no change for part-time students. The revenue from this source shows a net decrease of \$20,000 as a result of the enrolment decline in 2005-06 and projected decline for 2006-07. Facilities Renewal fee revenue is earmarked for spending on facilities renewal projects as indicated in note 2(d) below.

2. General Operating Expenditures

- (a) **Equipment & Alterations** - The expenditure line for equipment and alterations has been increased by 5.3% to coincide with the increase in base funding provided by the provincial operating grant.

- (b) **Scholarships, Bursaries and Student Assistance** - The total increase in operating and endowment support for student assistance in 2006-07 is \$594,000 or 4.8% (excluding the reclassification of tuition waivers noted in 1(d) above). The operating budget for student assistance will increase by \$433,000 and the endowment funded portion by \$161,000.

Bursary support for international students in thesis-based graduate programs will be decreased commensurate with the reduction in fees for these students (see Tuition Fees above). Targeted bursary support and funding for enhanced student services has also been committed to assist international students.

Also included in the increase is a strategic initiatives allocation of \$50,000 for student bursaries in the LLB, MD and DDS programs.

- (c) **Energy** - The energy budget projection incorporates an increase of \$451,000. The increase is based on average Bunker C and furnace oil pricing over the last six months as well as known increases in electricity pricing and a normal consumption pattern.
- (d) **Facilities Renewal** - The increase of \$711,000 reflects increased strategic initiatives spending in this area.
- (e) **Water, Taxes & Insurance** - This line has been increased by \$266,000 to provide for increases in insurance and waste water management costs as well as a general increase in property tax expense.
- (f) **Facilities/Space** - A portion of the annual operating grant received by Dalhousie is earmarked for facilities related purposes. The amount of \$1,000,000 currently provides funding over a multi-year period for new academic buildings.
- (g) **Endowment Management Expense** – This line includes fees and costs for external investment management, custodial and advisory services, legal and audit expenses as well as recovery of internal staff costs directly relating to the management of University Endowments.
- (h) **Contingency** – The annual provision for contingencies is budgeted at \$1,000,000. The base budget for contingencies in 2005-06 was \$600,000 (\$350,000 of which was earmarked to achieve a balanced budget last fiscal year). The base contingency provision has been increased by \$400,000 in 2006-07 in light of continuing instability in energy prices and enrolment. The fund represents 0.4% of the operating budget.

3. **Responsibility Centre Expenditures**

Appendix B to this report provides a detailed continuity of the adjustments applied to Faculty and unit budgets in 2006-07. These adjustments are summarized as follows:

- (a) **Faculty and Unit Budgets** – The budget allocations for Faculties and other units have been calculated to include reductions for Enrolment Related Budget Allocations (ERBA) totalling \$527,000 (Appendix A) based on the 2005-06 enrolment decline, non-salary expenditure increases, and budget reductions required to partially fund compensation increases. The budget reduction for all units (except library acquisitions) is 2.1% for 2006-07. This reduction exceeds the 1% 'productivity factor' required under the MOU with the Province.

Increased spending on strategic initiatives will provide much needed funding to a number of budget units. The proposed budget for 2006-07 includes the same total amount of \$1.275 million for strategic initiative spending as recommended by the BAC. Appendix C summarizes these increases, which have been incorporated in the budget. In addition, \$1,300,000 has been earmarked for enhanced student recruitment activities.

Two other required budget increases have been identified since the BAC XXXIII report was released to comply with regulatory authorities. They are \$56,000 to Facilities Management to cover new costs for biohazardous waste disposal and \$15,000 to the Safety Office for increased costs related to mold testing and chemical disposal.

The 2006-07 budget includes annual endowment spending allocations by Faculty/ expenditure line. The combination of the endowment and operating budgets represents a more complete reporting of the total resources available to Faculties, service units and important University programs (e.g. scholarships and bursaries). Appendix D shows the 2006-07 breakdown by area with comparative figures for 2005-06.

