UNIVERSITY OF TORONTO

OFFICE OF THE GOVERNING COUNCIL

FOR APPROVAL **PUBLIC** **OPEN SESSION**

TO: University Affairs Board

SPONSOR: Micah Stickel, Acting Vice-Provost, Students
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PRESENTER: Micah Stickel, Acting Vice-Provost, Students
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DATE: February 25, 2021 for March 4, 2021

AGENDA ITEM: 3C

ITEM IDENTIFICATION:

2021-22 Operating Plans and Rates for St. George Campus Service Ancillaries and 2021-22 Rates for St. George Campus Business Ancillaries

JURISDICTIONAL INFORMATION:

Under Section 5.1.1.b of the University Affairs Board (UAB) Terms of Reference, UAB approves operating plans for the St. George campus and student services ancillaries. The plans describe the services and programs to be offered, within the financial parameters set by the University's operating budget and financial policies set by the Business Board. The plans include each service ancillary's annual operating budget, and describe changes to programs and levels of service, categories of users, accessibility, and compulsory or optional fees.

Beginning in fiscal year 2021-22, the new division University Development and Campus Services (UDCS) will be established as a business ancillary and will include operations that were previously considered service ancillaries: St. George Food and Beverage Services, University Family Housing (a merger of Student Family Housing and Residential Housing), Chestnut Residence and Conference Centre, Graduate House Residence, and Transportation Services. Certain operations within the new business ancillary remain student-focused, and as such, will continue to seek approvals for fees charged to students and the University community, and feedback on operating plans through the established processes at University Affairs Board, while their detailed operating budgets for 2021-22 will be approved by the Business Board.

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GOVERNANCE PATH:

1. **University Affairs Board [For Approval] (March 4, 2021)**
2. Business Board [For Information] (March 17, 2021)

PREVIOUS ACTION TAKEN:

Consultation around each of these plans occurs first at the local level, with stakeholder groups that are directly affected, and that form part of the decision-making structures of each operation. Students are included in these groups. Draft plans for each service ancillary have been reviewed by the Financial Services Department, whose report has been considered by the St. George Service Ancillary Review Group (SARG). Three members of the University Affairs Board are members of SARG.

HIGHLIGHTS:

The services provided by the St. George residences, food and beverage services, transportation services and Hart House are important contributors to the student experience and to the experience of faculty and staff at the University.

The ongoing outbreak of COVID-19, which the World Health Organization has declared to constitute a pandemic, has resulted in governments worldwide enacting emergency measures to combat the spread of the virus. When the pandemic was first declared in March 2020, the University asked students who lived in residence, and who were able to return home, to do so while continuing to provide a welcoming home for international students, students whose family members were in self-isolation, and out-of-province students who needed more time to make travel arrangements. As a result, revenues for residence, parking and food service operations decreased significantly due to reduced activities on campus.

As the fall approached, changes to course delivery models (from in-class to online), travel restrictions, visa processing delays, and other COVID concerns further affected demand, with residence occupancy levels for Fall/Winter 2020-21 dropping to levels far below normal occupancy. Each residence operation has had to address the health and safety of residents and staff, follow provincial regulations and protocols, and take the necessary precautions to help prevent the spread of the virus. Each has had to reduce their bed inventory for physical distancing and reduce their operating capacity. This has resulted in greatly reduced revenues. During this time, higher operating costs associated with additional cleaning, sanitation, communication, and staff absentee coverage were experienced. In order to partially mitigate these revenue shortfalls and cost increases, all residences reduced or delayed most of the planned capital and major maintenance projects, avoided discretionary costs, applied temporary staff layoffs, and froze hiring.

The pandemic also affected food service operations and Transportation Services negatively, as revenues depend on faculty, staff, students, and visitors attending, working, and visiting the University. When the University closed down for all non-essential operations and made most classes available only online, revenue streams for these operations diminished dramatically.

Service ancillaries implemented significant cost-saving strategies, but the magnitude of revenue reductions made it impossible to avoid financial losses in many cases. Under normal circumstances, service ancillaries are expected to operate without subsidy from the University's operating budget and rely solely on revenue from the services they provide. However, given the extent of the losses in 2020-21, the University is proposing to allocate up to $50 million of deficit spending room to ancillary operations, to be reduced to zero over the next five years. Deficit spending will be allowed only in those ancillary units where it is necessary to do so, after considering cost containment strategies, levels of operating reserves, and necessary funding for critical infrastructure projects. Units with sufficient reserves will continue without need for any deficit spending room, so it is possible that the full amount of deficit spending will not be required. This approach is intended to ensure that the level of the ancillary budget deficit will be as contained as possible.

St. George service ancillaries are budgeting a combined net loss of $8.7 million before transfers and capital costs for the year ended April 30, 2022 on projected revenues of $33.5 million (See Schedule I). Proposed rate increases for 2021-22 vary between ancillaries (see Schedule VI). It should be emphasized that the proposed rate increases are intended to cover normal cost increases; they do not address the deficits created as a result of the pandemic.

The long-range plan assumes a gradual return to normal operations over the planning period, with positive net income beginning in 2022-23. Plans assume gradual easing of COVID-19 restrictions, modest rate increases each year, and no change to debt service payments as required by the original capital expansion plans. Uncertainty about the future course of the pandemic, including the efficacy of vaccines against new variants of the virus, poses some risk. However, these risks are significantly lower than at the onset of the pandemic when the prospect for effective vaccines was unclear.

FINANCIAL IMPLICATIONS:

Refer to highlights.

UNIVERSITY OF TORONTO

OFFICE OF THE GOVERNING COUNCIL

RECOMMENDATION:

BE IT RESOLVED,

THAT the proposed 2021-22 operating plans and budgets for St. George service ancillaries, as summarized in Schedule I; the St. George service ancillary capital budgets as summarized in Schedule V, St. George service ancillary rates and fees in Schedule VI, and the St. George business ancillary rates and fees in Schedule VII be approved, effective May 1, 2021.

DOCUMENTATION PROVIDED:

- St. George Service Ancillaries Report on Operating Plans & Rates and Business Ancillaries Report on Rates 2021-22.

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UNIVERSITY OF TORONTO

ST. GEORGE

Service Ancillaries Report on Operating Plans & Rates

and

Business Ancillaries Report on Rates

2021-22

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Introduction

Beginning in fiscal year 2021-22, the new division University Development and Campus Services (UDCS) will be established as a business ancillary, and will include operations that were previously considered service ancillaries: St. George Food and Beverage Services, University Family Housing (a merger of Student Family Housing and Residential Housing), Chestnut Residence and Conference Centre, Graduate House Residence, and Transportation Services. Certain operations within the new business ancillary remain student-focused, and as such, will continue to seek approvals for fees charged to students and the University community, and feedback on operating plans through the established processes at University Affairs Board, while their detailed operating budgets for 2021-22 will be approved by the Business Board. Throughout the first section of the report "Service Ancillaries", we will be excluding the operating budgets and other historical and future-facing financial data (i.e. revenues and expenses, net income, net assets, principal loan balances, etc.) of the new business ancillaries. Later in the report, the section "Business Ancillaries" will focus on the operating plans and proposed fees charged to students and the University community for these operations.

The ongoing outbreak of COVID-19, which the World Health Organization has declared to constitute a pandemic, has resulted in governments worldwide enacting emergency measures to combat the spread of the virus. Members of the University of Toronto community, including all residence operations, have risen to the unprecedented challenge of the COVID-19 pandemic with remarkable creativity. The University is delivering on three fundamental elements of the University's core mission as it continued its work in terms of teaching, research and other business remotely; by

- ensuring that students completed their term by offering courses through alternative means without in-person meetings or class sessions,
- providing a place to live for those students in residence who were unable to return home, and
- supporting the critical COVID-19 and time-sensitive research endeavors of our world class scholars.

The University asked students who lived in residence, and who were able to return home, to do so while continuing to provide a welcoming home for international students, students whose family members were in self-isolation and out-of-province students who needed more time to make travel arrangements. As a result, revenues for residence, parking and food service operations have decreased significantly due to the above measures and reduced activities on campus.

As the fall approached, changes to course delivery models (from in-class to online), travel restrictions, visa processing delays, and other COVID concerns further affected demand, with residence occupancy levels for Fall/Winter 2020-21 dropping to levels far below normal occupancy. Each residence operation has had to address the health and safety of residents and staff and to follow provincial regulations and protocols, and have taken the necessary precautions to help prevent the spread of the virus. Each has had to reduce their bed inventory for physical distancing and reduce their operating capacity. This has resulted in greatly reduced revenues. During this time, higher operating costs associated with additional cleaning, sanitation, communication, and staff absentee coverage were experienced. In order to partially mitigate these revenue shortfalls and cost increases, all residences reduced or delayed most of the planned capital and major maintenance projects, avoided discretionary costs, applied temporary staff layoffs, and froze hiring.

The pandemic affected Food Services and Transportation Services negatively, as revenues depend on faculty, staff, students and visitors attending, working, and visiting the University. When the University closed down for all non-essential operations and made most classes available only online, revenue streams for these operations diminished dramatically.

Each ancillary operation has their own unique circumstances relating to their specific operations and revenue sources, including their association with divisions from which their students residents are enrolled (which impacts the mix of students who are undergraduate vs graduate, domestic vs international, area of study which could suit more in-person learning vs online study, etc.), and are impacted in varying degrees by the pandemic. As a result, the ancillaries are working with divisions and the University, and anticipating the timing of when “returning to normal” will occur for their specific operations and revenue streams. Therefore, each ancillary operation has been encouraged to make assumptions relevant to their own circumstances for 2021-22 and beyond. As vaccinations are rolled out in Canada and globally, these assumptions will be updated next year as part of the 2022-23 budget submission.

Levels of on-campus activity were significantly reduced in 2020-21, and campus services such as residences, food, and parking were particularly hard hit. Service ancillaries implemented significant cost-saving strategies, but the magnitude of revenue reductions made it impossible to avoid financial losses in many cases. Under normal circumstances, service ancillaries are expected to operate without subsidy from University’s operating budget and rely solely on revenue from the services they provide. However, given the extent of the losses in 2020-21, the University is proposing to allocate up to $50 million of deficit spending room to ancillary operations, to be reduced to zero over the next five years. Deficit spending will be allowed only in those ancillary units where it is necessary to do so, after considering cost containment strategies, levels of operating reserves, and necessary funding for critical infrastructure projects. Units with sufficient reserves will continue without need for any deficit spending room, so it is possible that the full amount of deficit spending will not be required. This approach is intended to ensure that the level of the ancillary budget deficit will be only as high as absolutely necessary.

Ancillary units will be expected to reduce to zero any deficits over a five-year period. These campus services are crucial to ensuring that students, faculty, and staff are able to participate in University life on all three campuses, and it is expected that the University may need to support some ancillaries as they develop a path to recovery over the coming years. The University will work with each unit to assess their financial health each year, and may provide support to assist with annual deficit reductions in cases where the reduction would jeopardize the unit's ongoing sustainability. The University continues to present a balanced operating budget, and any subsidy to ancillary units will be provided from existing operating reserves.

Prior to the pandemic, collectively, the service ancillary operations had experienced significant growth in response to growing student enrolment on campus, and are recovering from the high fixed costs associated with that growth. The growth in enrolment required a major building program which included student residences and parking garages. The costs associated with these additional facilities required debt financing with the expectation that, over time and with inflation, the repayment of loans would become a declining proportion of revenue. Prior to the pandemic, the operations were moving back to a break-even, or in some cases a surplus, position.

These operations are measured over the long-term on their success in meeting the following four financial objectives:

1. To operate without subsidy from the operating budget. Should the need for a subsidy be identified, the subsidy must be expressed as a matter of policy and compete on equal terms with other priorities in the operating budget.

2. To provide for all costs of capital renewal, including deferred maintenance. Provision must be made for regular replacement of furniture and equipment.

Having achieved the first two objectives:

3. To create and maintain an operating reserve (excluding capital requirements) at a minimum level of ten percent of annual expenditure budgets (net of cost of goods sold, capital renewal costs and deans and dons' expenses), as a protection against unforeseen events which would have a negative financial impact on the operation.

