I: 2014-15 Operating Budget Update

The table below shows projected variances from the approved 2014-15 operating budget

Queen's University 2014-15 Operating Budget (000,000's)			
REVENUE			
Student Fees			
Government Grants			
Unrernm-3 6(c)-5 26trvnt-94(r)-3 6(c)2 (v)n			
U7trrnm I46 (nm)-5 26tve			
er(e)6-46 25ntcate-23 0 nt6-46 25			

Prudence dictates that we include only the budgeted amount of $4.2M in the updated projections0 Td ( )Tj 0 Tc 74

2014-15 ANCILLARY FINANCIAL REPORT (000's)												
	Residence			Event Services			Community Housing			Parking		
	Budget	Projected	Variance Surplus (deficit)	Budget	Projected	Variance Surplus (deficit)	Budget	Projected	Variance Surplus (deficit)	Budget	Projected	Variance Surplus (deficit)
REVENUE EXPENDITURE Salaries & Benefits External Contracts												

2014-15 ANCILLARY FINANCIAL REPORT (000's)												
	Creative Design			Computer Store			Donald Gordon Centre			Stuart St. Underground Parking		
	Budget	Projected	Variance Surplus (deficit)	Budget	Projected	Variance Surplus (deficit)	Budget	Projected	Variance Surplus (deficit)	Budget	Projected	Variance Surplus (deficit)
REVENUE	220	278	58	7,500	7,061	(439)	4,184	3,945	(239)	984	1,032	48
EXPENDITURE												
Salaries & Benefits	-	-	-	660	565	(95)	-	-	-	75	75	-
External Contracts	30	30	-	-	-	-	1,750	1,748	(2)	43	44	1
Utilities	-	-	-	-	-	-	250	233	(17)	53	53	-
Repairs & Alter.	-	-	-	-	-	-	185	170	(15)	28	38	10
Interest & Bank Charges	-	-	-	-	-	-	595	595	-	199	199	-
Supplies & Misc.	17	73	56	6,796	6,557	(239)	1,012	1,000	(12)	40	38	(2)
Overhead	8	10	2	44	54	10	73	69	(4)	-	-	-
Total Expenditures	55	113	58	7,500	7,176	(324)	3,865	3,815	(50)	438	447	9
Net Surplus (Deficit) before Capital and Contributions to University Operations	165	165	-	-	(115)	(115)	319	130	(189)	546	585	39
Deferred Maintenance	-	-	-	-	-	-	80	-	(80)	20	47	27
Debt Servicing - Principal	-	-	-	-	-	-	228	228	-	124	124	-
Contributions to University Operations	165	165	-	-	-	-	-	-	-	402	414	12
SURPLUS (DEFICIT)	-	-	-	-	(115)	(115)	11	(98)	(109)	-	-	-

2014-15 ANCILLARY BUDGET (000's) RESERVES												
OPENING RESERVE	-	-	-	(456)	(456)	-	(5,630)	(5,630)	-	-	-	-
Addition to Maintenance Reserve	-	-	-	-	-	-	-	-	-	-	-	-
SURPLUS (DEFICIT) - PLAN ALLOCATION TO (FROM) RESERVES	-	-	-	-	(115)	(115)	11	(98)	(109)	-	-	-
CLOSING RESERVE	-	-	-	(456)	(571)	(115)	(5,619)	(5,728)	(109)	-	-	-

III: Pension Plan

The University is required to file a pension plan valuation as of August 31, 2014. The Pension Committee of the Board of Trustees discussed the preliminary valuation results at the December meeting. The valuation must be filed by August 2015.

The preliminary August 31, 2014 valuation results reflect an increase in the going concern deficit to $175 million on a smoothed basis ($126 million at August 31, 2011). The increased going concern payments, which commence on September 1, 2015, are being built into the 2015-16 to 2017-18 budget plans.

The solvency deficit has decreased to $285 million at August 31, 2014 from $332 million at August 31, 2011.

The University is currently in Stage I solvency relief, and has applied for Stage II solvency relief. Stage II relief allows the solvency deficit to be amortized over 10 years instead of 5, and provides universities with a further choice to amortize the solvency deficit over the 10 year period, or take advantage of an additional 3 year extension to pension solvency relief and amortize the solvency deficit over the remaining 7 years of Stage II relief. The university is awaiting approval of its Stage II solvency relief application.

IV: Capital

The table below provides an overview of Board approved capital projects with related information on

Funding Source:	Available funds May 1, 2014	Spent and Committed to Dec 31, 201
Operating Budget / University Fund	6,310	5,322
MTCU: Facilities Renewal Program	1,085	1,085
Total:	7,395	6,407

V: Investment Funds

Market volatility can have lDds

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Cash Flow

The University administration has been developing a cash management forecasting model to better track the University's cash inflows and outflows. The expectation is that this tool will allow the University to better manage its short-term investment portfolio and to optimize interest income through the increased confidence in the timing of the University's sources and uses of cash.

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