

**NOTICE OF MEETING**

**There will be a meeting of the  
Board of Governors  
Tuesday, October 22, 2024  
at 4:00 pm  
Freed-Orman Commons, Assumption Hall**

**AGENDA**

<b>ITEM</b>	<b>DOCUMENT/ACTION</b>
<i>Land Acknowledgement</i>	
<i>Declaration of conflict of interest</i>	
<b>1 Approval of the Agenda</b>	
<b>2 Minutes of the meeting of May 21, 2024</b>	<b>Reidel-Approval</b> BG240521M
<b>E-vote of September 23, 2024</b>	<b>Reidel-Information</b> BG240923E
<b>3 Business arising from the minutes</b>	
<b>4 Outstanding Business/New Business</b>	
<b>4.1 Reports:</b>	
<b>4.1.1 Remarks from the Chair</b>	<b>Reidel-Information</b>
<b>4.1.2 President's Report</b>	<b>Gordon-Information</b>
<b>4.1.3 Questions Arising from the Reports of the Vice-Presidents     and Associate Vice-President, External (p. 3)</b>	<b>Vice-Presidents/AVPE-Information</b> BG241022-4.1.3
<b>4.2 Audit Committee</b>	
<b>4.2.1 Audited Financial Statements for the year-ended     April 30, 2024 (p. 9)</b>	<b>Cowell-Approval</b> BG241022-4.2.1
<b>*4.2.2 External Auditor's Findings Report for the year-ended     April 30, 2024 (p. 36)</b>	<b>Cowell-Information</b> BG241022-4.2.2
<b>*4.2.3 Auditor General of Ontario (AGO) Findings Action     Plan – Update (p. 37)</b>	<b>Cowell-Information</b> BG241022-4.2.3
<b>*4.2.4 Appointment of External Auditors for 2024-2025 (p. 42)</b>	<b>Cowell-Approval</b> BG241022-4.2.4

- |  |   |  |
|--|---|--|
| 4.2.5                                    | <b>ERM Update – International Enrolment Risk</b> (p. 43)  | <b>Cowell-Information</b><br>BG241022-4.2.5  |
| *4.2.6                                   | <b>MCU Financial Sustainability Framework Update</b> (p. 46)  | <b>Cowell-Information</b><br>BG241022-4.2.6  |
| <br>                                     |   |  |
| <b>4.3 Executive Committee</b>           |   |  |
| <br>                                     |   |  |
| <b>4.4 Governance Committee</b>          |   |  |
| *4.4.1                                   | <b>Revisions to Policy on Succession Planning for President and Bylaw 14</b> (p. 60)                                    | <b>Cunningham-Approval</b><br>BG241022-4.4.1 |
| <br>                                     |   |  |
| <b>4.5 Human Resources Committee</b>     |   |  |
| *4.5.1                                   | <b>Report on Faculty and Staff Hiring Trends and Employment Equity Data Comparisons with Other Universities</b> (p. 62) | <b>Brown-Information</b><br>BG241022-4.5.1   |
| <br>                                     |   |  |
| <b>4.6 Investment Committee</b>          |   |  |
| <br>                                     |   |  |
| <b>4.7 Pension Committee</b>             |   |  |
| <br>                                     |   |  |
| <b>4.8 Resource Allocation Committee</b> |   |  |
| *4.8.1                                   | <b>New US Neighbour Rate Tuition – MBA Accounting Stream</b> (p. 67)  | <b>Sonego-Approval</b><br>BG241022-4.8.1     |
| 4.8.2                                    | <b>HRIS System Implementation</b> (p. 69)   | <b>Sonego-Approval</b><br>BG241022-4.8.2     |
| 4.8.3                                    | <b>New Residence – Food Hall Fit-Out</b> (p. 73)  | <b>Sonego-Approval</b><br>BG241022-4.8.3     |
| *4.8.4                                   | <b>Sustainability Framework</b> (p. 78)   | <b>Sonego-Information</b><br>BG241022-4.8.4  |
| *4.8.5                                   | <b>Capital Projects Quarterly Report (Dashboard)</b> (p. 79)  | <b>Sonego-Information</b><br>BG241022-4.8.5  |
| <br>                                     |   |  |
| <b>5 In Camera</b>                       |   |  |
| <br>                                     |   |  |
| <b>6 Adjournment</b>                     |   |  |

[Bylaw 1, Section 2.6 – Consent Agenda: Items that normally do not require debate or discussion either because they are routine, standard, or noncontroversial, shall be “starred” (identified by an asterisk (\*)) on the agenda. “Starred” items will not be discussed during a meeting unless a member specifically requests that a “starred” agenda item be ‘unstarred’, and therefore open for discussion/debate. A request to “unstar” an agenda item can be made at any time before (by forwarding the request to the Secretary) or during the meeting. By the end of the meeting, agenda items which remain “starred” (\*) will be deemed approved or received by the Board, as the case may be. No individual motion shall be required for the adoption of “starred” agenda items.

**University of Windsor  
Board of Governors**

**4.1.3: Reports of the Vice-Presidents and Associate Vice-President, External**

Item for: **Information**

**Report of the Provost and Vice-President, Academic**

*Robert Aguirre*

**1) Student Life—Welcome Week**

Welcome Week was once again a success. The return of students reminds us of our core mission. Campus hummed with spirit activities, BBQs, student gatherings, and other festivities. Many thanks to all who participated and led, including student organizations, staff, faculties, alumni, and our Office of Student Experience. As always, a team effort!

**2) Update on Strategic Planning—Cascading Plans**

The University Strategic Plan, *Aspire: Together for Tomorrow*, features several key sub-plans that support its ambitions. These include:

- Strategic Enrolment Plan (chaired by Chris Busch, AVP Enrolment Management)
- Integrated Academic/Research Plan (co-chaired by Robert D. Aguirre and VPRI Shanthi Johnson);
- Teaching and Learning Plan (chaired by Erika Kustra, AVP, Academic).

Senate approved the Strategic Enrolment Plan in Spring 2024, and will be presented to the Board this Fall. A draft of the Academic and Research Plan has been completed and will come before the Senate and Board later this term. A consultation process with key stakeholders is currently underway. The Teaching and Learning Plan is well along in its development. Faculties are also at work on their own strategic plans, which will nest under and articulate with the university plan. The sum of these plans will provide a road map for the university over the coming years. All plans will be undertaken in the spirit of collegial governance and will address current and future priorities.

**3) Dean of Odette School of Business Search Update**

The search committee, chaired by the Provost and comprised of faculty, staff, and students, has met several times since the early summer. We have identified several candidates for first-round interviews, which took place this week. Campus visits from shortlisted candidates will follow, and we remain on schedule for the search to conclude by the end of the calendar year.

**4) Other personnel matters—New Dean of Science**

I am pleased to recognize formally in this report our new Dean of the Faculty of Science, Dr. Cláudio Verani, who joins us from Wayne State University in Detroit, where he served with distinction as professor of chemistry and associate dean for research in the largest and most diverse faculty, Arts and Sciences. Dr. Verani has hit the ground in a sprint and is already making a positive difference in his work, championing the Faculty and working with colleagues across the university to move us forward. Please welcome Dr. Verani to the Senate.

## Report of the Vice-President, People, Equity, and Inclusion

*Clinton Beckford*

### 1. Identity-based violence and oppression activities

The OVP PE&I has been working to implement initiatives against racism and identity-based oppression at the University of Windsor. These include creation of education and training opportunities and development of a webpage with resources and materials for self-learning. We are collaborating with areas reporting to the VP Academic, VPFO, and VPRI to implement initiatives to make our campus a safe, welcoming, and inclusive space to learn, live, and work.

### 2. Strategic Planning

Our *People, Equity, and Inclusion Aspire* cascading plan is taking shape. A draft has been developed which is now going through an internal division consultation process. Our anti-racism plan is also being developed which will address the University's obligation for an anti-racism policy in accordance with Bill 166. The plan will be comprehensive and address racism in all its manifestations.

### 3. Mental Health and Well-Being

Implementation of the employee mental health strategy is in progress. Mental health and psychological safety training for leaders has been launched. An action plan to enhance knowledge and skills of the University community is being developed.

### 4. Leadership

A leadership competency framework for the University of Windsor is being developed. Focus groups consultations are in progress to get feedback. Final draft of the leadership competency framework will be available by October 31. A plan to support leaders going forward will be developed.

### 5. Food Security Action Plan (FSAP)

A draft of the University of Windsor's inaugural Food Security Action Plan 1.0 is just about ready! The plan lays out a roadmap for addressing food insecurity among UW students. Consultations with student leadership has begun. We expect to have a final version in a couple of weeks and implementation work will begin immediately with a public education and awareness campaign to destigmatize hunger and poverty and mobilize support and resources for the FSAP. The plan is underpinned by seven foundational principles: food matters, zero hunger on campus, human dignity, central role for the administration, a multifaceted approach, inclusive, equitable, diverse, and sustainable, and evidenced-based.

### 6. Policy development

We are currently responding to an HR policy audit to close policy gaps and minimize potential risk implications. Updated and draft new policies will be presented to the November Board HR Committee.

## Report of the Vice-President, Finance and Operations

*Gillian Heisz*

### **2024/25 Budget – Implementation of Budget Reduction Strategies**

The fiscal year is well underway and with it was the implementation of several budget reduction strategies which were primarily set by Deans and Department Heads. To achieve the budget reductions, a total of 54 FTE positions were eliminated. Twenty positions were in CUPE 1393, 29 in Unifor 2458 Full Time/Part Time/Engineers, 1 in Unifor 444, and 4 Managers and Professionals. The union employees have bumping rights, and the bumping chains have commenced across the institution. In terms of operational impacts of these decisions, the three primary impacts were:

1. The closure of the University Players unit, which has not impacted the academic programs in Drama,
2. The reduction of services from the EPI Centre to only those services and programs which are externally funded, and

3. A reduction in hours of operation of the Leddy Library, which starting in September will close at midnight (rather than 2 am) in off-exam periods and will open slightly later on weekends. The student feedback on this change has been minimal to date, and Leddy hours of operation continue to exceed the sector average.

Of course, job elimination is difficult for everyone, especially our employees impacted. We appreciate everyone's efforts to prioritize the academic mission and minimize disruption of student services during these periods.

### ***HRIS System Implementation Update***

Work continues on the implementation of the new UWinSite People system, which will replace the current payroll and HR management systems across campus. The communication and change management strategy has been successfully launched, and the team has proceeded through system integration testing and user acceptance testing. Beyond the work on the configuration and testing of the system itself, the teams are working hard to design and document new policies and procedures to accompany the system. We look forward to going live on January 6, 2025.

### ***Residence West Redevelopment Project***

Significant work has been undertaken throughout the Spring and Summer on our proposed redevelopment of Residence West into apartment style living geared at second entry and graduate level students along with students with families. The request for proposals for a third-party partner to deliver this groundbreaking project closes in mid-October 2024. At this time, the team remains on track to bring forward a development partner and a structure to the Board of Governors for consideration at its November 2024 meeting, and we remain optimistic that the building will open for students for Fall 2026.

### ***Construction Projects Completed over the Summer***

The Facility Services team was busy completing several construction projects across the campus over the summer months. Classrooms in many buildings, including the Centre for Engineering Innovation, were renovated with state-of-the-art technology added. We were pleased to open our new accessibility ramp at the Human Kinetics building in July, a project made possible by a Federal Accessibility Grant. A very memorable day was this year's Orange Shirt Day, where we were able to gather for the first time next to the newly installed turtle statue on River Commons. The statue was designed by Indigenous artist Teresa Altman and created by School of Creative Arts instructor Zeke Moores. Finally, at Rodzik Hall, work continues by our partner Tilbury Capital Corporation, and the project remains on track to welcome students in Fall 2025. It was a pleasure to give tours to many government officials this summer including Premier Doug Ford.

## **Report of the Vice-President, Research, and Innovation**

*Shanthi Johnson*

Research, scholarship, creative activity, and innovation play a pivotal role in shaping the University's local and global influence, reputation, and impact. The research and innovation ecosystem directly impacts our ability to recruit and retain undergraduate and graduate students, and build a robust education and training capacity pipeline. The Office of the Vice-President, Research and Innovation (OVPRI) is committed to inspiring and advancing inclusive research, scholarship, creative activity, and innovation in alignment with the University's institutional strategic plan - *Aspire: Together for Tomorrow*. Our goal is to engage our community, creating strong, meaningful collaborations, actively involving both our internal and external stakeholders. The following provides an overview of the recent activities and initiatives undertaken by the OVPRI.

### **NEW Board Engagement Opportunity: [Meet our Researchers and Tour our Labs Series](#)**

Meet our researchers and tour the labs 1.5 hours prior to the board meeting (1 hr for the tour and 30 min to get to the board meeting) **on Nov 26th**. These will be based on research themes — automotive/auto-mobility, agriculture, environment, health/related (jointly feature Schulich/We-Spark), Senate approved Research Institutes and others. We will also have a couple of senators join the tour based on expertise/faculty. We will circulate an online sign-up sheet for planning purposes.

### **Shedding light on: Research Partnership, Innovation, and Entrepreneurship**

The Research Partnerships office is a strategic unit focused on the development of external collaborations and advancing knowledge mobilization, elevating the profile of the University's research enterprise while identifying opportunities for revenue growth. The following sections outline several of the strategic initiatives, partnership successes, and recommendations for expanding these efforts. The following highlights key initiatives and successes from June to August of 2024:

- Engaged 13 new partners
- Submitted 22 proposals in collaboration with partners
- Secured 11 new awards with a partner, resulting in \$238k in funding from partners
- Executed 14 research contracts
- Filed 4 new patents
- Submitted 1 invention disclosure

### **Research Partnerships - Creating Ecosystems of Success**

UWindsor has built successful ecosystems in key areas through multi-disciplinary collaboration, leading to increased external partnerships and funding.

Example: *Agriculture UWindsor* - In 2022, 40 faculty members were engaged in agriculture-related research.

External connections led to increased recognition and funding, culminating in the launch of AgUWindsor in 2024, a possible research institute in the future. This initiative is being co-chaired by Drs. Isabelle Barrette-Ng and Rupp Carriveau. We are now exploring similar initiatives in areas of current and emerging strengths.

### **Research Partnerships - Strategic Partnerships**

Strategic partnerships create mutual benefits for research, student training and program sponsorship. A focus on a clear value and expectations has been key. Notable partners include:

*Magna*: \$6.5m in research project (NSERC-Mitacs)  
Donation of 'Split Car' (\$100k, faculty and student engagement)

*Vitesco*: Expected \$2m research project award (\$2m+ and office space at CEI)

*NEO Battery Solutions*: Signed MOU to expand as its first North American partnership and research collaboration and international collaboration with S. Korean universities.

