FOR INFORMATION **PUBLIC** **OPEN SESSION**

TO: Business Board

SPONSOR: Sheila Brown, Chief Financial Officer
CONTACT INFO: sheila.brown@utoronto.ca

PRESENTER: Same as above
CONTACT INFO:

DATE: March 2, 2021 for March 17, 2021

AGENDA ITEM: 8

ITEM IDENTIFICATION:

Service Ancillaries Operating Plans, 2021-2022

JURISDICTIONAL INFORMATION:

Pursuant to Section 5.4(b) of the Business Board *Terms of Reference*, the Board is responsible for general financial policy on ancillary operations and monitoring of business ancillaries.

The operating plans are approved by other bodies within governance as delineated below.

GOVERNANCE PATH:

St. George Service Ancillaries

1. University Affairs Board [for approval] (March 4, 2021)
2. **Business Board [for information] (March 17, 2021)**

UTM Service Ancillaries

1. UTM Campus Affairs Committee [for recommendation] (January 12, 2021)
2. UTM Campus Council [for approval] (January 26, 2021)
3. University Affairs Board [for information] (March 4, 2021)
4. **Business Board [for information] (March 17, 2021)**
5. Executive Committee [for confirmation] (March 25, 2021)

UTSC Service Ancillaries

1. UTSC Campus Affairs Committee [for recommendation] (February 11, 2021)
2. UTSC Campus Council [for approval] (March 10, 2021)

3. University Affairs Board [for information] (March 4, 2021)
4. **Business Board [for information] (March 17, 2021)**
5. Executive Committee [for confirmation] (March 25, 2021)

PREVIOUS ACTION TAKEN:

The UTSC and UTM Service Ancillaries were considered by their respective Campus Affairs Committee (CAC) and recommended to their respective Campus Council for approval. Under their respective Campus Council Terms of Reference, the operating plans for the campus and student services ancillaries are approved by the Campus Council and confirmed by the Executive Committee of the Governing Council.

The University Affairs Board, pursuant to its Terms of Reference, approved the Service Ancillaries Operating Plans for the St. George campus.

HIGHLIGHTS:

This report provides the Business Board with summary information on the budgets for the service ancillaries on the St. George, Mississauga (UTM) and Scarborough (UTSC) campuses to give context for review of the University's audited financial statements.

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 under separate cover. The new business ancillaries are therefore not included in this report.

The service ancillaries include residences (UTM, UTSC, University College, New College, Woodsworth College, and Innis College), conference services (UTSC), food and beverage/hospitality services (UTM, UTSC, and University College), parking/transportation services (UTM and UTSC), and Hart House. Both the service ancillaries and the business ancillaries are managed in the ancillary operations fund, which is one of the four funds through which the University's finances are managed.

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 fall 2020 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 in March 2020 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 service ancillaries are expected to cover the full cost of their operations by 1) operating without subsidy from the operating budget; 2) providing for all costs of capital renewal, including deferred maintenance, furniture and equipment; 3) creating and maintaining an operating reserve at a minimum level of ten per cent of annual expenditure budgets (net of cost of goods sold, capital renewal costs and deans and dons' expenses); and 4) contributing net revenues to other activities if the operation has been successful with the three previous objectives.

For the 2021-22 budget, the service ancillaries are anticipating a net loss of $10.0 million on $66.0 million of revenues and $76.0 million of expenses. The $10.0 million budgeted net loss for 2021-22 represents a decrease in the loss of $18.7 million from the 2020-21 forecast. The 2021-22 budget anticipates a net income/(loss) before transfers of ($10.0 million) from residence and conference services, ($2.0 million) from food and beverage/hospitality services, ($0.9 million) from parking/transportation services, and $2.9 million from Hart House. The long-range plan projects revenues to increase by $50.3 million (76.2%) from 2021-22 to 2025-26. Of this increase, $32.6 million will come from residence and conference services, $5.1 million from food and beverage / hospitality services, $6.4 million from parking / transportation services and $6.2 million from Hart House. It should be noted that the proposed rate increases are necessary to maintain the desired levels of service and provide for annual maintenance and building improvements, and losses as a result of the pandemic are being addressed separately as described above.

The 2021-22 budget projects total net assets of $60.8 million. Net assets are expected to grow to $178.4 million by 2025-26, an increase of $117.6 million from 2021-22.

FINANCIAL IMPLICATIONS:

Refer to highlights.

RECOMMENDATION:

For information.

DOCUMENTATION PROVIDED:

- *University of Toronto Service Ancillaries Report on Operating Plans, 2021-22*

Service Ancillaries Report on Operating Plans 2021-22

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Introduction

This report provides the Business Board with summary information on the budgets for the service ancillaries on the St. George, Mississauga (UTM) and Scarborough (UTSC) campuses[1] to give context when reviewing the University's audited financial statements.

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 under separate cover. The new business ancillaries are therefore not included in this report.

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[1] *The budgets and rates for each St. George service ancillary operation, and the rates only for each St. George business ancillary operation, are approved by the University Affairs Board. Budgets for UTM and UTSC service ancillaries are recommended by the Campus Council and confirmed by the Executive Committee.*

as it continued its work in terms of teaching, research and other business remotely; by

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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.

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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 service ancillaries are expected to cover the full cost of their operations by 1) operating without subsidy from the operating budget; 2) providing for all costs of capital renewal, including deferred maintenance, furniture and equipment; 3) creating and maintaining an operating reserve at a minimum level of ten per cent of annual expenditure budgets (net of cost of goods sold, capital renewal costs and deans and dons' expenses); and 4) contributing net revenues to other activities if the operation has been successful with the three previous objectives.

Financial Summary

This report includes the proposed long-range plans for the five-year cycle 2021-22 to 2025-26 and summary financial schedules. Projections for future years (fiscal years 2022-23 to 2025-26) provide the framework in which the budgets will be prepared as foreseen at the time of preparation of this report. They are provided to facilitate planning, and will be updated as appropriate each year to reflect changes in demand and the most recent information available for the ancillaries' revenues and expenses, including the anticipated timing of the end of the pandemic and the return to normal operations.