- (b) **Provision for Compensation Adjustments** - The budget includes a provision for the cost of wage, salary and employee benefits increases for all employee groups. Estimates have been included for employee groups where collective agreements will expire during 2006-07. The budget also includes the annualization of increased pension costs based on the Actuarial Valuation of the Pension Plan as at June 30, 2005.
- (c) **Ancillaries** - The ancillary budget line includes budgets for the Bookstore, Dalplex, Housing and Conference Services, Arts Centre, Personal Computer Purchase Centre and Food Services. The bottom line for the group (i.e. \$236,000) reflects funding from an endowment to support the operations of Housing and Conference Services. Including this endowment, these units as a group are self-supporting and have a neutral impact on the University's operating budget. (More detailed information on Ancillary budgets is contained in the attached report as Appendix E)

DALHOUSIE UNIVERSITY
2006-07 RECOMMENDED OPERATING BUDGET- SUMMARY
(\$ 000's omitted)

	2005-06 Final Budget	2006-07 Recommended Budget	
<u>REVENUE</u>			
Government Grants			
Operating	111,752	117,642	
Medicine Expansion	1,353	1,805	
Facilities/Space	1,000	1,000	
Targeted	50	50	
	114,155	120,497	
Federal Indirect Costs of Research Grant	5,980	6,352	
Investment			
Endowment	15,340	16,553	
Operating (net of bank and finance charges)	1,950	2,700	
Tuition Fees	88,452	91,227	
Facilities Renewal Fee	1,250	1,230	
Use of Prior Years' Surplus	1,423	937	
TOTAL REVENUE	228,550	239,496	
<u>GENERAL OPERATING EXPENDITURES</u>			
Equipment & Alterations	4,154	4,392	
Scholarships, Bursaries and Student Assistance			
Operating	7,463	8,256	
Endowment	4,904	5,065	
Facilities Renewal	4,510	5,221	
Classroom Upgrades	475	500	
Energy (net of recoveries)	7,802	8,253	
Water, Taxes & Insurance (net of recoveries)	2,500	2,766	
Endowment Management Expense	1,550	1,738	
Facilities/Space	1,000	1,000	
Contingency	250	1,000	
TOTAL GENERAL OPERATING EXPENDITURES	34,608	38,191	
<u>RESPONSIBILITY CENTRE EXPENDITURES</u>			
Academic	153,385	151,752	158,811
Academic Support	7,962	7,826	8,157
Administration	15,101	16,243	16,925
General	917	923	923
Facilities Management	12,553	12,505	12,700
Student Services	3,434	3,420	3,553
Provision for Compensation Adjustments	362	8,400	
TOTAL RESPONSIBILITY CENTRE EXPENDITURES	193,714	201,069	201,069
TOTAL OPERATING EXPENDITURES	228,322	239,260	
NET ANCILLARY EXPENDITURES	228	236	
TOTAL EXPENDITURES	228,550	239,496	
TOTAL SURPLUS (DEFICIT) FOR THE YEAR	-	-	

2006-07
Budget with
Estimated
Distribution of
Provision for
Compensation
Adjustments

DALHOUSIE UNIVERSITY
2006-07 RECOMMENDED OPERATING BUDGET - DETAIL
(\$000'S omitted)

	2005-06 Final Budget	2006-07 Recommended Budget
<u>ACADEMIC</u>		
Architecture and Planning	3,621	3,604
Arts and Social Sciences	17,237	16,949
Computer Science	5,070	4,654
Dentistry	7,989	7,852
Engineering	13,914	13,739
Graduate Studies	1,510	1,525
Health Professions	17,995	17,707
Law	6,337	6,312
Management	8,855	8,480
Medicine	32,573	32,933
Science	25,262	24,872
University Library	11,292	11,381
College of Continuing Education	541	545
Centres, Institutes & Special Projects	1,491	1,484
Technical Co-op Education & Career Services	432	424
Faculty Related Costs	1,170	1,186
Kings' Transfer	(2,367)	(2,367)
Academic Initiatives	463	472
Subtotal Academic	153,385	151,752
Provision for Compensation Adjustments (estimated)		7,059
Academic including the provision for compensation adjustments		158,811
<u>ACADEMIC SUPPORT</u>		
Art Gallery	121	121
Centre for Learning and Teaching	975	964
Graphics & Photography	149	146
Printing Centre	(154)	(154)
University Computing & Information Services	6,871	6,749
Subtotal Academic Support	7,962	7,826
Provision for Compensation Adjustments (estimated)		331
Academic Support including the provision for compensation adjustments		8,157