*APMA*: Contributing partner to Project Arrow 1, our nation's first fully Canadian electric vehicle for testing. APMA opened its first office outside of Toronto in its history in Windsor (CEI Building in 2024). UWindsor becomes the official partner of Project Arrow 2.0 to launch in late 2024-early 2025 as a key testbed for EV Power electronic components.

*Agriculture and Agri-Food Canada*: Collaboration on new research opportunities following faculty engagement, as highlighted earlier in this report, creating ecosystems of success.

Investment in these activities to support broader research engagement has continued to provide significant dividends with a multiple on return on investment as a vehicle to increase our research revenue. By increasing our external research revenues, additional funding is available to support our students which provides them with experiential learning opportunities and pathways to careers following completion of their studies.

### **Research Partnerships - Creating Connection - Visibility and Representation**

Visibility and representation are invaluable in securing resources, opportunities and showing support. Sitting on advisory boards, attending association events, or participating in regional events have been critical to enhanced understanding and uncovering emerging opportunities.

### **Research Security - Securing Research**

In 2023, UWindsor became a leader in implementing Canada's Safeguarding Research policies, simplifying processes and streamlining decision making for faculty. Support continues to education and awareness session, individual project level guidance on risks/mitigation, and others by engaging with other academic institutions.

### **Technology Transfer - Intellectual Property Creation and bringing the Lab to Market**

The Association of University Technology Transfer Managers (AUTM) reports that intellectual property commercialization generates millions annually for U15 universities, with even mid-size universities also seeing significant return. UWindsor has a strong roster of intellectual property that comes through invention and discovery by faculty members, but has traditionally lacked the resources for active commercialization and reinvestment.

In 2024, UWindsor was awarded \$300,000 from IP Ontario to build capacity in commercialization of technologies and we are actively hiring a commercialization officer intending to start in early October. The goal of this strategy is to build a pipeline of revenue-generating opportunities that sees the pathway from idea to marketplace clearly identified and actioned. This will encourage more inventors to engage with commercialization as a viable option.

### **Reimagining Entrepreneurship – Embedding Innovation**

Following the closure of the EPICentre in Spring, the Research Partnerships team has been working on delivering on our existing program commitments while focusing on creating a more integrated approach to entrepreneurship on campus and in our surrounding ecosystem for the future. Work is in progress to create an entrepreneurship strategy working closely with academic and other units across the campus and our community/industry partners.

Recognizing the importance of entrepreneurship programs at leading universities, UWindsor is relaunching its entrepreneurship initiative with a back-to-basics approach. Using a traditional startup model including the business model canvas, the team is hosting a series of discovery sessions with their potential 'customers' to understand what role we should play, what our value proposition is to our campus and to our community, and what key activities should be. The core elements of the new entrepreneurship strategy include:

- Building a grassroots culture of innovation and entrepreneurial thinking
- Embedding our entrepreneurship program into faculties
- Integrating our entrepreneurship program into other partnership activities, creating direct pathways from research initiatives to commercial opportunities

The Research Partnerships office has played a pivotal role in fostering innovation, securing strategic partnerships, and advancing the commercialization of intellectual property. As we continue to build ecosystems of success across multiple disciplines, there is immense potential for further growth in research revenue and external collaborations. Reimagining entrepreneurship at UWindsor offers an exciting opportunity to embed innovation at the core of the University's mission.

## **Report of the Associate Vice-President, External**

*Judy Bornais*

### **Connecting with Alumni and Donors**

- A successful alumni week. Events included:
  - Tailgate homecoming football game welcomed over 5200 alumni spectators, Alumni Association hosted 100 guests (annual university donors, take-a-set campaign donors, guests of the Black Alumni Weekend celebration, and university leadership).
  - Dillon at Dusk welcomed some of our top donors to the university and key campus partners.
- Implemented new initiatives designed to engage a diverse range of alumni
  - Launched "football watch parties" that engaged alumni as far as BC, GTA, Sarnia; a "Lancers for Literacy Day" that brought in alumni authors to engage with our student body (Richard Peddie for the Odette School of Business, Jim Weese for HK, and Dwania Peele for the Faculty of Science); and the Chancellor's Brunch which engaged past presidents of the alumni board, past alumni award recipients and university leadership.

### **Strengthening our Data**

- Using software programs to increase our data points within “Raiser’s Edge”, our Donor and Alumni database system.
  - 72,745 total number of records processed from the recent download which included employment information, business profiles and emails.
- Exploring innovative approaches to decrease manual inputting of data

### **Telling Our Stories and Sharing Our Knowledge**

- Institutional Brand campaign launched locally on 5 double billboards in Windsor market, radio brand ads on AM800 and the River 93.9. Digital display and social media will go live in November along with planned expansion into regional/rural markets within 2 hours of W-E via radio, digital channels ([video](#)) and digital board.
- Increasing our reputation nationally/internationally through sponsored content and digital/print ads in the Globe and Mail (over 6 million online and print readers).
  - 5 sponsored advertorials and/or mentions + print and digital ads.
  - To date we have had 2 sponsored advertorials: [GLIER](#) (digital) and July 10<sup>th</sup> print issue; [Charge Lab](#) (digital), [April 12 print issue ROB](#).
  - 3 outstanding insertions will focus on Faculty of Education Research (Oct), Agriculture UWindsor (Nov), Sustainability - CNP (Nov/Dec).
- Improving our internal communication channels to facilitate knowledge mobilization and campus engagement by revamping our **Daily News**. Launched October 2 it includes new features, modern design to appeal to a larger demographic and content aligned with Aspire's strategic priorities. An internal and external growth strategy will measure and increase open rates, increase subscribers and increase rich media content. A strategic and planned editorial calendar will support efforts of departments and faculties to increase brand awareness.

### **Generating Local and Global Impact through Partnership and Community Engagement**

- Developing Regional Municipal Partnerships and Collaborations. MOU with Chatham-Kent is completed with signing set for the end of November. Discussions moving forward with other municipalities.
- Ongoing communication with Provincial and Federal government with several important visits to campus for tours, initiatives, and events over the last 4 months. Attendees included Premier Ford, Minister Calandra, Minister Dunlop, Minister Quinn, MPPs Dowie, Jones and Leardi, MPs Kusmierczyk, Masse and Lewis, and Mayor Dilkens.



**University of Windsor  
Board of Governors**

4.2.1: **Draft Audited Financial Statements for the year-ended April 30, 2024**

Item for: **Approval**

Forwarded by: **Board Audit Committee**

**MOTION: That the Board of Governors approve the audited financial statements of the University of Windsor for the year-ended April 30, 2024.**

**Rationale:**

- See 'Statement of Administrative Responsibility'

**Included in this package:**

- KPMG Independent Auditors' Report
- Draft Financial Statements preceded by the Statement of Administrative Responsibility

*See attached.*

**Board Audit Committee Report:**

The Audit Committee reviewed the Audited Financial Statements of the University of Windsor for the year-ended April 30, 2023 at its October 7, 2024 meeting. The audited financial statements were also presented for information to the Resource Allocation Committee meeting of October 15, 2024. Both the Audit Committee and the Resource Allocation Committee noted that KPMG is prepared to issue a clean audit opinion, subject to Board approval of the audited financial statements.

The Audit Committee also reviewed progress relating to the cybersecurity workplan, internal audits, and AGO recommendations, in addition to the other items listed separately on the Board's meeting agenda.

## Statement of Administrative Responsibility

The Administration of the University is responsible for the preparation of the financial statements, the notes and all other financial information contained in this annual report.

The Administration has prepared the financial statements in accordance with Canadian accounting standards for not-for-profit organizations. In order to achieve the objective of fair presentation in all material respects, reasonable estimates and judgments were employed. The Administration believes that the financial statements present fairly the University's financial position as at April 30, 2024 and the results of its operations for the year then ended.

In fulfilling its responsibilities and recognizing the limits inherent in all systems, the Administration has developed and maintains a system of internal control designed to provide reasonable assurance that University assets are safeguarded from loss and that the accounting records are a reliable basis for the preparation of financial statements.

The Board of Governors is responsible for ensuring that the Administration fulfills its responsibilities for financial reporting and is ultimately responsible for reviewing and approving the financial statements. The Board of Governors carries out its responsibility for review of the financial statements principally through the Audit Committee. The members of the Audit Committee are not officers or employees of the University. The Audit Committee meets with the Administration, as well as the external auditors, to discuss the results of audit examinations and financial reporting matters and to satisfy itself that each party is properly discharging its responsibilities. The auditors have full access to the Audit Committee with and without the presence of the Administration.

The financial statements for the year ended April 30, 2024, have been reported on by KPMG LLP, Chartered Professional Accountants, the external auditors appointed by the Board of Governors. The independent auditor's report outlines the scope of their audit and their opinion on the presentation of the information included in the financial statements.

**Dr. Robert Gordon**  
President & Vice-Chancellor

**Ms. Gillian Heisz**  
Vice-President, Finance and Operations



## **KPMG LLP**

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# **INDEPENDENT AUDITOR'S REPORT**

To the Board of Governors of the University of Windsor

## ***Opinion***

We have audited the financial statements of the University of Windsor (the University), which comprise:

- the statement of financial position as at April 30, 2024
- the statement of operations for the year then ended
- the statement of changes in net assets for the year then ended
- the statement of cash flows for the year then ended
- and notes to the financial statements, including a summary of significant accounting policies (Hereinafter referred to as the "financial statements").

In our opinion, the accompanying financial statements, present fairly, in all material respects, the financial position of the University as at April 30, 2024, and its results of operations and changes in fund balances and its cash flows for the year then ended in accordance with Canadian Accounting Standards for Not-for-profit Organizations.

## ***Basis for Opinion***

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the "***Auditor's Responsibilities for the Audit of the Financial Statements***" section of our auditor's report.

We are independent of the University in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.



## ***Responsibilities of Management and Those Charged with Governance for the Financial Statements***

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Canadian accounting standards for not-for-profit organizations, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the University's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the University or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the University's financial reporting process.

## ***Auditor's Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the University's internal control.



Page 3

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the University's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the University to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group Entity to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

Chartered Professional Accountants, Licensed Public Accountants

Windsor, Canada  
Approval Date

**UNIVERSITY OF WINDSOR****Statement of Financial Position**

(in thousands of dollars)

As at April 30, 2024, with comparative financial information for 2023

		2024	Note 16 2023
		\$	\$
<b>ASSETS</b>			
<b>Current</b>			
Cash and cash equivalents		69,078	41,570
Short-term investments	note 2	103,192	136,977
Accounts receivable		31,650	23,353
Inventories, prepaid expenses and other assets		15,530	11,263
<b>Total current assets</b>		<b>219,450</b>	<b>213,163</b>
Investments	note 2	225,312	207,412
Capital assets, net	note 3	454,998	457,287
		899,760	877,862
<b>LIABILITIES and DEFERRED CONTRIBUTIONS</b>			
<b>Current</b>			
Accounts payable and accrued liabilities	note 11	61,702	69,840
Deferred revenue		21,514	31,224
Current portion of deferred contributions	note 4	64,748	55,726
Current portion of long-term debt	note 7	2,044	2,302
<b>Total current liabilities</b>		<b>150,008</b>	<b>159,092</b>
Deferred capital contributions	note 5	167,062	169,375
Deferred contributions	note 4	2,522	3,333
Employee future benefits	note 6	61,896	132,840
Long-term debt	note 7	222,537	226,282
		604,025	690,922
<b>NET ASSETS</b>			
<b>Unrestricted</b>			
Funded operations		(615)	(774)
Unfunded operations		(50,842)	(125,547)
<b>Total unrestricted</b>		<b>(51,457)</b>	<b>(126,321)</b>
Internally restricted	note 8	195,289	173,495
Endowment	note 9	151,903	139,766
		295,735	186,940
Commitments and contingencies	note 14		
		899,760	877,862

*See accompanying notes*

**UNIVERSITY OF WINDSOR****Statement of Operations**

(in thousands of dollars)

Year ended April 30, 2024, with comparative financial information for 2023

	<b>2024</b>	<b>2023</b>
	<b>\$</b>	<b>\$</b>
<b>REVENUE</b>		
Grants and contracts	138,428	140,233
Student fees	261,296	251,004
Sales and services	12,536	13,946
Investment income	23,315	16,083
Donations, non-endowment	3,905	2,084
Amortization of deferred capital contributions	10,257	9,270
Other revenue	14,334	13,455
	<b>464,071</b>	<b>446,075</b>
<b>EXPENSES</b>		
Salaries and benefits	295,364	282,990
Materials, supplies and services	60,397	52,803
Repairs and renovations	22,219	23,818
Cost of goods sold	119	1,666
Utilities	8,531	7,366
Interest on long-term debt	10,772	10,867
Scholarships and bursaries	22,296	22,230
Amortization of capital assets	26,042	24,868
Change in fair value of interest rate swaps	(3,094)	11
	<b>442,646</b>	<b>426,619</b>
<b>Surplus of revenue over expenses</b>	<b>21,425</b>	<b>19,456</b>

*See accompanying notes*

**UNIVERSITY OF WINDSOR**

**Statement of Changes in Net Assets**

(in thousands of dollars)

Year ended April 30, 2024, with comparative financial information for 2023

					2024	2023
	Unrestricted		Internally Restricted (note 8)	Endowment (note 9)	Total	Total
	Funded Operations	Unfunded Operations (Note 16)				
	\$	\$	\$	\$	\$	\$
<b>Net assets, beginning of year (Note 16)</b>	(774)	(125,547)	173,495	139,766	186,940	178,005
Surplus of revenues over expenses	25,975	(4,550)	-	-	21,425	19,456
Change in unexpended operating and restricted funds	(17,233)	-	17,233	-	-	-
Net contribution to investment in capital assets	(2,272)	-	2,272	-	-	-
Related party transaction (note 15)	144	-	-	-	144	241
Investment income allocated	-	-	-	13,971	13,971	8,266
Allocation for spending from accumulated investment returns	-	-	-	(8,442)	(8,442)	(7,167)
Employee future benefit remeasurement gain (loss)( note 6)	-	79,255	-	-	79,255	(13,926)
Contributed assets	-	-	391	-	391	-
Transfers and internal endowment contributions	(6,455)	-	1,898	4,557	-	-
External contributions	-	-	-	2,051	2,051	2,064
<b>Net assets, end of year</b>	<b>(615)</b>	<b>(50,842)</b>	<b>195,289</b>	<b>151,903</b>	<b>295,735</b>	<b>186,940</b>