Having obtained the first three objectives:

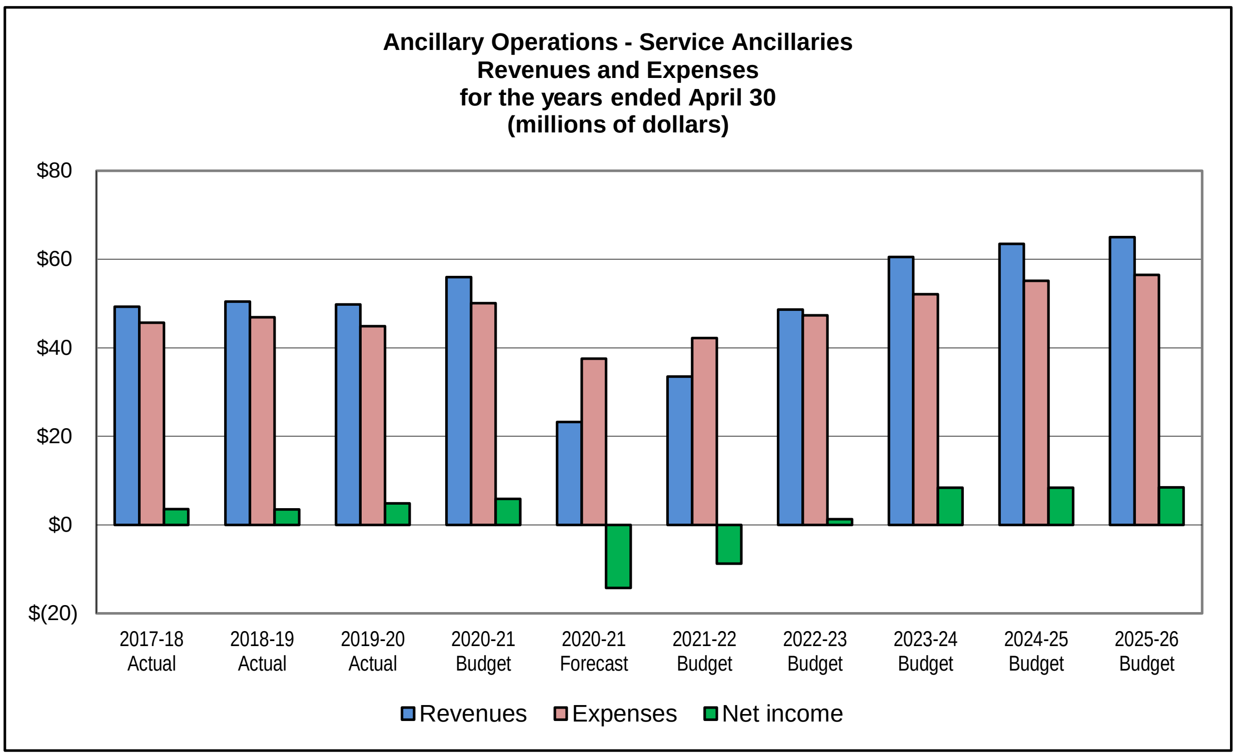
4. To contribute net revenues to the operating budget [1]. The rate of contribution will be established by each individual campus for each individual ancillary.

[1] For purposes of clarification, the fourth objective relates to all contributions of net revenues made by the ancillary operation to any operating budget outside of their own operations.

SERVICE ANCILLARIES

Financial Summary

St. George service ancillaries are forecasting a net loss of $14.3 million before transfers in 2020-21 on projected revenues of $23.2 million. The forecasted net income represents a decrease from last year's actual net income of $4.9 million. The net income for 2020-21 is forecasted to be $20.2 million lower than the budgeted net income of $5.9 million. This unfavorable variance from budget is attributable to residence services (-$15.2M) offset by food & beverage services (-$1.5M), and Hart House (-$3.5M) (see table on Page 6).



	2017-18 Actual	2018-19 Actual	2019-20 Actual	2020-21 Budget	2020-21 Forecast	2021-22 Budget	% to Total Budget	2022-23 Budget	2023-24 Budget	2024-25 Budget	2025-26 Budget
Residences	27.4	27.9	27.3	30.2	10.1	13.2	40%	24.6	32.7	33.8	35.0
Food & Beverage	4.4	4.4	3.6	4.5	1.4	1.5	4%	1.8	4.7	4.9	5.1
Hart House	17.5	18.0	18.9	21.3	11.7	18.7	56%	22.3	23.1	24.8	24.9
Total Revenue	49.3	50.3	49.8	56.0	23.2	33.4	100%	48.7	60.5	63.5	65.0
Total Expense	45.8	46.7	44.9	50.1	37.5	42.1		47.4	52.1	55.2	56.5
Net income	3.5	3.6	4.9	5.9	(14.3)	(8.7)		1.3	8.4	8.3	8.5

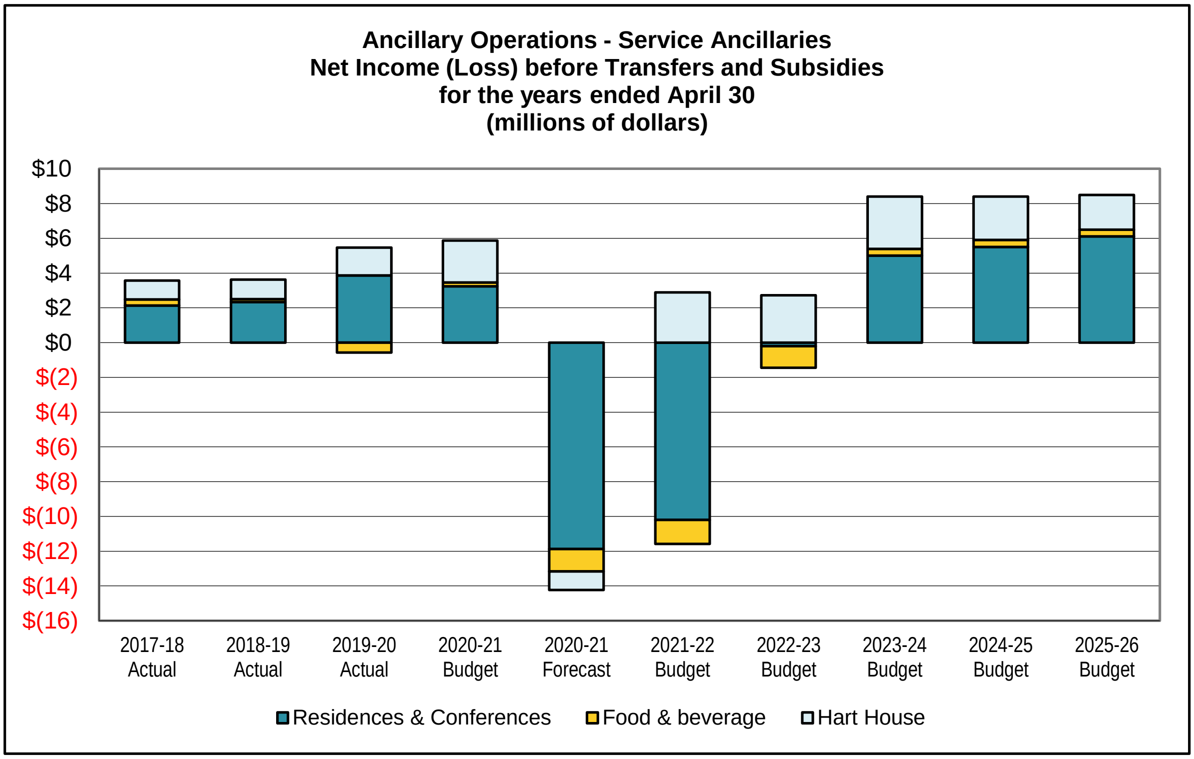
The total forecasted revenues for 2020-21 are $26.6 million lower than 2019-20 actuals. This variance is primarily due to the impact of the global pandemic. For 2020-21, the St. George service ancillaries are forecasting revenues to be $32.8 million lower than budget, which can be attributed to negative variances from residence services (-$20.1M), food and beverage services (-$3.1M), and Hart House (-$9.6M).

For the 2021-22 budgets, the service ancillaries are anticipating a net loss of $8.7 million with $33.4 million of revenues and $42.1 million of expenses. The $8.7 million net loss projected for 2021-22 represents an improvement of $5.6 million from the forecasted 2020-21 net loss.

The long-range plan projects revenues to increase by $31.6 million (94.6%) from 2021-22 to 2025-26, rebounding from the lows of the pandemic to normal levels of operation. Of this increase, $21.8 million is estimated to come from residence services, $3.6 million from food and beverage services, and $6.2 million from Hart House.

Net Income

The forecasted net loss before transfers for 2020-21 is $14.3 million, which is $20.2 million lower than the 2020-21 budget and $19.2 million lower than the 2019-20 actual net income.



Net income (loss)	2017-18 Actual	2018-19 Actual	2019-20 Actual	2020-21 Budget	2020-21 Forecast	2021-22 Budget	2022-23 Budget	2023-24 Budget	2024-25 Budget	2025-26 Budget
Residences & Conferences	2.1	2.3	3.9	3.3	(11.9)	(10.2)	(0.2)	5.0	5.4	6.1
Food & beverage	0.3	0.2	(0.6)	0.2	(1.3)	(1.4)	(1.2)	0.4	0.4	0.4
Hart House	1.1	1.1	1.6	2.4	(1.1)	2.9	2.7	3.0	2.5	2.0
Net income (loss)	3.6	3.6	4.9	5.9	(14.3)	(8.7)	1.3	8.4	8.3	8.5

Net income for the next five years is forecasted to increase as the global pandemic recedes, with the long-range plan including some rate increases each year, while loan principal and interest payments remain constant. Rate increases continue to be needed to restore the ancillaries to a healthy financial position and are necessary to ensure all essential major capital expenditures are made. The long-range plan shows an increase of $17.2 million in net income (loss) from 2021-22 to 2025-26. This planned increase is attributed to an increase of $16.3 million from Residences Services, $1.8 million from food & beverage services, offset by a decrease of $0.9 million from Hart House.

Ancillary Operations – Service Ancillaries
Net income (loss) before Transfers and Subsidies
for the year ended April 30
(millions of dollars)

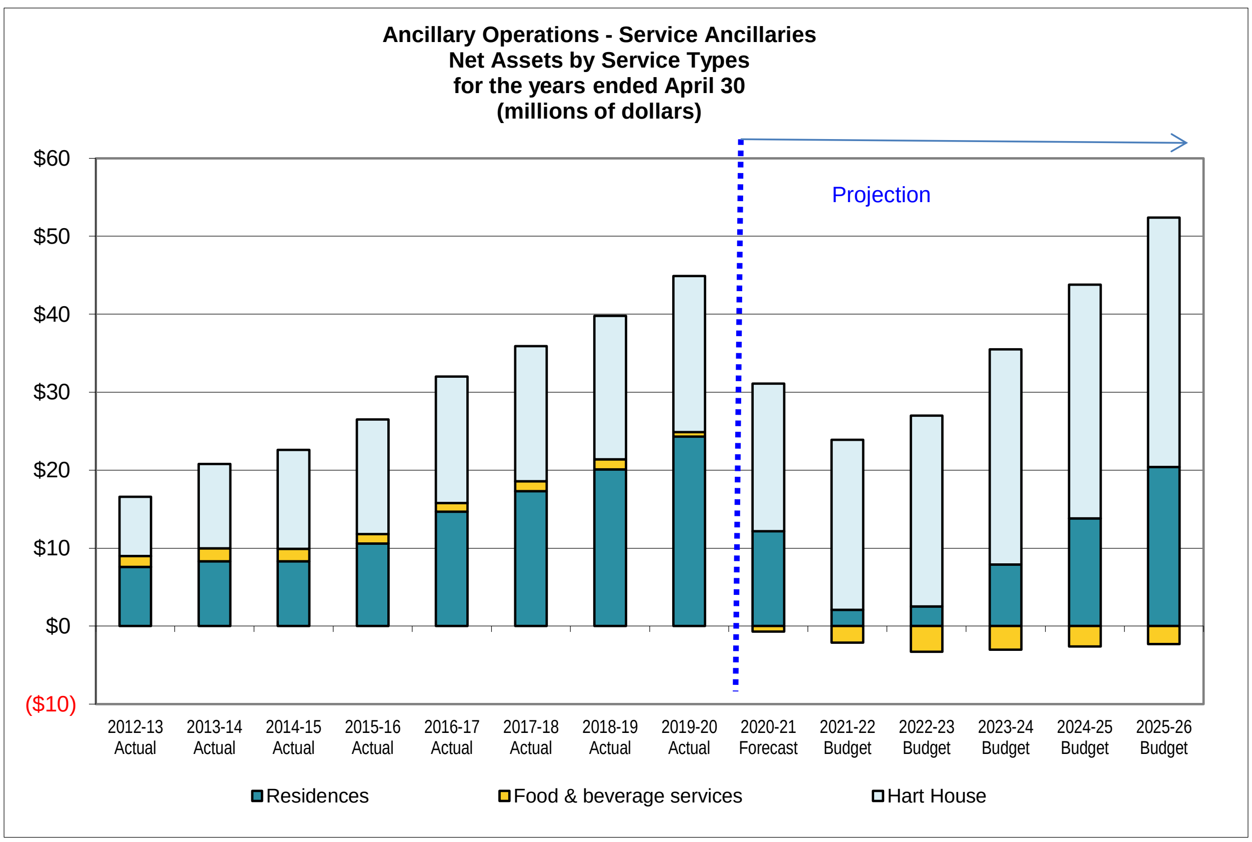
	2017-18 Actual	2018-19 Actual	2019-20 Actual	2020-21 Budget	2020-21 Forecast	2021-22 Budget	2025-26 Budget	Change from 2025-26 over 2021-22	Five year planning period
Innis College	0.7	0.7	1.2	0.8	(1.1)	(1.5)	1.2	2.8	2.6
New College	1.0	0.7	1.8	1.4	(4.0)	(2.4)	2.4	4.8	6.8
University College	(0.5)	0.2	0.4	0.9	(3.4)	(3.5)	2.1	5.6	(1.6)
Woodsworth College	0.9	0.7	0.5	0.2	(3.4)	(2.8)	0.4	3.2	(1.6)
Residences	2.1	2.3	3.9	3.3	(11.9)	(10.2)	6.1	16.4	6.2
University College Food & beverage	0.3	0.2	(0.6)	0.2	(1.3)	(1.4)	0.4	1.8	(1.4)
Hart House	1.1	1.1	1.6	2.4	(1.1)	2.9	2.0	(0.9)	13.1
Total Net Income	3.5	3.6	4.9	5.9	(14.3)	(8.7)	8.5	17.3	17.9

Net Assets

Net assets reflect the net worth of the St. George service ancillaries. Over time, net assets change due to: net income or loss for the year, transfers in or out of ancillary operations, and operating fund subsidies. Net assets are recorded in several sub-categories and the sum of these various categories represents the total net worth of each ancillary:

- The unrestricted net assets category represents net assets on hand that have not been set aside for any specific purpose.
- Various reserves such as the operating reserve, capital renewal reserve and new construction reserve represent net assets that have been set aside for these specific purposes.
- Investment in capital assets represents University funds that have previously been spent on capital assets. When those funds are spent they result in an increase to this category and an offsetting decrease in unrestricted net assets. Over time, depreciation charges cause a decrease in the investment in capital assets category as the depreciation is funded from future revenues, thus increasing the unrestricted net assets category.