DALHOUSIE UNIVERSITY
2006-07 RECOMMENDED OPERATING BUDGET - DETAIL
(\$000'S omitted)

	2005-06 Final Budget	2006-07 Recommended Budget
<u>ADMINISTRATION</u>		
Application Fees and Services Recovery	(935)	(860)
Board of Governors / Internal Audit	303	298
Business Process Integration	165	161
Environmental Health and Safety Office	345	355
External Relations (incl. Communications and Marketing)	3,810	4,138
Financial Services	3,338	3,271
Institutional Analysis and Research	295	290
Inter-University Services	62	63
Personnel Services	2,025	1,987
President's Office	2,074	2,035
Registrar & Admissions	2,685	3,589
Research Services	701	687
Senate Office	233	229
Subtotal Administration	15,101	16,243
Provision for Compensation Adjustments (estimated)		682
Administration including the provision for compensation adjustments		16,925
<u>GENERAL</u>	917	923
Provision for Compensation Adjustments (estimated)		-
General including the provision for compensation adjustments		923
<u>FACILITIES MANAGEMENT</u>	12,553	12,505
Provision for Compensation Adjustments (estimated)		195
Facilities Mangement including the provision for compensation adjustments		12,700

DALHOUSIE UNIVERSITY
2006-07 RECOMMENDED OPERATING BUDGET - DETAIL
(\$000'S omitted)

	2005-06 Final Budget	2006-07 Recommended Budget ⁽¹⁾
<u>STUDENT SERVICES</u>		
Awards Office	267	261
Counselling	730	715
General Student Services	1,218	1,181
Office of the Vice-President	619	622
Student Health	82	84
Varsity, Intramurals & Clubs	518	557
Subtotal Student Services	3,434	3,420
Provision for Compensation Adjustments (estimated)		133
Student Services including the provision for compensation adjustments		3,553
<u>ANCILLARIES</u>		
Dalhousie Arts Centre	324	324
Dalplex and Arena	181	181
Food Services	-	(130)
Personal Computer Purchase Centre	-	-
University Bookstore	(133)	(283)
University Housing	(144)	144
Total Ancillaries	228	236

(1) A redistribution of contribution amounts between the ancillary lines of the budget as reported to the Board of Governors in April, 2006

Appendix A

Dalhousie University
Summary of Enrolment Related Budget Allocations 1989-1990 to 2006-07
 (000's)

<u>Faculty</u>	<u>Accumulated Base Distributions</u>			<u>Total Distributions</u>
	<u>to 2004-05</u>	<u>2005-06</u>	<u>2006-07</u>	<u>1989-90 to 2006-07</u>
Architecture and Planning	270	119	49	438
Arts and Social Sciences	3,405	111	6	3,522
Computer Science	952	(398)	(349)	205
Dentistry	19	7	(1)	25
Engineering	601	52	62	715
Graduate Studies	36	43	27	106
Health Professions	2,164	192	75	2,431
Law	32	87	17	136
Management	998	527	(92)	1,433
Medicine (1)	593	28	(9)	612
Science	2,269	(65)	(312)	1,892
	11,339	703	(527)	11,515

*information excludes the former School of Education

(1) In 2006-07 the Faculty of Medicine will also receive and additional \$451,000 in Provincial grants in compensation for enrolment growth.

