



BOARD OF TRUSTEES Report

To:	Board of Trustees & Capital Assets and Finance Committee	Date of Report: 4/12/2019
From:	Vice Principal (Finance and Administration)	Date of Approval: N/A
Subject:	Financial Projection to the Board of Trustees	Date of Board Committee Meeting: 5/10/2019
Responsible Portfolio:	Vice Principal (Finance and Administration)	Date of Board Meeting: 5/10/2019

1.0 PURPOSE

For Approval For Information For Discussion

2.0 MOTION

This report is for information only.

3.0 EXECUTIVE SUMMARY

This report provides the Board of Trustees and the Capital Assets and Finance Committee with an overview of projected financial results for both the Operating and Ancillary Funds and some Affiliated Entities.

2018/19 Projected Financial Results

The Operating Fund is currently projecting a surplus of \$14.3 million, a favourable variance that will increase the planned contribution to reserves by \$6.0 million. This variance is due to higher revenue in the Faculties due primarily to higher international student enrolment and salary savings across the university, offset by one-time salary anomaly payments under the QUFA collective agreement for the years 2008/10.

Ancillary Operations are currently expecting a favorable variance of \$2.5 million against budget (\$1.7 million budgeted deficit as compared to \$0.8 million projected surplus). The variance is due to higher than budgeted occupancy in residences and increased food sales combined with savings in food services contracts, continued efficiencies experienced from the CAPit energy conservation program, and a decrease in projected repairs and alterations.

Additional details are presented in the analysis section of this report.

4.0 INPUT FROM OTHER SOURCES

- Budget and Planning

5.0 ANALYSIS

Operating Budget

A summary version of the 2018/19 Operating Budget is presented in the table below.

5.1 HYHQXHV

The bulk of the revenues in the operating fund are driven by enrolment. Preliminary enrolment information

Housing and Hospitality

Housing and Hospitality includes Residences, Community Housing,

The decrease in the BISC revenue is due to reduced student enrolment in the summer (£440 thousand) which is offset by the net profit of a sale of property (£422 thousand). The decrease in expenses is due to staff vacancies and a reduction in repairs and alterations.

6.0 STRATEGIC ALIGNMENT / COMPLIANCE

A key responsibility of the Board of Trustees and the Capital Assets and Finance Committee is approval of the operating budget. The financial update provides information on projections against the approved budget and an opportunity for the Board to ask questions of management. It is an important element of Board fiduciary oversight.

7.0 FINANCIAL IMPLICATIONS

The primary purpose of the Financial Update is to report on expected financial results of the Operating Fund and ancillary operations. Maintaining a balanced operating budget is critical to Queen's financial health and its ability to meet objectives.

8.0 ENTERPRISE RISK ASSESSMENT

Review of financial progress reports compared to Board approved budgets is an important mitigation factor in addressing a number of the top risks in the enterprise risk framework.

9.0 COMMUNICATIONS STRATEGY

This document is posted on the Queen's University website and is available to the public. See [Financial Services Publications](#) for all reports.

ATTACHMENTS

APPENDIX I – Queen's University 2018 19 Ancillary Financial Report

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