The following chart shows the history of actual net assets for St. George service ancillaries from 2012-13 to 2019-20 and projects the net assets in accordance with long-range plans to 2025-26.



The previous chart also shows the impact of the major expansion of residence beds and the growth in other service ancillaries to accommodate the large increases in enrolment and student population over the last number of years, as well as the impact of the pandemic on the ancillary operations beginning in March 2020 and the subsequent anticipated return to normal operations later in the long range budget.

Ancillary Operations - Service Ancillaries
Net Assets for the years ended April 30
(millions of dollars)

	2019-20 Actual	2020-21 Budget	2020-21 Forecast	2021-22 Budget	2022-23 Budget	2023-24 Budget	2024-25 Budget	2025-26 Budget
Innis College	5.2	5.4	3.8	1.9	2.0	2.6	3.3	4.0
New College	3.1	6.1	(0.7)	(2.7)	0.9	3.8	7.0	10.3
University College	7.1	8.4	3.7	0.2	(3.3)	(1.7)	0.1	2.1
Woodworth College	8.8	8.6	5.4	2.6	3.0	3.2	3.5	3.9
Residences	24.2	28.5	12.2	2.0	2.6	7.9	13.9	20.3
Food & beverage	0.6	1.4	(0.7)	(2.0)	(3.3)	(3.0)	(2.6)	(2.3)
Hart House	20.0	22.1	18.9	21.8	24.5	27.6	30.0	32.0
Total Net Assets	44.8	52.0	30.4	21.8	23.8	32.5	41.3	50.0

For 2020-21, the St. George service ancillaries are forecasting total net assets of $30.4 million. The 2021-22 budget projects total net assets of $21.8 million, a reduction primarily due to budgeted operating losses resulting from the impact of the pandemic.

Ancillary Operations - Service Ancillaries
Net Assets by Category for the budget year 2021-22
(millions of dollars)

	Unrestricted Surplus/(Deficit)	Investment in capital assets	Capital Renewal Reserve	Operating Reserve	New Construction Reserve	Total Net Assets
Residences	(10.0)	8.3	2.0	1.8	0.0	2.1
Food & Beverage	(2.5)	0.2	0.0	0.2	0.0	(2.1)
Hart House	0.0	12.5	6.3	3.0	0.0	21.8
Total	(12.5)	21.0	8.3	5.0	-	21.8

Net assets are expected to grow to $50.0 million by 2025-26, an increase of $28.2 million from 2021-22. The anticipated total net assets of $21.8 million for 2021-22 is the sum of $21.0 million investment in capital assets, $8.3 million capital renewal reserves, $5.0 million operating reserves, partially offset by $12.5 million of unrestricted deficit (see Schedules II and III for details). As depreciation is charged and funded from future revenues, the $21.0 million investment in capital assets will decrease with a corresponding decrease in unrestricted deficit. Residences with accumulated deficits are charged interest on their deficits and must absorb any interest rate changes on this short-term financing of deficits (note that all long-term loans are at a fixed rate).

Ancillary Debt

For 2021-22, the St. George service ancillaries are projecting a total outstanding debt of $28.1 million (on original loans issued of $81.3 million) all of which is for residence services. The estimated principal and interest repayment on the debt for residence services is projected to be $5.3 million in 2021-22, representing 40% of residence services revenues. The estimated interest costs on debt in 2021-22 will be $1.9 million (14.4% of residence revenues).

Ancillary Operations - Service Ancillaries
Principal Loan Balances
for the years ended April 30
(millions of dollars)

	2019-20 Actual	2020-21 Forecast	2021-22 Budget	2022-23 Budget	2023-24 Budget	2024-25 Budget	2025-26 Budget
New College	13.2	11.9	10.6	9.2	7.7	6.1	4.4
University College	9.4	8.7	8.0	7.2	6.4	5.5	4.5
Woodsworth	12.1	10.8	9.5	8.1	6.5	4.9	3.1
Residence Services	34.7	31.4	28.1	24.5	20.6	16.5	12.0
Total Loan Balance	34.7	31.4	28.1	24.5	20.6	16.5	12.0

Once the pandemic is over, factors such as enrolment growth, the first year residence guarantee program and demand from upper-year students to return to residence will continue to sustain the optimal fall and winter session occupancy rates for residence services. The past building expansion to increase residence spaces has put a strain on the financial viability of most residence operations. Minimal down payments for new residence buildings resulted in substantial debt and, in turn, large annual principal and interest costs. The impact of this debt led to financial deficits in some of the newly constructed or acquired residences and continues to impact their long-range budget plans. Residence ancillary operations with new buildings supported by partial down payments, donations or operating fund subsidies are more financially sound. Increasing repairs and maintenance costs for older buildings have led to increased operating costs for some residence operations.

Residence Services

For the 2021-22 budget year, Innis College, will meet all four objectives (see Page 1 for the ancillary objectives), Woodsworth will meet the first objective, and New College and University College will not meet any of the objectives (see Schedule II for details). As stated earlier in this report, the following section does not include the operations of University Family Housing, Graduate House Residence, or Chestnut Residence and Conference Centre as these operations will be business ancillaries as of May 1, 2021. Commentaries related to these operations, and information regarding fees increases, are included in the Business Ancillaries section later in this report.

As stated in the introduction to this report, all residence operations have been significantly impacted by the global pandemic. Each operation has had to address the health and safety of residents and staff and to follow provincial regulations and protocols, and have taken the necessary precautions to help prevent the spread of the virus. Each has had to reduce their bed inventory for physical distancing and reduce their operating capacity. This has resulted in greatly reduced revenues. All residences have scaled back or deferred non-critical spending (including salaries & wages, maintenance and capital spending) to address the steep drop in revenues.

Innis College

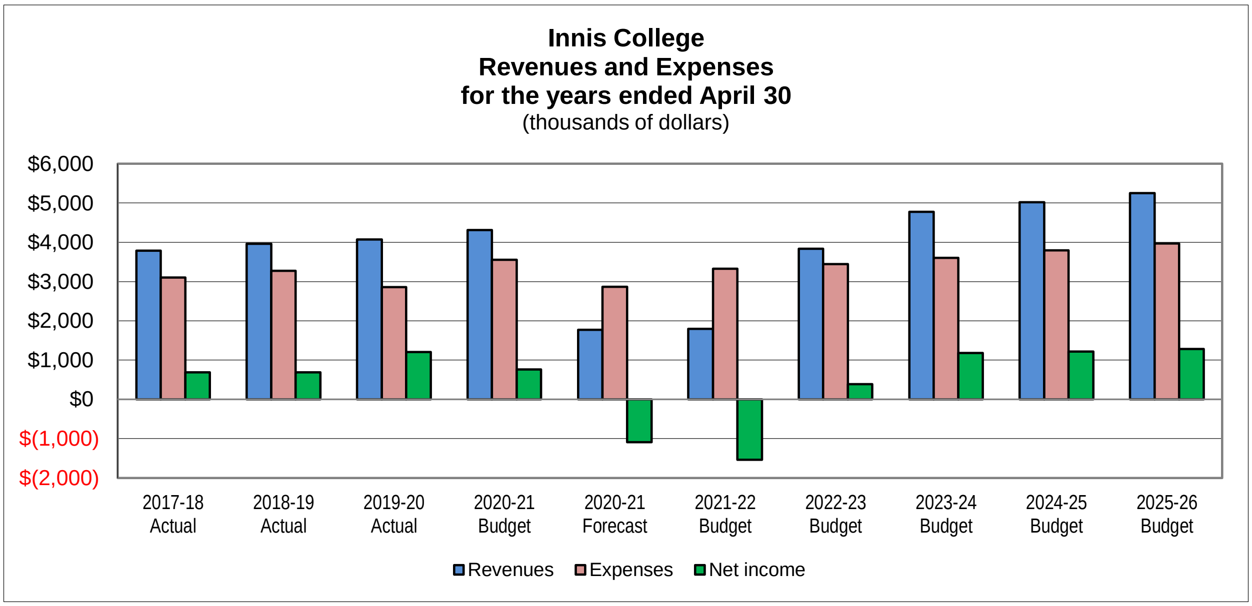
The Innis College residence opened in 1994 and has a total of 326 beds in 77 suite-style apartments.

The material negative effect of COVID-19 on ancillary services is expected to continue into 2021-22. The primary concern of Innis College is the health and safety of residents and staff, as they take the necessary precautions to help prevent the spread of the virus and ensure compliance with pandemic protocols. Mitigating actions have impacted operating capacity and include a reduction in bed inventory for physical distancing, as well as reducing some economic activities, while still investing in programs and services to provide a living and learning environment for students. While demand to live in the residence decreased due to the pandemic in 2020-21, active occupancy management and an engaged residence team ensures that Innis is well positioned to recover from the adverse effects of COVID-19.

In 2020-21, the residence: (a) implemented safeguards to ensure the health and safety of residents, including increased cleaning and disinfection of spaces, sourcing cleaning and disinfection products, and installation of a front desk barrier and multiple sanitizer stands; (b) maintained the quality of residence programs and services despite increased health, wellness, and financial pressures (c) is in progress to complete both the fire panel and elevator modernization projects; (d) has consulted broadly with stakeholders regarding planned capital projects; and (e) streamlined and modernized the delivery of key residence services.

Innis is forecasting an annual operating deficit of $1.1 million in 2020-21, which is $1.9 million lower than the budgeted surplus of $0.8 million, primarily due to a drastic drop in residence fees as a result of the pandemic, offset somewhat by reduced spending on salaries, utilities, maintenance and cleaning costs.

Residence rates are proposed to increase by 5% for all beds for both summer 2021 and fall/winter 2021-22 (see Schedule VI). Innis College is assuming the current state of the pandemic will prevail into 2021-22, and has budgeted accordingly. An operating deficit of $1.5 million is budgeted in 2021-22, with a total fund balance estimated to be $1.9 million after transfers, with investment in capital assets of $1.3 million, a capital renewal reserve of $0.3 million and an operating reserve of $0.3 million at April 30, 2022.



	2017-18 Actual	2018-19 Actual	2019-20 Actual	2020-21 Budget	2020-21 Forecast	2021-22 Budget	2022-23 Budget	2023-24 Budget	2024-25 Budget	2025-26 Budget
Revenues	3,785	3,964	4,067	4,311	1,772	1,792	3,835	4,781	5,015	5,254
Expenses	3,101	3,275	2,861	3,553	2,867	3,327	3,445	3,601	3,793	3,970
Net income	684	689	1,206	758	(1,095)	(1,535)	390	1,180	1,222	1,284
% change in revenues		*4.7%*	*2.6%*	*6.0%*	*-56.4%*	*1.1%*	*114.0%*	*24.7%*	*4.9%*	*4.8%*

The objective of the long-range plan will shift in 2021-22 towards incremental capital renewal until the financial effects of the pandemic have cleared. While there are requirements to achieve reserve targets, Innis is also facing deteriorating facilities since significant reinvestment was deferred until its mortgage was extinguished recently. The residence now faces the challenge of balancing fiduciary responsibilities and maintenance of aging housing infrastructure, which requires increasingly larger capital investments over the planning period. In 2021-22, Innis is budgeting capital expenditures of $0.3 million, primarily for suite kitchen and floor renovations.

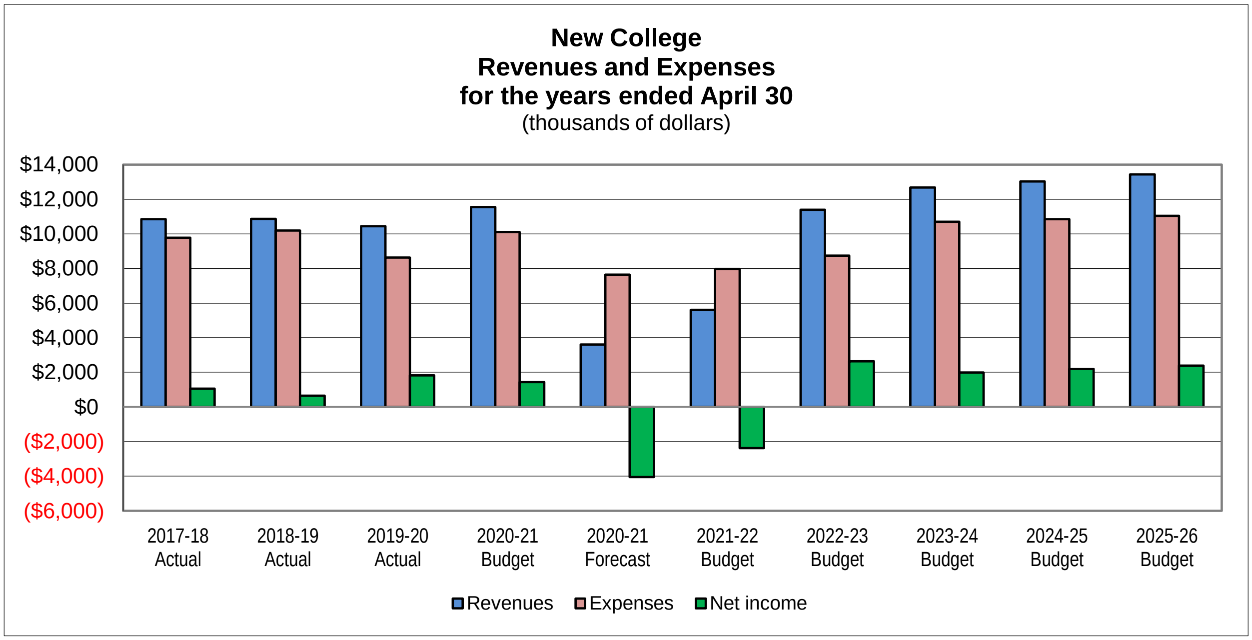
Innis is anticipating to move back to a small operating surplus of $0.4 million in 2022-23, and back to more normal operations by 2023-24 once the pandemic has receded.

