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**Wednesday, February 15, 2017**
**1:45 p.m. to 3:30 p.m.**
**North Campus, ERC 3023**
**Toll-Free: 1-877-385-4099 Participant Passcode: 1028954#**

**Members:** Miles Goacher (Chair), Nigel Allen, Doug Allingham, Jeremy Bradbury, Adele Imrie, Tim McTiernan, Mary Simpson

**Staff:** Becky Dinwoodie, Craig Elliott, Cheryl Foy, Douglas Holdway, Susan McGovern, Pamela Onsiong, Michael Owen, Deborah Saucier

**Guests:** Paul Bignell, Larry Brual

#### AGENDA

No.	Topic	Lead	Allocated Time	Suggested End Time
1	Call to Order	Chair	1	
2	Agenda (M)	Chair	1	
3	Conflict of Interest Declaration	Chair	1	
4	Approval of Minutes of Meeting of November 16, 2016* (M)	Chair	2	
5	Chair's Remarks	Chair	5	1:55 p.m.
6	SIRC Building Construction Project* (U)(P)	C. Elliott/ L. Brual	15	2:10 p.m.
7	Finance		40	
7.1	Third Quarter Financial Reports* (U)	P. Onsiong		
7.2	Budget* (U)(P)	C. Elliott/ D. Saucier		
7.3	Endowment Disbursement Report* (P)(M)	C. Elliott		
7.4	TELE Program (U) & Laptop Procurement Approval* (M)	D. Saucier/ P. Bignell		2:50 p.m.
8	Investment Committee Oversight			
8.1	Investment Committee Quarterly Report (U)	N. Allen	10	3:00 p.m.
9	Compliance & Policy			
9.1	Compliance – Privacy* (P)(U)	C. Foy	10	3:10 p.m.
10	Other Business	Chair	3	
11	Termination (M)	Chair	2	3:15 p.m.
	M – Motion			
	P – Presentation			
	U – Update			
	* Documents attached			



**BOARD OF GOVERNORS  
AUDIT & FINANCE COMMITTEE**

**MINUTES OF THE MEETING OF NOVEMBER 16, 2016  
1:45 p.m. to 3:30 p.m., ERC 3023  
PUBLIC SESSION**

**Attendees:** Miles Goacher (Chair), Nigel Allen, Doug Allingham (*via teleconference*), Jeremy Bradbury, Adele Imrie, Tim McTiernan, Mary Simpson

**Staff:** Cally Ashby, Becky Dinwoodie, Craig Elliott, Cheryl Foy, Brad MacIsaac, Susan McGovern, Pamela Onsiong

**1. Call to Order**

The Chair called the meeting to order at 1:53 p.m.

**2. Agenda**

Agenda item 9 was moved forward to number 6.

*Upon a motion duly made by A. Imrie and seconded by M. Simpson, the Agenda was approved as amended.*

**3. Conflict of Interest Declaration**

There was none.

**4. Approval of Minutes of Meeting of October 5, 2016**

*Upon a motion duly made by N. Allen and seconded by T. McTiernan, the Minutes were approved as presented.*

**5. Chair's Remarks**

In the interest of allowing sufficient time for discussion, the Chair kept his remarks brief.

## **6. Compliance & Policy**

### **6.1 Violence Related Policies and Procedures**

C. Foy provided the Committee with an update on the violence related policies and procedures. She will be meeting with external counsel to discuss the feedback received from the recent Academic Council meeting. Based on the commentary and feedback, the university will have an umbrella policy against violence and 3 distinct underlying policies, one being a standalone policy against sexual violence for students. C. Foy reviewed the recent consultation process, which included online consultation, a number of town halls and consulting with Academic Council (AC).

C. Foy advised that implementing separate policies will make demonstrating compliance easier. In terms of compliance, she is working with outside counsel at each stage of the process and the amendments are being reviewed as they are introduced. The draft policies will be presented to the Governance, Nominations and Human Resources Committee (GNHRC) the following week and to the Board at the meeting on December 7. They also committed to a holding a consultation session with AC in the time between the GNHRC and Board meetings.

J. Bradbury informed the Committee that he has been hearing more positive comments regarding the consultation process. C. Foy confirmed that consultation is being done on both the policies and procedures. The Student Code of Conduct will be updated at a later date to make it consistent with the anti-violence policies.

## **7. SIRC Building Construction Project**

C. Elliott delivered a presentation providing an update on the SIRC building construction project progress.

## **8. Finance**

### **8.1 Second Quarter Financial Reports**

P. Onsiong reviewed the highlights of the second quarter GAAP financial statements with the Committee. She provided a summary of the financial metrics and noted there has not been much change from the last update. She explained the reasons for the difference in UOIT's financial metrics compared to the sector average. She confirmed that the university is on target for budgeted enrolment. P. Onsiong also went through the 2016-17 operating forecast analysis. Consistent with prior years, they will be recommending to reserve some of the surplus for future use.

### **8.2 Budget Assumptions, Targets & Outcomes**

C. Elliott delivered the presentation entitled "Budget Update". It is estimated that the university will be within approximately 50 of our FTE target. Accordingly, they will not be seeking additional budget cuts this year. He reviewed the key points from the ten year forecast, including:

- Structural budget deficit with increasing losses each year starting in 2016/17
- Additional 2.5% cut planned in 2017/18 to address this issue and balance the budget over the next 10 years

C. Elliott also went over the significant budget assumptions. He advised that there are more students enrolling part-time. He also confirmed that the summer program had a better turnout this year.

T. McTiernan discussed the uncertainty surrounding the funding model and permitted tuition increases. Changes to either of these will likely result in adjustments to the budget forecast.

The Committee discussed strategic hiring by Faculties. C. Elliott explained that the RAM budget model was introduced in order to allocate scarce resources across faculties, including new hires and long-term strategic plans.

C. Elliott confirmed that professional development and travel budgets will be decreased by 30% across the board. Additional decreases in OPEX and strategic labour reductions determined by each budget holder make up the total \$2.5M budget cut. He reviewed the vacant position summary. He clarified that the vacant positions are both tenured/tenure track and teaching faculty positions. Faculties are being encouraged to hire for all vacant positions. He explained the rationale for returning the budget for open positions from a Faculty back to the Provost's budget. C. Elliott responded to questions from the Committee.

(D. Allingham left the meeting at 2:43 p.m.)

C. Elliott provided a summary of the budget discussion feedback. He added that the 10-year forecast was well received in presentations to PACIP and other stakeholders. S. McGovern added that donors like to see a 10-year forecast, as well.

C. Elliott will be delivering a budget presentation to the Board in December. He advised that they are still working on how to best present budget to Academic Council.

## **9. Investment Committee Oversight**

### **9.1 Investment Committee Quarterly Report**

N. Allen provided the Committee with an update from the Investment Committee. The investment balance is at approximately \$21.5M. The portfolio is ahead of benchmark in both the short and long-term. Post September, the bond yields have risen. He also informed the Committee of a presentation PH&N gave to the Investment Committee on the economic effects of the US election on the economy.

## **10. Other Business**

There was none.

## **11. Termination**

*Upon a motion duly made by J. Bradbury and seconded by T. McTiernan, the public session of the meeting terminated at 3:05 p.m.*

Becky Dinwoodie, Secretary

DRAFT

# Software & Informatics Research Centre (SIRC)

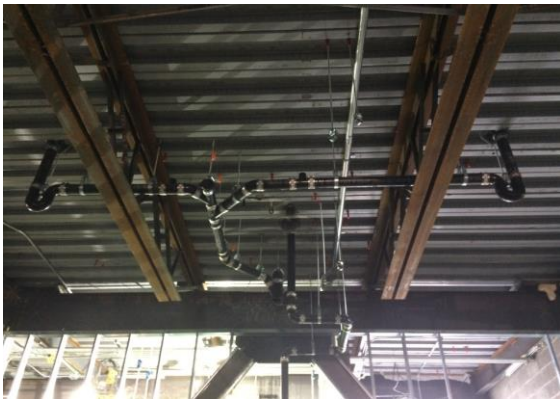
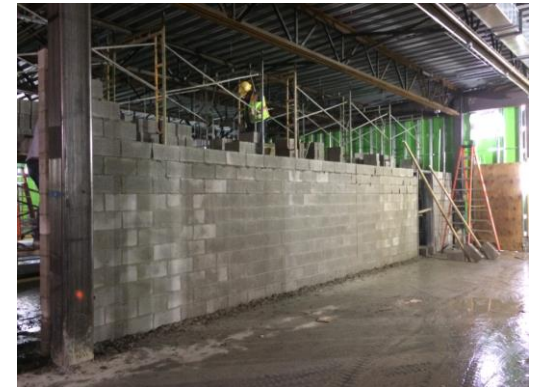
Project Update Presentation – February 15, 2017



## Progress Update (as of 7<sup>th</sup> February 2017) :

- Structural steel and concrete slab completed. Roof installed.
- Perimeter wall enclosure for 1<sup>st</sup> & 2<sup>nd</sup> level completed, 3<sup>rd</sup> & 4<sup>th</sup> level in progress.
- Ground floor internal rough-in and partition works in-progress
- Project is currently tracking to schedule.

## Progress Photos



## Site Safety:

- Minor incident happened on 12 Dec 2016, worker slipped on snow and the strut hit his hand causing a cut in the finger. First aid was applied and the worker returned to work.
  
