

BRIEFING NOTE

TO: Board of Directors

FROM: Fazal Khan, Registrar and CEO

DATE: May 30, 2022

SUBJECT: 10.1 Financial Condition Policy Monitoring Report

☐ For Decision ☐ For Information ☒ Monitoring Report

Purpose:

To provide the Board with a monitoring report on the Financial Condition Policy, in accordance with the monitoring report schedule approved by the Board.

CEO Interpretation and Evidence:

The Financial Condition Policy (Appendix A) was approved by the Board in October 2017.

The information contained in this monitoring report represents compliance with a reasonable interpretation of the policy. The monitoring report covers the period from June 2021 to May 2022.

The next Financial Condition Policy Monitoring Report is due in May 2023.

Policy Requirement	Interpretation and Evidence
Financial Position	The 2021 fiscal year ended with a surplus of revenues over expenditures in the amount of \$124,240. The College's audited net assets at December 31, 2021 were \$4,575,275, including \$96,360 in restricted assets.
Expenditure	The 2021 fiscal year ended with sufficient liquidity to operate in 2022. There was no major or material unbudgeted spending in 2021 and overall total expenditures were under budget by 15% as a result of Board/Committee meetings being held virtually, external events being deferred to 2022, and efficient administrative processes. Budget line variances were presented and explained to the Finance Committee each quarter and approved prior to the presentation to the Board.
Debt	No funds were borrowed or loaned in 2021 or in Q1 of 2022.
Reserve Funds	General reserve funds were not accessed in 2021 despite the anticipated deficit. At the December meeting, the Board approved use of \$443,515 from the College's general reserve to offset the impact of revenue reduction as a result of lowering 2022 registrant fees for pandemic relief for a second year.

	The restricted reserve for the funding of Therapy and Counselling was used in 2021 (\$2800) and in Q1 of 2022 (\$1200) and replenished from the College's operating income.
Payments and Receivables	Vendor payments, payroll, Board expenses, source deductions, and HST payments were remitted in accordance with a 30 day payment schedule with EFT/cheques issued every 2 weeks. The College successfully migrated 89% of vendors and 100% of Staff/Board members from cheques to EFT payments to reduce paper waste and decrease AP turnover.
Reporting	The Financial Condition of the College was reported to the Executive/Finance Committee and the Board each quarter with the Financial Variance Report. The report includes quarterly actuals of the current and previous year, \$ differences from the previous year, % variance to the previous year, and % variance to the total budget. The Executive Committee would review the report in detail prior to the presentation to the Board.

Public Interest Considerations:

Does the Registrar, CEO's interpretation of the Policy serve or impact the public's interest or trust in the College?

Diversity, Equity, and Inclusion Considerations:

Does the Registrar, CEO's interpretation of the Policy impact the College's commitment to Diversity, Equity, and Inclusion?

Recommendations/Action Required:

The Board is asked to consider the following questions:

- 1) Was the Registrar, CEO's interpretation of the policy reasonable?
- 2) In the Board's opinion, did the Registrar, CEO comply with this policy?