DALHOUSIE UNIVERSITY
2006-07 RECOMMENDED OPERATING BUDGET - CONTINUITY
(\$000'S omitted)

	2005-06 Final Budget	Adjustments					2006-07 Recommended Budget
		Base Reduction	ERBA	Strategic Initiative Allocations	Endowment Change	Non Salary & Other Adjustments ⁽¹⁾	
ACADEMIC							
Architecture and Planning	3,621	(75)	49		1	8	3,604
Arts and Social Sciences	17,237	(346)	6		28	24	16,949
Computer Science	5,070	(104)	(349)		3	34	4,654
Dentistry	7,989	(167)	(1)		3	28	7,852
Engineering	13,914	(277)	62		33	7	13,739
Graduate Studies	1,510	(22)	27		1	9	1,525
Health Professions	17,995	(366)	75		(39)	42	17,707
Law	6,337	(110)	17	35	18	15	6,312
Management	8,855	(176)	(92)		(110)	3	8,480
Medicine	32,573	(599)	(9)		456	512	32,933
Science	25,262	(486)	(312)		418	(10)	24,872
University Library	11,292	(130)		200	2	17	11,381
College of Continuing Education	541				0	4	545
Centres, Institutes & Special Projects	1,491	(19)			(3)	15	1,484
Technical Co-op Education & Career Services	432	(9)				1	424
Faculty Related Costs	1,170					16	1,186
Kings' Transfer	(2,367)						(2,367)
Academic Initiatives	463					9	472
Subtotal Academic	153,385	(2,886)	(527)	235	811	734	151,752
Provision for Compensation Adjustments (estimated)							7,059
Academic including the provision for compensation adjustments							158,811
ACADEMIC SUPPORT							
Art Gallery	121	(2)			2	-	121
Centre for Learning and Teaching	975	(15)			0	4	964
Graphics & Photography	149	(3)				-	146
Printing Centre	(154)						(154)
University Computing & Information Services	6,871	(133)				11	6,749
Subtotal Academic Support	7,962	(153)	-	-	2	15	7,826
Provision for Compensation Adjustments (estimated)							331
Academic Support including the provision for compensation adjustments							8,157

(1) In addition to Non Salary increases of 2.0% ,this column includes the following adjustments;

-reallocation of \$34,000 funding from the Faculty of Science to the Faculty of Computer Science for the transfer of a faculty position.

-increase to the Faculty of Medicine by \$451,000 relating to student expansion funded by government grant. This is in addition to funding of \$1,353,000 previously committed

DALHOUSIE UNIVERSITY
2006-07 RECOMMENDED OPERATING BUDGET - CONTINUITY
(\$000'S omitted)

	2005-06 Final Budget	Adjustments			2006-07 Recommended Budget
		Base Reduction	Other BAC XXXIII Adjustments ⁽¹⁾	Non Salary & Other Adjustments ⁽²⁾	
<u>ADMINISTRATION</u>					
Application Fees and Services Recovery	(935)			75	(860)
Board of Governors / Internal Audit	303	(6)		1	298
Business Process Integration	165	(4)			161
Environmental Health and Safety Office	345	(7)		17	355
External Relations (incl. Communications and Marketing)	3,810	(80)	388	20	4,138
Financial Services	3,338	(70)		3	3,271
Institutional Analysis and Research	295	(6)		1	290
Inter-University Services	62			1	63
Personnel Services	2,025	(43)		5	1,987
President's Office	2,074	(44)		5	2,035
Registrar & Admissions	2,685	(56)	899	61	3,589
Research Services	701	(15)		1	687
Senate Office	233	(5)		1	229
Subtotal Administration	15,101	(336)	1,287	191	16,243
Provision for Compensation Adjustments (estimated)					682
Administration including the provision for compensation adjustments					16,925
<u>GENERAL</u>	917	(19)	-	25	923
Provision for Compensation Adjustments (estimated)					-
General including the provision for compensation adjustments					923
<u>FACILITIES MANAGEMENT</u>	12,553	(263)		215	12,505
Provision for Compensation Adjustments (estimated)					195
Facilities Mangement including the provision for compensation adjustments					12,700

(1) The BAC recommended adjustment for the Recruitment Initiative. The balance of \$13,000 relates to the Open House and is included in the Academic section of the budget under special projects.

