

QUEEN'S UNIVERSITY COUNCIL

May 7, 2011

The Financial Situation – How the University's Finances Work

In common with many universities, Queen's University is facing a period of considerable financial challenge. Government funding now represents less than half of our operating budget revenue, there are caps on many tuition fees, the endowment fund was hit by the 2008 financial crisis, and costs continue to rise. The university is already in debt, and there is a serious deficit in the pension plan. Our students continue to expect excellence in teaching and learning, including access to the latest technologies. Our campus infrastructure is aging, and we face challenges in deferred maintenance and providing modern teaching facilities.

We are exploring ways to control cost increases and are actively searching for alternate revenue sources, and in order to be successful we need to find a common understanding of our financial situation across campus, and with our alumni and supporters.

The purpose of this session will be to attain a deeper understanding of the financial situation, and to make recommendations on avenues for exploration for solutions, and what could be done to communicate more effectively with our stakeholders.

Before the session starts, we have some suggested reading:

- Regular financial updates
 - <http://www.queensu.ca/news/articles/v-ps-provide-financial-update-0>
 - <http://www.queensu.ca/news/articles/v-ps-post-financial-update-philanthropy>
 - <http://www.queensu.ca/news/articles/v-ps-discuss-challenge-pension-reform-latest-update>

- Bond rating reports
 - <http://www.queensu.ca/financialservices/reports/credit.html>
 - Please refer to the 2010 reports by Standard and Poor's and by Dominion Bond Rating Service

- Financial statements
 - <http://www.queensu.ca/financialservices/reports/annualreport/200910AuditedFinancialStatements.pdf>