- On Friday, 3 February 2017, an offsite incident happened when a delivery truck struck a light pole on UOIT property resulting in the light pole to be knocked over. No one was hurt.
  - The light post was located at the roadside of the CFH approximately 10 meters north of construction gate.
  - The Stephenson Rental Services' driver was attempting to make a three point turn on the street to the north west of the project when the incident occurred.
  - The driver was given a warning to exercise extra care during maneuvering, and will receive additional safety training by Stephenson
  - ED will issue reminder to all project vendors regarding standard safety practices and procedures in and around the job site
  - Vendors will coordinate with EllisDon regarding the timing of all future deliveries

## **Change Orders:**

- No Change Order on this period.
- Total contingency remains unchanged at \$1.1M

## **Financial Summary (as of end January 2016) :**

- 89% of the \$19.4M in tenders have been committed/awarded for the 4 levels.
- Total SIF funding received \$2.95M
- Breakdown of Sources and Uses of funds next slide.
- The project remains on budget at \$33.3M

# Summary Financial Report as of end Jan 2017

## CASH FLOW REPORT FOR ENDING MONTH OF JANUARY 2017

Sources of Funds														
Description		Actuals Jan 2016	Budget Jan 2016	Actual YTD	Budget YTD	Variance	Source of Funds Comments			Total Funding Budget	Total Actual YTD	Forecasted Remaining Funding	Funding at Completion	Variance
										A	B	C	B+C = D	D-A
UOIT		\$1,686,035	\$1,206,619	\$3,330,829	\$4,406,961	-\$1,076,132	Variance is as per below details.			\$20,298,110	\$3,330,829	\$16,967,281	\$20,298,110	\$0
SIF		\$0	\$0	\$2,950,236	\$2,950,236	\$0	SIF funding received Oct= \$1,475,236.25 and Dec= \$1,475,000.			\$13,001,890	\$2,950,236	\$10,051,654	\$13,001,890	\$0
Advancement		\$0	\$0	\$0	\$0	\$0	Advancement funds have not officially been commitment to the project.			\$0	\$0	\$0	\$0	\$0
Totals		\$1,686,035	\$1,206,619	\$6,281,065	\$7,357,197	-\$1,076,132				\$33,300,000	\$6,281,065	\$27,018,935	\$33,300,000	\$0
Uses of Funds - Trend Line														
Description	Title/Description	Actuals Jan 2016	Budget Jan 2016	Actual YTD	Budget YTD	Variance	YTD Variance Explanation	Milestone	Date	Total Budget	Total Actual YTD	Estimate to Complete	Estimate at Completion	Variance
										A	B	C	B+C = D	D-A
GMP Base Contract	Construction Contract	\$1,553,919	\$1,108,168	\$4,461,746	\$4,753,049	-\$291,303	The project progress is on track, how ever cash flow this period is behind the planned budget. The Mechanical and Structural steel invoice variance is anticipated to be recovered on the February 2017 payment cycle. This period invoice has recovered about \$500K variance amount.	Substantial Completion	8/1/2017	\$20,630,966	\$4,461,746	\$16,169,220	\$20,630,966	\$0
CO3 GMP Fl. 3&4	Fl. 3 & 4 GMP (CO-03)	\$19,110	\$19,110	\$117,068	\$112,610	\$4,458	Design w orks has commenced for level 3 & 4	Substantial Completion	11/10/2017	\$5,657,627	\$117,068	\$5,540,559	\$5,657,627	\$0
CO1 Fl. 3&4 Design	CO1 Fl. 3 & 4 Design (CO-01)	\$0	\$0	\$77,351	\$77,351	\$0	Work completed.	Complete	NA	\$87,899	\$77,351	\$10,548	\$87,899	\$0
CO2 Transformer	CO2 Transformer Upgrade	\$0	\$0	\$0	\$0	\$0	Invoicing for CO2 is forecasted for May 2017 billing	Power-on	4/24/2017	\$110,026	\$0	\$110,026	\$110,026	\$0
CO4 Donor Signage	CO4 Donor Signage	\$0	\$0	\$0	\$0	\$0	Invoicing for CO4 is forecasted for June 2017 billing	Substantial Completion	8/1/2017	\$8,928	\$0	\$8,928	\$8,928	\$0
Design	Design Build Preliminary Phase	\$0	\$0	\$310,230	\$310,230	\$0	Work completed.	Complete	NA	\$310,230	\$310,230	\$0	\$310,230	\$0
FFE	FFE Including Fl. 3 & 4	\$19,447	\$50,000	\$19,447	\$50,000	-\$30,553	Actual invoice for the Fibre w ork from Library to Wiley	Procurement Complete	5/22/2017	\$3,619,350	\$19,447	\$3,599,903	\$3,619,350	\$0
Consultants		\$0	\$15,799	\$187,502	\$206,610	-\$19,108	Signage invoice received low er than budgetted. Four invoices from 2 consultants anticipated for Feb/Mar 2017 billing.	NA	NA	\$470,548	\$187,502	\$283,046	\$470,548	\$0
Parking		\$89,695	\$0	\$981,293	\$1,011,711	-\$30,419	Certified w ork completed less than the contract aw ard value. Holdback amount released.	Substantial Completion	8/31/2016	\$1,018,975	\$981,293	\$37,682	\$1,018,975	\$0
Contingency	Contingency	\$0	\$0	\$0	\$707,908	-\$707,908	No contingency has been used to date. Contingency w as forecasted for the months of July/August/September to allow for any unknow n items that could have arisen during early construction.	NA	NA	\$1,101,867	\$0	\$1,101,867	\$1,101,867	\$0
Management Fees		\$3,863	\$5,466	\$126,429	\$127,728	-\$1,298	Miscellaneous disbursement and salary variance	NA	NA	\$283,585	\$126,429	\$157,156	\$283,585	\$0
Totals		\$1,686,035	\$1,206,619	\$6,281,065	\$7,357,197	-\$1,076,132				\$33,300,000	\$6,281,065	\$27,018,935	\$33,300,000	\$0

# Detailed Financial Report as of end Jan 2017

A & F Reporting as of January 2017												
Sources of Funds												
Description	Actuals YTD Jun 2016	Actuals Jul 2016	Actuals Aug 2016	Actuals Sep 2016	Actuals Oct 2016	Actuals Nov 2016	Actuals Dec 2016	Actuals Jan 2016	Budget Jan 2016	Actual YTD	Budget YTD	Variance
UOIT	\$440,164	\$93,653	\$69,487	\$921,759	(\$201,541)	\$768,026	(\$446,754)	\$1,686,035	\$1,206,619	\$3,330,829	\$4,406,961	-\$1,076,132
SIF	\$0	\$0	\$0	\$0	\$1,475,000	\$0	\$1,475,236	\$0	\$0	\$2,950,236	\$2,950,236	\$0
Advancement	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>Totals</b>	<b>\$440,164</b>	<b>\$93,653</b>	<b>\$69,487</b>	<b>\$921,759</b>	<b>\$1,273,459</b>	<b>\$768,026</b>	<b>\$1,028,483</b>	<b>\$1,686,035</b>	<b>\$1,206,619</b>	<b>\$6,281,065</b>	<b>\$7,357,197</b>	<b>-\$1,076,132</b>
Uses of Funds - Trend Line												
Description	Actuals YTD Jun 2016	Actuals Jul 2016	Actuals Aug 2016	Actuals Sep 2016	Actuals Oct 2016	Actuals Nov 2016	Actuals Dec 2016	Actuals Jan 2016	Budget Jan 2016	Actual YTD	Budget YTD	Variance
GMP Base Contract Construction Contract	\$0	\$0	\$0	\$587,626	\$780,172	\$664,865	\$875,164	\$1,553,919	\$1,108,168	\$4,461,746	\$4,753,049	-\$291,303
CO3 GMP Fl. 3&4	\$0	\$0	\$0	\$0	\$0	\$0	\$97,958	\$19,110	\$19,110	\$117,068	\$112,610	\$4,458
CO1 Fl. 3&4 Design	\$0	\$0	\$0	\$0	\$0	\$77,351	\$0	\$0	\$0	\$77,351	\$77,351	\$0
CO2 Transformer	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
CO4 Donor Signage		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Design Build Preliminary Phase	\$232,300	\$77,930	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$310,230	\$310,230	\$0
FFE incl. Level 1-4	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$19,447	\$50,000	\$19,447	\$50,000	-\$30,553
Consultants	\$98,958	\$2,394	\$0	\$59,406	\$4,133	\$6,411	\$16,200	\$0	\$15,799	\$187,502	\$206,610	-\$19,108
Parking	\$67,435	\$0	\$56,047	\$260,798	\$475,843	\$5,856	\$25,619	\$89,695	\$0	\$981,293	\$1,011,711	-\$30,419
Contingency	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$707,908	-\$707,908
Management Fees	\$41,471	\$13,329	\$13,441	\$13,930	\$13,311	\$13,543	\$13,542	\$3,863	\$5,466	\$126,429	\$127,728	-\$1,298
<b>Totals</b>	<b>\$440,164</b>	<b>\$93,653</b>	<b>\$69,487</b>	<b>\$921,759</b>	<b>\$1,273,459</b>	<b>\$768,026</b>	<b>\$1,028,483</b>	<b>\$1,686,035</b>	<b>\$1,206,619</b>	<b>\$6,281,065</b>	<b>\$7,357,197</b>	<b>-\$1,076,132</b>

# Detailed Financial Report as of end Jan 2017

Source of Fund - Forecast																											
Description	Feb 2017	Mar 2017	Apr 2017	May 2017	Jun 2017	Jul 2017	Aug 2017	Sep 2017	Oct 2017	Nov 2017	Dec 2017	Jan 2018	Feb 2018	Mar 2018	Apr 2018	May 2018	Jun 2018	Jul 2018	Aug 2018	Sep 2018	Oct 2018	Nov 2018	Dec 2018	Jan 2019	Feb 2019	Mar 2019	
UOIT	\$1,586,259	\$176,854	\$2,246,397	\$2,138,774	\$849,088	\$2,169,899	\$2,860,223	\$1,002,516	\$3,354,871	\$1,565,313	(\$30,037)	\$782,671	\$10,081	(\$2,048,049)	\$0	\$0	(\$1,476,890)	\$0	\$0	\$0	\$416,578	\$0	\$0	\$113,153	\$0	\$0	
SIF	\$0	\$2,092,127	\$0	\$0	\$1,475,000	\$0	\$0	\$1,475,000	\$0	\$0	\$1,475,000	\$0	\$0	\$2,057,873	\$0	\$0	\$1,476,890	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Advancement	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Totals	\$1,586,259	\$2,268,981	\$2,246,397	\$2,138,774	\$2,324,088	\$2,169,899	\$2,860,223	\$2,477,516	\$3,354,871	\$1,565,313	\$1,444,963	\$782,671	\$10,081	\$9,824	\$0	\$0	\$0	\$0	\$0	\$0	\$416,578	\$0	\$0	\$113,153	\$0	\$0	
	Forecast Cashflow (January 2017)																										
Description	Feb 2017	Mar 2017	Apr 2017	May 2017	Jun 2017	Jul 2017	Aug 2017	Sep 2017	Oct 2017	Nov 2017	Dec 2017	Jan 2018	Feb 2018	Mar 2018	Apr 2018	May 2018	Jun 2018	Jul 2018	Aug 2018	Sep 2018	Oct 2018	Nov 2018	Dec 2018	Jan 2019	Feb 2019	Mar 2019	
GMP Base Contract Construction Contract	\$1,462,289	\$2,245,858	\$2,149,232	\$1,947,039	\$1,775,617	\$1,566,095	\$1,447,800	\$980,121	\$2,182,549												\$412,619						
CO3 GMP Fl. 3&4	\$99,612		\$70,836	\$170,681	\$339,267	\$575,545	\$613,136	\$613,136	\$813,136	\$884,544	\$637,958	\$609,558												\$113,153			
CO1 Fl. 3&4 Design									\$8,790												\$1,758						
CO2 Transformer					\$96,823							\$11,003									\$2,201						
CO4 Donor Signage							\$8,928																				
Design Build Preliminary Phase																											
FFE incl. Level 1-4			\$5,274		\$68,500		\$762,100	\$856,000	\$315,792	\$665,000	\$791,236	\$136,000															
Consultants	\$17,993	\$17,579	\$15,512	\$15,512	\$38,343	\$28,002	\$28,002	\$28,002	\$17,580	\$15,512	\$15,512	\$25,853	\$9,824	\$9,824													
Parking	\$899								\$16,768																		
Contingency																											
Management Fees	\$5,466	\$5,544	\$5,544	\$5,544	\$5,539	\$257	\$257	\$257	\$257	\$257	\$257	\$257	\$257														
Totals	\$1,586,259	\$2,268,981	\$2,246,397	\$2,138,774	\$2,324,088	\$2,169,899	\$2,860,223	\$2,477,516	\$3,354,871	\$1,565,313	\$1,444,963	\$782,671	\$10,081	\$9,824	\$0	\$0	\$0	\$0	\$0	\$0	\$416,578	\$0	\$0	\$113,153	\$0	\$0	