Budget Highlights

In addition to the severe impact of the global pandemic on all service ancillary operations that was discussed in the introduction, the following are additional budget highlights:

Construction of UTSC's new 750 bed residence is now underway and is expected to be ready for occupancy by the summer of 2023. This residence will provide dormitory style accommodation, a dining hall and a mandatory meal plan and residence life services. The residence is owned by a limited partnership, which has entered into a ground lease with the University. An equity investor is the limited partner and the University is the general partner. The University will provide all of the services that apply to University-owned residences, including residence life and building operation services. The financial impact on the UTSC Residence operating budgets, starting in 2023-24, is limited to residence life services, which will be delivered by this ancillary and which will be funded by the limited partnership.

UTSC is planning to build a parking structure to replace parking spaces which are being displaced by the new student residence (now under construction), the new IC2 academic building (construction to begin in 2021), and by other buildings being planned on the north campus, all as per the campus master plan. The parking structure will also provide additional parking spaces needed for the new buildings, in compliance with City of Toronto by-law requirements and will provide access to an integral central shipping/receiving loading dock and tunnel to several new academic buildings including IC2, Performing Arts Centre and the Scarborough Academy of Medicine and Integrated

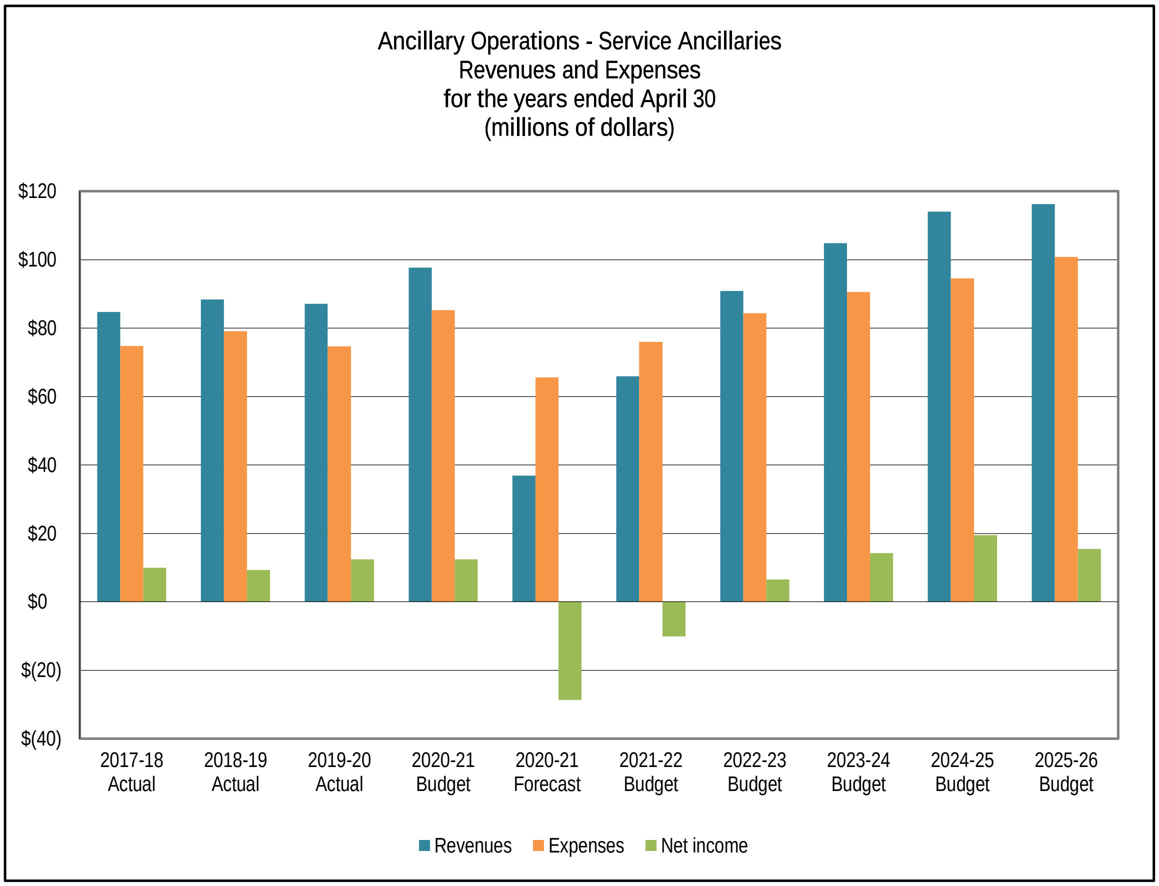
Health. UTSC is now working with an architect on design alternatives. Various funding and financing models are being considered in order to pay for the capital costs of the parking structure. The financial models do not yet include these costs, nor the financial implications of how they might be funded.

UTM Residence is proposing to construct a new 400-resident building, which is planned to open in the summer of 2024, subject to the appropriate approvals. Upon the return to typical resident intake numbers, UTM Residence will rebuild its down payment for the construction of this new residence building. The long-range plan includes the impact on all UTM ancillaries where the impact can be reasonably estimated.

UTM Parking Services' long-term planning includes the addition of an underground parking garage and surface parking lot for the proposed ACT building, with construction scheduled to begin in 2021-22. While still in the planning stages, the estimated revenues and expenses related to the proposed underground parking garage and surface parking lot have been included in the long-range plan, and construction of the project will be funded by a loan from the UTM operating budget.

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 over 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. Given its significant scope and size, it is the intention of Hart House to 'chunk' the project in 5 phases. 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 U of T 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.

For the 2021-22 budget, the service ancillaries are anticipating net loss of $10.0 million on $66.0 million of revenues and $76.0 million of expenses. The $10.0 million budgeted net loss for 2021-22 represents an improvement from the $28.7 million loss forecasted for 2020-21, based on an increase of 78.9% in revenues and an increase of 15.9% in expenses. This $18.7 million decrease in net loss can be attributable to residence and conference services ($10.6 million), parking and transportation services ($2.1 million), food and beverage/hospitality services ($2.0 million), and Hart House ($4.0 million).