(2) In addition to non salary increases this line includes the transfer of \$51,000 in funding from Student Services to the Registrar's Office related to a reorganization of responsibilities, a \$56,000 increase to the Facilities Management Budget for increased costs for disposal of Biohazardous Waste, and a reduction in application revenue based on experience over the last two years.

DALHOUSIE UNIVERSITY
2006-07 RECOMMENDED OPERATING BUDGET - CONTINUITY
(\$000'S omitted)

	2005-06 Final Budget	Adjustments				Non Salary Increase ⁽²⁾	2006-07 Recommended Budget
		Base Reduction	Other BAC XXXIII Adjustments	Endowment Change	Reallocation of Ancillary Budget ⁽¹⁾		
STUDENT SERVICES							
Awards Office	267	(6)				-	261
Counselling	730	(15)				-	715
General Student Services	1,218	(26)	40			(51)	1,181
Office of the Vice-President	619	(13)	10			6	622
Student Health	82					2	84
Varsity, Intramurals & Clubs	518	(10)		43		6	557
Subtotal Student Services	3,434	(70)	50	43	-	(37)	3,420
Provision for Compensation Adjustments (estimated)							133
Student Services including the provision for compensation adjustments							3,553
ANCILLARIES							
Dalhousie Arts Centre	324						324
Dalplex and Arena	181						181
Food Services	-				(130)		(130)
Personal Computer Purchase Centre	-						-
University Bookstore	(133)				(150)		(283)
University Housing	(144)			8	280		144
Total Ancillaries	228	-	-	8	-	-	236

(1) A redistribution of contribution amounts between the ancillary lines of the budget as reported to the Board of Governors in April , 2006

(2) In addition to non salary increases this line includes the transfer of \$51,000 in funding from Student Services to the Registrar's Office related to a reorganization of responsibilities.

**Dalhousie University
Funding Allocations for Strategic Initiatives**

	Base Level Allocations 2003-04 to 2005-06	Recommended Base Level Adjustments 2006-07	Total To Date	Percentage of Total Planned	Original Plan	Adjustment for Over Commitment (1)	Revised Total Planned 2003 to 2008
Student Assistance	2,330	150	2,480	100%	2,450	30	2,480
Student Services	350	-	350	70%	500		500
Library	1,020	125	1,145	85%	1,350		1,350
Academic IT	500	-	500	67%	750		750
Facilities Renewal	3,095	500	3,595	71%	5,050		5,050
Classrooms	500	-	500	100%	500		500
Academic Initiatives	450	-	450	45%	1,000		1,000
Faculty Salaries	1,000	500	1,500	100%	1,500		1,500
Administrative Services	485	-	485	49%	1,000		1,000
Facilities Operations	770	-	770	51%	1,500		1,500
	<u>10,500</u>	<u>1,275</u>	<u>11,775</u>	75%	<u>15,600</u>	<u>30</u>	<u>15,630</u>

(1) The original planned allocation for Student Assistance as described in BAC XXIV has now been exceeded by \$30 K. As a result the total to be allocated under the Strategic Initiatives Plan has now been increased from \$15.600 M to \$15.630 M

DALHOUSIE UNIVERSITY
Supplementary Budget Information for Expenditure Areas
and Responsibility Centres with an Endowment Supported Component
(\$000'S omitted)