See accompanying notes



**UNIVERSITY OF WINDSOR****Statement of Cash Flows**

(in thousands of dollars)

Year ended April 30, 2024, with comparative financial information for 2023

	<b>2024</b>	<b>2023</b>
	<b>\$</b>	<b>\$</b>
<b>OPERATING ACTIVITIES</b>		
Surplus of revenue over expenses	21,425	19,456
Add (deduct) non-cash items:		
Deferred contributions, net	8,211	4,730
Amortization of deferred capital contributions	(10,257)	(9,270)
Amortization of capital assets, net of loss on disposal	25,800	24,359
Employee future benefits	8,311	9,557
Interest rate swaps	(3,094)	11
Related party transaction	144	241
Amortization of debt transaction costs	67	65
Net change in non-cash working capital	(27,318)	3,781
<b>Cash provided by operating activities</b>	<b>23,289</b>	<b>52,930</b>
<b>FINANCING ACTIVITIES</b>		
Repayments of long-term debt	(2,302)	(2,534)
Trusted sinking fund	(1,769)	(1,681)
Contributions deferred for capital purposes	7,944	6,114
Investment income allocated to endowments	13,971	8,267
Endowment investment income for spending	(8,442)	(7,167)
External endowment contributions	2,051	2,064
<b>Cash provided by (used in) financing activities</b>	<b>11,453</b>	<b>5,063</b>
<b>INVESTING ACTIVITIES</b>		
Net change in investments	15,885	(40,611)
Net purchase of capital assets	(23,119)	(34,159)
<b>Cash used in investing activities</b>	<b>(7,234)</b>	<b>(74,770)</b>
<b>Net decrease in cash and cash equivalents</b>	<b>27,508</b>	<b>(16,777)</b>
Cash and cash equivalents, beginning of year	41,570	58,347
<b>Cash and cash equivalents, end of year</b>	<b>69,078</b>	<b>41,570</b>

*See accompanying notes*

## **AUTHORITY**

The University of Windsor (the “University”) is a mid-sized comprehensive research and teaching university. The University operates under the authority of the University of Windsor Act, 1962-63 which defines the authority and responsibilities of the Board of Governors and the Senate. The University is a registered charity and therefore is, under Section 149(1)(f) of the Income Tax Act (Canada), exempt from payment of income tax.

## **NOTE 1**

### **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND REPORTING PRACTICES**

These financial statements have been prepared in accordance with Part III of the Chartered Professional Accountants (CPA) of Canada Handbook – Accounting, which sets out generally accepted accounting principles for not-for-profit organizations in Canada.

The significant accounting policies of the University are summarized below:

#### **(a) Cash and cash equivalents**

Cash and cash equivalents consist of balances with banks and investments with a maturity of approximately three months or less at the date of purchase, unless they are held for investment rather than liquidity purposes, in which case they are classified as investments.

#### **(b) Financial Instruments**

Financial instruments are recorded at fair value upon initial recognition. Investments in pooled funds and derivative instruments are subsequently measured at fair value. All other financial instruments are measured initially at fair value, and subsequently at amortized cost.

Transaction costs incurred on the acquisition of financial instruments measured subsequently at fair market value are expensed as incurred. All other financial instruments are adjusted by transaction costs incurred on acquisition and are amortized using the straight-line method.

#### **(c) Investments and investment income**

Investments reported at fair value consist of cash, money market funds, term notes, treasury bills, real assets (including infrastructure investments) and equity instruments as well as pooled fund investments, derivative contracts and any investments in fixed income securities that the University designates upon purchase to be measured at fair value. Fair value amounts represent estimates of the consideration that would be agreed upon by knowledgeable, willing parties who are under no compulsion to act. It is best evidenced by a quoted market price, if one exists. The calculation of estimated fair value is based upon market conditions at a specific point in time and may not be reflective of future fair values.

Common share investments in related parties are measured according to the equity method. All other investments held by the University are subsequently recorded at amortized cost.

## NOTE 1

### SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND REPORTING PRACTICES (cont'd)

Investment income and losses, which consist of interest, dividends, income distributed from pooled funds, realized and unrealized capital gains and losses and realized and unrealized currency gains and losses, net of applicable transaction costs are recorded as investment income in the Statement of Operations except for the investment income designated for endowments.

The amount made available for spending against externally restricted endowments is recorded as investment income and any restricted amounts available for spending that remain unspent at year-end are deferred and categorized as deferred contributions. Investment income on externally restricted endowments in excess of the amount made available for spending, losses on externally restricted endowments, and deficiency of investment income compared to the amount available for spending are recorded as direct increases (decreases) to endowments.

#### (d) Derivative financial instruments

In order to manage its interest rate risk, the University has entered into interest rate swap agreements to convert variable rate interest on bankers' acceptances term loans to a fixed rate. The University does not designate interest rate swap agreements as hedges for accounting purposes. Accordingly, the interest rate swap contracts are marked to market based on the fair value provided by the financial institution, which is counterparty to these contracts, with changes in fair value recorded in the Statement of Operations.

#### (e) Inventories

Inventories are valued at lower of cost and net realizable value.

#### (f) Capital assets

Capital assets are recorded at cost. Contributed assets including land are recorded at fair market value at the date of contribution are reported in the Statement of Changes in Net Assets. Amortization is provided on a straight-line basis using the following rates:

Land improvements	20 Years
Buildings	40 Years
Parking lots	15 Years
Building and Plant Equipment	20 Years
Equipment	5 Years
Library and books	5 Years
Computing systems	15 Years
Leasehold improvements	Term of lease
Collections (Works of Art and Rare books)	not amortized
Capital in progress	not amortized

Capital assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying value of an asset may not contribute to the University's ability to provide services. Any impairment results in a write-down of the capital asset and an expense in the statement of operations. An impairment loss is not reversed if the fair value of the related capital asset subsequently increases.

## **NOTE 1**

### **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND REPORTING PRACTICES (cont'd)**

#### **(g) Revenue recognition**

The University follows the deferral method of accounting for contributions which include donations and government grants.

Unrestricted contributions are recognized as revenue when received or receivable. The operating grant from the Province of Ontario is considered unrestricted and is recorded in the period to which the operating funds relate.

Externally restricted contributions, other than endowments, are recognized as revenue in the year in which the related expenses are recognized. Contributions restricted for the purchase of capital assets are deferred, and when expended, are amortized into revenue, at a rate corresponding with the amortization rate for the related capital assets. External endowment contributions and income preserved as capital protection on externally restricted endowments are recognized as direct increase in net assets in the year in which they are received. Income preserved as capital protection on internally restricted endowments is recorded as unrestricted revenue and transferred to internal endowments.

Donations of assets are recorded at fair value when a fair value can be reasonably estimated. Pledges receivable are not recorded as an asset in the accompanying financial statements. Endowment contributions are recognized as direct increases in net assets.

Tuition fees which relate to academic terms or parts thereof occurring after April 30 are recorded as deferred revenue.

Revenue from student fees and from the sale of services and products is recognized at the time the products are delivered or the services provided. All ancillary revenues from student fees and sale of goods and services are included in sales and services on the Statement of Operations.

Externally restricted investment income is recognized as revenue in the year in which the related expenses are incurred. Unrestricted investment income is recognized as revenue when earned.

#### **(h) Employee future benefits**

The University of Windsor Employees' Retirement Plan (Employee Plan) is a defined benefit plan, fully cost shared with its members. The University of Windsor Retirement Plan for Faculty and Certain Other Employees (Faculty Plan) is a money purchase plan with a defined benefit component that provides a minimum level of pension benefits. Under this hybrid Faculty Plan, the University and employees are required to make contributions based on a specified percentage of the employee's pensionable earnings. The amount of pension benefits provided to employees is based upon the accumulation of contributions and investment earnings thereon, when the employee retires, subject to a guaranteed minimum benefit amount.

The University has approved supplemental plans for certain retirees to provide them with benefits that are in excess of the University's registered pension plans. The accrued benefit obligations associated with the supplemental plans are accounted for in a manner consistent with the Employee and Faculty pension plans and using the same assumptions.

## **NOTE 1**

### **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND REPORTING PRACTICES (cont'd)**

Additionally, certain faculty are members of the Teachers' Superannuation Fund and employees who are members of CUPE 1001 are members of the CUPE 1001 Pension Plan. Both plans are multi-employer plans and as such, the University records the cost of providing these benefits equal to its requirement to make contributions on an annual basis.

The University provides other post-employment employee benefits such as medical, dental and life insurance to eligible employees and retirees. The University's other post-employment employee benefits have been measured using an accounting valuation on a prospective basis.

The University accounts for the Employee and Faculty pension plans using the immediate recognition approach. The University recognizes the amount of the accrued benefit obligation net of the fair value of plan assets, adjusted for any valuation allowance, in the Statement of Financial Position. Current service and finance costs are expensed during the year, while remeasurements and other items, representing the total of the difference between actual and expected return on plan assets, actuarial gains and losses, adjustments to the valuation allowance including the impact on finance costs, and past service costs, are recognized as a direct increase or decrease in net assets.

The accrued benefit obligations for the plans are determined based on the latest actuarial valuation reports prepared for funding purposes. The accrued obligation for the unfunded plan is prepared on a basis consistent with funded plans. The actuarial valuations are performed at least every three years. In the years between valuations, the University uses a roll-forward technique to estimate the defined benefit obligation. Assets of the pension plans are valued using fair values at April 30.

**(i) Unrestricted unfunded operations**

The changes in unfunded employee future benefits, the fair value of interest rate swaps and the unfunded portion of the LSRC Corp. investment are included in unrestricted unfunded operations.

**(j) Internally restricted net assets**

University policy permits Faculties and other departments to carry forward certain unexpended budget allocations for future purposes. These amounts are provided for by transfers to internally restricted net assets. Also included are amounts restricted for the purpose of investment in capital assets and repair projects, contingency reserves, employee benefits reserves, funds held for strategic initiatives and unexpended departmental internally restricted funds.

**(k) Contributed services**

Volunteers contribute an indeterminable number of hours per year to assist the University in carrying out its service delivery activities. Due to the difficulty of determining their fair value, contributed services are not recognized in the financial statements.

**NOTE 1****SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND REPORTING PRACTICES (cont'd)****(l) Use of estimates**

The preparation of financial statements requires Administration to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the year. Significant items subject to such estimates and assumptions include the carrying amount of capital assets, valuation allowance for accounts receivable, valuation of investments and assets and obligations related to pension and employee future benefits. Actual results could differ from those estimates.

**(m) Agency obligations**

The University acts as an agent which holds resources and makes disbursements on behalf of various unrelated individuals and groups. The University has no discretion over such agency transactions. Resources received in connection with such agency transactions are reported as liabilities, and subsequent distributions are reported as decreases to these liabilities.

**NOTE 2****INVESTMENTS**

	<b>2024</b>	<b>2023</b>
	\$	\$
Deposits, money market funds, term notes and treasury bills	105,642	139,516
Government and corporate bonds	69,293	61,157
Real assets	20,629	17,573
Canadian equities	37,618	41,476
Global equities	72,740	62,754
Investment in LSRC Corp. (note 15)	22,582	21,913
	328,504	344,389
Less amounts reported as:		
Short-term investments	103,192	136,977
	225,312	207,412

**NOTE 3**  
**CAPITAL ASSETS**

	Cost	Accumulated Amortization	2024 Net Book Value	2023 Net Book Value
	\$	\$	\$	\$
Land	17,085	-	17,085	17,085
Land improvements	9,346	3,534	5,812	6,279
Buildings and plant equipment	608,404	250,719	357,685	329,519
Parking lots	3,542	2,971	571	63
Equipment	240,859	207,119	33,740	26,869
Library and books	146,592	139,936	6,656	7,227
Computing systems	26,108	9,079	17,029	18,619
Leasehold improvements	1,227	985	242	308
Collections	2,248	-	2,248	2,248
Capital in progress	13,930	-	13,930	49,070
	1,069,341	614,343	454,998	457,287

In the year, amortization of capital assets totaled \$26,042 (2023 - \$24,868) including net write downs or loss on disposals for 2024 of \$242 (2023 - \$509).

**NOTE 4**  
**DEFERRED CONTRIBUTIONS**

Deferred contributions represent unspent externally restricted grants, donations, contributions, and investment income. Changes in deferred contributions are as follows:

	2024 \$	2023 \$
Balance, beginning of year	59,059	54,329
Grants, contributions, donations, and investment income	60,354	54,735
Recognized to revenue	(52,143)	(50,005)
	67,270	59,059
Less amounts reported as:		
Current portion of deferred contributions	(64,748)	(55,726)
Deferred contributions	2,522	3,333

**NOTE 5****DEFERRED CAPITAL CONTRIBUTIONS**

Deferred capital contributions represent the unspent and unamortized amount of donations and grants received for the purchase of capital assets. Changes in deferred capital contributions are as follows:

	<b>2024</b>	<b>2023</b>
	\$	\$
Balance, beginning of year	169,375	172,531
Additions for capital purchases	7,944	6,114
Amortization of deferred capital contributions	(10,257)	(9,270)
Balance, end of year	167,062	169,375

In the year, amortization of deferred capital contributions totaled \$10,257 (2023 - \$9,270) including net write downs for 2024 of \$664 (2023 - \$nil).

**NOTE 6****EMPLOYEE FUTURE BENEFITS****Defined benefit plans**

The University measures its accrued benefit obligations and the fair value of plan assets for accounting purposes as at April 30 of each year. The latest actuarial valuations for funding purposes were completed as of July 1, 2023 for the Faculty Plan and July 1, 2021 for the Employee Plan. The next valuations are required to be completed as of July 1, 2026 for the Faculty Plan and July 1, 2024 for the Employee Plan. Valuation results report a going concern surplus for the Faculty Plan and a going concern surplus for the Employee Plan.

The assets of the funded plans are managed by external investment managers, are held by an independent custodian, and are completely separate and apart from the assets of the University.

The University also provides for other non-pension post-employment employee benefits. The University measures its accrued non-pension employee future benefits for funding purposes as of April 30. The latest actuarial valuation for funding purposes was completed as of April 30, 2024.