New College

The residents of New College are housed in three buildings: Wetmore Hall, Wilson Hall, and 45 Willcocks. Wetmore Hall and Wilson Hall went into service in the late 1960's and 45 Willcocks was opened in September 2003. The dormitory design favours community living and the provision of air conditioning is an added amenity for summer residents. These three buildings house 880 undergraduate students, 21 dons, the Assistant Dean, Residence Life and the Residence Life Program Coordinator Assistant.

Fiscal year 2018-19 was a landmark year for the New College Residence. For the first time in well over a decade, the closing net assets balance entered positive territory. Starting in 2019-20, the unrestricted surplus was to have followed suite allowing the College to establish new operating and construction reserves throughout the five-year plan. However, the pandemic resulted in the returning New College Residence back into a deficit position in 2020-21. Fall/winter session revenue reflects a pandemic occupancy level of 26.4%. Summer operations normally include the residence portion of summer educational programs, long-term stays, group bookings and the walk-in hostel business. The pandemic required the cancelation of summer educational programs and walk-in hostel business reducing summer revenue to 10% of a normal year. Only long-term stays, largely international students who could not return home in March 2020 when classes went on-line, were housed in summer residence. With the COVID-19 safety protocols in place, all three buildings continued to be open despite the low level of occupancy. This approach facilitated physical distancing and limited the number of residents sharing the communal bathrooms. It also provided for empty floors set aside for quarantine purposes. Salary savings were realized through reduced summer staffing levels and not hiring into TBA positions. Major maintenance was deferred. Only a portion of an ongoing exterior wall renovation continued in 2020-21 with the remainder deferred until 2021-22. The fourth-floor renovation in Wetmore hall has been cancelled and discretionary spending was curtailed. Direct expenditures were $2.5 million under budget to help offset the loss in revenues.

As a result of the pandemic, New College Residence is forecasting an annual operating deficit of $4.0 million in 2020-21 before estimated transfers from St. George Food Services of $0.2 million, resulting in a forecasted operating deficit of $3.8 million after transfers. This is $6.1 million lower than the budgeted operating surplus after transfers of $2.3 million. The ancillary is forecasting an unrestricted deficit of $2.7 million in 2021-22.



	2017-18 Actual	2018-19 Actual	2019-20 Actual	2020-21 Budget	2020-21 Forecast	2021-22 Budget	2022-23 Budget	2023-24 Budget	2024-25 Budget	2025-26 Budget
Revenues	10,846	10,853	10,446	11,547	3,602	5,603	11,395	12,683	13,031	13,429
Expenses	9,785	10,190	8,629	10,112	7,645	7,984	8,747	10,688	10,843	11,045
Net income	1,061	663	1,817	1,435	(4,043)	(2,381)	2,648	1,995	2,188	2,384
% change in revenues		*0.1%*	*-3.8%*	*10.5%*	*-65.5%*	*55.6%*	*103.4%*	*11.3%*	*2.7%*	*3.1%*

For 2021-22, the fall and winter residence rate increases will range from 2.63% to 4.77% (see Schedule VI). The revenue forecast for the coming year is based on increased demand for residence rooms over the 2020-21 pandemic level. An occupancy rate of 50% is forecast for the academic year. Summer revenue is projected to be at $300,000. This is consistent with the 2020-21 pandemic level. It is assumed that international travel will still be very limited, and summer educational programs will be largely online.

As stated earlier, salary savings will be realized through reduced summer staffing levels and not hiring into TBA positions. Major maintenance will be deferred. The remaining portion of an ongoing exterior wall renovation will be the only major maintenance project in 2021-22 resulting in savings of $1.2 million. Discretionary expenses have been curtailed where possible. The net operating result, after estimated transfers in for commissions from St. George Food Service of $0.4 million, is net operating loss for 2021-22 of $1.9 million, Net assets are projected to be negative $2.7 million, with $2.0 million in investment in capital assets, $0.6 million in the capital renewal reserve, and an unrestricted deficit of $5.2 million.

New College residence is expecting that 2022-23 operations will return to more normal levels after the devastating financial impact of the pandemic, with a budgeted positive operating result of $2.6 million, with strong operating results expected through the remainder of the budget period. Beginning in 2023-24, the unrestricted deficit will move to a surplus and build from there.

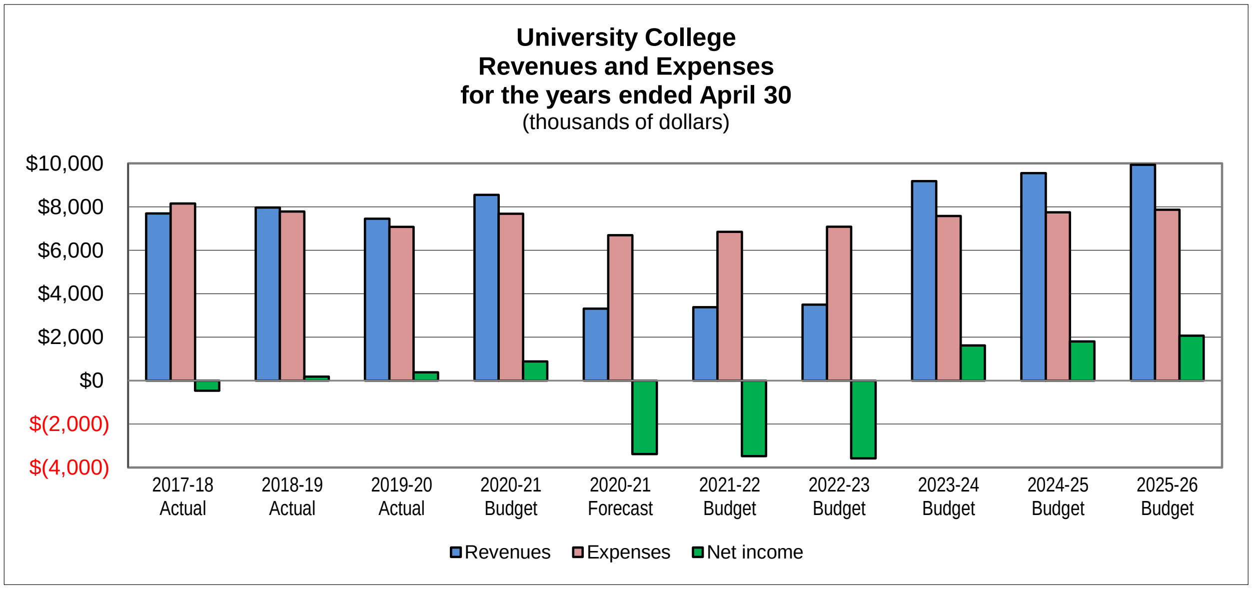
University College

University College is at the historic heart and geographic centre of the University of Toronto's St. George campus. The residence ancillary consists of approximately 730 beds in three buildings: Sir Daniel Wilson Hall, Whitney Hall and Morrison Hall. All residences are co-educational and house mainly undergraduate Arts & Science students.

Keeping the residences and food services open has been a key element in the summer melt strategy, devised across all colleges and the Faculty of Arts & Science. This has proven successful with enrolment numbers holding steady, and University College residence providing a safe on-campus student experience for a reduced number of students over the summer and the academic year. It is crucial that this strategy is continued, even though this puts the ancillary in a difficult fiscal position. Running residences at reduced occupancy is in the best interest of the student experience and ultimately in the interest of Faculty of Arts & Science and the whole institution. The priority on operating University College residences (all of which have shared washroom facilities) safely during the pandemic means a continued reduction of occupancy levels. Due to safety, ethical and reputational concerns, occupancy levels will continue to be budgeted at 33% for the next two years.

University College Residence is forecasting an annual operating deficit in 2020-21 of $3.4 million versus a budgeted surplus (after transfers out) of $0.7 million, a difference of $4.1 million, due to the impact of the pandemic. Fall/winter residence fee revenues were 35% of budget and summer fees were 15% of budget, resulting in a revenue negative variance of $5.2 million from budget. This was partially offset by $1.0 million savings in expenses. At April 30, 2021, UC Residence is forecasting net assets of $3.7 million, consisting of investment in capital assets of $2.8 million and an unrestricted surplus of $0.9 million.

Residence rates are proposed to increase between 3.3% and 5.3% in 2021-22 (see Schedule VI), continuing its differentiated fee structure. The ancillary is assuming that the pandemic will continue through 2021-22 with 33% occupancy levels in fall/winter, and with summer revenues assuming only a minimum number of U of T community students, and no budget for external or international groups. The budgeted operating result for 2021-22 is an operating loss of $3.5 million. UC Residence is budgeting net assets at April 30, 2022 of $0.2 million, made up of investments in capital assets of $2.6 million, a capital renewal reserve of $0.1 million, an operating reserve of $0.5 million, partially offset by an unrestricted deficit of $3.0 million. Capital projects that are not absolutely necessary have been deferred. For example the Sir Daniel Wilson Hall roof replacement has been moved out to 2024-25 and 2025-26.

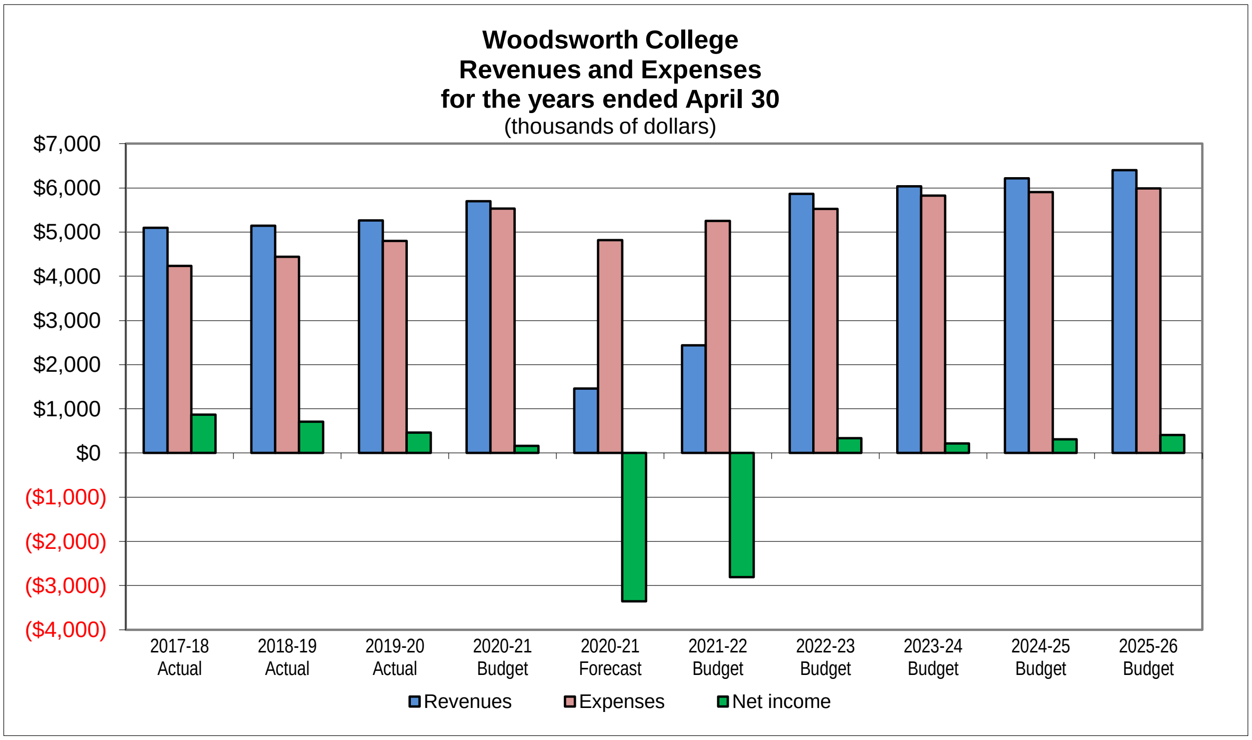


	2017-18 Actual	2018-19 Actual	2019-20 Actual	2020-21 Budget	2020-21 Forecast	2021-22 Budget	2022-23 Budget	2023-24 Budget	2024-25 Budget	2025-26 Budget
Revenues	7,689	7,965	7,458	8,554	3,313	3,373	3,500	9,185	9,551	9,932
Expenses	8,157	7,782	7,078	7,680	6,692	6,853	7,080	7,570	7,752	7,863
Net income	(468)	183	380	874	(3,379)	(3,480)	(3,580)	1,615	1,799	2,069
% change in revenues		*3.6%*	*(6.4%)*	*14.7%*	*(55.6%)*	*1.8%*	*3.8%*	*162.4%*	*4.0%*	*4.0%*

The current budget is predicated on occupancy of 33% for 2021-22 based on assumptions of how the current pandemic recovery will unfold. Summer business is budgeted on minimal occupancy of strictly U of T community students without any forecasted budget for group business. We have been in touch with both returning and new summer group clients, with the objective to fill as many rooms as possible for each summer session with summer programs that will contribute to both ancillary and college operations. It is anticipated that operating conditions will improve in 2022-23 and normalize by 2023-24 at which point this ancillary will return to positive annual operating results. Under this scenario, the unrestricted deficit will fall from a high of $6.3 million at April 30, 2023 to $1.3 million at April 30, 2026. Should the pandemic recovery be realized sooner, the financial position of University College Residence will improve at a faster pace.