**Financial Update  
Report to the Audit and Finance Committee  
For 9 months ending December 31, 2016**

**February 15, 2017**

**UNIVERSITY OF ONTARIO INSTITUTE OF TECHNOLOGY**  
**Financial Update – Report to Audit and Finance Committee – February 15, 2017**  
**For 9 months ending December 31, 2016**  
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*Consolidated Financial Statements of*

**UNIVERSITY OF ONTARIO  
INSTITUTE OF TECHNOLOGY**

*For 9 months ending December 31, 2016*

**UNIVERSITY OF ONTARIO INSTITUTE OF TECHNOLOGY**  
**Consolidated Statement of Financial Position**  
**As at December 31, 2016**

	<u>Dec 31, 2016</u>	<u>Dec 31, 2015</u>	<u>YOY Variance</u>	<u>Mar 31, 2016</u> <b>N1.</b>
<b>ASSETS</b>				
<b>CURRENT</b>				
Cash and cash equivalents	\$ 38,033,962	\$ 25,622,854	\$ 12,411,108	\$ 32,308,994
Short-Term Investments	1,148,400	10,000,000	(8,851,600)	10,170,000
Grant receivable	7,786,293	7,847,516	(61,223)	5,312,979
Other accounts receivable	40,061,197	26,820,016	13,241,181	7,327,038
Bookstore Inventories	986,190	1,122,603	(136,413)	154,262
Prepaid expenses and deposits	2,279,555	2,253,465	26,090	1,701,678
	<b>90,295,596</b>	<b>73,666,453</b>	<b>16,629,143</b>	<b>56,974,951</b>
			-	
INVESTMENTS	28,699,828	32,486,469	(3,786,641)	30,967,585
			-	
CAPITAL ASSETS	393,125,711	401,696,397	(8,570,686)	397,511,225
			-	
<b>TOTAL ASSETS</b>	<b>\$ 512,121,135</b>	<b>\$ 507,849,319</b>	<b>\$ 4,271,815</b>	<b>\$ 485,453,761</b>
<b>LIABILITIES</b>				
<b>CURRENT AND LONG-TERM LIABILITIES</b>				
Accounts payable and accrued liabilities	25,120,982	20,728,233	4,392,749	23,940,540
Deferred revenue	48,253,162	47,674,242	578,921	20,358,279
	<b>73,374,144</b>	<b>68,402,474</b>	<b>4,971,670</b>	<b>44,298,818</b>
LONG TERM DEBT	6,455,049	11,928,350	(5,473,300)	11,867,701
OBLIGATIONS UNDER CAPITAL LEASE	38,787,541	39,109,387	(321,846)	39,090,326
DEBENTURE DEBT	175,501,181	180,611,425	(5,110,243)	180,611,425
DEFERRED CAPITAL CONTRIBUTIONS	162,988,328	164,033,976	(1,045,649)	162,285,684
	<b>457,106,244</b>	<b>464,085,612</b>	<b>(6,979,368)</b>	<b>438,153,954</b>
<b>Net Assets</b>				
NET ASSETS, excluding current year surplus	29,128,143	25,820,610	3,307,534	25,820,613
ENDOWMENTS	19,760,849	18,282,536	1,478,314	18,171,660
CURRENT YEAR SURPLUS / (DEFICIT)	6,125,897	(339,438)	6,465,336	3,307,534
	<b>55,014,890</b>	<b>43,763,707</b>	<b>11,251,183</b>	<b>47,299,807</b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ 512,121,135</b>	<b>\$ 507,849,319</b>	<b>\$ 4,271,815</b>	<b>\$ 485,453,761</b>

**N1. Balances as at year-end March 31, 2016 disclosed to explain the changes in the Consolidated Cash Flow Statement as at December 31, 2016.**

**UNIVERSITY OF ONTARIO INSTITUTE OF TECHNOLOGY**  
**Consolidated Statement of Operations**  
**For the 9 months ending December 31, 2016**

	<u>Dec 31, 2016</u>	<u>Dec 31, 2015</u>	<u>YOY Variance</u>
<b>REVENUE</b>			
Grants - operating & research	\$ 50,979,980	\$ 50,647,101	\$ 332,879
Grant - debenture	13,500,000	13,500,000	-
Donations - operating & research	754,515	709,769	44,746
Student tuition fees	52,012,993	48,492,605	3,520,387
Student ancillary fees	10,588,958	10,910,915	(321,958)
Revenue from purchased services	2,820,230	2,496,733	323,497
Other income	6,683,080	6,282,239	400,841
Amortization of deferred capital contributions	6,459,326	6,545,602	(86,276)
Interest revenue	238,941	109,570	129,371
Unrealized gain/(loss) on investments	874,807	(1,191,753)	2,066,560
Gain on disposal of assets	709,055	418,657	290,398
	<b>145,621,884</b>	<b>138,921,438</b>	<b>6,700,446</b>
<b>EXPENSES</b>			
Salaries and benefits	71,847,463	70,355,091	1,492,372
Supplies and expenses	26,149,162	26,266,842	(117,680)
Purchased Services	11,181,641	10,726,054	455,587
Professional fees	524,982	791,225	(266,243)
Interest expense	11,190,667	11,536,378	(345,711)
Amortization of capital assets	18,602,073	19,585,287	(983,214)
	<b>139,495,987</b>	<b>139,260,876</b>	<b>235,111</b>
<b>Excess of revenues over expenses</b>	<b>\$ 6,125,897</b>	<b>\$ (339,438)</b>	<b>\$ 6,465,336</b>

**UNIVERSITY OF ONTARIO INSTITUTE OF TECHNOLOGY**  
**Consolidated Statement of Cash Flows**  
**For the 9 months ending December 31, 2016**

	<u>Dec 31, 2016</u>	<u>Dec 31, 2015</u>
<b>NET INFLOW (OUTFLOW) OF CASH RELATED TO THE FOLLOWING ACTIVITIES</b>		
<b>OPERATING</b>		
Excess of expenses over revenues	<b>6,125,897</b>	(339,438)
Items not affecting cash:		
Amortization of capital assets	<b>18,602,073</b>	19,585,287
Amortization of deferred capital contributions	<b>(6,459,326)</b>	(6,545,602)
Gain on disposal of assets	<b>(709,055)</b>	(418,657)
Unrealized (gain)/loss on investments	<b>(874,807)</b>	1,191,753
	<b>16,684,781</b>	13,473,342
Working Capital		
Grant and other accounts receivable	<b>(35,207,473)</b>	(20,895,967)
Prepaid expenses and deposits	<b>(577,877)</b>	(663,101)
Inventories	<b>(831,928)</b>	(832,119)
Accounts payable and accrued liabilities	<b>1,180,442</b>	(4,534,885)
Deferred revenue	<b>27,894,884</b>	26,896,823
	<b>9,142,830</b>	13,444,093
<b>INVESTING</b>		
Purchase of capital assets	<b>(13,507,504)</b>	(6,076,540)
Investments	<b>12,164,162</b>	2,756,464
Endowment contributions	<b>1,589,190</b>	1,231,197
	<b>245,848</b>	(2,088,879)
<b>FINANCING</b>		
Repayment of long term debt	<b>(10,522,896)</b>	(9,893,850)
Repayment of obligations under capital leases	<b>(302,785)</b>	(8,684)
Deferred capital contributions	<b>7,161,970</b>	486,734
	<b>(3,663,710)</b>	(9,415,801)
<b>NET CASH INFLOW</b>	<b>5,724,968</b>	1,939,412
<b>CASH BALANCE, BEGINNING OF YEAR</b>	<b>32,308,994</b>	23,683,442
<b>CASH BALANCE, END OF PERIOD</b>	<b>\$ 38,033,962</b>	<b>\$ 25,622,854</b>

**UNIVERSITY OF ONTARIO INSTITUTE OF TECHNOLOGY**  
**Financial Update – Report to Audit and Finance Committee – February 15, 2017**  
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## **CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

### **Assets**

Cash and short-term investments increase of \$3.5m is due to under-spending of \$9.6m in the prior year, offset by YTD net operating cash outflow of \$3.1m partly attributable to the delay of student fee collection to Jan 2017 (vs first instalment due in Dec in the PY), net cash SIRC outflows of \$1.7m (grant \$2.9m, expenses to date \$4.6m) and \$1.3m higher spending in other restricted cash.

Grant receivable balance of \$7.8m includes \$5.2m DC / UOIT Collaborative Nursing (CN) grant funded by the Ministry on a slip-year basis (PY bal. \$1.8m will be received in CY, and CY bal. \$3.4m received in next FY), \$1.5m of new “SIF” grant receivable for the construction of the SIRC building, and \$1.1m of external research grants, all of which are current.

Grant receivable YOY decrease includes decrease \$1.0m of the Georgian / UOIT CN grant which is now funded and received in-year (v/s slip-year funding in the PY), \$0.5m decrease in research grants, offset by increase of \$1.5m of new grant receivable for the construction of SIRC.

Other accounts receivable includes student and trade receivables. The YOY increase of \$13.3m includes \$9.4m increase in student receivable due to the timing of collection for the winter semester fees (first fee instalment due Jan 9, 2016 in the CY v/s Dec 15, 2015 in the PY) and a YOY increase of 185 FTE, \$3.5m in current trade receivable of which \$3.0m was collected in Jan 2017 and other variances none exceeding \$0.5m.

Balance of \$40.1m includes \$32.8m of student A/R (\$1.2m for spring 2016 and prior, \$0.4m for o/s receivables from fall 2016 and \$31.2m for the future winter 2017 semester, for which first and final payments are both due in Jan 2017).