**NOTE 6****EMPLOYEE FUTURE BENEFITS (cont'd)**

Information about the University's benefit plans as at April 30 is as follows:

(a) Reconciliation of the funded status of the defined benefit plans to the accrued benefit liability:

	<b>2024</b>				
	Pension		Supplemental Pensions	Other	Totals
	Faculty	Employee			
	\$	\$	\$	\$	\$
Accrued benefit obligation	635,372	283,770	3,690	58,206	981,038
Fair value of plan assets	644,163	296,769	-	-	940,932
Valuation allowance	(8,791)	(12,999)	-	-	(21,790)
Plan deficit	-	-	(3,690)	(58,206)	(61,896)

	<b>2023 (note 16)</b>				
	Pension		Supplemental Pensions	Other	Totals
	Faculty	Employee			
	\$	\$	\$	\$	\$
Accrued benefit obligation	697,789	271,706	3,720	58,433	1,031,648
Fair value of plan assets	627,102	287,008	-	-	914,110
Valuation allowance	-	(15,302)	-	-	(15,302)
Plan deficit	(70,687)	-	(3,720)	(58,433)	(132,840)

With respect to the Supplemental Pensions, the University has invested \$246 (2023 - \$371) outside of the plans to fund these obligations.

(b) Details of annual contributions and benefits paid are as follows:

	<b>2024</b>				
	Pension			Other	
	Faculty	Employee	Supplemental Pensions	Multi-employer	
	\$	\$	\$	\$	\$
Employer contributions	11,352	4,697	300	515	1,839
Employee contributions	9,180	4,697	-	505	-
Benefits paid	31,707	12,449	300	n/a	1,839

**NOTE 6****EMPLOYEE FUTURE BENEFITS (cont'd)**

	<b>2023</b>				Other \$
	Pension			Multi- employer \$	
	Faculty \$	Employee \$	Supplemental Pensions \$		
Employer contributions	10,718	4,074	298	541	1,816
Employee contributions	8,898	4,074	-	541	-
Benefits paid	29,811	13,925	298	n/a	1,816

(c) Information on the Remeasurements and other items included in the Statement of Changes in Net Assets is as follows:

	<b>2024</b>		
	Pension \$	Other \$	Total \$
Difference between actual and expected return on plan assets	8,597	-	8,597
Actuarial gains	(91,758)	(3,360)	(95,118)
Decrease in valuation allowance and impact on finance cost	7,266	-	7,266
Remeasurements and other items	(75,895)	(3,360)	(79,255)

	<b>2023</b>		
	Pension \$	Other \$	Total \$
Difference between actual and expected return on plan assets	12,521	-	12,521
Actuarial (gains) losses	8,027	(316)	7,711
Decrease in valuation allowance and impact on finance cost	(7,841)	-	(7,841)
Remeasurements and other items	12,707	(316)	12,391

Included in the salaries and benefits expense on the Statement of Operations, are the current service costs and finance costs of \$28,034 (2023 - \$26,326).

**NOTE 6****EMPLOYEE FUTURE BENEFITS (cont'd)**

(d) The significant actuarial assumptions adopted in measuring the University's accrued benefit obligation and benefit costs for accounting purposes are as follows:

	<b>2024</b>			
	Pension			Other
	Faculty	Employee	Supplemental Pensions	
<b>Accrued Benefit Obligation:</b>				
Discount rate	6.50%	5.50%	6.11%	5.19%
Rate of compensation increase	3.00%	1.75%	n/a	n/a
Initial weighted average health care trend rate	n/a	n/a	n/a	5.75%
Ultimate weighted average health care trend rate	n/a	n/a	n/a	4.00%
Year ultimate rate reached	n/a	n/a	n/a	2040
<b>Benefit Cost:</b>				
Discount rate	5.40%	5.50%	5.44%	4.84%
Rate of compensation increase	3.00%	1.75%	n/a	n/a
<b>2023</b>				
	Pension			Other
	Faculty	Employee	Supplemental Pensions	
<b>Accrued Benefit Obligation:</b>				
Discount rate	5.40%	5.50%	5.44%	4.84%
Rate of compensation increase	3.00%	1.75%	n/a	n/a
Initial weighted average health care trend rate	n/a	n/a	n/a	5.75%
Ultimate weighted average health care trend rate	n/a	n/a	n/a	4.00%
Year ultimate rate reached	n/a	n/a	n/a	2040
<b>Benefit Cost:</b>				
Discount rate	5.40%	5.50%	5.44%	4.94%
Rate of compensation increase	3.00%	1.75%	n/a	n/a

**NOTE 7**  
**LONG-TERM DEBT**

Details of the long-term debt are as follows:

	Maturity	Interest Rate	2024 Principal Outstanding \$	2023 Principal Outstanding \$
Series A Senior Unsecured Debentures	June 2046	5.37%	108,300	108,300
Less: Trusted Sinking Fund			(36,105)	(34,336)
Transaction costs			(878)	(917)
			71,317	73,047
Series B Senior Unsecured Debentures	July 2057	3.745%	40,000	40,000
Less: Transaction costs			(431)	(444)
			39,569	39,556
Series C Senior Unsecured Debentures	September 2060	2.786%	60,000	60,000
Less: Transaction costs			(487)	(501)
			59,513	59,499
TD Bank, Tranche 1	January 2043	3.03%	20,830	21,642
TD Bank, Tranche 2	June 2044	3.13%	33,352	34,520
Bank of Montreal	October 2023	6.425%	-	320
			224,581	228,584
Current portion of long-term debt			(2,044)	(2,302)
			222,537	226,282

The University has hedged until maturity the TD Bank credit facilities (Tranche 1 and 2) with interest rate swaps to lock in effective rates of 3.03% and 3.13%, respectively. The University hedged the Bank of Montreal loan with an interest rate swap to lock in an effective rate of 6.425% and this loan matured in October 2023. All of the credit facilities are unsecured.

The fair value of the interest rate swaps of \$6,083 (2023 – \$2,988) is recorded on the Statement of Financial Position (Net Assets, Unfunded Operations). The change in fair value of the interest rate swaps of \$3,094 (2023 – \$11) is recorded in the Statement of Operations.

The University has line of credit agreements available for up to \$3 million. As of April 30, 2024, \$nil has been drawn on these agreements (2023 - \$nil).

**NOTE 7****LONG-TERM DEBT (cont'd)**

The principal repayments of the long-term debt required in the next five fiscal years are:

<u>Fiscal Year</u>	<u>Principal</u>
2025	\$2,044
2026	\$2,108
2027	\$2,174
2028	\$2,242
2029	\$2,312

**NOTE 8****INTERNALLY RESTRICTED NET ASSETS**

Details of the internally restricted net assets are as follows:

	<b>2024</b>	<b>2023</b>
	\$	\$
Invested in capital assets	107,593	105,320
Board of Governors restricted funds for debt repayment	10,861	8,530
Unexpended operating funds		
Internally financed capital or repair projects	(16,836)	(22,814)
Departmental carryforward for operations	23,381	25,517
Contingency reserves	17,885	14,635
Employee benefits reserves	6,673	3,788
Enrolment deviation reserves	18,787	10,481
Earmarked for capital and repair projects	3,306	3,275
Funds held for strategic initiatives	2,706	2,400
	55,902	37,282
Unexpended restricted funds		
Unspent departmental research funds	16,120	15,320
Unspent departmental trust funds	4,957	6,377
Other internally restricted funds	(144)	666
	20,933	22,363
Total unexpended operating and restricted funds	76,835	59,645
Total internally restricted net assets	195,289	173,495

**NOTE 9  
ENDOWMENT**

Contributions restricted for endowment consist of restricted donations received by the University and contributions internally endowed by the Board of Governors. The investment income generated from endowments must be used in accordance with the various purposes established by the donors or the Board of Governors.

Investment income on endowments that is available for spending at the discretion of the University or is available for spending as conditions have been met, has been recorded in the Statement of Operations.

Under University policy, only a portion of the income is spent, and the balance is reinvested with the objective of protecting the real value of the endowment against inflation and fluctuations in market returns. In any particular year, should net investment income be insufficient to fund the amount to be made available for spending, or if the investment return is negative, the amount that is made available for spending is funded from accumulated reinvested income.

	Externally Endowed \$	Internally Endowed \$	<b>2024</b> Total Endowed \$	<b>2023</b> Total Endowed \$
Endowment, beginning of year	124,369	15,397	139,766	140,486
Internal contributions	3,252	1,305	4,557	4,068
External contributions	2,046	5	2,051	2,064
Transfer to internally restricted net assets			-	(7,952)
Investment income allocated	13,971		13,971	8,267
Allocation for spending from accumulated investment returns	(8,442)		(8,442)	(7,167)
<b>Endowment, end of year</b>	<b>135,196</b>	<b>16,707</b>	<b>151,903</b>	<b>139,766</b>

**NOTE 10****ONTARIO STUDENT OPPORTUNITY TRUST FUND (OSOTF) AND ONTARIO TRUST FOR STUDENT SUPPORT (OTSS)**

Externally restricted endowments include monies provided by the Government of Ontario from the Ontario Student Opportunity Trust Fund and Ontario Trust for Student Support matching programs to award student aid as a result of raising an equal amount of endowed donations.

The University has recorded the following amounts under Phase I of the OSOTF program:

	<b>2024</b>	<b>2023</b>
Endowment Funds:	\$	\$
Balance, beginning of year	9,632	9,416
Investment income (loss)	378	45
Preservation (loss) of capital	113	171
Balance, end of year	<u>10,123</u>	<u>9,632</u>
Expendable Funds:		
Balance, beginning of year	595	657
Investment income	521	545
Bursaries awarded (2024 - 236; 2023 - 233)	(446)	(445)
Transfer from Endowment	(108)	(162)
Balance, end of year	<u>562</u>	<u>595</u>

Transfer from Endowment figures in 2024 include transfers out of unused expendable funds and into the preservation of capital in the endowment funds to ensure the capital is maximizing interest earned.

The University has recorded the following amounts under Phase II of the OSOTF program:

	<b>2024</b>	<b>2023</b>
Endowment Funds:	\$	\$
Balance, beginning of year	3,583	3,480
Preservation of capital	(151)	103
Balance, end of year	<u>3,432</u>	<u>3,583</u>
Expendable Funds:		
Balance, beginning of year	177	222
Realized investment income, net of direct investment-related expenses and preservation of capital contributions	139	103
Bursaries awarded (2024 - 198; 2023 - 190)	(131)	(148)
Balance, end of year	<u>185</u>	<u>177</u>

The market value of the endowment as at April 30, 2024 is \$4,255 (2023 - \$4,040).

**UNIVERSITY OF WINDSOR**  
**NOTES TO THE FINANCIAL STATEMENTS**  
(in thousands of dollars, unless otherwise noted)  
**APRIL 30, 2024**

**NOTE 10**

**ONTARIO STUDENT OPPORTUNITY TRUST FUND (OSOTF) AND ONTARIO TRUST FOR STUDENT SUPPORT (OTSS) (cont'd)**

The University has recorded the following amounts under the OTSS program:

	<b>2024</b>	<b>2023</b>
	\$	\$
Endowment Funds:		
Balance, beginning of year	34,033	33,874
Donations	250	78
Preservation capital	(60)	81
Balance, end of year	<u>34,223</u>	<u>34,033</u>
Expendable Funds:		
Balance, beginning of year	1,694	1,765
Realized investment income, net of direct investment-related expenses and preservation of capital contributions	900	810
Bursaries awarded (2024 – 646; 2023 - 628)	(982)	(881)
Balance, end of year	<u>1,612</u>	<u>1,694</u>

The market value of the endowment as at April 30, 2024 is \$41,405 (2023 - \$38,775).

**NOTE 11**

**ACCOUNTS PAYABLE AND ACCRUED LIABILITIES**

Included in accounts payable and accrued liabilities, are government remittances payable of \$2,457 (2023 - \$2,293) which includes amounts payable for HST and payroll related taxes.

**NOTE 12**

**FINANCIAL INSTRUMENTS**

The University's financial instruments have been recognized and measured as disclosed in note 1. There has been no change in risk from the prior year. The University manages certain risks associated with its financial instruments as follows:

**(a) Interest rate risk**

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The University is subject to interest rate cash flow risk with respect to its floating rate debts. The University has addressed this risk by entering into interest rate swaps that fix the interest rates for the terms of the loans. All other debts of the University have fixed rates and are therefore not exposed to cash flow interest rate risk.

The University's short-term and portfolio investments are subject to interest rate fluctuations as maturing investments are reinvested at new rates of interest. The market value of investments in Government and Corporate bonds will fluctuate due to changes in market interest rates.



## NOTE 12

### FINANCIAL INSTRUMENTS (cont'd)

#### (b) Currency risk

Currency risk is the risk that the fair value or future cash flow of a financial instrument will fluctuate due to changes in foreign exchange rates. The University receives some research revenues in non-Canadian currencies and does not mitigate the potential for loss in revenues that could result due to a fall in value of the foreign currency between invoicing of such amounts and the time of receipt of funds. A portion of the University's investments for Endowment is invested outside of Canada. A reduction in the value of that foreign currency would have an adverse effect on the value of these investments. This risk is monitored through its investment managers.

#### (c) Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause another party to incur a financial loss. Accounts receivable are recorded net of an allowance for doubtful accounts of \$5,004 (2023 - \$4,903). The University does not expect other counterparties to fail to meet their obligations given their high credit ratings. The University has established policies and minimum credit rating requirements for such investments.

## NOTE 13

### STATEMENT OF CASH FLOWS

The net change in non-cash working capital balances related to operations consists of the following:

	<b>2024</b>	<b>2023</b>
	\$	\$
Accounts receivable	(8,297)	2,704
Inventories, prepaid expenses, and other assets	(1,173)	(499)
Accounts payable and accrued liabilities, net of impact of swaps	(8,138)	1,249
Deferred revenue	(9,710)	327
Net change in non-cash working capital balances	<u>(27,318)</u>	<u>3,781</u>

## NOTE 14

### COMMITMENTS AND CONTINGENT LIABILITIES

At April 30, 2024, commitments for future construction and renovations amounted to approximately \$12,070 (2023 - \$12,922). These projects will be financed by grants, internal funds, external borrowings and fundraising. Commitments for operations are reported in Note 8.

The University is a member of the Canadian University Reciprocal Insurance Exchange (CURIE). CURIE insures general liability, property and certain other risks. Annual premiums paid by the University will be determined by an Advisory Committee on the advice of the Actuary. There is provision under the agreement for assessments to the University if these premiums are not sufficient to cover any losses of CURIE.

**NOTE 14****COMMITMENTS AND CONTINGENT LIABILITIES (cont'd)**

The University has been named as a defendant or co-defendant in several actions for damages. The outcome and the amount of the losses, if any, are not determinable at this time and accordingly, no provision for losses has been made in the financial statements. The amount will be accounted for in the period when and if such losses are determined.