Woodsworth College

Woodsworth College residence (Woodsworth) opened its doors in May 2004 and has a total of 371 private, single-bedroom units arranged in suite-style apartments. All units feature high-speed internet access and telephone service with local calling and voicemail. The residence is barrier-free and three suites are specially designed with disability access. It also provides three study rooms, six TV lounges, a fitness room, a games room, a multi-purpose room, bicycle storage and a laundry room. Woodsworth has a ten-member Residence Life Staff team which provides a residence life program including counselling, mentoring, leadership, programming and policy enforcement.



	2017-18 Actual	2018-19 Actual	2019-20 Actual	2020-21 Budget	2020-21 Forecast	2021-22 Budget	2022-23 Budget	2023-24 Budget	2024-25 Budget	2025-26 Budget
Revenues	5,101	5,145	5,265	5,698	1,459	2,439	5,862	6,037	6,217	6,403
Expenses	4,233	4,438	4,802	5,534	4,817	5,253	5,525	5,824	5,905	5,994
Net income	868	707	463	164	(3,358)	(2,814)	337	213	312	409
% change in revenues		*0.9%*	*2.3%*	*8.2%*	*-72.3%*	*67.2%*	*140.3%*	*3.0%*	*3.0%*	*3.0%*

2020-21 has been a challenging one for the Woodsworth due to the COVID-19 pandemic. As a consequence, significant operating adjustments have had to be made resulting in occupancy levels of less than 10% in the Summer and around 35-38% for the Fall/Winter. Non-core businesses such as investment income, laundry machines, vending machines, and charges levied on students for damages make up the balance of the earned revenues. These lines of business were also negatively impacted due to the low occupancy levels being experienced. Revenues are forecasted to be $1.5 million, which is $4.2 million less than the budgeted revenues of $5.7 million. Expenses are forecasted to be $0.7 million less than budget. The 2020-21 operating loss is forecasted to be $3.4 million, which is $3.5 million less than the budgeted operating surplus of $164K. The deficit is reflective of the huge loss of revenues that far outpaced the reduction in expenses because of the high fixed to variable cost ratio. This ancillary is forecasting net assets of $5.4 million in 2020-21, of which $2.8 million is investment in capital assets, $1.0 million in the capital renewal reserve, and $1.7 million in the operating reserve. The sound financial position of the residence at the beginning of the pandemic has allowed it to maintain these reserves in 2020-21.

Woodsworth proposes to increase residence fees by 5.0% in 2021-22 (see Schedule VI). Principal and interest charges on debt continue to be a large component of its expenditures, forecasted to be 42% of its budgeted expenditures in 2020-21, and budgeted to decrease to 39% in 2021-22. An operating loss of $2.8 million is budgeted for 2021-22, with the resulting balance in net assets of $2.6 million, made up of $2.4 million in investment in capital assets, $1.0 million in the capital renewal reserve, $1.0 million in operating reserves, partially offset by an unrestricted deficit of $1.8 million at end of 2021-22. Woodsworth is assuming the impact of the pandemic will recede by 2022-23, with positive operating results beginning in that year, with the elimination of the unrestricted deficit by 2024-25.

Food & Beverage Services

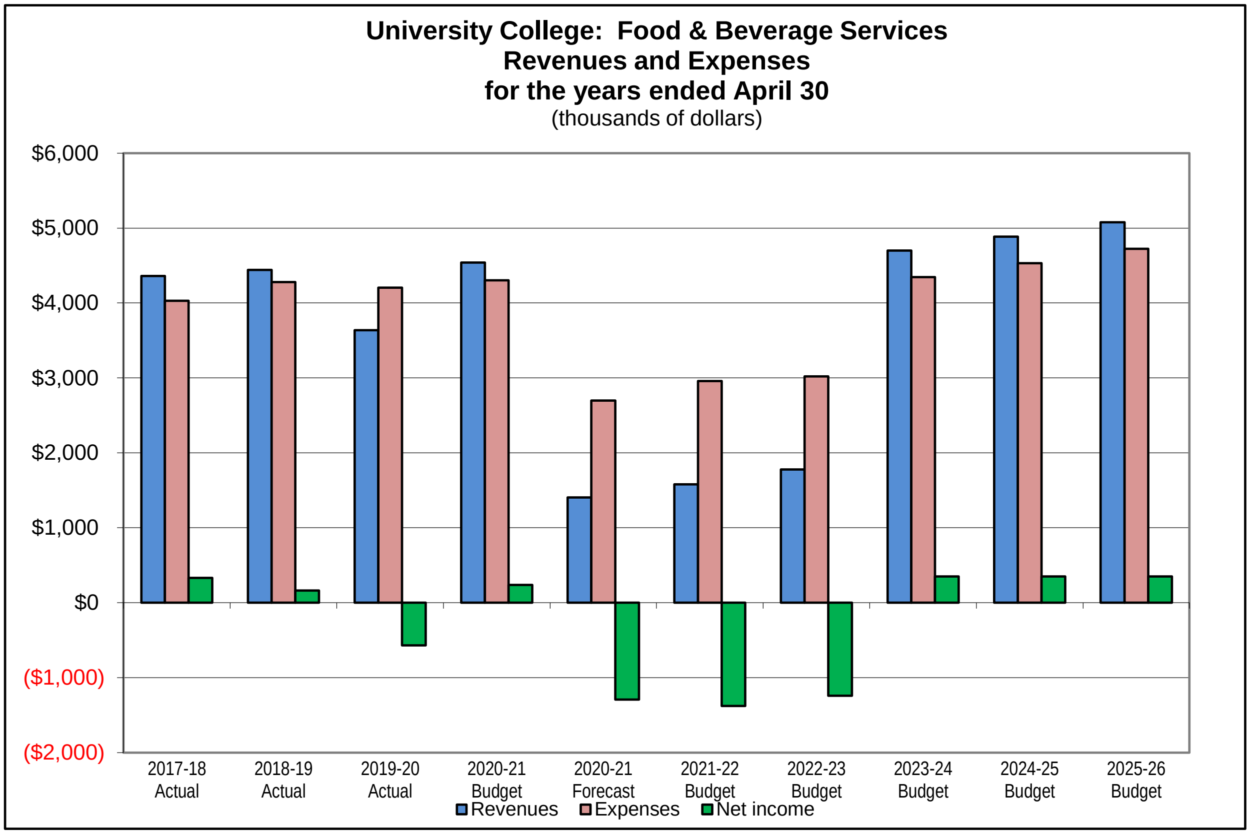
The University College Food Services operates the Howard Ferguson Dining Hall and Café Reznikoff. As stated earlier in this report, the following section does not include the St. George Food & Beverage Services as this operation will be a business ancillary as of May 1, 2021. A commentary related to this operation, and information regarding fees increases, are included in the Business Ancillaries section later in this report.

For the 2021-22 budget, University College Food Services will not meet any of the four objectives (see Schedule II for details).

University College

The Howard Ferguson Dining Hall is a "self-operated" food service operation which provides services to approximately 730 residence students as well as to other U of T students, faculty and staff, and the general public. Its key goal is to maintain a balance of high quality, affordable pricing and a wide selection of menu choices. Vegetarian, vegan and halal selections are available at every meal. Some items required for special dietary needs are arranged individually as requested. The Dining Hall and Reznikoff's Cafe remains open during the summer term as part of our summer residence operation, providing full service, breakfast, lunch and dinner for our summer operations. We have catering services and, while primarily utilized by UC, we offer catering services to other UofT community members making use of meeting and lecture rooms in University College and elsewhere on campus.

As a result of the pandemic, including the loss of all summer business, the reduction in student occupancy for the fall and winter terms, and loss of catering and cash sales, UC Food and Beverage Service is forecasting an annual operating deficit before transfers of $1.3 million in 2020-21, which is $1.5 million less than budget. At April 30, 2021, net assets are forecasted to be negative $0.7 million, made up of investment in capital assets of $0.2 million, and an unrestricted deficit of $0.9 million at April 30, 2021.



	2017-18 Actual	2018-19 Actual	2019-20 Actual	2020-21 Budget	2020-21 Forecast	2021-22 Budget	2022-23 Budget	2023-24 Budget	2024-25 Budget	2025-26 Budget
Revenues	4,361	4,442	3,636	4,538	1,406	1,581	1,777	4,698	4,884	5,075
Expenses	4,029	4,277	4,204	4,302	2,698	2,960	3,019	4,346	4,532	4,723
Net income	332	165	(568)	236	(1,292)	(1,379)	(1,242)	352	352	352
% change in revenues		*1.9%*	*(18.1%)*	*24.8%*	*(61.3%)*	*12.4%*	*12.4%*	*164.4%*	*4.0%*	*3.9%*

Food in as important aspect of the student experience and contributes to the wellbeing of our students. Due to the reduced capacity in University College residences, we anticipate significant losses going into 2021-22 and 2022-23, with recovery starting in 2023-24 when our residence anticipate a return to full occupancy.

This ancillary is proposing a fee increase of 3.1% (see Schedule VI) to its meal plans for 2021-22. This increase is necessary to meet increases in the cost of food, other expenses and to rebuild reserves that have been depleted as a result of the pandemic. The cost of sales is budgeted at 32% of sales, and labour is budgeted at 132% of sales. The impact of the pandemic will continue, and as a result have budgeted the staff compliment this year allowing small salary increases, adjusted shifts, and have not budgeted for any additional casual staff hiring. We will maximize our current staff expertise to reflect the lower student occupancy. The budgeted annual operating deficit in 2021-22 is $1.4 million, with a projected net asset balance of negative $2.0 million at April 30, 2022, which is made up of investment in capital assets of $0.2 million, an operating reserve of $0.2 million, and an unrestricted deficit of $2.5 million. An annual transfer of $150,000 to the University

College operating fund was discontinued in 2020-21, and has been suspended until such time of the ancillary is able to meet the first three financial objectives for ancillary operations.

This ancillary does not forecast a positive annual operating result until 2023-24, when it is assumed that operations will be back to more normal levels, and full occupancy is expected to resume. At the end of the long-range budget in 2025-26, the unrestricted deficit will be $2.8 million, falling from a $3.8 million unrestricted deficit in 2022-23. Should this recovery begin earlier, UC Food services reserves will recover sooner than budgeted. This ancillary will also be opening two new conference spaces, the Clarke Reading Room and the Cadario Conference Centre with a requirement to utilize UC catering for all bookings which will help rebuild the ancillary's reserves.

Hart House

Hart House is considered one of the pre-eminent centres for co-curricular education in North America. The goal is to give every student the opportunity to shape and participate in co-curricular programs that will broaden their horizons, help them forge Canadian perspectives on global challenges and develop them as leaders and change-makers in a more challenging world. Hart House provides enriching opportunities for learning about and contributing to the visual, performing and literary arts, sport and physical activity, public policy and social justice and, through the Hart House Farm, agriculture and food. It is open 365 days per year and continues to fulfill its mission as a welcoming and inclusive space on campus, providing excellent programs and services. Hart House celebrated its 100th Anniversary in 2019.

2020-21 has presented many new challenges and opportunities as Hart House, like the rest of the University, has responded to the COVID-19 pandemic. At the beginning of the pandemic, Hart House closed its doors to all students and community members as per University guidance. During this closure Hart House staff worked to transform programs and services to a virtual-only landscape. As the year progressed and stricter regulations were lifted, Hart House pivoted to a hybrid virtual–in-person model where the majority of programming and services continue to be offered online, but where limited in-person programming has also resumed onsite to serve the student community on campus.

Some highlights of programs and services that have been developed since the beginning of the pandemic:

- Hart House launched **Virtual Hart House** quickly after all University buildings were closed to the public on March 17, 2020. This online hub for virtual programming allows students and community members to engage in programs spanning the arts, dialogue, wellness and community engagement. Some highlights of the programming includes student-lead programming, tri-campus programming, partnered programming, arts, dialogue, and wellness programming, Indigenous education initiatives, and hip hop education.

- In addition to Virtual Hart House programming, which is accessible to all University of Toronto students, Hart House has transformed additional existing initiatives in response to the virtual landscape, including virtual youth access programming and the virtual mentorship program.