	2005-06 Budget			2006-07 Budget		
	Operating	Endowment	Total	Operating	Endowment	Total
General						
Scholarships	6,714	4,904	11,618	8,256	5,065	13,321
Endowment Management Expense		1,550	1,550		1,738	1,738
Responsibility Centres						
Architecture and Planning	3,584	37	3,621	3,566	38	3,604
Arts and Social Sciences	16,483	754	17,237	16,167	782	16,949
Computer Science	4,949	121	5,070	4,530	124	4,654
Dentistry	7,945	44	7,989	7,805	47	7,852
Engineering	13,173	741	13,914	12,965	774	13,739
Graduate Studies	1,060	450	1,510	1,074	451	1,525
Health Professions	17,490	505	17,995	17,241	466 (1)	17,707
Law	5,814	523	6,337	5,771	541	6,312
Management	8,378	477	8,855	8,113	367 (1)	8,480
Medicine	29,858	2,715	32,573	29,762	3,171 (2)	32,933
Science	23,265	1,997	25,262	22,457	2,415 (1)	24,872
University Library	11,108	184	11,292	11,195	186	11,381
College of Continuing Education	492	49	541	496	49	545
Centres, Institutes & Special Projects	1,467	24	1,491	1,463	21	1,484
Art Gallery	108	13	121	106	15	121
Centre for Learning and Teaching	974	1	975	963	1	964
Varsity, Intramurals & Clubs	495	23	518	491	66	557
University Housing	(372)	228	(144)	(372)	236	(136)
Total before Provision for Compensation Costs 2005-06				152,049	16,553	168,602
Estimated Provision for Compensation Costs 2005-06				7,079	-	7,079
Total including Provision for Compensation Costs				152,985	15,340	168,325
				159,128	16,553	175,681

(1) Academic Chairs have been transferred from Health Professions and Management to Science.

(2) In 2006-07 new endowments will provide support for Academic Chairs.



ANCILLARY BUDGET UPDATED PLAN FOR 2006-07

June 2006

The Ancillary operations of the University include Dalplex, Arts Centre, University Bookstore, Housing and Conference Services, Food Services and Personal Computer Purchase Centre (PCPC). These budget units as a group are self sustaining and do not draw on University resources. PCPC operates on a break even basis; Housing, Conference and Ancillary Services, Food Services and the University Bookstore provide a contribution to the overall ancillary budget; and Dalplex and the Arts Centre require a subsidy. Based on the 2005-06 results the contributions from Bookstore and Food Services has been increased and the Housing contribution has been decreased. The 2006-07 budget plan for these operations is summarized below.

(\$000)	<u>2006-07 Budget Plan</u>		
	<u>Revenue</u>	<u>Expenditures</u>	<u>Net</u>
<u>Net Operating Results</u>			
Arts Centre	2,971	3,295	(324)
Bookstore	6,919	6,636	283
Dalplex & Arena	2,419	2,600	(181)
Food Services	5,995	5,865	130
Housing & Conference Services	14,390	14,298	92
PCPC (includes internal sales)	6,160	6,160	-
	<u>38,854</u>	<u>38,854</u>	<u>-</u>

The 2006-07 combined revenue of the units total \$38.8 million representing a \$1.0 million decrease from the 2005-06 budget of \$39.8 million. Revenue and expense changes for the various ancillary operations are explained in the notes in the balance of this report. The major factor contributing to lower projected revenues for 2006-07 is the projected decline in enrolment and the consequent impact on residence occupancy levels.

**Dalhousie University
Arts Centre**

Purpose

As the region's principal performing arts venue, the Dalhousie Arts Centre (the Rebecca Cohn Auditorium) provides a user-friendly and accessible facility for the arts communities of Dalhousie, the Halifax Regional Municipality and Nova Scotia. The Dalhousie Arts Centre continues to fulfill its role as both a community partner and a major performing arts facility in Atlantic Canada. Now in its 35th year of operation, the Arts Centre provides a focal point for cultural events in Halifax.

Budget

	2005-06 Final Budget	2005-06 Actual	2006-07 Budget Plan	
	\$000	\$000	\$000	
Revenue				
Government Grant	120	65	100	1
Sales (ticket and services)	2,028	2,854	2,871	2
Contribution from Ancillary Budget	324	324	324	
Total Revenue/Contribution	2,472	3,243	3,295	
Expenditures				
Salaries & Benefits	548	561	587	
Equipment	44	30	47	
Utilities, Insurance & Taxes	169	180	191	
Credit Card Fees	33	24	30	
Maintenance	109	123	116	
Cost of Sales	1,349	2,136	2,146	3
Custodial	79	74	78	
Operating Expense*	141	115	100	
	2,472	3,243	3,295	
Surplus/Deficit	0	0	0	

* Includes communications, postage, stationery, printing, travel, professional fees and dues, security, etc.