	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 and Conferences	51.3	53.4	52.6	58.5	21.1	37.4	53.5	62.8	68.9	70.0
Food and beverage / hospitality	7.9	8.7	8.6	9.3	2.2	5.3	6.0	9.3	10.0	10.4
Parking / transportation	8.1	8.3	7.1	8.6	1.9	4.6	9.2	9.6	10.4	11.0
Hart House	17.5	18.0	18.9	21.3	11.7	18.7	22.2	23.1	24.8	24.9
Total Revenue	84.8	88.4	87.2	97.7	36.9	66.0	90.9	104.8	114.1	116.3
Total Expense	74.8	79.0	74.7	85.3	65.6	76.0	84.4	90.6	94.5	100.8
Total Net Income	10.0	9.4	12.5	12.4	(28.7)	(10.0)	6.5	14.2	19.6	15.5

The long-range plan projects revenues to increase by $50.3 million (76.2%) from 2021-22 to 2025-26. Of this increase, $32.6 million will come from residence and conference services, $5.1 million from food and beverage/hospitality services, $6.4 million from parking/transportation services and $6.2 million from Hart House.

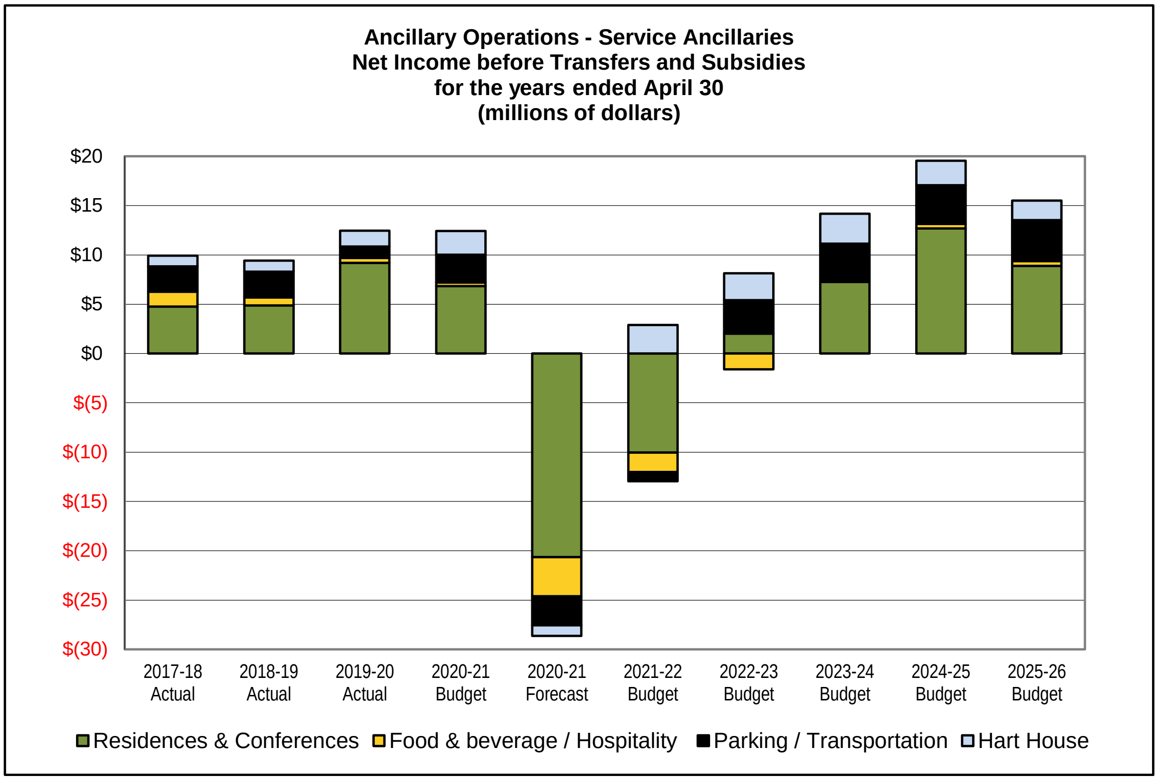
In addition to increased activity as a result of the anticipated end of the pandemic, residence rate increases are a driver of the overall increase in revenues. All residences are anticipating revenue growth with rental rate increases ranging from 2.6% to 5.3% for the fall/winter sessions. Revenues from summer business are challenging and variable, with a significant potential impact on net income.

Parking/transportation services are projecting a revenue increase from 2020-21 to 2021-22, as it is assumed that classes will start to resume to an in-person format and there will be much more activity on both the UTM and UTSC campuses. Past demand trends (i.e. parking lot utilization and permit waiting lists) strongly suggest that demand for parking remains high, and this is reflected in the long-term plans. Parking/transportation services on the UTM and UTSC campuses will continue to monitor supply and demand and to build their reserves in preparation for planned new parking structures.

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. Hart House anticipates that the primary revenue generating departments, 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 fiscal period, with a complete return anticipated by January 2022.

Net Income

The 2021-22 budget anticipates net loss before transfers of $10.0 million from residence and conference services, $2.0 million from food and beverage/hospitality services, $0.9 million from parking/transportation services and a net income of $2.9 million from Hart House. The ancillary operations generally use their accumulated reserves when there is a net loss for the year, or allocate their annual net income to capital renewal / operating / maintenance / new construction reserves, or to repay internal loans to their respective divisions' operating fund. Hart House is allocating all their annual net income to capital renewal, operating and maintenance reserves.