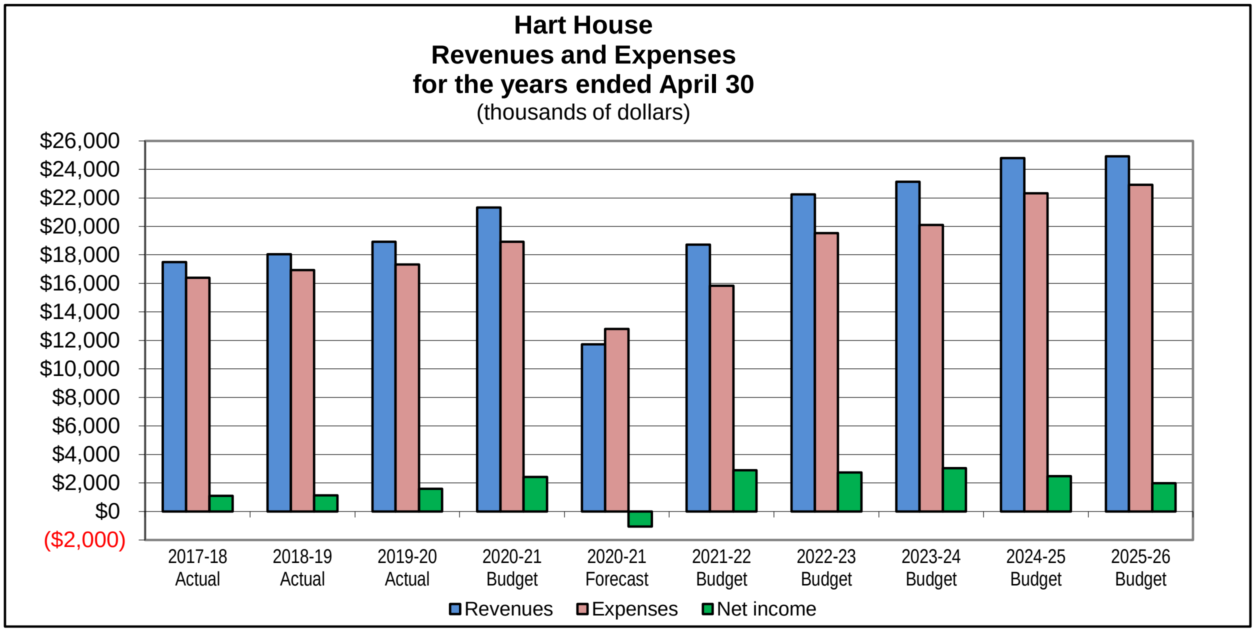
- **Limited In-Person Programming**: As the pandemic has evolved, Government regulations and University protocols have progressed to allow for the limited opening of in-person programs and services with strict health and safety measures enforced. Hart House responded with providing limited in-person programming for the student community on campus including study spaces for students, recreation and wellness programming, art museum visits, and space for student activities.

- **Virtual Hospitality Services**: To supplement these programming opportunities, Hart House has innovated new, virtual-based forms of revenue. The Hospitality Services department has customized virtual event service packages available to support online events (e.g. workshops, celebrations, weddings). In September 2020, Hospitality Services hosted a variety of virtual events in collaboration with students and other departments of the University (e.g. University College). Overall, 1,640 people participated in 6 virtual events hosted by Hart House.

- **Limited In-Person Hospitality Services:** Just as Hart House has opened spaces for limited student activities, Hart House Hospitality has opened space booking for external clients with strict health and safety measures enforced. In-person events have included both small wedding ceremonies and an announcement of the University's largest-ever donation from a family or individual. In September 2020, Hospitality Services hosted a limited number of in-person events in collaboration with students, other departments of the University, and external clients. Overall, 307 people participated in 8 in-person events hosted at Hart House.

For 2020-21, Hart House is forecasting a deficit of $1.1 million, which is $3.5 million lower than a budgeted surplus of $2.4 million, primarily due to the pandemic. Net assets are forecasted to be $18.9 million at the end of fiscal 2020-21 with $12.3 million in investment in capital assets, $5.7 million in the capital renewal reserve and the remaining balance for operating reserves and other restricted purposes. Renovations on the Arbor Room were expected to be completed by mid-December 2020.

For the 2021-22 budget year, Hart House will meet the first three objectives (see Schedule II for details). The 2021-22 budget has been designed to support and expand the co-curricular offerings for students and to support the University in achieving its highest priorities. The 2021-22 budget plan anticipates that the primary revenue generating departments of Hart House, namely Fitness Membership and Hospitality, will take some time to return to 'normal' pre-pandemic levels. The budget plan forecasts a gradual increase of both business lines over the twelve-month fiscal period, with a complete return anticipated by January 2022. This budget anticipates a student fee rate increase of 1.95% (see Schedule VI) with Hart House projecting a net income of $2.9 million in 2021-22. The capital budget was adjusted this year to focus on critical expenditures only, as a result of the strain on resources from the impact of the pandemic. This budget includes $1.0 million in spending on capital improvements, plus an additional $0.8 million for annual maintenance. Hart House is projecting net assets to be $21.8 million in 2021-22 with $12.5 million in investment in capital assets, $6.3 million in the capital renewal reserve, $2.2 million in the operating reserve and $0.8 million internally restricted for other programs.



	2017-18 Actual	2018-19 Actual	2019-20 Actual	2020-21 Budget	2020-21 Forecast	2021-22 Budget	2022-23 Budget	2023-24 Budget	2024-25 Budget	2025-26 Budget
Revenues	17,490	18,047	18,928	21,335	11,730	18,725	22,249	23,133	24,794	24,909
Expenses	16,398	16,922	17,334	18,929	12,802	15,832	19,523	20,101	22,317	22,932
Net income	1,092	1,125	1,594	2,406	(1,072)	2,893	2,726	3,032	2,477	1,977
% change in revenues		*3.2%*	*4.9%*	*12.7%*	*(38.0%)*	*59.6%*	*18.8%*	*4.0%*	*7.2%*	*0.5%*

There is a critical need to upgrade the infrastructure systems at Hart House over the next several years to ensure the continued delivery of its educational mission and effectively serve students. There has never been a comprehensive renovation of the building since it was built a century ago, so the ancillary is relying on 100-year-old equipment for many its critical building systems. For example, the thermal and electrical mechanical systems both need to be replaced entirely. This modernization effort is also providing an opportunity to improve accessibility and sustainability. Hart House currently has $6.3 million that will be dedicated to the Hart House Infrastructure Renewal Project. Given its significant scope and size, it is the intention of Hart House to 'chunk' the project in phases with phase 1 (of 5) to fall in at approximately $25 million. Hart House is currently in the Schematic Design phase of the project, which continues to progress on schedule. The targeted completion date for this initial stage of the project is scheduled for summer 2021. Multiple sources will be asked to contribute to this effort through various means, including students, alumni, friends, government and UofT institutional colleagues. While all sources of funding have not yet been identified, Hart House intends to use its reserve funds as well as borrowing to fund this project.

The long-range plan anticipates annual operating net income (before commitments) in each planning period. However, once surpluses are allocated to new capital assets, operating and maintenance reserves, the five-year financial plan will have a series of balanced budgets.

UNIVERSITY OF TORONTO
SERVICE ANCILLARY OPERATIONS BUDGET SUMMARY
PROJECTED OPERATING RESULTS FOR THE YEAR ENDING APRIL 30, 2022 **SCHEDULE I**
(with comparative projected surplus for the year ending April 30, 2021)

	Revenues	Expenditures	Net Income (loss) before Transfers	Transfers in (out)	Net Income (loss) after Transfers 2022	Forecast 2021
RESIDENCE SERVICES						
Innis College	1,792	3,327	(1,535)	(350)	(1,885)	(1,445)
New College	5,603	7,984	(2,381)	441	(1,940)	(3,829)
University College	3,373	6,854	(3,480)	-	(3,480)	(3,379)
Woodsworth College	2,439	5,253	(2,815)	-	(2,815)	(3,358)
Total Residence Services	13,207	23,417	(10,210)	91	(10,119)	(12,011)
FOOD & BEVERAGE SERVICES						
University College	1,581	2,960	(1,379)	-	(1,379)	(1,292)
Total Food & Beverage Services	1,581	2,960	(1,379)	-	(1,379)	(1,292)
HART HOUSE	18,725	15,832	2,893	-	2,893	(1,072)
TOTAL	33,513	42,209	(8,696)	91	(8,605)	(14,375)

SCHEDULE II

SUMMARY OF SERVICE ANCILLARY OPERATIONS LONG-RANGE BUDGET RESULTS

Service Ancillaries	Objectives to be met within the 2021-22 Budget: 1	2	3	4	2021 - 2022 Projected Unrestricted Surplus/(Deficit)	Projected investment in capital assets	Projected Commitments to Capital Renewal (Schedule III)	Projected operating reserve (Schedule III.1)	Projected new constr. reserve (Schedule III.1)	2021 - 2022 Net Assets	2023-2024 Net Assets	2025-2026 Net Assets
<u>Residence Services</u>												
Innis College	yes	yes	yes	yes	-	1,346	319	250	-	1,915	2,586	3,992
New College	no	no	no	no	(5,240)	1,981	600	-	-	(2,660)	3,828	10,327
University College	no	no	no	no	(2,957)	2,567	91	537	-	238	(1,727)	2,141
Woodsworth College	yes	no	no	no	(1,759)	2,390	1,000	1,000	-	2,632	3,181	3,903
<u>Food & Beverage Services</u>												
University College	no	no	no	no	(2,542)	224	10	243	-	(2,065)	(2,955)	(2,251)
<u>Hart House</u>	yes	yes	yes	no	-	12,458	6,306	3,036	-	21,799	27,557	32,012
	Summary totals				(12,497)	20,965	8,326	5,066	-	21,859	32,471	50,123

<u>OBJECTIVES:</u>

<u>Plans reflect (yes) or do not reflect (no) that the Ancillary:</u>

1. Operates without a subsidy from the operating budget.
2. Includes all costs of capital renewal including deferred maintenance.
3. Generates sufficient surplus to cover operating contingencies.
4. Contributes net revenue to the operating budget.

SCHEDULE III

UNIVERSITY OF TORONTO
SERVICE ANCILLARY OPERATIONS BUDGET SUMMARY
PROJECTED FUNDS TO BE COMMITTED FOR CAPITAL RENEWAL
FOR THE YEARS ENDED APRIL 30

	Forecast Balance May 1, 2021	Net increase (decrease) in commitments to capital renewal	Balance April 30, 2022	Balance April 30, 2026
RESIDENCE SERVICES				
Innis College	2,396	(2,077)	319	633
New College	-	600	600	600
University College	-	91	91	218
Woodsworth College	1,000	-	1,000	1,500
Total Residence Services	3,396	(1,386)	2,011	2,951
FOOD & BEVERAGE SERVICES				
University College	-	10	10	23
Total Food & Beverage Services		10	10	23
HART HOUSE	5,687	619	6,306	681
TOTAL	9,083	(757)	8,326	3,655

SCHEDULE III.1

UNIVERSITY OF TORONTO
SERVICE ANCILLARY OPERATIONS BUDGET SUMMARY
PROJECTED FUNDS TO BE COMMITTED FOR OPERATING AND NEW CONSTRUCTION RESERVES
FOR THE YEARS ENDED APRIL 30

	OPERATING RESERVE				NEW CONSTRUCTION RESERVE			
	Forecast Balance May 1, 2021	Increase or (decrease) in operating reserve	Balance operating reserve April 30, 2022	Balance operating reserve April 30, 2026	Forecast Balance May 1, 2021	Increase or (decrease) in new construction reserve	Balance new construction reserve April 30, 2022	Balance new construction reserve April 30, 2026
RESIDENCE SERVICES								
Innis College	214	36	250	300	-	-	-	-
New College	-	-	-	-	-	-	-	-
University College	-	537	537	617	-	-	-	-
Woodsworth College	1,681	(681)	1,000	1,298	-	-	-	-
Total Residence Services	1,895	(108)	1,787	2,215	-	-	-	-
FOOD & BEVERAGE SERVICES								
University College	-	243	243	297	-	-	-	-
Total Food & Beverage Services		243	243	297	-	-	-	-
HART HOUSE	967	2,068	3,036	3,778	-	-	-	-
TOTAL	2,862	2,203	5,066	6,290	-	-	-	-

UNIVERSITY OF TORONTO
SERVICE ANCILLARY OPERATIONS BUDGET SUMMARY
PROJECTED OPERATING RESULTS FOR THE YEARS ENDED APRIL 30

	2020-2021 (Forecast)			2021 - 2022			2022-2023		
	Net Income (loss) before Transfers	Transfers in (out)	Net Income (loss) after Transfers	Net Income (loss) before Transfers	Transfers in (out)	Net Income (loss) after Transfers	Net Income (loss) before Transfers	Transfers in (out)	Net Income (loss) after Transfers
RESIDENCE SERVICES									
Innis College	(1,095)	(350)	(1,445)	(1,535)	(350)	(1,885)	390	(350)	40
New College	(4,043)	214	(3,829)	(2,381)	441	(1,940)	2,648	909	3,557
University College	(3,379)	-	(3,379)	(3,480)	-	(3,480)	(3,580)	-	(3,580)
Woodsworth College	(3,358)	-	(3,358)	(2,815)	-	(2,815)	337	-	337
Total Residence Services	(11,875)	(136)	(12,011)	(10,210)	91	(10,119)	(205)	559	354
FOOD & BEVERAGE SERVICES									
University College	(1,292)	-	(1,292)	(1,379)	-	(1,379)	(1,242)	-	(1,242)
Total Food & Beverage Services	(1,292)	-	(1,292)	(1,379)	-	(1,379)	(1,242)	-	(1,242)
HART HOUSE	(1,072)	-	(1,072)	2,893	-	2,893	2,726	-	2,726
TOTAL	(14,240)	(136)	(14,375)	(8,696)	91	(8,605)	1,279	559	1,838

UNIVERSITY OF TORONTO
SERVICE ANCILLARY OPERATIONS BUDGET SUMMARY
PROJECTED OPERATING RESULTS FOR THE YEARS ENDED APRIL 30

	2023-2024			2024-2025			2025-2026		
	Net Income (loss) before Transfers	Transfers in (out)	Net Income (loss) after Transfers	Net Income (loss) before Transfers	Transfers in (out)	Net Income (loss) after Transfers	Net Income (loss) before Transfers	Transfers in (out)	Net Income (loss) after Transfers
RESIDENCE SERVICES									
Innis College	1,181	(550)	631	1,222	(550)	672	1,284	(550)	734
New College	1,995	936	2,931	2,188	964	3,152	2,384	964	3,347
University College	1,615	-	1,615	1,799	-	1,799	2,069	-	2,069
Woodsworth College	213	-	213	312	-	312	409	-	409
Total Residence Services	5,004	386	5,390	5,521	414	5,935	6,145	414	6,559
FOOD & BEVERAGE SERVICES									
University College	352	-	352	352	-	352	352	-	352
Total Food & Beverage Services	352	-	352	352	-	352	352	-	352
HART HOUSE	3,032	-	3,032	2,477	-	2,477	1,978	-	1,978
TOTAL	8,388	386	8,774	8,350	414	8,764	8,475	414	8,889