Investment balance of \$28.7m is comprised of \$23.3m endowed funds held at PH&N and \$5.4m from MoF held in trust at BNY.

The YOY decrease of \$3.8m includes a decrease of \$6.1m investment at BNY (\$5.0m was used to repay the MoF loan in the last year, and \$1.1m transferred to RBC Wealth Management currently disclosed in short-term investments), offset by an increase of \$2.3m in endowed funds (\$0.8m reclassified from internally restricted to endowed net assets in Q3 2015 relating to 2006 and 2007 graduate student fellowships, \$0.3m new donations, \$0.9m capital gains & investment income, \$0.8m in unrealised gains due to improving conditions in the equities market, offset by \$0.5m bursary disbursements).

Capital assets decreased \$8.6m and include net new additions of \$10.6m offset by total accumulated depreciation of \$19.2m in the last 12 months. Capital additions comprise of: construction-in-progress (CIP) for new SIRC building \$6.5m, ACE rolling road \$2.6m, other CIP \$0.2m, laptops \$3.4m (offset by disposal \$6.3m), computer and other major equipment \$3.3m and building renovations \$0.9m.

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**CONSOLIDATED STATEMENT OF FINANCIAL POSITION (Contd.)**

**Liabilities**

Accounts payable and accrued liabilities increased \$4.4m due to timing of payment for third party vendors, including a payable of \$1.5m at the end of the quarter to Ellis Don for the construction of SIRC.

Deferred Revenue relate to revenues deferred to the following periods as these have not yet been earned at the end of the quarter, or will be recognised as revenue in the period in which related expenses are incurred.

Deferred revenue increase of \$0.6m over last year includes \$1.7m of deferred tuition due to YOY increase in enrolment of 185 FTE, offset by \$0.9m in deferred TELE revenues primarily due to lower revenues attributable to the roll-out of the “BYOD” (Bring Your Own Device) program in the Faculty of Social Science and Humanities, and other immaterial variances.

Long term debt balance of \$6.5m includes \$5.5m of MoF loan. The YOY decrease of \$5.5m includes \$5.1m relating to the MoF loan repayment which is fully repayable in Oct 2017.

Debenture debt decrease of \$5.1m relates to the principal repayment and resulting draw-down of the debt in the last year. This debt will be fully paid in October 2034.

Deferred capital contributions decrease of \$1.0m includes \$7.6m grants received / receivable for capital projects in the last 12 months (\$4.4m SIF grant for SIRC, \$2.3m MEDG grant for “Moving Ground Plane”, \$0.5m graduate expansion grant, \$0.4m facilities renewal grant), offset by total amortization expense of \$8.6m.

**CONSOLIDATED STATEMENT OF OPERATIONS**

**Revenue**

Total Revenue increased \$6.7m (4.8%) over last year, and includes \$3.5m increase in student tuition fees attributable to the YOY increase of 185 FTE, coupled with an average 3% increase in tuition fees, and \$2.1m increase in unrealized gain on investment due to strong equity market conditions in the current year.

**Expenses**

Total Expenses decreased slightly year-over-year and includes \$1.4m increase in salaries and benefits, of which \$1.7m relates to the annual salary increase (\$1.3m for academic positions and \$0.4m for administrative staff), offset by \$0.3m net savings in open positions. Total expenses also include a YOY decrease of \$1.0m in amortization of capital assets due to a decrease in asset base resulting from a number of assets that are fully depreciated in the current year, coupled with a higher number of laptops disposed as a result of “BYOD”.

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## II. FINANCIAL METRICS

The Ministry has adopted 5 financial metrics to assist with assessing university financial health and sustainability. These metrics have been included in the 2015 – 16 SMA (Strategic Mandate Agreement) report-back cycle to the Ministry in November 2016.

The table below shows the financial metrics for the University for the last 2 fiscal years 2015 and 2016 with a 2017 projection. Also included are the average comparator and average sector metrics for fiscal year 2015 (latest published data). The average comparator includes the data for what is classified as “small” universities based on student FTE (‘Full-time equivalents’). The small sector universities comprise of 7 universities: Algoma, Lakehead, Laurentian, Nipissing, OCADU, Trent and UOIT.

<b>Financial Metrics</b>	<b>Actual 2015</b>	<b>Actual 2016</b>	<b>Forecast 2017</b>	<b>Average comparator 2015</b>	<b>Average sector 2015</b>
<b>Net Income/Loss Ratio (1)</b>	<b>4.5%</b>	<b>1.7%</b>	<b>1.6%</b>	<b>-0.1%</b>	<b>6.2%</b>
<b>Net Operating Revenues Ratio (2)</b>	<b>11.1%</b>	<b>10.9%</b>	<b>10.8%</b>	<b>4.2%</b>	<b>9.7%</b>
<b>Primary Reserve Ratio (days) (3)</b>	<b>14</b>	<b>27</b>	<b>24</b>	<b>32</b>	<b>134</b>
<b>Interest Burden Ratio (4)</b>	<b>10.0%</b>	<b>9.4%</b>	<b>9.0%</b>	<b>3.9%</b>	<b>1.8%</b>
<b>(b) IBR w MTCU funding</b>	<b>2.4%</b>	<b>2.2%</b>	<b>2.1%</b>	<b>n/a</b>	
<b>Viability Ratio (5)</b>	<b>3.1%</b>	<b>6.4%</b>	<b>5.2%</b>	<b>14.3%</b>	<b>121.8%</b>

### Financial Metrics Analysis

#### 1. **Net Income / Loss** ratio - tracks the trend in UOIT’s net earnings.

UOIT continues to show a positive net earnings ratio and is favourable vis-à-vis the average comparator due to its surplus of revenues over expenses, mainly attributable to slight growth - stable enrolment coupled with savings as a result of open faculty positions and unused capital reserves that are subsequently internally-restricted at the end of the fiscal year.

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## **II. FINANCIAL METRICS (Contd.)**

**2. Net Operating Revenues** ratio – indicates the extent to which UOIT is generating positive cash flows in the long-run to be financially sustainable.

UOIT continues to experience positive operating and working capital and this is reflected in a stable net operating revenues ratio. UOIT's operating and working capital in fiscal year 2015 is \$21.4m versus an average of \$2.7m for the comparator universities.

**3. Primary Reserve** ratio – indicates UOIT's financial strength and flexibility by determining the number of days UOIT could function using its resources that are can be expended without restrictions.

This ratio has improved over the last 2 fiscal years as Management continues to set aside and internally restrict operating surplus for future use (\$6.0m was internally restricted in FY 2015 and \$6.5m in FY 2016). The primary reserve ratio is forecast to decrease in 2016 – 17 as internally-restricted capital reserves are consumed to fund for the SIRC building.

**4. Interest Burden** ratio ("IBR") – indicates UOIT debt affordability and the cost of servicing debt

UOIT's interest burden is improving as it continues to pay back its long-term debt obligations without entering into any new debt. The cost of servicing UOIT's debt is above the comparator due to its much higher debt obligations (\$51.9m average versus \$231.0m UOIT).

**4b. Interest Burden with MTCU funding** ratio – the "IBR" has been re-stated to reflect an annual "institution-specific" grant of \$13.5m from the Ministry to fund the University's debenture debt. Therefore, interest expense on the debenture has been removed from the total interest expense, used in the calculation of "IBR".

**5. Viability** ratio - determines UOIT's financial health, as it indicates the funds on hand to settle its long-term obligations.

This ratio has improved as UOIT continues to show operating surplus coupled with reduced debt. UOIT is below the average comparator due to its much higher debt position (comparator average debt is \$51.9m versus \$231m for UOIT).

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## II. FINANCIAL METRICS (Contd.)

### (1) Net Income/Loss Ratio

$$\frac{\text{Total Revenues less Total Expenses}}{\text{Total Revenues}}$$

*Measures the percentage of UOIT's revenues that contribute to its net assets. The objective is to track trends in UOIT's net earnings*

### (4) Interest Burden Ratio

$$\frac{\text{Interest Expense}}{\text{Total Expenses - Depreciation}}$$

*Indicates debt affordability as it examines the percentage of total expenses used to cover UOIT's cost of servicing debt*

### (2) Net Operating Revenues Ratio

$$\frac{\text{Cash flow from Operating Activities}}{\text{Total Revenues}}$$

*Indicates the extent to which UOIT is generating positive cash flow in the long-run to be financially sustainable.*

### (5) Viability Ratio

$$\frac{\text{Expendable Net Assets}}{\text{Long-Term Debt}}$$

*Determines UOIT's financial health as it indicates the funds on hand to settle its long-term obligations. Long-Term Debt is total external long-term debt, excluding the current portion of debt.*

### (3) Primary Reserve Ratio

$$\frac{\text{Expendable Net Assets}}{\text{Total Assets}} \times 365 \text{ days}$$

*Indicates UOIT's financial strength and flexibility by determining the number of days UOIT can function using only its resources that can be expended without restrictions. Expendable net assets include: Unrestricted surplus (deficit), internally restricted net assets and endowments.*

## University of Ontario Institute of Technology

### III. 2016-17 Operating Forecast Summary as at Dec 31, 2016 (in '000 s) For the year ending March 31, 2017

The table below shows the variance of the year-end forecast vs the total approved budget