Notes to the Budget

- Dalhousie University has submitted application to the province for \$100,000 in funding.
- Sales revenue includes gross ticket sales for performances promoted and produced by third parties, box office services and food and beverage sales. The 2006-07 budget is based on confirmed bookings and historical trends for return engagements and general usage.
- Cost of sales includes remittances to third party promoters/producers (i.e. ticket sale proceeds net of facility rental and services, recoverable expenses for advertising, performing arts fees and cost of food and beverage).

**Dalhousie University
Bookstore**

Purpose

Serving students and faculty through the Student Union Building, Sexton campus and Dentistry locations, the University Bookstore provides textbooks, course packages, sundry items, and clothing to the Dalhousie community. The inventory order process in the Bookstore services the instructional requirements in all Dalhousie academic disciplines.

<u>Budget</u>	2005-06 Final Budget	2005-06 Actual	2006-07 Budget Plan	
	\$000	\$000	\$000	
Revenue				
Sales	7,450	7,189	6,919	
Total Revenue	<u>7,450</u>	<u>7,189</u>	<u>6,919</u>	1
Expenditures				
Salaries & Benefits	594	617	649	
Equipment	25	110	61	
Utilities, Insurance & Taxes	21	26	22	
Interest/Credit Card Fees	186	161	164	
Maintenance	30	40	37	
Cost of Sales	6,015	5354	5,371	2
Operating Expense*	446	496	332	2
Contribution to Ancillary Budget	133	282	283	
	<u>7,450</u>	<u>7,086</u>	<u>6,919</u>	
Appropriation		<u>103</u>		
Surplus / (Deficit)	<u>0</u>	<u>0</u>	<u>0</u>	

* includes communications, postage, stationery, printing, travel, professional fees and dues, security, custodial, advertising, systems and support costs, etc.

Notes to the Budget

1. 2006-07 sales and cost of sales reflect 2005-06 results and budgetted decrease in enrolment of 400 students.
2. The 2006-07 budget reflects the reclassification of freight costs from Operating Expense to Cost of Sales.

**Dalhousie University
Dalplex and Arena**

Purpose

To provide a broad range of recreational facilities and activities for community groups and membership holders.

<u>Budget</u>	2005-06 Final Budget	2005-06 Actual	2006-07 Budget Plan
	\$000	\$000	\$000
Revenue			
Memberships	1,002	985	1,005
Programs	681	589	581
Sales & Rentals	734	891	833
Contribution from Ancillary Budget	181	181	181
Total Revenue/Contribution	2,598	2,646	2,600
Expenditures			
Salaries & Benefits	1,559	1,600	1,615
Equipment	110	62	74
Utilities, Insurance & Taxes	307	332	334
Credit Card Fees	25	27	25
Maintenance	175	149	152
Cost of Sales	150	234	161
Advertising	50	49	54
Custodial	122	114	111
Operating Expense*	100	79	74
	2,598	2,646	2,600
Surplus/Deficit	0	0	0

1

* Includes communications, postage, stationery, printing, travel, professional fees and dues, security, etc.

Notes to the Budget

1. Reflects 2005-06 projected sales results and anticipated changes in revenue sources.

**Dalhousie University
Food Services**

Purpose

To provide full service dining facilities located in four residences (Shirreff Hall, Howe Hall, O'Brien Hall and Risley Hall), as well as thirteen retail food outlets and 35 vending machines throughout the three University campuses. The unit also includes the operation of the 'DalCard' debit card program giving students, faculty and staff access to a range of on-campus and off-campus services.

The University currently has a contract with Aramark for provision of Food Services. The contract stipulates a minimum guaranteed sales with commission on vending and retail operations.