SCHEDULE V

UNIVERSITY OF TORONTO
SERVICE ANCILLARY OPERATIONS
SUMMARY OF 2021-2022 CAPITAL BUDGETS
(with comparative figures for 2020-2021)

	Budget 2021 - 2022	Budget 2020-2021
RESIDENCE SERVICES		
Innis College	265	810
New College	325	880
University College	15	755
Woodsworth College	-	75
Total Residence Services	605	2,520
FOOD & BEVERAGE SERVICES		
University College	5	20
Total Food & Beverage Services	5	20
HART HOUSE	959	2,735
TOTAL	1,569	5,275

SCHEDULE OF 2021-2022 SERVICE ANCILLARY RATES

	2021/22 RATE	2020/21 RATE	INCREASE	INCREASE	PRIOR YEAR's INCREASE
	$	$	$	%	%
RESIDENCE SERVICES					
St. George Campus					
Innis College					
Innis College - Winter	11,016	10,491	525	5.0	5.0
Innis College - Summer	3,590	3,419	171	5.0	5.0
New College					
Winter					
Residence Room - Wilson Hall & Wetmore Hall					
Double room (per bed)	8,675	8,300	375	4.5	5.4
Single room	10,425	9,950	475	4.8	5.3
Bed-over-desk double room (per bed)	6,825	6,650	175	2.6	3.5
Residence Room - 45 Willcocks					
Double room (per bed)	9,025	8,775	250	2.8	3.5
Single room	10,800	10,475	325	3.1	4.0
Summer/Single					
Continuing New College Students					
Sessional	3,125	2,930	195	6.7	8.5
45W Sessional	3,225	3,130	95	3.0	7.9
Registered Students					
Sessional	3,150	2,970	180	6.1	10.9
45W Sessional	3,250	3,170	80	2.5	10.1
Others					
Sessional	3,360	3,080	280	9.1	10.8
45W Sessional	3,360	3,280	80	2.4	10.0
Summer/Double					
Continuing New College Students					
Sessional	2,620	2,486	134	5.4	9.6
45W Sessional	2,720	2,686	34	1.3	8.8
Registered Students					
Sessional	2,550	2,420	130	5.4	11.9
45W Sessional	2,650	2,620	30	1.1	10.9
Others					
Sessional	2,760	2,530	230	9.1	11.7
45W Sessional	2,760	2,730	30	1.1	10.7

SCHEDULE OF 2021-2022 SERVICE ANCILLARY RATES

	2021/22 RATE	2020/21 RATE	INCREASE	INCREASE	PRIOR YEAR's INCREASE
	$	$	$	%	%
University College					
SDW	9,975	9,564	411	4.3	4.3
SDW Standard Doubles	8,748	8,470	278	3.3	3.3
WH Standard Singles	9,975	9,564	411	4.3	4.3
WH & SDW Alcove Singles	8,748	8,469	279	3.3	3.3
WH Doubles	8,748	8,469	279	3.3	3.3
MH Singles	10,961	10,409	552	5.3	5.3
Woodsworth College					
Woodsworth College - Winter	11,203	10,670	533	5.0	3.0
HART HOUSE					
St. George Full Time	107.49	105.43	2.06	1.95	7.6
St. George Part Time	21.50	21.09	0.41	1.95	7.6
Scarborough & Mississauga (Full time)	3.30	3.23	0.06	1.95	7.6
Scarborough & Mississauga (Part time)	0.67	0.65	0.01	1.95	7.6
FOOD & BEVERAGE SERVICES					
St. George Campus					
University College					
Plan A	5,524	5,358	166	3.1	3.1
Plan B	4,876	4,729	147	3.1	3.1

BUSINESS ANCILLARIES

Summary

The following sections provide a discussion of the operating plans and proposed fees charged to students for the operations that will become business ancillaries effective May 1, 2021, including University Family Housing, Graduate House Residence, Chestnut Residence and Conference Centre, St. George Food and Beverage Services, and Transportation Services.

Residence Services

University Family Housing

University Family Housing (UFH) is a recently renamed operation that amalgamates two previously separate budget areas, and provides apartment-style rental housing for faculty and student families, as well as support and community services to residents. It houses more than 2,000 individuals in 850 units in two campus neighbourhoods, provides amenities such as community gardens, on-site childcare and gathering spaces, and offers more than 140 community development programs to its residents every year.

Because it provides traditional rental housing, rather than seasonal housing, UFH has not been affected as negatively by the 2020 pandemic as other ancillary operations. It has nevertheless experienced a 5% - 6% higher vacancy loss than a normal year, with many incoming international tenants having to delay arrival in Canada. Higher operating costs associated with additional cleaning, sanitation, communication and staff absentee coverage were also incurred. UFH was able to mitigate most of these cost increases and revenue shortfalls through discretionary cost avoidance and holding a few staff positions vacant, and therefore is forecasting to end the year with a positive variance.

In September 2020, UFH, in partnership with student aid personnel in Enrolment Services and the School of Graduate Studies, launched and funded a special emergency financial aid program for student family tenants. In addition to providing relief to families who are struggling to afford their rent, this program properly assigns responsibility for evaluating and supporting student financial need with the University offices who do this work full-time, allowing the Housing staff to focus on their areas of expertise.

The Charles Street buildings, which house most of the student family tenants of UFH, are now over 50 years old, and although many large infrastructure repairs have been undertaken in the last 10 – 15 years, the department has not undertaken any significant apartment refurbishments. It is now time to address this gap, and the capital plan for 2021-

22 therefore includes a substantial investment in renovations for individual units. These will be funded by charging higher rents to new tenants who receive a renovated apartment. Charles Street rents are currently significantly below market value, and even with the adjustments for a newly renovated unit, the Charles Street rents remain extremely competitive for downtown Toronto. There will be two price options for new tenants, which correlate with the two levels of investment that are planned for apartments, depending on their condition. Other capital plans for 2021-22 include refurbishment of elevators, and a renovation of the lobby, garbage/loading room and security desk for 30 Charles.

Rents for student family tenants are impacted by the rent freeze legislation recently passed by the provincial government, and UFH is therefore required to keep rents for existing tenants unchanged in 2021. Operating costs for the department typically increase by 5% - 7% each year, not including major maintenance, and next year will be no different, meaning that the operation will have to either reduce services or “catch up” in the future by levying larger increases than it would otherwise have done.

UFH expects to continue with significant capital improvements and apartment renovations over the next five years, with accompanying rate increases for new tenants. The department has recently concluded a multi-year community consultation with our residents and staff to develop a new housing strategy, which we are excited to begin implementing.

Graduate House Residence

Graduate House Residence provides suite-style accommodations for 435 graduate and second-entry professional faculty students. Our building features award-winning architecture, a convenient location near the heart of the UofT Campus, and close proximity to TTC. As a graduate student community, our residence offers an intellectually-engaging and academically-focused atmosphere with specialized community programing.

The pandemic has significantly impacted Graduate House’s revenue, with occupancy rates falling over 30% from budget and the cost of pandemic-related safety measures resulting in higher operating costs. These included the installation of Plexiglas barriers, touchless door operators and faucets in common areas, specialized disinfecting equipment and supplies, hand sanitizing stations, signage building-wide, and personal protective equipment. Graduate House was able to mitigate this financial impact by not filling two vacant staff positions, and postponing non-critical capital projects. As a result, revenues are lower by 37% while direct expenditures are down by 12%, and we anticipate ending the year with a Net Operating loss; however we will absorb this by drawing on our operating reserves.

Graduate House is now over 20 years old and requires significant ongoing capital investment. The capital plan for 2021-22 includes year 2 of a 4-year roof replacement project, our ongoing suite renewal program, and the launch of a much anticipated kitchen refurbishment project, with construction of the first 10 kitchens scheduled to begin the following fiscal year. This will include installing new appliances within residents' suites.

With construction of our new graduate residence around the corner (New Harbord Residence), these improvements are aimed to help reduce the gap between the existing 20+ year old facility and New Harbord Residence, planned to open in 2023. (Once opened, Graduate House and New Harbord Residence will be operated as a single residence community.) The ancillary has proposed a 3% Occupancy Fee increase to help support these costs. For F2021-22, we anticipate the current pandemic travel restrictions will be slowly lifted. Although we don't anticipate an immediate return to normal occupancy levels, we expect they will be higher than our forecast for F2020-21. In F2021-22 occupancy for fall/winter is 65% up from F2020-21 of 61%. We anticipate normal occupancy rates for F2022-23 and going forward.

Graduate House is in year two of a 5-year strategic plan which focuses on capital renewal, operational excellence, and enhanced service delivery over the next five years. These plans were developed with community consultation.

Chestnut Residence and Conference Centre

During the fall and spring academic term, the Chestnut Residence and Conference Centre (CR) is home to 1,134 undergraduate students of diverse cultural backgrounds and academic disciplines. First-year students account for 78% of available beds with the remaining 22% offered to upper-year or graduate students. During the summer term (May-August), the CR provides long-term accommodation to UofT students and students from external institutions, as well as operates a large conference and hotel business for shorter-term guests.

Chestnut Residence's operation has been significantly impacted by the pandemic. Responding to the requirements of social distancing, we moved from an accommodation model offering a mix of double and single rooms, to one offering single-rooms-only. This reduced our maximum capacity from 1,134 to 670. In the face of lock downs and global uncertainty, revenue from summer 2020 plummeted to below 10% of our original budget. As the fall approached, changes to course delivery models (from in-class to online), travel restrictions, visa processing delays, and other COVID concerns further affected demand, with occupancy levels for Fall/Winter 2020-21 dropping to around 300 residents, or less than 30% of full capacity. During this time, we also experienced higher operating costs associated with additional cleaning, sanitation, communication, and staff absentee coverage. In order to partially mitigate these revenue shortfalls and cost increases, we cut most of our planned capital and major maintenance projects, including the next phase of our garage renovations, avoided discretionary costs, applied temporary staff layoffs, and froze hiring. These measures resulted in an 18% reduction from budget in expenditures, though our fixed costs remained – which are approximately 75% of our annual budget. Cancelling the summer's parking renovation project had the additional benefit of allowing us to reopen our parking garage earlier and bring back an additional revenue stream sooner than expected to offset revenue losses.

Despite sharp revenue shortfalls, we continued some critical projects, including replacement of in-room air conditioning units and electrical room maintenance, designed to improve system reliability and enhance the resident experience. We also launched several initiatives to better support our residents, such as providing free self-serve printing, setting up common rooms on each floor, and establishing a wellness room.

At 50 years old, the CR has significant capital renewal needs due to its aging infrastructure and its current financial resources have been able to address only the most pressing items in any one year. In 2021-22, our priorities for major maintenance and capital projects will include continuing the replacement of obsolete in-room air conditioning units, upgrading boilers and generators, and replacement of corridor carpets. These projects are crucial to the building's safe and sustainable operation, and need to be addressed in the near term, although it is highly likely that CR will continue to face financial difficulties next year due to the ongoing influence from the global pandemic.

We are proposing a 5.0% increase in residence fees for 2021-22 academic term. Due to the current single-room-only model, this fee increase alone will not be able to cover the usual 3%-5% increasing in operating costs each year, and therefore we will continue to avoid discretionary costs and prioritize our limited funding sources to maintain essential operations and to address the most urgent infrastructure items. During 2021-22 we are optimistic that the current pandemic travel restrictions will be slowly lifted and, as a result, we have budgeted based on a single person per room but at normal occupancy levels of 98.5%, resulting in 679 occupied rooms.

The CR expects to continue with significant capital improvements and room renovations over the next five years. We will develop a comprehensive and detailed capital and financial plan during the coming year, supported by comprehensive engineering assessments, community consultations, needs assessments, and ultimately, a practical funding strategy.

Food and Beverage Services

St. George Food and Beverage Services

2020-21 has been a challenging year to date for Food Services. These challenges are a carryover from the end of 2019-20. COVID-19 has significantly impacted all business areas within University Food Services. Since March 2020, 90% of our retail operations have remained closed, meal plan revenue has decreased by 80% due to record low occupancy levels in residence, and virtually all catering, conference and beverage service business has ceased. All of the above has had, and continues to have, a major impact on overall revenue generation.

With the reduction in revenue, a cost mitigation exercise was conducted which included, but was not limited to, a labour force reduction of up to 50% of foodservice staff involving extended layoffs.

Over the past nine months Food Services has needed to adapt and pivot on multiple occasions and often without notice in order to maintain and provide food services to the university community. In responding to Public Health Orders many physical changes were introduced across all locations, at a significant cost, in order to provide a safe working and dining environment for students, faculty and staff. The dining halls required the biggest adjustment in physical changes with the removal of multiple self-serve locations and moving away from the all you can eat meal plan to a declining balance model.

As a result, for 2020-21 compared to budget, our revenues have fallen over 89%. We are pleased to have been able to reduce costs by 41% overall, despite fixed costs of 40% – 45% on average. The overall end result is still a significant loss for this year.

In the winter of 2021 we will be undertaking a review of our residential dining program. For budgeting purposes, we have currently assumed that in 2021-22 the meal plan will continue with the declining balance model. We will offer four different meal plan options that will afford students the ability to have enhanced flexibility and variety when selecting the choice that best meets their needs. The plans have been created with the understanding that one or two options does not necessarily meet the needs of all students. Our learning from this year to date is the need to offer multiple choices and variety in order to appeal to the wider student community. The four tiers offered for 2021-22 allows for flexibility of appetites and also takes in to consideration student habits of going home on weekends or enjoying meals off campus from time to time. Additional benefits of the meal plan model is that students will have the flexibility to use meal plan dollars at select retail food service location across campus.