April 1, 2016 - March 31, 2017					
	Annual Budget, excluding Carryforward	Carryforward/ Internal Restrictions	Total Annual Budget	Y/E Forecast	Fav. (Unfav.) Variance of Forecast to Budget \$ / %
<b>Revenue</b>					
Grants	76,297		76,297	77,102	805 1%
Tuition	74,266		74,266	74,513	248 0%
Student Ancillary	14,025		14,025	13,449	(576) -4%
Other	14,903	-	14,903	16,057	1,154 8%
<b>Total Revenue</b>	<b>\$ 179,491</b>	<b>\$ -</b>	<b>\$ 179,491</b>	<b>\$ 181,121</b>	<b>\$ 1,630 1%</b>
<b>Expenditures</b>					
Academic/ACRU	66,031	1,065	67,097	65,370	1,727 3%
Academic Support	33,364	-	33,364	32,983	381 1%
Administrative	31,640	-	31,640	26,854	4,787 15%
<b>Total UOIT Pure</b>	<b>\$ 131,035</b>	<b>\$ 1,065</b>	<b>\$ 132,100</b>	<b>\$ 125,206</b>	<b>\$ 6,894 5%</b>
<b>Purchased Services</b>	<b>14,032</b>	<b>-</b>	<b>14,032</b>	<b>14,154</b>	<b>(122) -1%</b>
<b>Total Ancillary/Commercial</b>	<b>9,632</b>	<b>-</b>	<b>9,632</b>	<b>9,340</b>	<b>293 3%</b>
<b>Debenture Interest Expense</b>	<b>11,391</b>	<b>-</b>	<b>11,391</b>	<b>11,242</b>	<b>149 1%</b>
<b>Total Operating Expenses</b>	<b>\$ 166,090</b>	<b>\$ 1,065</b>	<b>\$ 167,155</b>	<b>\$ 159,942</b>	<b>\$ 7,213 4%</b>
<b>Net Contribution from Operations</b>	<b>\$ 13,401</b>	<b>\$ (1,065)</b>	<b>\$ 12,336</b>	<b>\$ 21,179</b>	<b>\$ 8,844 72%</b>
<b>Capital Expenses funded from Operations</b>	<b>7,225</b>	<b>-</b>	<b>7,225</b>	<b>10,062</b>	<b>(2,837) -39%</b>
<b>Principal Repayments - Debenture/Leases</b>	<b>5,110</b>	<b>-</b>	<b>5,110</b>	<b>5,070</b>	<b>40 1%</b>
<b>Net Cash Inflow from Operations</b>	<b>\$ 1,065</b>	<b>\$ (1,065)</b>	<b>\$ -</b>	<b>\$ 6,047</b>	<b>\$ 6,047 #DIV/0!</b>
<b>Other Disclosure: SIRC Building (not funded from Operating Budget)</b>					
<b>Capital Grant</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>5,042</b>	<b>(5,042) #DIV/0!</b>
<b>Internally-Restricted Reserves</b>		<b>-</b>	<b>-</b>	<b>7,810</b>	<b>(7,810) #DIV/0!</b>
<b>Capital Expenses</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>12,852</b>	<b>(12,852) #DIV/0!</b>

#### Reconciliation to Y/E forecast GAAP FS:

	\$
<b>Net forecast contribution from Operations</b>	<b>\$ 21,179</b>
<b>Revenues not budgeted:</b>	
Externally funded research donations and revenues	\$ 10,050
Externally funded research expenses	\$ (9,450)
<b>Non-cash transactions:</b>	
Amortization of capital assets	\$ (24,740)
Amortization of deferred capital contributions	\$ 8,595
Unrealized gain on Investments	\$ 1,200
<b>Capital Grants accounted for as Deferred Capital Contribution on the balance sheet</b>	<b>\$ (2,986)</b>
<b>Excess revenues over expenses - as per Y/E forecast GAAP FS</b>	<b>\$ 3,848</b>

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### III. 2016-17 Operating Forecast Analysis

The latest projection of the 2016-17 operating budget, after capital expenses, shows an operating surplus of \$6.0m by the end of the fiscal year (Note that the operating budget does not include the impact of the construction of the new SIRC Building. This is disclosed separately under “Other Disclosure”).

The variances of the year-end forecast relative to the approved budget are explained below.

#### Enrolment

	2016 -17 Approved Budget	2016-17 Projection	Variance to Approved Budget
<b>FTE's</b>			
<b>Undergraduate</b>			
Domestic	7,876	7,894	18
International	431	444	13
<b>Graduate</b>			
Domestic	388	376	-12
International	137	133	-4
<b>Total FTE's</b>	<b>8,832</b>	<b>8,847</b>	<b>15</b>

Our enrolment projection data indicates that we are net 15 FTE more than the approved budget of 8,832 FTE.

#### Revenues

Grants are favourable to budget \$0.8m. This includes \$2.2m grant received in Dec 2016 from MEDG for the purchase of the Moving Ground Plane (see “Capital” under “Expenditures” section below), offset by a decrease of \$0.7m relating to the teacher’s enrolment grant which was erroneously included twice in the budget, and a decrease of \$0.6m facilities renewal grant re-allocated to the SIRC construction as approved by the Ministry (see Capital Grant under “Other Disclosure – SIRC Building”).

Note: the total grant from MEDG is \$2.5m and includes a 10% holdback which will be released in March 2018 upon receipt of the required project reporting by the Province.

Student Ancillary fees are unfavorable to budget and relates mostly to TELE due to the lower than expected utilization of PY deferred revenue as a result of lower than forecast expenses (savings on Adobe licence fees) coupled with higher than expected gains on laptop disposal.

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### **III. 2016-17 Operating Forecast Analysis (Contd.)**

Other Revenue forecast, including purchased services, is favourable \$1.2m and includes \$0.5m of application and other student-related fees that were conservatively budgeted due to the shortfall of 245 FTE in the prior fiscal year 2015-16, \$0.3m increase in parking revenues and other immaterial variances.

#### **Expenditures**

The Academic/ACRU units are showing a positive variance of \$1.7m mostly relating to labour savings from open faculty positions. The most significant variance is a \$0.7m upside in the Faculty of Engineering and Applied Science that pertains to 6 open faculty positions. Other faculties are showing variances to budget, none of which exceeds \$0.5m.

The Administrative units are \$4.8m favourable to budget. This includes \$3.9m release of operational contingency and capital reserves which will be taken into income at year-end and internally restricted to invest in future capital and student-related projects, \$0.4m job evaluation reserve that will not be utilized in the current year, and other immaterial variances.

Capital Expenses funded from Operations are unfavourable \$2.8m to budget and includes \$2.6m disbursed in Sep 2016 to Old Dominion University for the purchase of the Moving Ground Plane (rolling road). The cost of the rolling road will be funded by a \$2.5m grant from MEDG (see “Grants” under “Revenues” section above).

#### **Other Disclosure: SIRC Building**

The construction of SIRC is not funded from the 2016 – 17 approved budget and hence disclosed separately. The total estimated cost of the project for the current year is \$12.8m, of which \$5.0m is funded through the “SIF” grant and \$7.8m through internally-restricted reserves.

#### **Operating Forecast Surplus (or Deficit)**

Current projections continue to show a surplus budget of \$6.0m after capital expenses. The most significant potential change to this projection is the final impact of the actual enrolment as per the Feb 1 count to the Ministry, and the uncertainty around the Moving Ground Plane project.

There are a number of accounting adjustments that are not included in the Board approved operating budget (such as the externally-funded research grants and amortization of capital assets and capital grants received). These accounting transactions impact the operating surplus (or deficit) on a GAAP (generally accepted accounting principles) basis. Based on current projection and after adjusting for the items mentioned above, the projected surplus is \$3.8m on a GAAP basis.

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#### **IV. CAPITAL**

This section provides an overview of Board approved capital projects over \$1.0m.

##### **A. Software and Informatics Research Centre (“SIRC”)**

In March 2016, UOIT’s Board of Governors approved the award of the design and build of a new building (“SIRC”) to EllisDon Corporation, and also approved the completion of the preliminary design phase.

On June 29, 2016, the Board approved the construction and fit-out of the new 4-floor “SIRC” building at a total cost not to exceed \$26.3m for the first phase (construction and fit-out of the first 2 floors), and not to exceed a further \$7.0m for the fit-out of the remaining 2 floors, the latter being subject to approval of UOIT’s application for “SIF” (Strategic Investment Fund) funding.

On September 14, 2016, UOIT signed an agreement with the Province which was made effective as of May 9, 2016. This Ontario Transfer Payment Agreement confirmed a “SIF” funding of \$13,001,890 (\$11,801,890 Federal Funds and \$1,200,000 Ontario Funds). The Ministry formally announced this infrastructure funding for UOIT on October 13, 2016.

The target date for completion of the 4 floors fully fitted-out is Nov 2017, with occupancy in Jan 2018.

**Please see separate report for details of SIRC actual, budget and forecast to completion date.**

##### **B. Moving Ground Plane (“MGP”)**

In June 2016, UOIT’s Board of Governors approved the completion of an agreement of purchase and sale with the Old Dominion University (“ODU”) for the acquisition of a moving ground plane (“MGP”) at a cost of no more than \$2.5m in accordance with the terms of a grant of \$2.5m funded by the Ministry of Economic Development and Growth (“MEDG”).

UOIT has also submitted an application to FedDev for additional funding of approximately \$10.2m and is working with industry partners (e.g. Magna and Multimatic) to complete the funding requirements for the installation and integration of the MGP into the ACE facility. This project does not include the use of the University’s operational funds.

It was anticipated that installation of the MGP at the ACE facility will be completed in late 2017 and become operational as of early 2018.

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**IV. CAPITAL (Contd.)****MGP Progress Update**

- The University has paid ODU USD 2.0m in settlement for the equipment in September 2016, and has received CAD 2.25m (CAD 2.5m less 10% holdback) from the Ministry of Economic Development and Growth in December 2016.
- All components of the rolling road have been shipped and are now at the Multimatic location.
- The FedDev application for additional funding of \$10.2m was declined. Executive Management is currently conducting active discussion with our industry partners.
- The agreements with Magna and Multimatic are currently being reviewed by the various partners.

**Please see separate Board report from Michael Owen for the MGP update.**

**UNIVERSITY OF ONTARIO INSTITUTE OF TECHNOLOGY****Financial Update – Report to Audit and Finance Committee – February 15, 2017****For 9 months ending December 31, 2016**

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**V. CASH FLOW**

The University administration uses a cash management forecasting model to manage its operating cash balances and operating short-term investment portfolios.

University cash balances are cyclical in nature with higher balances in September & October and January & February due to tuition fee collection from the fall and winter semester registration, and lower balances during the late spring and early summer months.

In September 2014, and as approved by the Board, the University invested \$16.0m surplus operating cash in short-term GIC's at BMO Nesbitt Burns, of which \$6.0m has a renewable maturity date of 30 days and \$10.0m has a maturity date of 1 year.

In April 2015, the University transferred \$1.1m from BNY to RBC Wealth Management and these were invested in annual GIC's.

The University has the following line of credit (LOC) facility agreements:

- A revolving operating LOC of up to \$17.0m, bearing interest at prime plus 0.25% with a Canadian chartered bank.
- A revolving operating LOC up to \$5.0m, bearing interest at prime plus 0.25% with IBM.

**Cash Flow Update**

- UOIT has not utilized its available line of credit at the end of the reporting quarter.
- To provide flexibility for major capital project funding, and in Oct 2016, Management has re-invested the \$16.0m GIC's at BMO Nesbitt Burns, plus all interest earned to date, in 30-day cashable GIC's.

In addition, \$1.1m at RBC was re-invested into GIC's with a one-year maturity date on June 12, 2017.

- **Operating cash balance** including short-term investments is forecast to be at \$33.7m at the end of the fiscal year.
- **Externally and internally restricted cash balances** (including, Research, Advancement, Campus Childcare, Regent Theater, ACE) is forecast to be at \$11.5m at the end of the fiscal year.