**NOTE 15****RELATED PARTY TRANSACTIONS**

The University is a 25% shareholder of LSRC Corp ("LSRC Corp."). LSRC Corp. is a special purpose project company for the purposes of constructing, financing, and maintaining the Toldo Lancer Centre ("TLC"). LSRC Corp. was incorporated on April 25, 2019 and is a taxable corporation established under the Ontario Business Corporations Act. The year end for LSRC Corp. is June 30. LSRC Corp. has issued common shares held equally by four shareholder groups. No one party has a controlling interest in the corporation. The Common Shares are voting shares which allow each of the Shareholders to elect an equal number of the Board of Directors of the corporation.

At April 30, 2024, LSRC Corp. recognized a net loss of \$1,576 (2023 - \$681 loss). As a result of the University's 25% share in LSRC Corp., the University recorded an investment loss of \$394 (2023 - \$170 loss) at April 30, 2024. Total investment cumulative loss incurred at April 30, 2024 is \$797 (2023 - \$403 - restated).

In 2024, the University obtained an additional \$1,063 (2023 - \$1,629) preferred shares in LSRC Corp. Total preferred shares owned by the University at April 30, 2024 was \$23,379 (2023 - \$22,316). This was in exchange for the University's financial contribution to the LSRC Corp. at April 30, 2024. These transactions have been recorded at the carrying value. The University has no Other Assets related to LSRC Corp. as at April 30, 2024 (2023 - \$nil).

The impact of these related party transactions on the Statement of Cash Flows is:

	<b>2024</b>	<b>2023</b>
	\$	\$
Funds provided by (returned to) the University to LSRC Corp.	250	(10)
Investment loss in Common Shares	(394)	(251)
Related party transaction	(144)	(241)

Total investment in LSRC related to Note 2:

	<b>2024</b>	<b>2023</b>
	\$	\$
Balance, beginning of year	21,913	20,535
Investment in Preferred Shares	1,063	1,629
Investment loss in Common Shares	(394)	(251)
Balance, end of year	22,582	21,913

**NOTE 16**  
**COMPARATIVE FIGURES**

During the year, it was determined that as of April 30, 2023 the valuation allowance was erroneously applied to the accrued benefit obligation for the Supplemental Pensions. As a result, the financial statements have been restated on a retrospective basis, with Employee future benefits liability increasing by \$1,535 as of April 30, 2023, and a corresponding decrease in Unfunded operations through the employee future benefit remeasurement gain (loss) on the Statement of Changes in Net Assets. There is no revenue or expense impact of this error.

The comparative financial statements have been reclassified from statements previously presented to conform to the presentation of the current year financial statements.

DRAFT

**University of Windsor  
Board of Governors**

\*4.2.2:           **External Auditor’s Audit Findings Report for the year-ended April 30, 2024**

Item for:       **Information**

Forwarded by:   **Board Audit Committee**

Report of the Board Audit Committee:

The Audit Committee reviewed the External Auditor’s Audit Findings Report for the year-ended April 30, 2023 and was satisfied with the report. KPMG, the University’s external auditor, is prepared to issue unqualified audit reports. There were no uncorrected audit misstatements and, as in previous years, the KPMG confirmed that the University has been appropriately reporting on all matters. One restatement of prior year balances was conducted and is explained in note 16.

University of Windsor  
Board of Governors

\*4.2.3: **Auditor General of Ontario (AGO) Findings Action Plan – Update**

Item for: **Information**

Forwarded by: **Board Audit Committee**

The AGO report can be found at:

[https://www.auditor.on.ca/en/content/annualreports/arreports/en22/AR\\_FinancialMgmtUniversities\\_en22.pdf](https://www.auditor.on.ca/en/content/annualreports/arreports/en22/AR_FinancialMgmtUniversities_en22.pdf)

*See attached for progress update.*

# Financial Management in Ontario Universities

A review by the Office of the Auditor General of Ontario (AGO)

## Update on University of Windsor Action Plans

*Board of Governors  
October 22, 2024*



University of Windsor







## Update on Implementation of AGO's Recommendations

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- ✓ In 2022, the AGO conducted a value-for-money audit on the financial management and governance in Ontario universities.
- ✓ The AGO's final audit report was published in November 2022 and included 25 recommendations for improvement across six major categories. The University prepared detailed action plans to address the recommendations with timelines ranging from one to three years.
- ✓ In March 2024, the AGO conducted a formal two year follow up review on the implementation of their recommendations. The results of the follow up review will be included in the AGO's 2024 Annual Report.
- ✓ The AGO assessed the University as having implemented 40% of their recommended actions, made progress in implementing an additional 12%, showed little or no progress in implementing 40%, and will not be implementing 8% of their recommendations.
- ✓ Overall, the results were generally in alignment with the University's assessment of progress based on the actions taken to date. The status of completion for each recommendation is detailed on the following pages.



## Completion Status of Recommendations (per AGO Assessment)

-  **Financial Sustainability**
- ✓ Establish a formal capital debt policy (November 2023)
- ✓ Monitor and adhere to the debt limits outlined in the policy (November 2023)
-  ✓ Maintain separate bank accounts for externally restricted funds (Extended to April 2025)
-  ✓ Present projected cash flows from operations, financing and capital purchasing activities to the Board (November 2024)
-  **International Students**
- ✓ Regularly complete financial sensitivity analysis of impact of loss of students from various regions (November 2024)
- ✓ Develop and apply strategies to diversify recruitment from different geographic regions (November 2023)
- ✓ Focus on recruiting students from priority countries identified in government of Canada's International Education Strategy (November 2023)
- ✓ Collect relevant data on the location and careers of international alumni (November 2024)
- ✓ Use international alumni data to better inform programming and recruitment decisions (November 2025)
-  ✓ Apply fee structure for international recruiters to target students with higher scholastic achievement (November 2024)
-  **Profitability of Academic Programming**
- ✓ Complete an analysis of profitability at the academic program level (Extended to November 2025)
- ✓ Determine whether there are programs which can be reduced/restructured to provide better financial contribution (Extended to November 2025)
- ✓ Reduce or restructure program offerings based on results of program profitability analysis and academic need (Extended to November 2025)




 Complete  In process of being implemented  Little or no progress  Will not be implemented



University of Windsor



## Completion Status of Recommendations (per AGO Assessment)

-  **Capital Planning**
  - ✓ Business case for each capital project including financial feasibility assessment for decision making (November 2023)
-  **Board Governance**
  - ✓ Reduce and limit the size of the Board (TBD based on decision expected by November 2024)
  - ✓ Reduce the number of committees to limit the Board size (November 2024)
  - ✓ Develop and annually review and approve both permanent and emergency presidential succession plans (November 2024)
  - ✓ Prioritize and track Board competencies using competency matrices (November 2024)
  - ✓ Confirm the Board and committees possess demonstrably requisite competencies to fulfill their terms of reference (November 2024)
  - ✓ Strengthen university financial and accounting literacy among Board members (April 2024)
  - ✓ Implement oversight functions (i.e., risk management, compliance and internal audit); report regularly to Board (November 2024)
  - ✓ The Senate be provided with regular costing information on the financial contribution of individual program offerings (Extended to November 2025)
-  **Academic Partnerships and Collaborations**
  - ✓ Set goals for the type of relationships the University enters into such as revenue generating academic relationships (November 2024)
  - ✓ Have these arrangements approved by the Board and/or Senate (November 2024)
  - ✓ Consult national security agencies such as Canadian Security Intelligence for information, advice or support before engaging in international collaborations or partnerships (November 2024)

 Complete  In process of being implemented  Little or no progress  Will not be implemented



University of Windsor

**University of Windsor  
Board of Governors**

\*4.2.4: **Appointment of KPMG as External Auditors for 2024-2025**

Item for: **Approval**

Forwarded by: **Board Audit Committee**

**MOTION: That KPMG LLP be appointed as the University of Windsor's external auditors for 2024-2025.**

**Rationale:**

- KPMG LLP has developed specialized expertise in the university sector at the University of Windsor and across the province.
- Under the Broader Public Sector Act, auditing services are considered contracted services, not consulting services, and therefore a request for proposal (RFP) is not required for the appointment of the external auditors.
- KPMG LLP has proposed marginal increases to their audit fees for 2024/2025.

University of Windsor  
Board of Governors

4.2.5: **ERM Update – International Enrolment Risk**

Item for: **Information**

Forwarded by: **Board Audit Committee**

*See attached.*



## Division of Finance & Operations

Assumption Hall, Room 128  
400 Huron Church Road  
Windsor, Ontario N9C 2J9

To: Board of Governors  
From: Gillian Heisz, Vice-President, Finance & Operations  
Charlie Simpkins, Director, Strategic Initiatives and Business Enterprise  
Date: September 30, 2024  
RE: **Enterprise Risk – Top Risk Considerations Post Summer 2024**

### **Background**

As the Board of Governors is aware, administration is not scheduled to bring forward an updated ERM dashboard until the November 2024 meeting. However, given the significant movement risk factors that has occurred over the last 4 months, we wanted to provide a brief update on enterprise risk considerations.

### **Top Risk Restated**

The ELT and the ERM Committee are reporting **enrolment targets and recruitment** as the institution's current top risk (surpassing cyber security risk) given the possible magnitude of the recent IRCC announcements and the global sentiment towards Canada. The ERM Committee is considering scoping **international enrolment risk** specifically as its own enterprise risk moving forward.

### **International Enrolment Risk Mitigation Strategies**

The AVP Enrolment Management is the risk champion and has been deploying risk mitigation strategies to support international enrolment during this time. Given the magnitude of the risk, the President is serving as Executive Lead for the risk. Risk mitigation strategies are centered around three themes:

1. *Increasing the 'top of funnel'* – conducting activities to increase the number of applications
2. *Successful conversion of accepted students* – we are seeing unusual trends with the number of students who are accepting offers and making a deposit payment and then not actually enrolling. The Registrars office and all the faculties with international students are fully engaged in conversion.
3. *Considering the budget allocation and management incentive models to protect the financial sustainability of the institution.* In the medium term, we must adjust to the decline in this key revenue stream for the university; managing international enrolment risk has ultimately become managing the risk of financial sustainability of the institution. The Budget Manager has forwarded the attached briefing note for consideration by administration.

### **Emerging Risk**

The ERM Committee is considering re-introducing **reputational risk** as a top enterprise risk. Connected to this risk is government relations-related risks, which expands beyond government policy and direction. Similarly as mentioned in point 3 above, the ERM Committee is considering whether **budget and planning** needs to be formally re-introduced as a stand alone risk. The ERM Committee will meet in the coming weeks to determine if they believe a full-scale refresh of the top risks are necessary, or if the ERM Committee itself will propose the changes to the top Top Ten risks to ELT and Audit Committee.

To: Gillian Heisz, Vice-President, Finance & Operations  
From: Andrew Kuntz, University Budgets Manager  
RE: **Current Budget Forecasting and Budget Model Implications**

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Leading industry experts are forecasting an Ontario postsecondary sector that is heading towards a perfect storm of financial challenges with no easy solutions available on the revenue side of the equation. Universities must make challenging cost-cutting decisions to right-size their institutions as they prepare to weather the storms ahead.

As you know, the University of Windsor is currently facing unprecedented financial challenges, including:

- Continuation of the domestic student tuition rate freeze for a fifth consecutive year and until at least the 2026/27 fiscal year, following a 10% tuition rate reduction mandated in 2019/20.
- No growth in base operating grant for several decades. MCU's newly introduced Postsecondary Sustainability Fund investment fund is temporary in nature, thus it cannot be base budgeted.
- Significant downturn in international student enrolment as recent IRCC announcements have exacerbated volatility in the international student marketplace and are negatively affecting the global perception of Canada as a destination for international students.
- Labour-related salary and benefit cost increases according to our collective agreements, job evaluation results raising position classifications, and costs related to the repeal of Bill 124.
- Uncertainty related to faculty member retirement plans, making it difficult to plan for faculty renewal opportunities. While VCT programs have been successful, faculty members remaining on staff beyond the normal retirement date remains a financial challenge.
- Inflationary pressures on unavoidable costs required to support institutional infrastructure and current service levels are higher now than in the past decade.

Our preliminary forecasts for the 2025/26 fiscal year show a \$30 million+ base operating budget deficit. In response, the University of Windsor has set three high-level objectives as part of our operational recovery and cost cutting plan, including:

1. Reducing personnel costs in the operating budget without a material impact on the student experience and the overall institutional operations.
2. Right size Faculties and ensure all academic programs align with students and industry demand.
3. Fully implement our land and asset management strategies to reduce space costs, maximize alternative revenues, and meet housing demands.

Implementation of each of these objectives will require significant institutional restructuring that includes a “complete reboot” of the operating budget. In addition, because of the international enrolment declines and future uncertainty, many of the historically positive net position Faculties who relied on international enrolments for positive financial results are now slipping into negative net positions within the UWindsor ABB model while the historically negative position Faculties continue to decline as cost increases out pace stagnant revenue options.

I am therefore suggesting that we consider a pause to the UWindsor ABB model for a period of two fiscal years to provide senior leadership with the time, autonomy, and authority to enact the emergency actions required to reset and right size the UWindsor operating budget.

We must remember that, at its core, the ABB model functions as a budget allocation methodology to ensure resources are appropriately distributed across the institution where revenues are being generated. The model functions to incent revenue growth, but it is not sufficiently agile in my view to drive material cost pattern changes in a quick manner. We continue to believe in and support the principles and goals inherent in the ABB model, and are only seeking to pause the model while financial management steps are taken before re-activating once the institution has been right sized in the face of these tremendous financial challenges.

We are truly heading into an era of reimagining where systemic changes are required that can only be enacted at the highest levels of the institution.