	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	4.8	4.9	9.2	6.8	(20.6)	(10.0)	2.0	7.3	12.8	8.9
Food & beverage / Hospitality	1.5	0.8	0.5	0.4	(4.0)	(2.0)	(1.6)	0.0	0.4	0.5
Parking / Transportation	2.6	2.6	1.2	2.8	(3.0)	(0.9)	3.4	3.9	3.9	4.1
Hart House	1.1	1.1	1.6	2.4	(1.1)	2.9	2.7	3.0	2.5	2.0
Total Net Income	10.0	9.4	12.5	12.4	(28.7)	(10.0)	6.5	14.2	19.6	15.5

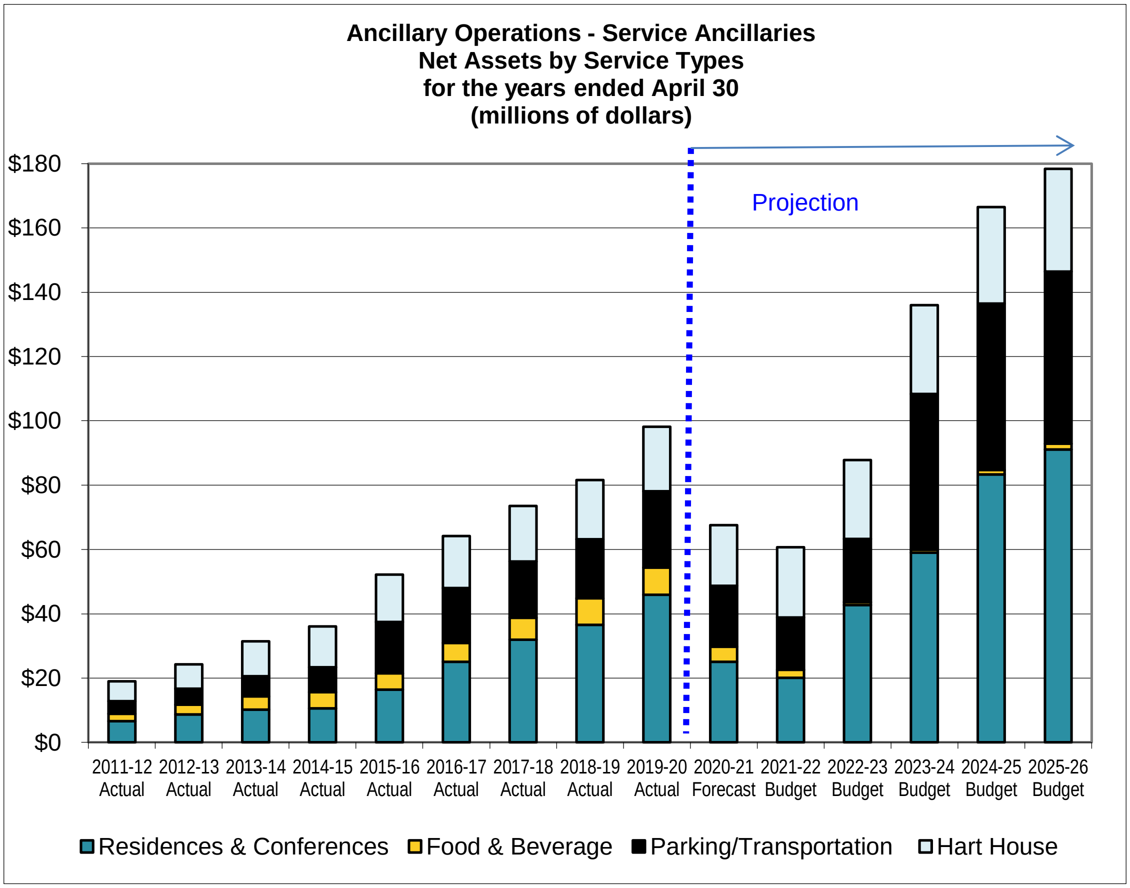
The outlook for net income over the next five years overall is positive as the pandemic is anticipated to come to an end, and with the plans including rate increases each year while principal and interest payments on outstanding loans remain constant. The rate increases were part of the original expansion plans, and continue to be required. Rate increases are also necessary to maintain the desired level of services, and to provide for annual maintenance and building improvements. It should be noted that these are regular rate increases, and the losses as a result of the pandemic are being addressed separately as described in the introduction to this report. Many older buildings have begun to show their age. To address this, the major maintenance budgets and capital renewal budgets were substantially increased in the past years and will continue to be a large percentage of their total expenditures. The long-range plan is showing an increase in net income of $25.5 million, from a net loss of $10.0 million in 2021-22 to a net income of $15.5 million in 2025-26. This is due to an increase of $18.9 million from residence and conference services, $2.5 million from food and beverage/hospitality services, $5.0 million from parking/transportation services, offset by a decrease of $0.9 million from Hart House.

Net Assets

Net assets reflect the net worth of the 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 there is 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 service ancillaries from 2011-12 to 2019-20 and projects the net assets in accordance with long-range plans to 2025-26.



This chart 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 that have occurred over the past two decades, the severe impact of the global pandemic on ancillary services, as well as the impact of planned new residence buildings, parking structures and infrastructure projects over the next five years.

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
UTM	11.6	13.1	6.5	11.8	31.8	42.8	61.0	62.0
UTSC	10.0	11.1	6.4	6.3	8.4	8.3	8.6	8.8
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	8.7	5.4	2.6	3.0	3.2	3.5	3.9
Residences and Conferences	45.8	52.8	25.1	20.1	42.8	59.0	83.5	91.1
Food and beverage / hospitality	8.5	9.2	4.5	2.6	1.0	0.9	1.3	1.8
Parking / transportation	23.7	20.0	19.0	16.3	19.7	48.5	51.8	53.5
Hart House	20.0	22.1	18.9	21.8	24.5	27.6	30.0	32.0
Total Net Assets	98.0	104.1	67.5	60.8	88.0	136.0	166.6	178.4

For 2021-22, the service ancillaries are budgeting total net assets of $60.8 million. Net assets are expected to grow to $178.4 million by 2025-26, an increase of $117.6 million from 2021-22. This increase of $117.6 million is attributable to an increase of $71.0 million from residence and conference services, $37.2 million from parking/transportation services, $10.2 million from Hart House, offset by a decrease of $0.8 million from food and beverage/hospitality services.