## UNIVERSITY OF ONTARIO INSTITUTE OF TECHNOLOGY

## Cash Flow Forecast Summary for year ending March 31, 2017

		Actual	Actual	Actual	Forecast			Total Forecast
		Apr - Jun 2016	Jul - Sep 2016	Oct - Dec 2016	Jan 2017	Feb 2017	Mar 2017	FY 2016-17
		\$ 000 s	\$ 000 s	\$ 000 s	\$ 000 s	\$ 000 s	\$ 000 s	\$ 000 s
Operating Beginning Cash Balance	A	\$ 14,918	\$ 3,234	\$ 23,209	\$ 10,203	\$ 27,376	\$ 24,143	\$ 14,918
Total Operating Inflows	B	35,107	62,752	35,017	30,832	9,307	9,430	182,445
Total Operating Outflows	C	(46,381)	(41,692)	(47,874)	(12,591)	(12,429)	(14,967)	(175,933)
Net Operating Cash Flows	D=B+C	(11,274)	21,060	(12,856)	18,242	(3,122)	(5,537)	6,512
Total Operating Cash Available	E=A+D	3,644	24,294	10,353	28,445	24,254	18,606	21,431
SIRC Building Outflows	F	(410)	(1,085)	(3,100)	(1,686)	(1,586)	(2,269)	(10,136)
SIRC Building Inflows	G			2,950	617	1,475		5,042
Net SIRC Building	H=F+G	(410)	(1,085)	(150)	(1,069)	(111)	(2,269)	(5,094)
Operating Ending Cash Balance after SIRC	I=E+H	3,234	23,209	10,203	27,376	24,143	16,337	16,337 N1
Total Internally and Externally Restricted Cash	J	10,722	10,528	11,203	10,871	11,495	11,504	11,504 N2
Total Consolidated Cash Position	K=I+J	\$ 13,957	\$ 33,737	\$ 21,406	\$ 38,246	\$ 35,638	\$ 27,841	\$ 27,841

## Reconciliation of bank balances to G/L balance as at DEC 31, 2016

Balance as per bank statements	\$ 21,345
Adjust for: Outstanding cheques	(1,395)
Payments processed by bank, not recorded in GL	1,730
Fieldhouse and Arena not included in cash flow	164
Bank Balance as per G/L	21,844
Add: Short-term investments in GIC's	17,338
Total Cash and ST investments, as per Balance Sheet	\$ 39,182

## Total Cash Forecast as at MAR 31, 2017

Total Operating Cash after SIRC	\$ 16,337 N1
Add: Short-term investments in GIC's	17,338
Total Operating Cash and ST investments	\$ 33,675
Total Restricted Cash	\$ 11,504 N2

**UNIVERSITY OF ONTARIO INSTITUTE OF TECHNOLOGY****Financial Update – Report to Audit and Finance Committee – February 15, 2017****For 9 months ending December 31, 2016**

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**VI. LONG-TERM FORECAST**

In April 2016, the Board approved a balanced budget for 2016 – 17. At that time, a long-term forecast was also presented for the budget years 2016 – 17 to 2020 – 2021.

In August 2016, the long-term plan was re-cast to include revised enrolment targets as a result of the upcoming construction of the new SIRC building and revised labor costs relating to the new job evaluation system (JES).

The long-term forecast will be updated to reflect final winter Day 10 official enrollment count and 5-year forecast input from budget holders and presented to the Committee at the annual budget presentation in April 2017.

**Assumptions on Aug 2016 forecast model**

- Enrolment targets revised to take into account occupancy of SIRC in Jan 2018
- Grant funding as per the current funding formula (funding formula currently under review by the Ministry)
- Tuition YOY average increase at the current approved rate of 3.0% (new tuition framework currently under review by the Ministry)
- Retention rate held at current rate of 80.3%
- Salary increases as per the new JES and as per faculty collective agreements
- New hires to maintain current student to faculty ratio
- TELE transformation to a full “BYOD” model by FY 2019-2020
- Operational reserves \$2.0m + planned capital reserves \$2.5m for a total of \$4.5m
- 3% YOY increase in utilities
- 2% YOY increase in purchased services cost from Durham College

**Balancing the budget over the long-term**

Currently, the long-term forecast is showing a deficit in Year 2 through to Year 5. Over the last 6 months, Management has developed a plan to address this shortfall. This plan, which will be implemented in the budget year 2017 / 18, will balance UOIT’s budget over the next 5 years.

## UNIVERSITY OF ONTARIO INSTITUTE OF TECHNOLOGY

## Long-Term Forecast Summary as at August 31, 2016

FORECAST					
	FY 2017 - 18	FY 2018 - 19	FY 2019 - 20	FY 2020 - 21	FY 2021 - 22
	\$'000 s	\$'000 s	\$'000 s	\$'000 s	\$'000 s
<b>Revenues</b>					
Grants	76,587	77,569	77,656	77,898	78,732
Tuition	77,298	79,695	82,131	84,950	86,731
Ancillary, including TELE	11,872	11,853	10,779	10,816	11,089
Other	14,589	14,799	14,935	15,305	15,313
<b>Total</b>	<b>\$ 180,347</b>	<b>\$ 183,915</b>	<b>\$ 185,501</b>	<b>\$ 188,969</b>	<b>\$ 191,865</b>
<b>Expenses</b>					
Labour	95,990	99,161	101,661	104,210	106,302
OPEX	74,395	75,874	76,824	78,081	79,367
Capital	5,283	5,402	5,109	4,434	4,434
Contingency	4,500	4,500	4,500	4,500	4,500
<b>Total</b>	<b>\$ 180,168</b>	<b>\$ 184,936</b>	<b>\$ 188,094</b>	<b>\$ 191,226</b>	<b>\$ 194,603</b>
<b>Revenues less Expenses</b>	<b>\$ 178</b>	<b>\$ (1,021)</b>	<b>\$ (2,592)</b>	<b>\$ (2,256)</b>	<b>\$ (2,738)</b>
<b>FTE</b>	<b>8,814</b>	<b>8,859</b>	<b>8,875</b>	<b>8,930</b>	<b>8,954</b>



# Budget Update

## Audit and Finance Committee

Presented By Craig Elliott, CFO and Deborah Saucier, Provost

February 15, 2017



# Agenda

- 1. Recap Budget Assumptions**
- 2. Current Status**
- 3. Impact on 2017-18 Budget**
- 4. Next Steps**
- 5. Proposed Modifications to Budget Presentation For 2016-17**
- 6. Questions/Comments**

# Recap of 2017-18 Assumptions



# Significant Budget Assumptions

- Enrolment levels as forecasted
- Grant funding from the Province will remain at current level
- Tuition increase of 3% maintained each year
- Compensation increases and other fixed cost estimates as forecast
- New building occupied in 2018/19 funded by Fed gov't and UOIT
- Academic hires funded out of the faculty, and maintain current student/faculty ratios.
- No new support staff hires.
- Contingency included in the budget:
  - \$2.5M for new building/capital renewal
  - \$1.0M general contingency for operations
  - \$1.0M UPF for strategic initiatives
- Reduce base budget expenditures by \$2.5M

## Key Components of Budget Reduction Plan

### ***Lower our cost base by \$2.5M in 2017/18***

- ATB reduction in discretionary PD and Travel by 30%
- Reduced OPEX eligible expenses, in areas determined by each budget holder
- Strategic labour reductions through attrition, part time, and contract positions
- Reduced contingency

## Updated 10 Year Forecast

UOIT 10 yr Operational Forecast- Feb 2017											
Financials											
Revenues											
	16/17 Fcst	17/18 Fcst	18/19 Fcst	19/20 Fcst	20/21 Fcst	21/22 Fcst	2022-23 Fcst	2023-24 Fcst	2024-25 Fcst	2025-26 Fcst	2026-27 Fcst
Basic Operating Grant	53,097,088	55,219,932	55,995,048	55,875,731	56,117,762	56,951,729	58,121,947	59,728,931	61,552,169	63,600,422	65,058,972
Debenture Grant	13,500,000	13,500,000	13,500,000	13,500,000	13,500,000	13,500,000	13,500,000	13,500,000	13,500,000	13,500,000	13,500,000
Other Grants	10,504,513	7,867,420	8,073,819	8,280,180	8,280,180	8,280,180	8,280,180	8,280,180	8,280,180	8,280,180	8,280,180
Donations	803,733	608,100	608,100	608,100	608,100	608,100	608,100	608,100	608,100	608,100	608,100
Tuition	74,513,420	77,298,372	79,694,947	82,131,487	84,949,968	86,731,133	88,513,245	90,960,503	93,737,091	96,856,351	99,077,562
Ancillary Fees	13,448,705	11,871,979	11,852,566	10,778,802	10,816,423	11,089,179	11,215,036	11,394,376	11,597,352	11,633,748	11,633,748
Other Revenue	11,272,647	10,421,858	10,421,858	10,421,858	10,421,858	10,421,858	10,421,858	10,421,858	10,421,858	10,421,858	10,421,858
DC	3,981,276	3,546,976	3,546,976	3,546,976	3,546,976	3,546,976	3,546,976	3,546,976	3,546,976	3,546,976	3,546,976
Total Revenues	181,121,382	180,334,637	183,693,314	185,143,134	188,241,267	191,129,155	194,207,342	198,440,925	203,243,726	208,447,635	212,127,396
Increase %			1.9%	0.8%	1.7%	1.5%	1.6%	2.2%	2.4%	2.6%	1.8%
Expenses											
FT Labour	72,370,415	80,804,830	83,731,132	85,923,233	87,815,861	89,526,872	92,315,394	94,996,985	97,893,259	100,708,028	102,667,987
PT Labour	17,924,666	15,076,984	15,320,723	15,628,453	16,284,819	16,639,916	17,020,388	17,459,362	17,930,008	18,252,618	18,551,739
OPEX	30,064,808	30,527,262	31,071,131	30,854,961	31,166,349	31,499,347	32,067,495	32,600,758	33,083,457	33,422,568	33,748,715
OPEX Ineligible	29,271,714	29,716,892	30,311,230	30,917,454	31,535,804	32,166,520	32,809,850	33,466,047	34,135,368	34,818,075	35,514,437
Contingency Reserve	-	3,500,000	3,500,000	3,500,000	3,500,000	3,500,000	3,500,000	3,500,000	3,500,000	3,500,000	3,500,000
OPEX DC	15,380,966	15,425,488	15,733,997	16,048,677	16,369,651	16,697,044	17,030,985	17,371,604	17,719,036	18,073,417	18,434,886
Total Expenses	165,012,569	175,051,456	179,668,213	182,872,779	186,672,483	190,029,698	194,744,112	199,394,756	204,261,129	208,774,707	212,417,762
Increase %		40.8%	2.7%	1.8%	2.1%	1.8%	2.5%	2.4%	2.4%	2.2%	1.7%
Capital	5,884,704	2,805,322	3,011,914	3,218,313	3,218,313	3,218,313	3,218,313	3,218,313	3,218,313	3,218,313	3,218,313
Capital Tele	3,535,296	1,262,174	1,173,974	674,828	-	-	-	-	-	-	-
Capital DC	642,428	1,215,686	1,215,686	1,215,686	1,215,686	1,215,686	1,215,686	1,215,686	1,215,686	1,215,686	1,215,686
Total Expenditures	175,074,997	180,334,637	185,069,787	187,981,606	191,106,482	194,463,697	199,178,111	203,828,755	208,695,128	213,208,706	216,851,761
Increase %			2.7%	1.6%	1.7%	1.8%	2.4%	2.3%	2.4%	2.2%	1.7%
Revenues less Expenses	6,046,385	0	(1,376,473)	(2,838,472)	(2,865,215)	(3,334,542)	(4,970,769)	(5,387,830)	(5,451,402)	(4,761,071)	(4,724,365)
2.5% cut of eligible expenses			(3,000,000)	(3,565,549)	(3,565,549)	(3,565,549)	(3,565,549)	(3,565,549)	(3,565,549)	(3,565,549)	(3,565,549)
Revenues less Expenses After Cuts	6,046,385	0	1,623,527	727,077	700,334	231,007	(1,405,220)	(1,822,281)	(1,885,853)	(1,195,522)	(1,158,816)
Student FTE Enrolment	8,832	8,711	8,859	8,875	8,930	8,954	8,998	9,100	9,246	9,410	9,440
Cumulative Budget Surplus/Deficit											1,860,639

