



Board of Trustees & Capital Assets and Finance Committee	4/15/2022
Vice-Principal (Finance and Administration)	Choose Committee or enter N/A
	5/13/2022
Vice-Principal (Finance and Administration)	5/13/2022

For Approval For Discussion For Information

This report is for information only.

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 the Bader International Study Centre.

The Operating Fund is currently projecting a deficit of \$13.1 million against the budgeted deficit of \$40.1 million. The COVID-19 pandemic continues to create conditions that have led to shortfalls in revenue streams mainly in international tuition fees. The projected deficit excludes investment income of \$8.6 million

as in-person sessions), and slightly lower enrolment, offset by additional financial support of £1.125 (\$1.9 CAD) million. In addition to this funding allocation, the University provided an in-year cash advance to mitigate cash flow pressures, of which £0.75 (\$1.3 CAD) million remains outstanding as of March 31, 2022 and is expected to be fully repaid in 2022-23.

Additional details are presented in the analysis section.

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.

No impact.

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 entered ffu5r

A summary version of the 2021-22 Operating Budget is presented in the table below.

	Approved budget	Projections	Variance
Student Fees	439.7	416.4	(23.3)
Government Grants	213.4	213.4	-
Investment Income*	13.2	13.6	0.4
Other Revenue**	8.9	7.6	(1.3)
Total revenues	675.2	651.0	(24.2)
Expenditures			
Faculties & Schools Allocations	410.8	390.4	(20.4)
Shared Services Allocations	173.9	173.6	(0.3)
Utilities	17.5	17.6	0.1
Student Aid	29.3	29.3	-
Other Allocations***	15.0	15.0	-
Flow Through Expenses	15.4	13.3	(2.1)
Overhead Cost Recoveries	(4.2)	(4.3)	

Faculties and Schools are projecting an in-year deficit of \$10.7 million against a budgeted deficit of \$28.7 million.

Central reserves are projecting a drawdown of \$5.0 million from carryforward against a budgeted drawdown of \$0.2 million, an unfavourable variance of \$4.8 million. Details are presented below.

The information summarized below represents the combined operations of the Bader International Study Centre, which include the operations of the Bader International Study Centre (BISC) and Herstmonceux Castle Enterprises Limited (HCE). The combined BISC amounts are not a full consolidation; as a result, there may be some sales and expenses between the entities, which will be eliminated through consolidation at year end. All amounts below are reported in pounds sterling.

The decrease in the projected BISC revenue is due to the loss of residence fees as the summer term was offered online, originally budgeted as in-person sessions, as well as a slightly lower enrolment for the fall and winter term as compared to budget. The decrease in projected expenditures is due to a reduction in the variable costs associated with the residence operations.

Non-interest expenditures	\$	56,581	\$	47,242	\$	(9,339)	\$	1,530	\$	1,524	\$	(6)	\$	58,111	\$	48,766	\$	(9,345)
Interest	\$	5,704	\$	5,768	\$	64	\$	2,180	\$	2,180	\$	-	\$	7,884	\$	7,948	\$	64

Deferred Maintenance	\$	(1,400)	\$	(6,400)	\$	(5,000)	\$	(525)	\$	(525)	\$	-	\$	(1,925)	\$	(6,925)	\$	(5,000)
Debt Servicing - Principal	\$	(7,882)	\$	(7,883)	\$	(1)	\$	(1,139)	\$	(1,137)	\$	2	\$	(9,021)	\$	(9,020)	\$	1
Contributions to University Operations	\$	(4,341)	\$	(4,340)	\$	1	\$	-	\$	-	\$	-	\$	(4,341)	\$	(4,340)	\$	1

OPENING RESERVE	\$	(5,848)	\$	(6,087)	\$	(239)	\$	(25,036)	\$	(25,081)	\$	(45)	\$	(30,884)	\$	(31,168)	\$	(284)
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SURPLUS (DEFICIT) - PLANNED ALLOCATION TO (FROM) RESERVES	\$	(402)	\$	(1,273)	\$	(871)	\$	(2,774)	\$	(2,030)	\$	744	\$	(3,176)	\$	(3,303)	\$	(127)
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OPENING RESERVE	\$	12,721	\$	13,072	\$	351	\$	5,067	\$	5,086	\$	19	\$	17,788	\$	18,158	\$	370
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Planned Contribution	\$	1,400	\$	6,400	\$	5,000	\$	525	\$	525	\$	-	\$	1,925	\$	6,925	\$	5,000
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Deferred Maintenance & Capital Expenditure(s)	\$	(5,736)	\$	(5,179)	\$	557	\$	(593)	\$	(20)	\$	573	\$	(6,329)	\$	(5,199)	\$	1,130
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* The accumulated deficit, created by the debt servicing p. 11.077201100 neriv