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 & Conferences	(9.4)	20.9	2.7	3.9	2.0	20.1
Food & Beverage	(2.5)	3.6	0.1	0.5	0.9	2.6
Parking/Transportation	(5.8)	8.9	0.2	0.4	12.6	16.3
Hart House	0.0	12.5	6.3	3.0	0.0	21.8
Total	(17.7)	45.9	9.3	7.8	15.5	60.8

The projected total net assets of $60.8 million for 2021-22 consists of $45.9 million investment in capital assets, $9.3 million commitments to capital renewal, $7.8 million in operating reserves, $15.5 million in new construction reserves, partially offset by $17.7 million in unrestricted deficit (see schedules II and III on page 17 and 18 for details).

As depreciation is charged and funded from future revenues, the $45.9 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 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 service ancillaries are projecting a total outstanding debt of $67.7 million (on original loans issued of $180.0 million), of which $59.3 million is for residence services and $8.4 million for parking/transportation services. The estimated principal and interest repayment on the debt for residence services is projected to be $10.8 million in 2021-22, representing 19% of revenues (excluding conference services). The majority of this debt is allocated to the residence ancillaries and was the main reason many of the residence ancillaries did not break even in the past. Subsidies were provided to some ancillaries from the University's operating budget and from existing operations with a plan that they would break even annually in year five and cumulatively in year eight from inception of the building capital project.

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
Residences							
UTM	29.3	26.9	24.4	34.6	31.5	28.6	25.9
UTSC	8.5	7.7	6.8	6.0	5.0	4.0	2.9
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 College	12.1	10.8	9.5	8.1	6.5	4.9	3.1
	72.5	**66.0**	**59.3**	**65.1**	**57.1**	**49.1**	**40.8**
Parking/transportation							
UTM	6.3	5.7	5.0	4.3	3.5	2.6	1.7
UTSC	4.1	3.6	3.4	2.9	2.5	2.0	1.4
	10.4	**9.3**	**8.4**	**7.2**	**6.0**	**4.6**	**3.1**
Total Loan Balance	**82.9**	**75.3**	**67.7**	**72.3**	**63.1**	**53.7**	**43.9**

Factors such as enrolment growth, the first-year residence guarantee program, and demand from upper-year students to return to residence have continued to sustain the optimal fall and winter session occupancy rates for residence services (except during the pandemic). In order to increase residence spaces, the building expansion on all three campuses initially put a strain on the financial viability of most residence operations. Minimal down payments for new residence buildings resulted in substantial debt, leading to large annual principal and interest costs. The impact of this debt led to financial deficits in two residences and continues to impact their long-range budget plans. Residence ancillary operations with buildings supported by partial down payments, donations or operating fund subsidies have been more financially sound. Increasing repairs and maintenance costs for older buildings have led to increased operating costs for some residence operations. Prior to the pandemic, most of the residence operations had returned to fiscal health as the fixed principal and interest payments had declined as a percentage of total revenues and expenses.

Capital Expenditures

Individual capital projects are approved in accordance with the Policy on Capital Projects. The service ancillary operations 2021-22 capital budgets are summarized in schedule V (page 21). Major capital projects included in this 2021-22 operating plan are:

- UTSC Residence has planned townhouse renovations in accordance with the Housing Master plan;
- UTM Residence has budgeted for planning costs for the construction of the proposed new residence building;
- UTM Hospitality plans include construction costs and the purchase of new equipment for the 2nd phase of the Davis Building Food Court;
- Innis College will continue with suite kitchen and floor renovations and suite furniture renewal;
- New College will replace the fire alarm system at Wetmore Hall;
- Hart House's capital investment plan includes the part 1 scope schematic design phase for the infrastructure renewal project, a new ramp on Tower Road, and renovation refresh upgrades to washrooms in the basement and second floor.

In the outer years of the long-range budget, with the anticipation of future growth, UTM and UTSC residences, UTM Hospitality Services, and UTM and UTSC Parking Services are allocating unrestricted surplus to new construction reserves for planned or potential major capital projects, new food courts or new parking structures.

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

	Revenues	Expenses	Net Income before Transfers	Transfers in (out)	Net Income (loss) after Transfers 2022	Forecast 2021
RESIDENCE SERVICES						
UTM	16,415	16,095	320	5,000	5,320	(5,146)
UTSC	6,163	6,300	(137)	-	(137)	(3,092)
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	(3,481)	-	(3,481)	(3,379)
Woodsworth College	2,439	5,253	(2,814)	-	(2,814)	(3,358)
Total Residence Services	35,785	45,813	(10,028)	5,091	(4,937)	(20,249)
CONFERENCE SERVICES						
UTSC	1,579	1,576	3	-	3	(543)
Total Conference Services	1,579	1,576	3		3	(543)
FOOD AND BEVERAGE/HOSPITALITY SERVICES						
UTM Hospitality	2,929	3,547	(618)	-	(618)	(2,164)
UTSC	791	810	(19)	-	(19)	(511)
University College	1,581	2,960	(1,379)	-	(1,379)	(1,292)
Total Food and Beverage/Hospitality Services	5,301	7,317	(2,016)		(2,016)	(3,967)
PARKING/ TRANSPORTATION SERVICES						
UTM	2,111	3,168	(1,057)	(1,777)	(2,834)	(3,893)
UTSC	2,465	2,328	137	-	137	(858)
Total Parking/ Transportation Services	4,576	5,496	(920)	(1,777)	(2,697)	(4,751)
HART HOUSE	18,725	15,832	2,893	-	2,893	(1,072)
TOTAL	65,966	76,034	(10,068)	3,314	(6,754)	(30,582)

SUMMARY OF SERVICE ANCILLARY OPERATIONS LONG-RANGE BUDGET RESULTS

SCHEDULE II

(thousands of dollars)