Budget

	2005-06 Final Budget	2005-06 Actual	2006-07 Budget Plan
	\$000	\$000	\$000
Revenue			
Sales	7,072	6,075	5,995
Total Revenue	<u>7,072</u>	<u>6,075</u>	<u>5,995</u>
Expenditures			
Salaries	44	43	44
Equipment	221	211	253
Debt Service	476	501	476
Maintenance	132	125	139
Externally Contracted Services	5,767	4,695	4,584
Custodial	76	76	78
Operating Expense*	356	282	291
Contribution to Ancillary Budget		130	130
	<u>7,072</u>	<u>6,063</u>	<u>5,995</u>
Appropriation		<u>12</u>	
Surplus / Deficit	<u>0</u>	<u>0</u>	<u>0</u>

* includes communications, postage, stationery, printing, travel, professional fees and dues, security, transfers to the DSU and other Dalhousie units under agreement, etc.

Notes to the Budget

1. The sales and cost of sales budgets for 2006-07 have been established based on 2005-06 meal plan and retail outlet experience.

Dalhousie University
University Housing and Conference Services

Purpose

To provide traditional residence and apartment style student accommodations with capacity for 2,600 students and conference accommodation, facilities and related services typically during the summer months.

<u>Budget</u>	2005-06 Final Budget	2005-06 Actual	2006-07 Budget Plan	
	\$000	\$000	\$000	
Revenue				
Residence & Housing	13,647	12,436	12,430	1
Conference Services	1,100	1,044	1,035	
Rental/Lease/Other	425	451	689	2
Endowment	229	229	236	
Total Revenue	15,401	14,160	14,390	
Expenditures				
Salaries & Benefits	2,429	2,397	2,354	
Student Residence Assistants	500	458	463	
Space Rental (Summer Language Program)	135	115	160	
Contracted Services (Laundry, Waste, etc)	431	356	408	
Furniture, Equipment & Systems Support	603	375	444	
Utilities, Insurance & Taxes	2,321	2,543	2,786	
Debt Service & Bank Charges	3,051	2,921	2,877	3
Maintenance & Repairs	718	800	621	
Facilities Renewal	1,800	1,407	1,407	4
Custodial	1,507	1,357	1,461	
Operating Expense*	1,534	1,338	1,317	
Contribution to Ancillary Budget	372	93	92	
	15,401	14,160	14,390	
Surplus / (Deficit)	0	0	0	

* Includes communications, postage, stationery, printing, travel, professional fees and dues, security, etc.

Notes to the Budget

1. The residence and housing revenue budget reflects no change in residence rates for 2006-07 as well as current projections on occupancy.
2. Rental revenue is increased based on a contract to lease space to an external party.
3. Interest charges have been reduced based on refinancing of existing debt.
4. Facilities Renewal includes finance charges on borrowing for Facilities Renewal projects.

**Dalhousie University
Personal Computer Purchasing Centre (PCPC)**

Purpose

PCPC, a division of Academic Computing Services within UCIS, was established in 1989 as a self-sustaining operation to assist UCIS to contain hardware and software support costs incurred by Dalhousie departments and students and to qualify Dalhousie for various educational discounts from suppliers by having a campus "computer store". All staff salary costs, space rental, cost of goods, and other expenses are covered by modest margins on sales. Any excess of revenue over expenditure is returned to Academic Computing to support teaching and research services.

Budget:

	2005-06 Final Budget	2005-06 Actual	2006-07 Budget Plan	
	\$000	\$000	\$000	
Revenue				
Sales - Internal	2,800	3,530	3,200	1
Sales - External	2,500	2,845	2,960	2
Total Revenue	5,300	6,375	6,160	
Expenditures				
Salaries & Benefits	332	364	358	
Credit Card Fees	24	36	35	
Cost of Sales	4,811	5,807	5,622	
Custodial/Space	25	24	26	
Operating Expense*	108	144	119	
	5,300	6,375	6,160	
Surplus/Deficit	0	0	0	

* Includes communications, postage, stationery, printing, travel, professional fees and dues, security, etc.

Notes to the Budget

1. Internal Sales expected to decrease due to budget cuts and major non-recurring lab purchases made in fiscal year 2005-06.
2. External Sales is based on 05-06 experience and a projected increase in laptop sales.