**University of Windsor  
Board of Governors**

\*4.2.6: **MCU Financial Sustainability Framework Update**

Item for: **Information**

Forwarded by: **Board Audit Committee**

*The University's first report back on the Ministry of Colleges and Universities' (MCU) Financial Accountability Framework is due. See attached.*

**University of Windsor**  
**Financial Accounting Framework Report Back**  
**October 7, 2024**

**Part 1: Provide a detailed explanation for each financial health metric that contributed to the corresponding category score, including any variances between your 2022/23 budget plan and the 2022/23 audited financial statements, and if the financial health metric was below benchmark last year or if it has only been below benchmark this year. Highlight any qualitative factors that you feel the ministry should be aware of that contributed to financial metric results. You may also provide an explanation for why you believe these qualitative factors should result in a change in the requirements of the action plan.**

Category	Metric(s) Leading to Rating	High Level Explanation of Results
Financial Sustainability – Medium Action	<ul style="list-style-type: none"> <li>Viability ratio: 40% (low)</li> </ul>	<ul style="list-style-type: none"> <li>n/a – “low” score</li> </ul>
	<ul style="list-style-type: none"> <li><b>Debt ratio: 59% (high)</b></li> </ul>	<ul style="list-style-type: none"> <li>Higher than peer average long-term debt levels (\$228M)</li> <li>Faculty pension plan is in a liability position for accounting purposes, increasing liabilities (\$73M)</li> </ul>
	<ul style="list-style-type: none"> <li><b>Debt to revenue ratio: 51% (high)</b></li> </ul>	<ul style="list-style-type: none"> <li>Higher than peer average long term debt levels (\$228M)</li> </ul>
	<ul style="list-style-type: none"> <li>Interest burden ratio: 2.7% (low)</li> </ul>	<ul style="list-style-type: none"> <li>n/a – “low” score</li> </ul>

The University of Windsor’s overall score in the category of financial sustainability as of April 30, 2023 is 1.5, and under each of the four metrics, the reason for the score is a result of the University’s long-term debt levels, and/or the cost of the debt. Contributing to the debt ratio beyond debt is the University’s Faculty Pension Plan, which is in a liability position for accounting purposes as of April 30, 2023.

### ***Detailed Explanation of Results***

#### Debt Strategy

In the early 2010’s, the University embarked upon a Board-approved Capital Transformation Strategy to better meet the future needs of our students, and to address a backlog of deferred maintenance across the campus. The University employed the use of federal, provincial and municipal funding wherever possible, and because the assets being constructed were long-term (40+ years expected useful life) the Board approved use of long-term debt in the most efficient manner possible to fund the strategy. The University worked with external consultants with expertise in the debt markets and obtained financing three times, once via a traditional amortizing loan, and twice via debenture offerings. In each case, a full debt repayment strategy was developed and approved by the Board.

The cost of the University’s debt taken on in the last 15 years is low and is fixed to maturity. The table below illustrates the overall low cost of financing secured.

## UWindsor: Debt Secured During Capital Transformation Strategy (2013 to 2020)

<b>Instrument</b>	<b>Interest Rate</b>	<b>Fixed Period</b>
TD Term Loans (2 tranches)	3.03% / 3.13%	30 years
Series B Debentures	3.745%	40 years
Series C Debentures	2.786%	40 years

The debenture offerings were proven to be the most cost efficient in the two later cases (2017 and 2020), however financing via debentures impacts the Ministry's financial sustainability metrics as there is no decrease in the principal until maturity.

The University is not contemplating an early extinguishment or refinancing of the current debt structure as part of its financial sustainability/recovery plan as we believe that such an activity would not serve to materially decrease debt levels and would materially increase interest expense.

### Faculty Pension Plan Liability Strategy

The University of Windsor has two pension plans: a hybrid plan for Faculty and Executives, and a defined benefit plan for Employees. As of the date of the balance sheet (April 30, 2023), both plans were in good financial health: both are in a solvency and a going concern surplus position per the most recently filed actuarial valuations (as of July 1, 2021).

As the Ministry is aware, there are several different models within the Ontario University sector for pensions, which means that the debt ratio is not comparable from institution to institution. Many Universities which are a comparable size to UWindsor do not have pension liabilities on their balance sheets because they are members of the University Pension Plan (UPP), and thus the liability is recorded by UPP rather than by the individual university.

To assess the impact of the pension liabilities on the University's long-term financial sustainability, the Board focuses on the valuations filed by the actuaries rather than the accounting liabilities.

### ***Compensating controls and risk mitigation strategies: Debt management***

The University wishes to highlight the following compensating controls and risk mitigation strategies that have been established by the Board to maintain the University's long-term financial health considering its higher than sector average debt levels:

1. *Board approved principal repayment strategies are established and monitored annually by the Board Investment Committee*

The University has a Board approved principal repayment strategy in place for each of its debentures. The strategy in each case was to save funds as "sinking funds" towards the beginning of the life of the debenture and allow those funds to earn interest over time to accumulate towards the total principal value at maturity. The contributions to the sinking funds were calculated to generate a full repayment strategy at maturity and are base budgeted by the institution.

For the Series A Debentures (2006) the primary sinking fund was externally restricted, however another sinking fund exists internally for the repayment of the Series A debentures. In the case of



Series B and C, the sinking funds are internally (Board of Governors) restricted. Table 2 provides the values of the sinking funds as of April 30, 2023.

On an annual basis, administration reports to the Board Investment Committee on the contributions made to the funds, and the total value. Administration also works with its investment consultants periodically to assess whether, given updated capital market assumptions, the sinking funds are on target to match the principal due at maturity. This exercise was last conducted in 2023 for the Series A Debentures.

**Balance of Sinking Funds for Debenture Repayment: April 30, 2023 (in millions)**

Instrument	Externally Restricted	Internally Restricted	Total Sinking Fund Balances	Years to Maturity	Financial Statement Note Disclosure
A (\$108.3)	\$34.3	\$2.0	<b>\$36.3</b>	23	Note 7, 8
B (\$40.0)	-	\$4.4	<b>\$4.4</b>	34	Note 8
C (\$60.0)	-	\$2.1	<b>\$2.1</b>	37	Note 8
<b>Total</b>	<b>\$34.3</b>	<b>\$8.5</b>	<b>\$42.8</b>		

*Note: all investments are carried at fair market value except for the series A externally restricted sinking fund which is carried at cost.*

2. *Policies exist to control the investment parameters for the sinking fund, and to control the overall levels of debt taken on by the University*

There is a Board-approved statement of investment policy and procedures in place for each of these internally restricted sinking funds, which dictates how the funds can be invested.

The University's [capital debt policy](#) serves to ensure that debt is used prudently to meet the mission and strategic objectives of the university. The policy covers when debt instruments may be used, and how they would be sought. The policy also requires that not less than one independent credit rating is obtained annually by the University to ensure that the Board and other University stakeholders have a forward-looking view of the University's financial health. The policy aligns with the Ministry's framework as the viability ratio and interest burden ratio are used by the Board in evaluating the university's borrowing capacity and compliance with the policy.

**Part 2: Provide a detailed explanation of the steps your university intends to take to improve each of the financial health metrics that lead to your category score. Include a timeline for when you expect the steps your university will take will improve the financial health metric. Include what the relevant metrics are projected to be next fiscal year.**

<b>Viability Ratio</b>	<b>April 30, 2023: 40%</b>	<b>April 30, 2024 (p): 52%</b>
<i>Planned Steps to Improve Metric</i>	<ul style="list-style-type: none"> <li>– Decrease debt liabilities by making required principal payments and avoiding taking on further long-term debt.</li> <li>– Increase internally restricted net assets balances by base-budgeting reserve contributions as part of the university’s operating budget, and incenting faculties and departments to generate revenues in excess of their allocated budgets.</li> </ul>	
<i>Estimated Timeline to Improve Metric</i>	Projections for the Viability Ratio are as follows: April 30, 2024 – Low risk April 30, 2025 – Medium Risk	
<i>Threats to the University’s metric improvement strategy</i>	The University is heavily reliant on international student fees, which comprise more than 1/3 <sup>rd</sup> of the University’s operating budget. Since the MCU metrics were developed, we have been working to increase the internally restricted net assets of the institution and have been highly successful in doing so – our viability ratio was 13% as of April 30, 2020, and is expected to quadruple by April 30, 2024. However, our medium-term budget forecasting suggests large operating budget deficits starting in 2024/25 given the recent IRCC announcements and their impact on the University of Windsor, thus our reserves will likely be used in the medium term to support operations.	

<b>Debt Ratio</b>	<b>April 30, 2023: 59%</b>	<b>April 30, 2024 (p): 49%</b>
<i>Planned Steps to Improve Metric</i>	<p>The planned Step #1 under Viability Ratio applies for this ratio.</p> <p>The University has considered other strategies including actively working to decrease non-debt liabilities, however the largest non-debt, non-deferred capital contributions are:</p> <ul style="list-style-type: none"> <li>- <u>Employee future benefits.</u> Managing these liabilities is difficult as they generally fluctuate with long-term interest rates as well as capital market performance. As described above, the Board of Governors focuses on actuarial valuations as at the valuation date as the main indicator of pension plan health.</li> <li>- <u>Deferred contributions.</u> Growth in deferred contributions is caused by higher donor contributions to trusts, and higher research grants for ongoing research projects. Actively working to reduce these balances would be against the University’s overall strategy.</li> <li>- <u>AP, Accrued Liabilities and Deferred Revenue.</u> Generally, these are a function of enrolment (higher enrolment causes higher balances in these liabilities)</li> </ul>	

<i>Estimated Timeline to Improve Metric</i>	Projections for the Debt Ratio are as follows: April 30, 2024 – Medium Risk April 30, 2025 – Medium to High Risk
<i>Threats to the University's metric improvement strategy</i>	The metric could return to high risk based on movement in long-term interest rates and their impact on the University's pension plan liabilities. The metric could also return to high risk if external research revenues continue to grow significantly.

<b>Debt to Revenue Ratio</b>	<b><i>April 30, 2023: 51%</i></b>	<b><i>April 30, 2024 (p): 48%</i></b>
<i>Planned Steps to Improve Metric</i>	The planned Step #1 under Viability Ratio applies for this ratio.  – Increase institutional revenues through strategies including enrolment, tuition rates, revenues from research grants, and ancillary and alternative revenue strategies.	
<i>Estimated Timeline to Improve Metric</i>	Projections for the Debt to Revenue Ratio are as follows: April 30, 2024 – Low Risk April 30, 2025 – Medium Risk	
<i>Threats to the University's metric improvement strategy</i>	The University is heavily reliant on international student fees, which comprise more than 1/3 <sup>rd</sup> of the University's operating budget. Our medium-term budget forecasting suggests large operating budget deficits starting in 2024/25 given the recent IRCC announcements and their impact on the University of Windsor. This will materially impact Total Revenues, which will push the metric back into Medium.	

<b>Interest Burden Ratio</b>	<b><i>April 30, 2023: 2.7%</i></b>	<b><i>April 30, 2024 (p): 2.6%</i></b>
<i>Planned Steps to Improve Metric</i>	The planned Step #1 under Viability Ratio applies for this ratio.	
<i>Estimated Timeline to Improve Metric</i>	Projections for the Interest Burden Ratio are as follows: April 30, 2024 – Low Risk April 30, 2025 – Low Risk	
<i>Threats to the University's metric improvement strategy</i>	The University is heavily reliant on international student fees, which comprise more than 1/3 <sup>rd</sup> of the University's operating budget. Our medium-term budget forecasting suggests large operating budget deficits starting in 2024/25 given the recent IRCC announcements and their impact on the University of Windsor. The University will have to materially decrease its costs to maintain its financial sustainability. Interest expense will not change, thus interest expense as a percentage of total expenses will likely increase in the long-term.	

**Part 3: If your university received a medium or high action plan rating, you are required to develop a recovery plan to address your university’s financial performance. If you received a medium action plan rating, then the recovery plan can be developed internally. This recovery plan should include details of specific projects or initiatives (including timelines) your university intends to implement to improve financial health and prevent further decline.**

**Attach a multi-year budget and cash flow projection. Provide this data in Excel format. Attach any supplemental documents required to fully explain your university’s recovery plan.**

The University of Windsor’s primary financial management strategy over the last 4 years has been to increase internally restricted net assets. We have done so by slowly and deliberately increasing base budgeted expenses to a level where we felt enrolment levels were sustainable. Practically speaking what that has meant is that the 2021/22 through 23/2024 operating budgets have been healthy as we experienced a post-COVID surge in international enrolment, and excess funds earned beyond our sustainable enrolment levels were spent on one-time priorities or saved in reserves to support the university going forward.

The strategy was very successful and resulted in significant improvement in the University’s financial health metrics that do not consider debt levels:

Four Year Trends in Financial Health – Non-Debt Metrics

	<b>April 30, 2020</b>	<b>April 30, 2023</b>
<b>Primary Reserve Ratio</b>	22.2 / High Risk	77.1 / Low Risk
<b>Working Capital Ratio</b>	0.58 / High Risk	1.34 / Low Risk
<b>Net Income (Loss) Ratio</b>	(1.2%) / High Risk	4.4% / Low Risk
<b>Net Operating Revenues Ratio</b>	2.8% / Medium Risk	11.9% / Low Risk

The table above also demonstrates how quickly things can change at a medium sized regional university such as ours which is highly reliant on international student enrolment. For the year ended April 30, 2023, the University generated \$139 million in tuition revenue from international students, representing 31% of the University’s consolidated revenues. Much of this tuition revenue (\$113 million) was from students at a graduate level.

The recent IRCC announcements coupled with the poor global reputation of Canada as a destination for international students will have a very significant and possibly devastating impact on the University of Windsor.

As a result, the University’s recovery plan will be focused primarily on supporting the liquidity and performance ratios, rather than the sustainability ratios, which have been our focus over the past four years. To remain financially viable, balancing operating budgets and managing cash flows is critical.

To support our liquidity and performance ratios, a significant decrease in the university’s cost base is required. If coupled with temporary revenues, the university forecasts that it can remain financially sustainable in the medium-term, despite a material change in international enrolments.

The university has set three high level objectives as part of our recovery plan, and has organized our planned activities by objective:

1. Reduce personnel costs in the operating budget without a material impact to the student experience and the overall institutional operations
2. Right size academic faculties and ensure all academic programs align with student and industry demand
3. Fully implement our land and asset management strategies to reduce space costs, maximize alternative revenue, and meet housing demands

A detailed overview of the highest priority activities already underway under each of these three objectives is provided in Appendix A.

The attachments that you have requested to support your review of this report, including forecasted budgets to 2025/26, are in the appendices that follow.

We appreciate the Ministry's support in ensuring our long-term financial viability so that we can continue to support our students, industry partners and advance the priorities of the province.