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 construction reserve (Schedule III.1)	2021 - 2022 Net Assets	2023-2024 Net Assets	2025-2026 Net Assets
Residence Services												
UTM	Yes	Yes	Yes	No	386	10,066	50	826	450	11,778	42,801	61,969
UTSC	Yes	Yes	Yes	No	-	2,454	653	457	1,411	4,975	7,073	7,489
Innis College	Yes	Yes	Yes	Yes	-	1,346	319	250	-	1,916	2,586	3,992
				350								
New College	No	No	No	No	(5,240)	1,981	600	-	-	(2,659)	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	-	2,631	3,181	3,903
Conference Services												
UTSC	Yes	Yes	Yes	No	237	133	6	790	100	1,266	1,270	1,298
Food and Beverage/Hospitality Services												
UTM Hospitality	Yes	Yes	Yes	No	-	2,888	10	266	961	4,124	3,499	3,605
UTSC	Yes	No	No	No	-	419	21	34	-	474	385	445
University College	No	No	No	No	(2,542)	224	10	243	-	(2,065)	(2,955)	(2,251)
Parking/ Transportation Services												
UTM	No	No	No	No	(5,849)	8,332	10	217	-	2,710	30,885	30,023
										-		
UTSC	Yes	Yes	Yes	No	-	631	200	189	12,555	13,576	17,650	23,449
Hart House	Yes	Yes	Yes	No	-	12,458	6,306	3,036	-	21,799	27,557	32,012
Summary totals				350	(17,724)	45,889	9,276	7,845	15,477	60,763	136,033	178,402

OBJECTIVES:

Plans reflect (yes) or do not reflect (no) that the Ancillary:

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.

UNIVERSITY OF TORONTO **SCHEDULE III**

SERVICE ANCILLARY OPERATIONS BUDGET SUMMARY

PROJECTED FUNDS TO BE COMMITTED FOR CAPITAL RENEWAL

FOR THE YEARS ENDING APRIL 30, 2022 AND APRIL 30, 2026

(thousands of dollars)

	Forecast Balance May 1, 2021	Net increase (decrease) in commitments to capital renewal	Balance April 30, 2022	Balance April 30, 2026
RESIDENCE SERVICES				
UTM	50	-	50	50
UTSC	693	(40)	653	453
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	4,139	(1,426)	2,714	3,454
CONFERENCE SERVICES				
UTSC	7	(1)	6	4
Total Conference Services	7	(1)	6	4
FOOD AND BEVERAGE/HOSPITALITY SERVICES				
UTM Hospitality	10	-	10	10
UTSC	-	21	21	9
University College	-	10	10	23
Total Food and Beverage/Hospitality Services	10	31	41	42
PARKING/ TRANSPORTATION SERVICES				
UTM	-	10	10	10
UTSC	223	(23)	200	102
Total Parking/ Transportation Services	223	(13)	210	112
HART HOUSE	5,687	619	6,306	681
TOTAL	10,066	(790)	9,276	4,293

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 ENDING APRIL 30, 2022 THROUGH APRIL 30, 2026
(thousands of dollars)

	OPERATING RESERVE				NEW CONSTRUCTION RESERVE			
	Balance May 1, 2021	Increase or (decrease) in operating reserve	Balance operating reserve April 30, 2022	Balance operating reserve April 30, 2026	Balance May 1, 2021	Increase or (decrease) in construction reserve	Balance new construction reserve April 30, 2022	Balance new construction reserve April 30, 2026
RESIDENCE SERVICES								
UTM	748	78	826	1,063	350	100	450	5,000
UTSC	187	270	457	584	2,045	(634)	1,411	2,849
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	2,830	240	3,070	3,862	2,395	(534)	1,861	7,849
CONFERENCE SERVICES								
UTSC	130	660	790	876	100	-	100	100
Total Conference Services	130	660	790	876	100	-	100	100
FOOD AND BEVERAGE/HOSPITALITY SERVICES								
UTM Hospitality	204	62	266	310	1,943	(982)	961	481
UTSC	-	34	34	198	-	-	-	52
University College	-	243	243	297	-	-	-	-
Total Food and Beverage/Hospitality Services	204	339	543	805	1,943	(982)	961	533
PARKING/ TRANSPORTATION SERVICES								
UTM	-	217	217	229	-	-	-	-
UTSC	85	104	189	423	12,432	123	12,555	22,363
Total Parking/ Transportation Services	85	321	406	652	12,432	123	12,555	22,363
HART HOUSE	967	2,068	3,036	3,778	-	-	-	-
TOTAL	4,216	3,628	7,845	9,973	16,870	(1,393)	15,477	30,845

UNIVERSITY OF TORONTO
SERVICE ANCILLARY OPERATIONS BUDGET SUMMARY
PROJECTED ANNUAL OPERATING RESULTS
FOR THE YEARS ENDING APRIL 30, 2021 THROUGH APRIL 30, 2026
(thousands of dollars)

	2020-2021 (Forecast)			2021 - 2022			2022-2023		
	Net Income (loss) before Transfers	Transfers in (out)	Net Income (loss) after Transfers	Net Income 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									
UTM	(5,146)	-	(5,146)	320	5,000	5,320	54	20,000	20,054
UTSC	(3,092)	-	(3,092)	(137)	-	(137)	2,168	-	2,168
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)	(3,481)	-	(3,481)	(3,580)	-	(3,580)
Woodsworth College	(3,358)	-	(3,358)	(2,814)	-	(2,814)	337	-	337
Total Residence Services	(20,113)	(136)	(20,249)	(10,028)	5,091	(4,937)	2,017	20,559	22,576
CONFERENCE SERVICES									
UTSC	(543)	-	(543)	3	-	3	3	-	3
Total Conference Services	(543)	-	(543)	3	-	3	3	-	3
FOOD AND BEVERAGE/HOSPITALITY SERVICES									
UTM Hospitality	(2,164)	-	(2,164)	(618)	-	(618)	(355)	-	(355)
UTSC	(511)	-	(511)	(19)	-	(19)	(17)	-	(17)
University College	(1,292)	-	(1,292)	(1,379)	-	(1,379)	(1,242)	-	(1,242)
Total Food and Beverage/Hospitality Services	(3,967)	-	(3,967)	(2,016)	-	(2,016)	(1,614)	-	(1,614)
PARKING/ TRANSPORTATION SERVICES									
UTM	(2,092)	(1,801)	(3,893)	(1,057)	(1,777)	(2,834)	1,503	-	1,503
UTSC	(858)	-	(858)	137	-	137	1,882	-	1,882
Total Parking/ Transportation Services	(2,950)	(1,801)	(4,751)	(920)	(1,777)	(2,697)	3,385	-	3,385
HART HOUSE	(1,072)	-	(1,072)	2,893	-	2,893	2,726	-	2,726
TOTAL	(28,645)	(1,937)	(30,582)	(10,068)	3,314	(6,754)	6,517	20,559	27,076

