



# University of Toronto

OFFICE OF THE VICE-PRESIDENT, BUSINESS AFFAIRS - FINANCE

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TO: Business Board

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DATE: June 5, 2008 for June 19, 2008

AGENDA ITEM:

## **ITEM IDENTIFICATION:**

Borrowing – Status Report to May 31, 2008

## **JURISDICTIONAL INFORMATION:**

The Business Board receives reports on financial matters.

## **PREVIOUS ACTION TAKEN:**

The borrowing strategy was approved by Governing Council in June 2004 and reconfirmed in January 2007 and February 2008.

## **HIGHLIGHTS:**

This regular status report provides the Business Board with an update of the maximum borrowing capacity, borrowing allocated by Business Board and actual external and internal borrowing. It augments the annual report on borrowing which is presented annually at the Business Board in June of each year.

To May 31, 2008, maximum borrowing capacity is \$948.0 million, borrowing allocated by Business Board is \$873.8 million (net of \$34.5 million of repayments that can be reallocated), actual external borrowing is \$556.3 million, and actual internal borrowing outstanding is \$148.8 million.

## **FINANCIAL AND/OR PLANNING IMPLICATIONS:**

-None

## **RECOMMENDATION:**

For information.

**University of Toronto**  
**Borrowing**  
**Status Report to May 31, 2008**  
**(in millions)**

<b>Maximum borrowing capacity for 2008-09</b>	
Maximum external borrowing capacity updated at April 30, 2008, at 40% of net assets averaged over 5 years	748.0
Maximum internal borrowing capacity updated at April 30, 2008:	200.0
Maximum borrowing capacity for 2008-09	948.0

<b>Borrowing allocated</b>	
Total borrowing allocated by Business Board to March 31, 2008	867.8
Graduate expansion allocation for 2008-09 (approved in February 2008)	31.4
Projects approved by Business Board during April and May 2008	9.1
Total borrowing allocated by Business Board to May 31, 2008	908.3
Repayments to April 30, 2008 that can be reallocated	(34.5)
Total borrowing allocated net of repayments that can be reallocated	873.8

<b>Actual external borrowing</b>	
Borrowing prior to 2001 (excluding \$2.3 million to be repaid during 08-09)	46.3
Series A debenture	160.0
Series B debenture	200.0
Series C debenture	75.0
Series D debenture	75.0
Total external borrowing at April 30, 2008	556.3
Total external borrowing at April 30, 2008 as a % of net assets averaged over 5 years	30%

<b>Actual internal borrowing issued from EFIP</b>	
Balance net of repayments at March 31, 2008	150.1
Less: repayments	(1.3)
Outstanding internal borrowing net of repayments at May 31, 2008	148.8

<b>Projected maximum borrowing capacity* range from 2008 to 2012 depending on investment returns</b>		
	<b>LOW</b>	<b>HIGH</b>
April 30, 2008	\$ 945.6	\$ 962.7
April 30, 2009	\$ 1,013.2	\$ 1,050.8
April 30, 2010	\$ 1,075.7	\$ 1,146.8
April 30, 2011	\$ 1,124.3	\$ 1,245.4
April 30, 2012	\$ 1,156.6	\$ 1,343.4
* External borrowing capacity (40% of net assets averaged over 5 years) plus \$200 million internal borrowing as per borrowing strategy review to Business Board in February 2008		