# Current Status of 2017-18 Budget



2017- 18 Proposed Draft Budget										
Operating Budget	Purchased Services	Debenture	TELE	ACE	Regent Theater	Campus ChildCare	Campus Fieldhouse & Arena	Total Budget (excl. SIRC)	New SIRC Capital	Total 2017 - 18 Draft Budget
\$ 54,309,583		\$ 13,500,000						\$ 67,809,583		\$ 67,809,583
\$ 7,470,807						\$ 157,000		\$ 7,627,807	\$ 5,280,000	\$ 12,907,807
\$ 77,569,885								\$ 77,569,885		\$ 77,569,885
\$ 4,730,711	\$ 2,167,188		\$ 3,752,982					\$ 10,650,882		\$ 10,650,882
\$ 270,000	\$ 3,208,119							\$ 3,478,119		\$ 3,478,119
\$ 680,000			\$ -					\$ 680,000		\$ 680,000
\$ 4,544,557	\$ 516,981	\$ -	\$ 77,396	\$ 4,732,591	\$ 450,763	\$ 750,149	\$ 1,545,409	\$ 12,617,846	\$ -	\$ 12,617,846
\$ 149,575,543	\$ 5,892,288	\$ 13,500,000	\$ 3,830,378	\$ 4,732,591	\$ 450,763	\$ 907,149	\$ 1,545,409	\$ 180,434,121	\$ 5,280,000	\$ 185,714,121
\$ (75,780,656)	\$ (6,849,091)		\$ (1,208,296)	\$ (1,554,719)	\$ (92,903)	\$ (342,722)	\$ (632,636)	\$ (86,461,023)		\$ (86,461,023)
\$ (14,205,068)	\$ (38,140)		\$ (388,074)	\$ (148,029)	\$ (161,071)	\$ (305,653)		\$ (15,246,035)		\$ (15,246,035)
\$ (36,288,017)	\$ (8,209,700)	\$ (16,501,006)	\$ (1,558,644)	\$ (3,128,727)	\$ (180,891)	\$ (243,478)	\$ (985,796)	\$ (67,096,259)		\$ (67,096,259)
\$ (671,316)	\$ -		\$ (1,806,268)	\$ -	\$ -	\$ -	\$ -	\$ (2,477,584)		\$ (2,477,584)
\$ -	\$ -		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		\$ -
\$ (126,945,058)	\$ (15,096,931)	\$ (16,501,006)	\$ (4,961,282)	\$ (4,831,475)	\$ (434,865)	\$ (891,853)	\$ (1,618,432)	\$ (171,280,901)	\$ -	\$ (171,280,901)
\$ 22,630,486	\$ (9,204,643)	\$ (3,001,006)	\$ (1,130,904)	\$ (98,884)	\$ 15,898	\$ 15,296	\$ (73,023)	\$ 9,153,220	\$ 5,280,000	\$ 14,433,220
\$ (3,500,000)								\$ (3,500,000)		\$ (3,500,000)
										\$ -
\$ (2,825,911)	\$ (522,623)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (3,348,534)		\$ (3,348,534)
\$ (1,032,491)	\$ (75,000)	\$ -	\$ -	\$ -	\$ -	\$ -		\$ (1,107,491)		\$ (1,107,491)
\$ (3,070,880)	\$ (1,281,917)				\$ -		\$ (51,900)	\$ (4,404,697)	\$ (15,078,000)	\$ (19,482,697)
\$ 12,201,204	\$ (11,084,183)	\$ (3,001,006)	\$ (1,130,904)	\$ (98,884)	\$ 15,898	\$ 15,296	\$ (124,923)	\$ (3,207,502)	\$ (9,798,000)	\$ (13,005,502)
\$ 1,660,392			\$ 1,130,907					\$ 2,791,299	\$ 9,798,000	\$ 12,589,299
\$ 13,861,596	\$ (11,084,183)	\$ (3,001,006)	\$ 3	\$ (98,884)	\$ 15,898	\$ 15,296	\$ (124,923)	\$ (416,203)	\$ -	\$ (416,203)

# Balancing The Budget

(in millions of dollars)					
Budget Recommendations					
Description	Asks	Included in 10 Yr Fcst	Offset By Added Rev	Net Increase	Explanation
Contingency Reserve	\$ 3.5	\$ 3.5	\$ -	\$ -	Building Reserve \$2.5M, Budget Contingency \$1.0M
Base Asks	\$ 2.8	\$ 1.2	\$ -	\$ 1.6	\$1.5M in asks for instruction, with \$.5M in fcst (Smaller class sizes/improved student experience). New SIRC building operating costs of \$.5M, had \$.7M in fcst. Added scholarships \$.3M. Add \$.5M for Test Centre, Exec Comp, Sexual Violence 3rd Party Service.
OTO Asks	\$ 1.0	\$ -	\$ 1.0	\$ 0.0	ONCAT \$.3M, Capital campaign \$.4M, ELC \$.1M, Campus Safety \$.1M, and net tuition \$.1M all with corresponding added revenue
Capital Asks	\$ 3.1	\$ 3.1	\$ -	\$ 0.0	OCIS = \$1.6M and IT = \$0.5M included in fcst. Faculty Equipment \$1.0M covered by carryforward
Purchase Services	\$ 1.9	\$ 1.3	\$ 0.2	\$ 0.4	IT=\$1.4M: Network improvements/licence fee increases \$.4M, Banner Upgrades \$0.6M, Sr Network Admin/Sr Application Specialist \$.1M included in 10 yr fcst. Add PCI Compliance \$.4M. Ancillary \$.2M Parking/Bookstore covered by higher ancillary fees. Facilities \$.2M capital in fcst
<b>Total</b>	<b>\$ 12.4</b>	<b>\$ 9.1</b>	<b>\$ 1.2</b>	<b>\$ 2.1</b>	

## Next Steps



## Budget Schedule

Jan 10 - 11/2017	Finance reviews DC/UOIT Shared Service budgets. Joint presentation by UOIT and DC staff responsible for the areas of: IT, Facilities, Student Services, Ancillary, and Purchasing	
Jan 16 - 23/2017	Budget holders make presentations to PACIP	
8-Feb-2017	DC confirm final Shared Service operating costs, and capital requirements	
8-Feb-2017	Budget working group presents high-level revenues and base expenditures SLT / makes budget recommendations	
15-Feb-2017	Finance presents high-level revenues and base expenditures to A&F	
27-Feb-2017	Budget working group presents high-level revenues and base expenditures to AC Exec	5 Year Forecast submitted to finance
6-Mar-2017	Final budget approved by SLT	
Mar 7 - Mar 31	Finance prepares budget presentation files for A&F/Board	
7-Apr-2017	Finance sends budget package to SLT for review	
12-Apr-2017	Budget Package sent to A&F Committee members	
19-Apr-2017	Presentation of proposed budget to A&F	
3-May-2017	Presentation of proposed budget to Board for approval	
16-May-2017	Presentation of Board approved budget to Academic Council	

# Question or Comments



# Updated Disbursement Committee Report

2017-18 Disbursement Recommendation

# Cumulative Investment Income Summary

Cumulative Net Endowed Earnings - Mar 31, 2016	\$3,610,662
Interest/Dividends Earned Apr-Dec, 2016	\$ 851,751
Estimated Interest/Dividends Earned Jan-Mar, 2017	<u>\$ 28,888</u>
Cumulative Est Net Endowed Earnings at Mar 31, 2017	\$4,491,301
Less: Est 2016-17 Disbursements	(\$ 449,210)
Cumulative Capital Preservation	<u>(\$2,191,231)</u>
Cumulative Est Net Earnings Available For Disbursement	<u>\$1,850,860</u>

# Cumulative Investment Summary

Endowment Balance at Dec 31, 2015	\$14,430,901
2016-17 Donations to Dec 31, 2016	\$ 941,793
Cumulative Earnings Less Distributions	\$ 4,462,411
Unrealized gains	<u>\$ 3,286,728</u>
Market Value of Endowment at Dec 31, 2016	\$23,121,833
Est Income Jan-Mar, 2017	\$ 28,888
Est Disbursement in 2016-17	<u>(\$ 449,210)</u>
Forecast Investment Balance at Mar 31, 2017	<u>\$22,701,511</u>

# Gift Agreement Requirements

Endowed Awards can be specific dollar amounts, or could be expressed as a minimum and maximum amount. At our current investment level, we need to disburse between 3-4% of the principal value to cover our gift requirements.

For 2017-18, our disbursement requirements are \$476,560. A recommended distribution of 4% of the principle value would equate to \$480,000.

# Recommendation

The Disbursement Committee met on Feb 10, 2017. The committee recommends that \$480,000 be approved for disbursement from Endowment Funds, and distributed as student awards in 2017-18.

# Questions/Comments



## COMMITTEE REPORT

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### **Action Required:**

**Public:** ☒  
**Non-Public:** ☐

**Discussion** ☐  
**Decision** ☒

**TO:** **Audit & Finance Committee**

**DATE:** **February 15, 2017**

**FROM:** **Paul Bignell, Executive Director – IT Services**

**SUBJECT:** **Procurement of laptop/tablet computer equipment for 2017-18**

### **A. Purpose**

The purpose of this report is to seek Board approval to purchase the laptop and tablet computers required by the University's Technology Enriched Learning Environment (TELE) program for the 2017-18 academic year, as well as the laptop and tablet computers and associate peripheral devices required for refresh of faculty and staff equipment for fiscal year 2018.