Appendix A: University of Windsor Financial Sustainability/Recovery Plan - Highest Priority Activities Underway

Planned Activity	Description	Timeline	Materiality of Savings	MCU Engagement
<b>Objective One: Reduce personnel costs in the operating budget without a material impact to the student experience and the overall institutional operations</b>				
<b>Compensation Framework and Structure Review (non-union)</b>	The University is working with a partner to review the compensation framework and the organizational structure for its non-union personnel from managers/professionals to executives. The objective of the review is to redesign the structure to serve the needs of the university going forward and ensure compensation of positions aligns with expectations and market.	Implemented before December 31, 2024	Medium (\$2 to \$5M)	
<b>Voluntary contract termination (VCT) offerings coupled with a hiring restriction program</b>	The University is currently offering all of its labour groups a VCT opportunity. The opportunity allows the employee to retire early, with some bridging payments made by the University. At the same time, the University has implemented a hiring restriction program (or “freeze”) which means that the positions which become vacant through this program or through general attrition cannot be replaced.	Implemented before December 31, 2024	High (\$5M to \$10M)	
<b>Labour Efficiency Review (LER)</b>	The University has engaged Deloitte to examine labour efficiency by completing analysis related to utilization, accountability, and identify optimization opportunities pertaining to the University’s three key labour cohorts: academic faculty, full-time technical/professional staff, and full-time administrative staff. We anticipate that the recommendations will include a list of bargaining strategies that can be implemented in 2025, as well as organizational efficiency strategies that can be immediately deployed (including reorganization and elimination of positions).	Report complete by March 31, 2025; implemented before March 31, 2026	Very High (Over \$10M)	Included in EAF Submission
<b>Objective Two: Right size academic faculties and ensure all academic programs align with student and industry demand</b>				
<b>Financial Plan for Faculty of Arts, Humanities and Social Sciences (FAHSS)</b>	According to the University’s activity-based budget model, the expenses in FAHSS outpace its revenues by not less than \$12 million annually. The Financial Plan will highlight actions required by FAHSS to significantly reduce its deficit through a combination of program and department consolidation, course rationalization, position elimination, space management, and new program development.	Report complete by October 31, 2024	High; Savings enabled by VCT & LER	

<b>EAF Review: Areas of Focus 1, 2 and 4</b>	The University has engaged Nous to deliver a report that speaks to the Ministry areas of focus. Addressing UWindsor's Objective Two are areas of focus 1 (Governance, Admin and Student Services), 2 (Academic Programming) and 4 (Procurement). We anticipate that the recommendations will include organizational efficiency strategies that can be immediately deployed, including consolidation of services.	Report complete by March 31, 2025; implemented before March 31, 2026	Medium to High	Included in EAF Submission
<b>Objective Three: Fully implement our land and asset management strategies to reduce space costs, maximize alternative revenue, and meet housing demands</b>				
<b>EAF Review: Areas of Focus 3 and 5</b>	The University has engaged Nous to deliver a report that speaks to the Ministry areas of focus. Addressing UWindsor's Objective Three is areas of focus 3 (Physical Assets and Facilities) and 5 (Revenue Generating Activities). The savings realized and revenues generated in these categories are expected to be slower to realize given the timeline to properly complete real estate and asset transactions.	Report to be completed by March 31, 2025; implemented before March 31, 2026	Medium to High	Included in EAF Submission
<b>Asset Monetization and Housing</b>	UWindsor has made a commitment to limit its future long-term debt exposure to support the MCU viability metrics. As a result, we are using public private partnerships or special purpose/partnership vehicles to meet the housing demands of our campus and generate revenue from underutilized assets and land. Under this strategy we have three projects ongoing: (1) Completion of the Rodzik Hall Residence for Fall 2025; (2) The redevelopment of an offline building into apartment housing through a special purpose vehicle; and (3) The construction of a purpose built 24-bed housing unit for medical residents from Western on underutilized university lands	Project (1) – September 2025; Project (2) – September 2026, pending Board approval; Project (3) – January 2026, pending Board approval	Medium (\$2 to \$5M)	Support from EY on Project (2) included in EAF Submission
<b>Surplus land monetization</b>	Under the university's land monetization strategies, there are two additional plots of land which have been identified as high value for commercialization. Efforts are underway to realize steady, material revenue streams from these land assets.	To be brought to the Board before end of calendar 2026	Medium (\$2 to \$5M)	

*Note: the timeline speaks to when the work will be completed and implementation plans launched. Realizing full savings will not occur on the implementation date. Budget savings from the elimination of positions in the technical union could take years to fully materialize because of collective agreement requirements. In the case of closure of academic programs, as a result of tenure, there may be costs in place for many years beyond the closure date.*

List of Appendices in PDF and Excel Attached

- Appendix B: Operating Budget 2023/24 ([Linked](#))
- Appendix C: Operating Budget 2024/25 ([Linked](#)). Note re-casted budget is included in Appendix D.
- Appendix D: Operating Budget 2025/26 (*projected*) (XLS)
- Appendix E: Ancillary Budget 2023/24
- Appendix F: Ancillary Budget 2024/25
- Appendix G: Ancillary Budget 2025/26 (*projected*)
- Appendix H: Capital Budget 2023/24
- Appendix I: Capital Budget 2024/25
- Appendix J: Cash Flow Budget 2023/24
- Appendix K: Cash Flow Budget 2024/25
- Appendix L: Cash Flow Budget 2025/26 (*projected and includes capital cash flows*)

**Note to Audit Committee:**

Only Appendix D, G and L have been included in the mail out as all others have been previously sent to the Board and are available in the portal.



**Appendix D - Note: Prepared September 30, 2024 based on best estimates; subject to change and not approved by the Board of Governors**

	2023/24 RECLASSIFIED BUDGET (\$000s)	\$ INCREASE/ (DECREASE) TO 2023/24 (\$000s)	2024/25 APPROVED* BUDGET (\$000s)	\$ INCREASE/ (DECREASE) TO 2024/25 (\$000s)	2025/26 FORECASTED BUDGET** (\$000s)
<b>OPERATING REVENUE</b>					
Student Academic Fees	\$ 236,500	\$ (9,779)	\$ 226,721	\$ (28,878)	\$ 197,843
Less: Enrolment Contingency Reserve	(2,000)	-	(2,000)	(3,000)	(5,000)
Less: Extraordinary Enrolment Offset	(5,500)	5,500	-	-	-
Less: Recasted Tuition Revenue*	-	-	(12,000)	12,000	-
Student Incidental Fees	8,874	284	9,158	(250)	8,908
Government Grant - Provincial	96,684	(27)	96,657	1,973	98,630
Government Grant - Federal	3,444	106	3,550	0	3,550
Investment Income	3,772	428	4,200	-	4,200
Other Revenue	3,528	-	3,528	(500)	3,028
<b>TOTAL OPERATING REVENUE</b>	<b>\$ 345,302</b>	<b>\$ (3,488)</b>	<b>\$ 329,814</b>	<b>\$ (18,655)</b>	<b>\$ 311,159</b>
<b>OPERATING EXPENDITURES</b>					
<b>DIRECT COST OF ACADEMIC DELIVERY</b>					
Faculty of Arts, Humanities & Social Science	\$ 46,246	\$ (1,106)	\$ 45,141	\$ (1,705)	\$ 43,436
Odette School of Business	19,084	310	19,394	(228)	19,166
Faculty of Education	7,947	160	8,107	(312)	7,795
Faculty of Engineering	32,511	1,980	34,492	136	34,628
Faculty of Human Kinetics	6,276	5	6,282	(43)	6,239
Faculty of Law	12,233	(744)	11,489	428	11,917
Faculty of Nursing	9,006	(11)	8,995	(392)	8,603
Faculty of Science	36,308	941	37,248	377	37,625
<i>Subtotal Direct Cost of Academic Delivery</i>	<b>\$ 169,613</b>	<b>\$ 1,535</b>	<b>\$ 171,148</b>	<b>\$ (1,739)</b>	<b>\$ 169,409</b>
<b>SUPPORT SERVICES</b>					
Research Services	\$ 7,361	\$ (5)	\$ 7,356	\$ (96)	\$ 7,260
Outreach & Communications	14,140	92	14,231	(703)	13,528
Academic & Student Services	29,075	696	29,771	31	29,802
Library	14,037	493	14,530	20	14,550
Scholarships	14,352	-	14,352	21	14,373
Administration	26,187	(1,346)	24,840	(293)	24,547
Information Technology	13,642	509	14,151	(123)	14,028
Facility Costs (including Utilities)	32,144	207	32,351	(1,076)	31,275
Debt Costs	10,954	(175)	10,779	0	10,779
<i>Subtotal Support Services</i>	<b>\$ 161,891</b>	<b>\$ 470</b>	<b>\$ 162,361</b>	<b>\$ (2,219)</b>	<b>\$ 160,142</b>
<b>STRATEGIC INVESTMENT &amp; RESERVE FUNDS</b>					
Strategic Investment Funds	\$ 5,598	\$ (500)	\$ 5,098	\$ 0	\$ 5,098
Reserve Funds	8,200	(2,200)	6,000	(500)	5,500
<i>Subtotal Strategic Investment &amp; Reserve Funds</i>	<b>\$ 13,798</b>	<b>\$ (2,700)</b>	<b>\$ 11,098</b>	<b>\$ (500)</b>	<b>\$ 10,598</b>
<b>TOTAL EXPENDITURES</b>	<b>\$ 345,302</b>	<b>\$ (696)</b>	<b>\$ 344,607</b>	<b>\$ (4,458)</b>	<b>\$ 340,149</b>
<b>BASE OPERATING POSITION</b>	<b>\$ 0</b>	<b>\$ (2,792)</b>	<b>\$ (14,792)</b>	<b>\$ (14,198)</b>	<b>\$ (28,990)</b>

\*this line was not included in the Board approved budget and is administration's best estimate of the shortfall against tuition revenue (budgeted) as of the Add/Drop Date (September 2024). The funding strategy for this gap has not yet been set.

\*\* based on best available information as of the date of this report and subject to material change.

**Appendix G – Note: Prepared September 30, 2024 based on best estimates; subject to change and not approved by the Board of Governors**

	RESIDENCE SERVICES	FOOD, CATERING & CONFERENC E SERVICES	PARKING SERVICES	CAMPUS BOOKSTORE	PRINTSHOP	CENTRAL CAMPUS SERVICES	CAMPUS CARD	TOTAL ANCILLARY SERVICES BUDGET
	(\$000s)	(\$000s)	(\$000s)	(\$000s)	(\$000s)	(\$000s)	(\$000s)	(\$000s)
<b>REVENUE</b>								
Sales Revenue	\$ 5,365	\$ 275	\$ 3,244	\$ -	\$ 496	\$ -	\$ 237	\$ 9,616
Cost of Sales	5	-	-	-	103	-	-	107
Gross Margin	\$ 5,360	\$ 275	\$ 3,244	\$ -	\$ 393	\$ -	\$ 237	\$ 9,509
Commissions from Partners	344	862	-	75	-	-	-	1,281
Other Revenues	409	105	-	-	-	261	55	831
<b>Total Revenue (net of COS)</b>	<b>\$ 6,114</b>	<b>\$ 1,242</b>	<b>\$ 3,244</b>	<b>\$ 75</b>	<b>\$ 393</b>	<b>\$ 261</b>	<b>\$ 292</b>	<b>\$ 11,621</b>
<b>EXPENDITURES</b>								
Salaries, Wages & Benefits	\$ 1,486	\$ 343	\$ 318	\$ -	\$ 284	\$ 244	\$ 199	\$ 2,875
Cost of Debt	1,487	-	898	-	-	-	-	2,385
All Other Expenses	2,929	859	1,640	3	92	17	122	5,661
<b>Total Expenditures</b>	<b>\$ 5,903</b>	<b>\$ 1,202</b>	<b>\$ 2,856</b>	<b>\$ 3</b>	<b>\$ 376</b>	<b>\$ 261</b>	<b>\$ 321</b>	<b>\$ 10,922</b>
<b>NET PROFIT (LOSS)</b>	<b>\$ 211</b>	<b>\$ 41</b>	<b>\$ 388</b>	<b>\$ 72</b>	<b>\$ 18</b>	<b>\$ (0)</b>	<b>\$ (30)</b>	<b>\$ 699</b>

**Appendix L – Note: Prepared September 30, 2024 based on best estimates; subject to change and not approved by the Board of Governors**

**UNIVERSITY of WINDSOR  
2025/26 Cash Flow Forecast**

	(\$000s)	
<b>Operating Activities</b>		
Student Academic & Incidental Fees	197,843	
Government Grants	114,180	
Investment Income & Other Revenues	7,728	
Profit from Ancillary Operations	699	
Salaries & Wages	(219,241)	
Pension & Benefits	(48,114)	
Utilities	(8,297)	
Computer System Costs	(3,521)	
Library eResources	(4,572)	
Interest on long-term debt	(9,097)	
All Other Operating Expenses	(35,907)	
	(8,299)	(8,299)
<b>Financing Activities</b>		
Principal Repayments on long-term debt	(2,108)	
	(2,108)	(2,108)
<b>Investing Activities</b>		
Capital Expenditures	(8,526)	
FRP & other grants	4,580	
YMCA rental	300	
Other	500	
	(3,146)	(3,146)
<b>Net change in Cash and Working Capital Investments</b>		<b>(13,553)</b>
Cash & cash equivalents, and Working Capital Investments, beginning of year		187,954
<b>Cash &amp; cash equivalents, and Working Capital Investments, end of year</b>		<b>174,401</b>
Less: Restricted Funds (internal and external) in Trusts, Research Grants		(95,000)
<b>Cash Available to Support Operations</b>		<b>79,401</b>

University of Windsor  
Board of Governors

\*4.4.1: **Revisions to Policy on Succession Planning for President and Bylaw 14**

Item for: **Approval**

Forwarded by: **Board Governance Committee**

**MOTION: That the proposed revisions to the Policy on Succession Planning for President and to Bylaw 14: The Provost, be approved.**

Proposed Revisions

*[revisions are in bold and strikethrough]*

**Policy on Succession Planning for President**

[...]

Long-term Absences - Interim President

Long-term absences, generally due to serious health concerns or for other compassionate reasons, result in a disconnect with the day-to-day activities of the university and require the appointment of an interim President.

**In the case of a long-term absence, the Board, on the recommendation of the Executive Committee, shall appoint an interim President.** In making an interim appointment, the ~~Executive Committee shall consider the~~ University's current leadership needs in terms of priorities and projects **shall be considered**. In assessing these needs, the Executive Committee **and the Board** may be guided by a report reviewed annually **by the Human Resources Committee** containing recommendations from the President for an interim appointment in the event of a long-term absence. ~~The appointment of an interim President by the Executive Committee shall be subject to approval of the Board at its next meeting.~~ The duration of the term for the interim appointment, and any renewal, will be at the discretion of the Board, on the recommendation of the Executive Committee. An Interim President shall have all the powers of the President but shall only make decisions consistent with the strategic directions and initiatives in place, unless otherwise directed by the Board.