UNIVERSITY OF TORONTO
SERVICE ANCILLARY OPERATIONS BUDGET SUMMARY
PROJECTED ANNUAL OPERATING RESULTS
FOR THE YEARS ENDING APRIL 30, 2021 THROUGH APRIL 30, 2026
(thousands of dollars)

	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 before Transfers	Transfers in (out)	Net Income after Transfers
RESIDENCE SERVICES									
UTM	2,169	8,800	10,969	6,702	11,500	18,202	2,266	(1,300)	966
UTSC	179	(250)	(71)	455	(250)	205	462	(250)	212
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	7,352	8,936	16,288	12,678	11,664	24,342	8,873	(1,136)	7,737
CONFERENCE SERVICES									
UTSC	1	-	1	14	-	14	15	-	15
Total Conference Services	1	-	1	14	-	14	15	-	15
FOOD AND BEVERAGE/HOSPITALITY SERVICES									
UTM Hospitality	(272)	-	(272)	48	-	48	60	-	60
UTSC	(42)	(30)	(72)	43	(30)	13	72	(25)	47
University College	352	-	352	352	-	352	352	-	352
Total Food and Beverage/Hospitality Services	38	(30)	8	443	(30)	413	484	(25)	459
PARKING/ TRANSPORTATION SERVICES									
UTM	1,672	25,000	26,672	1,210	(627)	583	1,075	(2,521)	(1,446)
UTSC	2,195	-	2,195	2,725	-	2,725	3,074	-	3,074
Total Parking/ Transportation Services	3,867	25,000	28,867	3,935	(627)	3,308	4,149	(2,521)	1,628
HART HOUSE	3,032	-	3,032	2,477	-	2,477	1,978	-	1,978
TOTAL	14,290	33,906	48,196	19,547	11,007	30,554	15,499	(3,682)	11,817

SCHEDULE V

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

	2021 - 2022	2020-2021
RESIDENCE SERVICES		
UTM	5,000	68
UTSC	590	775
Innis College	265	810
New College	325	880
University College	15	755
Woodsworth College	-	75
Total Residence Services	6,195	3,363
CONFERENCE SERVICES		
UTSC	10	-
Total Conference Services	10	-
FOOD AND BEVERAGE/HOSPITALITY SERVICES		
UTM Hospitality	956	100
UTSC	10	260
University College	5	20
Total Food and Beverage/Hospitality Services	971	380
PARKING/ TRANSPORTATION SERVICES		
UTM	134	-
UTSC	10	1,010
Total Parking/ Transportation Services	144	1,010
HART HOUSE	959	2,735
TOTAL	8,279	7,488

SCHEDULE OF 2021-2022 ANCILLARY RATES

	2021/22 RATE $	2020/21 RATE $	INCREASE $	INCREASE %	PRIOR YEAR'S INCREASE %
RESIDENCE SERVICES					
UTM					
Undergraduate Students					
Townhouses(Schreiberwood,McLuhan, Leacock)	10,726	10,264	462	4.5	4.5
Townhouses(Putnam)	12,041	11,495	546	4.7	5.0
Suites (Roy Ivor Hall & Erindale Hall) Single	11,926	11,385	541	4.8	4.0
Suites (Erindale Hall) Double	7,752	7,247	505	7.0	1.8
Dormitory (Oscar Peterson Hall)	11,350	10,835	515	4.8	4.8
Premium Townhouse MaGrath Valley (Single)	11,680	11,150	530	4.8	4.8
Premium Townhouse MaGrath Valley(Double)	7,592	7,247	345	4.8	4.8
Schreiberwood:					
Small Bachelors					
Graduate Student Housing (Sep to Apr)	9,395	8,990	405	4.5	4.5
Medical Student Housing (Sep to May)	10,569	10,114	455	4.5	4.5
Large Bachelors					
Graduate Student Housing (Sep to Apr)	9,874	9,449	425	4.5	4.5
Medical Student Housing (Sep to May)	11,108	10,630	478	4.5	4.5
Family Student Housing -Monthly Rate					
3 bedroom					
May to Aug	1,876	1,795	81	4.5	3.8
Sep to Apr	1,959	1,876	83	4.4	4.5
4 bedroom					
May to Aug	1,944	1,860	84	4.5	3.7
Sep to Apr	2,031	1,944	87	4.5	4.5
UTSC					
Winter					
Phase I - III single	9,911	9,439	472	5.0	5.0
Phase I - small Room (1 Room)	8,883	8,460	423	5.0	5.0
Phase IV single	11,140	10,610	530	5.0	5.0
Phase I shared	7,339	6,989	350	5.0	5.0
Phase I shared basement	6,605	6,291	314	5.0	5.0
Phase IV shared	8,304	7,908	396	5.0	5.0
Summer					
Phase I - III (May 8 - August 27)	4,695	4,472	223	5.0	5.0
Visitor Weekly Rate	293	279	14	5.0	5.0
Phase IV Foley Hall (May - August)	5,032	4,792	240	5.0	5.0
Visitor Weekly Rate	314	299	15	5.0	5.0

SCHEDULE OF 2021-2022 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	5.00	5.0
Innis College - Summer	3,590	3,419	171	5.00	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
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	8,470	278	3.3	3.3
WH Doubles	8,748	8,470	278	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	21.11	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