### **B. Background/Context**

Until 2015, all laptops and tablet computers provided to undergraduate students, faculty (full and part-time) and administrative staff had been manufactured by Lenovo. For fiscal years 2016 and 2017, UOIT held an open competition amongst technology manufacturers and resellers. Dell was awarded the contract on both occasions.

For fiscal year 2018 approximately 1600 computers will be acquired to accommodate refresh and any student, faculty or staff growth. The equipment will be acquired either via Request For Proposal (RFP) or through the Ontario Education Collaborative Marketplace (OECM) vendor of record. OECM is currently revisiting its vendor of record via an open RFP process.

Annual purchase volume has fallen substantially as a result of the program to transition TELE to "bring your own device" (BYOD). The TELE program, which delivers curriculum-specific software and a suite of support services to undergraduate students, has traditionally included an enterprise-class laptop. The BYOD for TELE project is removing the laptop and its cost from the program. For academic year 2016-17, the

Faculty of Social Science and Humanities and Faculty of Education moved to BYOD. For academic year 2017-18, the Faculties of Science, Health Sciences and Business and Information Technology (except for the Gaming program) will also embrace BYOD.

### **C. Discussion/Options and Rationale**

Authorization is sought for spending of \$2.1M, which is \$2.8M lower than last years' authorization, due to two factors:

- Reduced demand for laptops for TELE as the Faculties of Science, Health Sciences and Business and Information Technology (except for the Gaming program) move to the BYOD model, partly offset by
- Expectation of unit price increases for PC hardware, due to reduced volumes and specification changes to ensure adequate performance.

The requested approval consists of \$1.6M for hardware to support undergraduate students, funded via ancillary fees, and \$0.5M to support PC refresh for faculty and staff. Both amounts are fully funded within FY18 budgets.

The key risk is increased unit price of PC equipment, driven by reduced scale and uncertainty regarding exchange rate impacts. The requested authorization reflects allowance for 12% unit price increase on average relative to last year's purchases. Should the vendor pricing yield a more unfavourable result, the difference will be addressed through our budget contingency.

An additional risk is variance from plan in enrollment levels. We protect ourselves from this risk by incorporating cancellable orders into our procurement operations.

### **D. Recommendations**

Management recommends that the Board approve the expenditure of approximately \$2.1M for procurement, via an open competition or via the OECM vendor of record, of laptop, tablet and desktop equipment required to support the UOIT Technology Enriched Learning Program and internal needs for the 2017-18 academic year.

# **Laptop Program Update (Bring Your Own Device (BYOD) for TELE)**

**For Audit & Finance Committee  
of the UOIT Board of Governors**

BYOD For TELE Update  
BYOD For TELE Services  
BYOD Student Experience

Background: TELE Program Overview



February 15, 2017

## BYOD For TELE: Update

<b>Goal</b>	<p>Remove the laptop from the TELE program in order to</p> <ul style="list-style-type: none"> <li>• Reduce ancillary fees</li> <li>• Provide device choice to students</li> </ul> <p>while continuing to provide curriculum specific software to students</p>
<b>Phase 1 Fall 2016</b>	<p>Completed successfully:</p> <ul style="list-style-type: none"> <li>• Faculty of Social Science and Humanities</li> <li>• Faculty of Education B.Ed</li> </ul>
<b>Phase 2 Fall 2017</b>	<p>Planning underway:</p> <ul style="list-style-type: none"> <li>• Faculty of Science</li> <li>• Faculty of Health Sciences</li> <li>• Faculty of Business and Information Technology (Gaming excluded)</li> </ul>
<b>Future Phases</b>	As feasible

## BYOD For TELE - Services

Element	BYOD TELE	Full TELE
PC Hardware	Option to purchase in-hand laptop	Yes
PC Hardware/Software Standards	Yes	Yes
PC Hardware Repair	No	Yes
Loaner Equipment	No	Yes
Rental Equipment	Yes	NA
General Use Workstations	Yes	No
Curriculum-specific software	Yes	Yes
Software installation support	Yes	NA
Exam Technical Support	Yes	Yes

## BYOD Phase 1 Student Experience

### Feedback on TELE

- Generally strong satisfaction with move to BYOD, but
- Full spectrum of narrative responses

### Device Choice

- 57% of returning FSSH students bought the UOIT device
- Significant Mac population: 1/3 FSSH, 2/3 F Ed
- <1% have no laptop

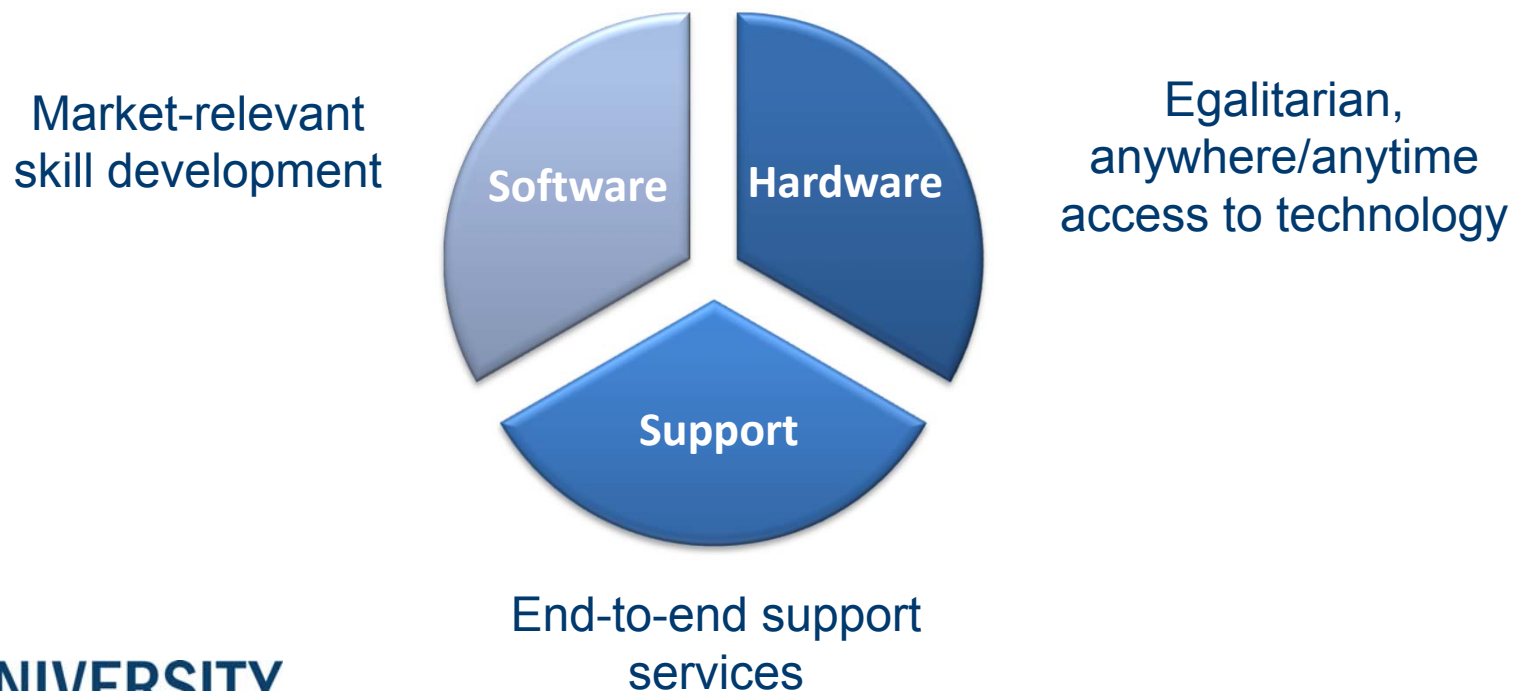
### Issues Encountered

- Printing (46%)
- Software download (22%)

## Background

## TELE Program Overview

**The Technology-enriched Learning Environment has been a differentiator for the university since its inception**



## TELE Program Overview (cont'd)

### Drivers for Change

- Cost to student
- Perception of relevance
- Desire for device choice
- Perception of cross-subsidy
- Risk: regulation, operations

### Constraints/Considerations

- Curriculum/courseware
- Accreditation
- Space for labs
- Cross-faculty implications
- Classroom experience
- Brand impact

**Goal: Continue to provide the best software solutions for students while eliminating university-provided laptops, where possible**



## COMMITTEE REPORT

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### Action Required:

Public: ☒  
 Non-Public: ☐

Discussion ☒  
 Decision ☐

**TO:** Audit & Finance Committee

**DATE:** February 15, 2017

**FROM:** Cheryl Foy, University Secretary and General Counsel

**SUBJECT:** Compliance Update - Privacy

### **A. Purpose**

To provide the Committee with a privacy compliance update in order to assist the Committee with fulfilling its obligations with respect to the oversight of UOIT compliance.

### **B. Background/Context**

In accordance with the Committee's Terms of Reference, one of the Committee's areas of responsibility is risk management, and within risk management, compliance. UOIT has taken key steps toward the development of a University compliance program in the past two years with the implementation of the Policy, Contracts, and Risk Frameworks. This is an ongoing process.

In accordance with its Terms of Reference, the Committee is responsible for:

Receiving regular reports from management on areas of significant risk to the university, including but not limited to legal claims, development (fundraising activities), environmental issues, health, safety and other regulatory matters.

The President has assigned responsibility for risk management and compliance to the University Secretary and General Counsel. The Office of the University Secretary and General Counsel (USGC) supports compliance initiatives across the University.

The USGC is directly responsible for compliance with the *Freedom of Information and Protection of Privacy Act*, R.S.O. 1990, c. F.31 (FIPPA). The attached provides an overview of the University's compliance with FIPPA for 2015-2016.

# Information and Privacy Reporting

Reporting metric	Reporting year: January 1, 2015 to December 31, 2016	Reporting year: January 1, 2016 to December 31 2016
Requests for personal information	6	4
Requests for Access To General Information	4	7
Requests not completed within the statutory time limit	0	0
Corrections to personal information	0	0
<b>Additional Privacy Metrics (Not reported to IPC)</b>		
Breaches investigated	1	9
Third Party Notifications	4	3
Appeals of Access Decisions	1	5
Privacy and Access Training	6	3
Privacy and Access Advice Requests	15	16

- In addition to the above reporting metrics, the University also reports on the disposition of requests, exemptions and exclusions applied and fees collected.