The outlook for 2021-22 is very uncertain. While some breakthroughs have been made with a vaccine, uncertainty remains related to how or when we will witness a partial, significant or full return to campus. While we are anticipating an increase in the residence occupancy, this remains well below the level required to have a positive impact on Food Services' ability to generate sufficient revenue to mitigate overall costs. Therefore it is anticipated that operating losses will continue to be significant into 2021-22.

Food Services is confident that additional retail locations will open in 2021-22. Currently three locations are operating, providing services to the campus community. The plan is to open three to four additional food service outlets strategically across campus in an effort to service the community as and when Public Health restrictions are relaxed and the population across campus increases. The outlook for catering, conference and beverage services will continue to be uncertain for some time and possibly into 2022-23 as these business areas will rely heavily on relaxed Public Health restrictions and the ability to have social gatherings and in person activities.

Transportation Services

The purpose of the St. George Transportation Ancillary is to provide effective Transportation Services to the University community. This includes: balancing parking supply and parking demand; allocating parking permits to customers in a manner so that they can most conveniently carry out their business on the St. George campus; ensuring that parking rates are competitive; ensuring that parking facilities are available, functional, safe and convenient to use; ensuring that there is an effective enforcement process to protect the parking spaces for legitimate parking customers; providing incidental services which generate no revenues, but which enhance the public image and objectives of the University (giving directions, traffic control, special events parking, control of tour buses, providing information on campus events, etc.), and, providing incidental services which facilitate the University community's use of modes of transportation other than single-occupancy motor vehicles.

Transportation Services operates 41 surface lots and 11 underground garages, providing 2,252 parking spaces for students, faculty and staff. Parking is sold by permit (reserved, lot reserved or unreserved) or cash. Permit parking priority has always been given first to faculty and staff, and then to students.

The pandemic has affected Transportation Services negatively. Our revenues depend on faculty, staff, students and visitors attending and visiting the University. When the University closed down for all non-essential operations and made most classes available only online, our revenue streams diminished dramatically. Purchases of faculty and staff permits dropped by 50% and student permit purchases dropped by 89%. Our Pay & Display / Pay-by-Plate machine revenue has also dropped by 57%. Revenues are down over 50% in 2020-21 and are not expected to recover to pre-pandemic levels till 2023-24. To mitigate some of the revenue shortfalls in 2020-21, Transportation Services deferred non-essential repairs such as the painting of the 107 St. George Garage, drainage and ramp repairs at the Graduate Garage and drainage repairs at the B.C.I.T. garage to future fiscal years. In 2020-21, with many costs being fixed, direct expenditures have been reduced by over 11%. This will result in a significant loss in 2020-21.

During 2020-21, due in part to the ongoing pandemic, we implemented our 'virtual permit' project that has originally been planned for in future fiscal periods. The 'virtual permit' project uses a client's vehicle license plate as their proof of purchase rather than a physical permit or paper receipt to park. As a result, our operations can run without a physical store front. All types of permits were made available online for purchase on an annual, monthly, weekly and daily basis. We upgraded our Pay & Display machines to Pay-by-Plate where customers input their plate numbers when purchasing parking (these purchases get logged into our parking data base). We installed License Plate Recognition (LPR) units at five of our parking garages. This system tracks all vehicles entering and exiting these facilities, authenticating plate numbers against our parking data base and Pay-by-Plate machines to verify if vehicles have valid permits or have paid at the machines. This system is integrated with our enforcement mobile application and this will make enforcing parking more efficient. We also upgraded the Pay-on-Foot equipment at the 107 St. George garage so permit holders can enter and exit the gated facility with an emailed QR code upon purchasing a permit (previously a physical access card needed to be issued).

In 2021-22, we plan to install LTE repeaters in our unground facilities. This will allow our enforcement staff a real-time connection to our parking data base server via their mobile enforcement handheld device and allow customers to purchase parking via their mobile phones. The purchase of a new enforcement vehicle and new office computers are budgeted as well. It is anticipated that the pandemic will continue to impact Transportation Services through F2021-22 with anticipated revenues at 75% of pre-pandemic levels, while the future years are expected to move towards normal levels of revenues.

A permit rate increase range from 0% to 5% has been proposed for all parking permit areas. Parking permit areas with a higher demand and designated reserved spaces will see a higher rate increase while the Lot A (55 St. George St.) parking garage will see no permit rate increases.

There continues to be a parking supply/demand pressure that Transportation Services is facing. As a result of population growth and campus development, our per capita parking supply has decreased significantly over the years. The Landmark Project (which will include an underground parking structure underneath the front campus) is underway and should be completed in 2023-24. Transportation Services continues to take a proactive role in technological upgrades to improve our customer experience and reduce equipment costs and maintenance. Contactless payment for parking and LPR expansion are planned in future years.

SCHEDULE OF 2021-2022 BUSINESS ANCILLARY RATES

	2021/22 RATE $	2020/21 RATE $	INCREASE $	INCREASE %	PRIOR YEAR's INCREASE %
RESIDENCE SERVICES					
St. George Campus					
Graduate House					
Grad. House Res/month - Single - premium	1,344	1,305	39	3.0	6.0
Grad. House Res/month - Single - regular	1,203	1,168	35	3.0	6.0
Grad. House Res/month - Singles in suite 970	1,067	1,036	31	3.0	6.0
Grad. House Res/month - Singles in suite 670	1,160	1,126	34	3.0	6.0
Grad. House Res/month - Regular Double	920	893	27	3.0	6.1
University Family Housing					
Charles Street Community					
Unrenovated Units					
Bachelor	824	824	-	-	-
1 bedroom -Average rate	1,063	1,063	-	-	-
1 bedroom -Weighted Average rate	1,036	1,036	-	-	-
2 bedroom (standard)	1,351	1,351	-	-	-
Refreshed Units on Turnover					
Bachelor	924	N/A	-	-	-
1 bedroom -Average rate	1,163	N/A	-	-	-
1 bedroom -Weighted Average rate	1,136	N/A	-	-	-
2 bedroom (standard)	1,451	N/A	-	-	-
Upgraded/ Renovated Units					
Bachelor	1,134	N/A	-	-	-
1 bedroom -Average rate	1,373	N/A	-	-	-
1 bedroom -Weighted Average rate	1,346	N/A	-	-	-
2 bedroom (standard)	1,661	N/A	-	-	-
Huron Sussex Neighbourhood					
Student Housing - Unit Rates					
1 Bedroom Units (Average)	1,674	1,674	-	-	-
Laneway Houses (Average)	2,075	2,075	-	-	-
Chestnut Residence					
Single	15,289	14,561	728	5.0	5.0
Double	12,116	11,540	576	5.0	5.0
Summer Rates per month					
Single	1,588	1,512	76	5.0	5.0
Double	1,224	1,166	58	5.0	5.0
Summer Rates full summer					
Single	4,946	4,710	236	5.0	4.0
Double	3,038	2,893	145	5.0	4.0
Summer Rates full summer with discount					
Single	4,204	4,004	200	5.0	4.0
Double	2,584	2,461	123	5.0	4.1

SCHEDULE OF 2021-2022 BUSINESS ANCILLARY RATES

TRANSPORTATION SERVICES

	2021/22 RATE $	2020/21 RATE $	INCREASE $	INCREASE %	PRIOR YEAR's INCREASE %
St. George Campus					
Permit					
Faculty of Education	150	145	5	3.4	3.6
School of Continuing Ed(158 St George St)	325	320	5	1.6	1.6
42 Harbord Street	150	145	5	3.4	3.6
Graduate Garage (Lot N)	165	160	5	3.1	3.2
OISE Garage (Lot I)	165	160	5	3.1	3.2
Bedford Rd. (Lot M)	210	205	5	2.4	2.5
St. George Garage (Lot P)	190	185	5	2.7	2.8
Faculty of Law	250	245	5	2.0	2.1
BCIT (Lot C)	210	205	5	2.4	2.5
McLennan Physics (Reserved)	260	255	5	2.0	2.0
McLennan Physics(Lot B)	210	205	5	2.4	2.5
E/S Hart House Circle(Lot U)	200	195	5	2.6	2.6
Triangle	270	265	5	1.9	1.9
Front Campus (KCC & HHC) (Lot R)	255	250	5	2.0	2.0
Lot A Garage (55 St George St.)	320	320	-	0.0	0.0
Galbraith Rd.	270	265	5	1.9	1.9
200 College St.(Rear)/I.S.C.	270	265	5	1.9	1.9
Tower Road - Unreserved	150	145	5	3.4	3.6
Tower Road - Reserved	270	265	5	1.9	1.9
256 McCaul Street - Reserved	270	265	5	1.9	1.9
155 College Street - Garage	298	290	8	2.8	1.8
155 College Street - Surface	270	265	5	1.9	1.9
100 College St. (Banting)	150	145	5	3.4	3.6
88 College St. (Women's college)(Lot L) Closed	n/a	n/a	-	0.0	0.0
Dentistry - Garage	250	245	5	2.0	2.1
Dentistry - Surface	230	225	5	2.2	2.3
6 King's College Road(Lot O)	270	265	5	1.9	1.9
167 College St	n/a	n/a	-	-	-
730 Yonge St. Garage	n/a	n/a	-	-	-
Permit Misc					
Commercial monthly	290	285	5	1.8	1.8
Commercial weekly	92	90	2	2.2	4.7
After 4pm parking	82	80	2	2.5	-
Summer Conference monthly	250	245	5	2.0	2.1
Summer Conference weekly	92	90	2	2.2	7.1
UTM/UTSC designated lot	65	60	5	8.3	9.1
UTM/UTSC hunting permit	95	90	5	5.6	-
24-Hour Reserve	320	320	-	-	1.6
24-Hour Reserve (Lot A Garage)	360	350	10	2.9	-
24-Hour Reserve (256 McCaul)	325	320	5	1.6	1.6
Z-Permit (unrestricted)	270	265	5	1.9	1.9
Motorcycle	40	38	2	5.3	5.6
Charles Street Community	100	96	4.0	4.2	-

SCHEDULE OF 2021-2022 BUSINESS ANCILLARY RATES

	2021/22 RATE $	2020/21 RATE $	INCREASE $	INCREASE %	PRIOR YEAR's INCREASE %
FOOD & BEVERAGE SERVICES					
St. George Campus					
New College, Chestnut, Knox College					
Plan A (F2022 includes $100 Tbucks/|Flex)	5,500	5,150	350	6.8	5.0
Plan B (F2022 includes $100 Tbucks/|Flex)	5,725	-	-	-	-
Plan C (F2022 includes $100 Tbucks/|Flex)	6,075	5,795	280	4.8	3.0
Plan D (F2022 includes $100 Tbucks/|Flex)	6,550	-	-	-	-
245 College Meal Plans (declining balance program)					
Light Plan (Includes $50 flex)	5,690	5,500	190	3.5	1.9
Average Plan (Includes $50 flex)	5,935	5,765	170	2.9	2.0
Hearty Plan (Includes $50 flex)	6,150	5,975	175	2.9	2.1

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Budget Preparation Review and Consultation Process

The University Affairs Board approves operating plans for the St. George service ancillaries on an annual basis. This report describes the proposed services and programs offered within the financial parameters of the University's operating budget and financial policies set by the Business Board. The plans include each ancillary's annual operating budget, as well as changes to programs and levels of service, categories of users, accessibility, and compulsory or optional fees.

The St. George service ancillaries' annual budgets for 2021-22 and long-range plans for 2022-23 to 2025-26 were reviewed by a number of local committees and councils. Membership in these committees and councils include students who play an integral part in the overall consultation process (see next page).

Following this consultation process, the Financial Services department (FSD) reviewed the management reports submitted by each ancillary.

Issues requiring further action were identified by FSD and addressed by the ancillaries. Finally, the budgets were reviewed by the St. George Service Ancillaries Review Group (SARG), which included three members of the University Affairs Board.

The SARG reviews the operating plans for all St. George service ancillaries. The SARG process contributes to the success of these ancillary operations by providing direction and guidance on short and long-range planning.

Student / Local Committees and Councils

SERVICE ANCILLARIES

Residences

New College:
Priority, Planning and Budget Committee
New College Council

Innis College:
Innis Residence Committee
Innis College Council

University College:
University College Residence Council

Woodsworth College:
Woodsworth Residence Council

Food Services

University College Food Services:
University College Residence Council Food Committee

Hart House

Finance Committee
Board of Stewards
Council on Student Services

BUSINESS ANCILLARIES

Residences

Graduate House:
Graduate House Governing Body (GHGB)
Residence Affairs Committee

Chestnut Residence:
Residence Council
Residence Affairs Committee

Family Housing:
Joint Committee, Management and Tenant Executive
Student Family Housing Advisory Board

Food Services

St. George Food Services:
Chestnut Residence Food Advisory Committee
New College Food Advisory Committee

Members of the St. George Service Ancillary Review Group

Chief Financial Officer (Chair)	Sheila Brown
Acting Vice-Provost, Students	Micah Stickel
Vice-President Operations and Real Estate Partnerships	Scott Mabury
Assistant Vice-President Planning and Budget	Trevor Rodgers

***Co-opted members from University Affairs Board*:**

Alumni (Chair of UAB)	Andrew Szende
Alumni	Harvey Botting
Students	Sandhya Mylabathula

Financial Services:

Manager, Accounting Services	Michael Ferguson
Financial Accounting Analyst	Savitha Sampathkumar