SCHEDULE OF 2021-2022 ANCILLARY RATES

	2021/22 RATE $	2020/21 RATE $	INCREASE $	INCREASE %	PRIOR YEAR'S INCREASE %
PARKING/ TRANSPORTATION SERVICES					
UTM					
CCT Garage- Annual	1,410.69	1,369.60	41.09	3.0	15.0
Lot P1- Annual	1,171.59	1,137.47	34.12	3.0	3.0
Lot P5- Annual	1,137.47	1,104.34	33.13	3.0	-
Lots P4 and P8- Annual	797.26	774.04	23.22	3.0	1.5
Lot P9- Annual	903.30	876.99	26.31	3.0	15.0
Student (Sessional - Lots P4 and P8)	332.18	322.50	9.68	3.0	1.5
Resident - Annual	1,009.28	979.88	29.40	3.0	1.5
Afternoon - (after 3:30pm) - Annual	234.60	227.77	6.83	3.0	1.5
Commercial - Annual	1,335.69	1,296.79	38.90	3.0	1.5
Pay & Display					
Pay & Display (daily maximum)					
(6:30 am - 8:00 a.m. next day)					
CCT Garage	20.00	20.00	-	-	33.3
Lot P9	17.50	17.50	-	-	13.3
Lot P4 and P8	15.00	15.00	-	-	-
Pay & Display (evening/weekend)					
(5:00 pm - 8:00 a.m. next day)					
CCT Garage	10.00	10.00	-	-	33.3
Lot P9	7.00	7.00	-	-	16.7
Lot P4 and P8	6.00	6.00	-	-	-
Pay & Display per half hour					
(6:30 am - 5:00 p.m)					
CCT Garage	3.00	3.00	-	-	20.0
Lot P9	2.75	2.75	-	-	10.0
Lot P4 and P8	2.50	2.50	-	-	-
Pay & Display per half hour					
(weekdays 5:00pm to 8am next day; weekends & holidays)					
CCT Garage	1.00	1.00	-	-	-
Lot P9	1.00	1.00	-	-	-
Lot P4 and P8	1.00	1.00	-	-	-
UTSC					
Permits					
South Lot:					
Annual, South Lot Employee Premium	1,553.94	1,412.67	141.27	10.0	10.0
Annual, South Lot Employee Reserved	2,066.75	1,878.86	187.89	10.0	10.0
Annual, Ring Road Employee	1,398.55	1,271.41	127.14	10.0	10.0
Summer Term	310.81	282.55	28.26	10.0	10.0
Residence Fall/ Winter term	1,100.13	1,000.12	100.01	10.0	10.0
Residence - Winter term	616.08	560.07	56.01	10.0	10.0
Residence - Summer term	275.05	250.04	25.01	10.0	10.0

SCHEDULE OF 2021-2022 ANCILLARY RATES

	2021/22 RATE $	2020/21 RATE $	INCREASE $	INCREASE %	PRIOR YEAR'S INCREASE %
PARKING/ TRANSPORTATION SERVICES					
UTSC					
North Lot:					
Annual North Lot, Premium (Lot K)	1,553.94	1,412.67	141.27	10.0	10.0
Annual North Lot, Payroll Employee	1,195.36	1,086.69	108.67	10.0	10.0
Student, Fall/ Winter	955.59	868.72	86.87	10.0	10.0
Monthly Student North Lot Permit	133.78	121.62	12.16	10.0	10.0
Fall or Winter Term	535.13	486.48	48.65	10.0	10.0
Summer term	239.77	217.98	21.79	10.0	10.0
Centennial Permit (Sep - May)	1,011.73	963.56	48.17	5.0	5.0
Centennial Summer Permit	505.87	481.78	24.09	5.0	5.0
Cash Parking					
South Lots					
Peak period Hourly rate	4.00	4.00	-	-	14.3
Flat rate- Evening	7.00	7.00	-	-	-
Flat rate- Weekend	7.00	7.00	-	-	16.7
Summer - Conference - Daily Rate	6.00	6.00	-	-	-
Summer - Conference - Youth bed rate	2.00	2.00	-	-	-
Instructional Center Lot K: Current Permits only					
Flat Rate, Day	16.00	16.00	-	-	14.3
Flat Rate, Evening	7.00	7.00	-	-	-
Flat Rate, Weekend	7.00	7.00	-	-	16.7
Lots F, G and H (North Lots)					
Flat Rate, Day	10.00	10.00	-	-	-
Flat Rate, Evening	6.00	6.00	-	-	-
Flat Rate, Weekend	5.00	5.00	-	-	-
FOOD AND BEVERAGE/HOSPITALITY SERVICES					
UTM					
First years and Upper years					
Plus + 250 Flex Dollars	4,450	4,350	100	2.3	0.5
Plus + 100 Flex Dollars	4,300	4,200	100	2.4	0.5
Full + 250 Flex Dollars	4,050	3,900	150	3.8	0.8
Full + 100 Flex Dollars	3,900	3,750	150	4.0	0.8
Upper year only					
Regular Basic +250 Flex dollars	3,050	3,000	50	1.7	10.3
Regular Basic +100 Flex dollars	2,900	2,850	50	1.8	10.9
Small Basic +250 Flex dollars	2,650	2,550	100	3.9	6.7
Small Basic +100 Flex dollars	2,500	2,400	100	4.2	7.1
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

Appendix

Budget Preparation Review and Consultation Process

The ancillary budgets were prepared after thorough consultation with College constituents and with input from Facilities and Services. Residence fee revenues were based on a rate increase from 2.6% to 7.0% per year assuming optimal occupancy levels for the fall and winter sessions. Salaries, wages and benefit projections have been budgeted in accordance with the terms of the collective agreements, as well as the compensation package for Professionals and Managers. Proposed major maintenance and capital expenditure budgets have been assembled in conjunction with both the Facilities and Services department and the previously commissioned Capital Replacement Study.

The 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.

Following this consultation process, the Financial Services department reviews the management reports submitted by each ancillary. The Financial Services department analyzes the reports for completeness, adherence to fiscal policies and financial feasibility. Financial Services also assesses the progress made by measuring their performance against the four financial objectives established for ancillaries. Issues requiring further action will be identified and addressed through a one-on-one meeting along with members from University Operations. The St. George budgets are then reviewed by the St. George Service Ancillaries Review Group (SARG), which includes three members from the University Affairs Board. SARG provides advice and formulates recommendations on the operating plans for all service ancillaries.

Following these reviews, the University Affairs Board and the respective Campus Council at UTM and UTSC approve operating plans, capital budgets and schedules of rates or fees for all service ancillaries on an annual basis.