Unexpected Departure – Acting President

Where there is an unexpected permanent vacancy due to the departure of the President, ~~the Provost shall immediately assume the role of the Board shall appoint an~~ interim President for a period not to exceed three months, by which time the Board will announce an acting appointment. **Both appointments shall be made** on the recommendation of the Executive Committee. The powers of the interim President shall be as noted above. In making an acting appointment, ~~the Board shall consider~~ the University's current leadership needs in terms of priorities and projects **shall be considered**. In assessing these needs, the **Executive Committee and the Board** may be guided by a report reviewed annually by the ~~Executive~~ **Human Resources** Committee containing recommendations from the President for an acting appointment in the event of an unexpected departure. The duration of the term for the acting appointment, and any renewal, shall be at the discretion of the Board. The Board shall launch a search for a new President, as soon as possible. An Acting President shall have all the powers of the President but shall only make decisions consistent with the strategic directions and initiatives in place, unless otherwise directed by the Board.

## Bylaw 14: The Provost

[...]

### 3 Duties, Responsibilities, and Terms and Conditions of Appointment

The Provost and Vice-President, Academic is a University official second in authority and executive responsibility only to the President. In addition, the Provost and Vice-President, Academic ~~shall~~ **may be appointed by the Board to** act on behalf of the President in the President's absence or inability to perform in all academic and administrative functions. The Academic and Administrative duties and responsibilities of the Provost and Vice-President, Academic are appended to this bylaw as Schedule A.

#### Rationale:

- The proposed revisions removes ambiguity around the approval of the interim appointment by the Board.
- The revisions also removes constraints around the appointment of an interim President in the case of an unexpected departure, allowing the Board to act according to current contexts and priorities. For instance, where the incumbent Provost is relatively new to the University and in the position, and/or where appointing the Provost would cause a domino effect of acting appointments which could cause further imbalance and impact priority and project continuity/momentum, *etc.*

University of Windsor  
Board of Governors

\*4.5.1: **Report on Faculty and Staff Hiring Trends and Employment Equity Data Comparisons with Other Universities**

Item for: **Information**

Forwarded by: **Board Human Resources Committee**

Board Human Resources Committee Report:

In accordance with the Board bylaw, at its October 9, 2024 meeting, the Board Human Resources Committee approved, on behalf of the Board, the President's Annual Report on Faculty and Staff Appointments. Accompanying this was a report on faculty and staff hiring trends, which included diversity data based on faculty and staff who self-identified under the four designated group as listed in the federal contractors' program. The report also includes diversity data from other Ontario universities, as well as data taken from the Canadian Labour Market Availability Pool, to provide some comparison. See attached for diversity data reports (BG241022-4.5.1a, and BG231022-4.5.1b).

**Faculty Information for BOG Human Resources Committee**

	2013-2014	2014-2015	2015-2016	2016-2017	2017-2018	2018-2019	2019-2020	2020-2021	2021-2022	2022-2023	2023-2024	
<b>University of Windsor General Faculty Data</b>												
1	# of Faculty New Hires	11	16	11	24	34	39	33	22	11	19	41
2	# of Faculty Retiring	13	12	16	20	19	11	20	16	15	18	20
3	# deceased while active	1	1	1	1	0	1	0	1	1	1	2
4	# resigned or terminated	2	4	7	5	3	6	3	8	6	5	5
5	Difference	-5	-1	-13	-2	12	21	10	-3	-11	-5	14
6	Average Age of Faculty	52.03	52.99	53.60	53.61	53.46	52.99	52.90	53.07	53.51	53.76	53.58
7	Average Age of Retirement of Faculty	65.87	67.33	66.69	66.60	67.37	67.00	66.10	69.06	71.53	66.22	70.15
8	Total Faculty Members	550	542	552	556	573	594	614	614	601	599	620
9	<b>Employment Equity Data - Faculty New Hires</b>											
	<i>Women</i>	45.5%	43.8%	18.2%	33.3%	58.8%	46.2%	57.6%	50.0%	45.5%	52.6%	43.9%
	<i>Indigenous peoples</i>	0.0%	0.0%	0.0%	8.3%	2.9%	7.7%	9.1%	0.0%	0.0%	0.0%	2.4%
	<i>Racialized People/Visible minorities</i>	27.3%	25.0%	0.0%	12.5%	32.4%	28.2%	21.2%	40.9%	27.3%	26.3%	58.5%
	<i>Persons with Disabilities</i>	18.2%	6.3%	9.1%	8.3%	5.9%	5.1%	0.0%	4.6%	0.0%	5.3%	12.2%
10	<b>Employment Equity Data - Total Faculty Members</b>											
	<i>Women</i>	46.9%	47.6%	46.6%	46.7%	47.3%	45.3%	46.6%	47.5%	47.3%	47.7%	47.3%
	<i>Indigenous</i>	0.8%	0.7%	0.7%	0.7%	0.9%	2.2%	2.4%	1.6%	1.5%	1.6%	1.6%
	<i>Racialized People/Visible minorities</i>	18.4%	14.0%	13.4%	14.4%	17.9%	19.8%	20.2%	22.6%	25.4%	25.3%	26.4%
	<i>Persons with Disabilities</i>	4.3%	3.3%	3.3%	3.9%	4.4%	5.6%	5.1%	6.2%	7.7%	9.0%	9.0%

Note: For the purpose of this report a year is considered the period from July 1st to June 30th.

The report tracks faculty and librarians probationary tenure-track and tenured appointments, Learning Specialists - AAS probationary appointments, and Sessional Lecturers appointed under Articles 55:11 and 55:12 of the WUFA Collective Agreement. For the purpose of the report, this group is named "Faculty Hired".

**Employment Equity Data**

The terminology used for the designated groups are in accordance with the Federal Contractors Program under the Employment Equity Act. The four federally designated groups are Indigenous peoples, persons with disabilities, racialized people/visible minorities and women.

The employment equity data shown in section #9 and #10 are reported in percentages compared to the data shown in sections #1 to #8.

The "Employment Equity Data – Faculty Hired" is the internal representation percentages of the faculty hired in section #1 as shown above.

The "Employment Equity Data – Total Faculty Members" is the internal representation percentages of full faculty complement by year, which includes lecturers, assistant professors, associate professors, full professors, ancillary academic staff (AAS), learning specialists AAS, sessional lecturers, and librarians.

The "Employment Equity Data – Total Faculty Members" information reflects data as of December of that year.

The historical information for the Employment Equity Data is starting in 2013, as this was the most recent University-wide Employment Equity Census, which was conducted in fall 2013.

The internal representation percentages of the designated groups Indigenous peoples, persons with disabilities and racialized people/visible minorities are collected from the University of Windsor Employment Equity Census and Survey. The data on women are extracted from the University's Human Resources Information System (HRIS).

It is important to note that responding to the University of Windsor Employment Equity Census and Survey questions is voluntary and there is an option that an employee can choose not to answer the questions at this time. In addition, employees can update their status at any time.

**Staff Information for BOG Human Resources Committee**

Updated

	2013-2014	2014-2015	2015-2016	2016-2017	2017-2018	2018-2019	2019-2020	2020-2021	2021-2022	2022-2023	2023-2024
# of Staff Hired	6	20	29	36	43	51	28	33	38	69	64
# of Staff Retiring	20	30	21	28	24	23	20	31	34	42	19
# of Deceased Staff while active	2	1	3	1	2	4	2	0	2	0	4
# of Staff Resignations/Terminations	18	13	21	16	11	22	13	14	18	26	24
Difference	-34	-24	-16	-9	6	2	-7	-12	-16	1	17
<b>Employment Equity Data - Staff Hires</b>											
Women	66.7%	65.0%	58.6%	66.7%	60.5%	78.4%	50.0%	78.8%	68.4%	58.0%	59.4%
Indigenous peoples	0.0%	0.0%	0.0%	2.8%	2.3%	2.0%	0.0%	0.0%	10.5%	0.0%	1.6%
Racialized People/Visible minorities	16.7%	10.0%	17.2%	8.3%	4.7%	19.6%	17.9%	24.2%	26.3%	24.6%	23.4%
Persons with Disabilities	0.0%	5.0%	6.9%	0.0%	2.3%	2.0%	7.1%	3.0%	7.9%	10.1%	14.1%
<b>Employment Equity Data - Total</b>											
Women	65.1%	65.4%	66.3%	66.0%	65.8%	64.0%	62.3%	66.2%	63.4%	63.5%	62.6%
Indigenous peoples	3.0%	3.1%	2.8%	2.9%	2.9%	2.5%	2.4%	2.7%	2.4%	2.5%	1.9%
Racialized People/Visible minorities	11.0%	10.7%	9.8%	10.0%	10.5%	11.5%	12.3%	12.6%	16.6%	16.9%	18.2%
Persons with Disabilities	7.2%	7.2%	6.4%	5.8%	5.3%	5.2%	4.9%	7.4%	6.7%	7.2%	8.4%

**Note:**

For the purpose of this report a year is considered the period from July 1st to June 30th.

This report tracks all staff appointments including senior administrative appointments. Terminations includes: end of employment, job elimination, incomplete probation, bumping, callback declines, disciplinary, salary continuance, other.

**Employment Equity Data**

The terminology used for the four federally designated groups are in accordance with the Employment Equity Act and Federal Contractors Program. The four federally designated groups are Indigenous peoples, persons with disabilities, racialized people/visible minorities and women.

The employment equity data shown in the chart are reported in percentages compared to the other data shown in the chart where the information reports raw numbers.

The “Employment Equity Data – Staff Hires” is the internal representation percentages of the staff hired as shown above.

The “Employment Equity Data – Total” is the internal representation percentages of all non-academic employees, which includes full-time and part-time managerial and professional employees, all full-time and part-time unionized staff employees, full-time and part-time temporary staff employees (that have worked more than 12 weeks). This information reflects data as of December of that year.

The historical information for the Employment Equity Data is starting in 2013, as this was the most recent University-wide Employment Equity Census, which was conducted in fall 2013.

The internal representation percentages of the designated groups Indigenous peoples, persons with disabilities, and racialized people/visible minorities are collected from the University of Windsor Employment Equity Census and Survey. The data on women are extracted from the University’s Human Resources Information System (HRIS).

It is important to note that responding to the University of Windsor Employment Equity Census and Survey questions is voluntary and there is an option that an employee can choose not to answer the questions at this time. In addition, employees can update their status at any time.



**Report of the Office of Human Rights, Equity and Accessibility (OHREA)  
Employment Equity Data Comparisons with Other University Institutions**

	Canadian Labour Market Availability Pool	University of Windsor	Queen's University	University of Toronto	Toronto Metropolitan University	Western University*	Wilfrid Laurier	York University	University of Alberta	University of Calgary*	Dalhousie University*	Kwantlen Polytechnic University*	McGill University	University of Victoria
<b>Faculty</b>														
<i>Women</i>	44.0%	<b>47.3%</b>	48.8%	49.3%	47.0%	45.4%	46.0%	51.6%	47.0%	42.9%	44.0%	59.3%	49.0%	48.5%
<i>Indigenous peoples</i>	1.4%	<b>1.6%</b>	1.7%	1.8%	3.0%	1.5%	2.0%	0.6%	3.2%	1.5%	2.0%	2.2%	1.3%	5.0%
<i>Racialized Peoples/ Visible minorities</i>	21.1%	<b>26.4%</b>	21.3%	40.3%	32.0%	25.5%	20.0%	16.8%	23.6%	14.7%	20.0%	21.4%	20.3%	14.8%
<i>Persons with Disabilities</i>	8.9%	<b>9.0%</b>	4.4%	18.2%	7.0%	8.7%	7.0%	5.3%	6.2%	6.6%	7.0%	23.5%	4.8%	3.9%
<b>Staff</b>														
<i>Women</i>	48.2%	<b>62.6%</b>	64.9%	64.0%	64.0%	64.9%	68.0%	63.6%	68.1%	67.6%	60.0%	68.9%	65.0%	63.5%
<i>Indigenous peoples</i>	4.2%	<b>1.9%</b>	2.7%	1.1%	2.0%	1.7%	1.3%	0.7%	3.4%	1.6%	4.0%	1.6%	0.9%	3.0%
<i>Racialized Peoples/ Visible minorities</i>	26.8%	<b>18.2%</b>	15.3%	57.9%	43.0%	21%	10.0%	41.0%	24.2%	19.0%	23.0%	41.7%	27.2%	11.1%
<i>Persons with Disabilities</i>	9.1%	<b>8.4%</b>	8.4%	21.4%	7.0%	7.6%	5.0%	5.3%	8.1%	5.0%	13.0%	20.8%	4.6%	4.1%

Note: Data as of 2023/2024 academic year

- Reporting on the overall University percentages for faculty and staff
- Canadian Labour Market Availability (LMA) Pool (For the designated groups of women, Indigenous peoples and racialized people/visible minorities, the Faculty is derived from the 2016 Canadian Census NOC 4011-University Professors and Staff is derived from the 2021 Canadian Census National Labour Market Availability. For the designated group of persons with disabilities the data for both Faculty and Staff is derived from the Canadian Survey on Disability 2017)
- The University's fifth designated group, sexual/gender minorities (2SLGBTQIA+), is not reported because there is currently no external workforce comparator to conduct an analysis.

References

Canadian LMA 2021 (Staff) <https://www.canada.ca/en/employment-social-development/corporate/portfolio/labour/programs/employment-equity/reports/act-review-task-force/chapter-1.html#h2.5>  
<https://www.canada.ca/en/employment-social-development/services/labour-standards/reports/employment-equity-data-report-2016.html#aC>  
<https://www.canada.ca/en/employment-social-development/corporate/portfolio/labour/programs/employment-equity/reports/2016-annual.html>

University of Windsor's most recent report is from 2023 (not released, anticipated to be published in December 2024 – internal report)

Queens University's most recent report is from 2023 <https://www.queensu.ca/equity/representation-rates/employee-representation-rates>

University of Toronto's most recent report is from 2023 <https://people.utoronto.ca/inclusion/eedash/>

\*Toronto Metropolitan University most recent report is from 2022 <https://www.torontomu.ca/diversity-self-id/diversity-data-centre/employee-diversity-data-centre/>

\*Western University's most recent report is from 2022 [https://www.edi.uwo.ca/resources/reports/western\\_equity\\_census.pdf](https://www.edi.uwo.ca/resources/reports/western_equity_census.pdf)

Wilfrid Laurier emailed an electronic copy of their most recent 2023 EE Report (confidential - internal report)

York University's most recent report is from 2023 [https://www.yorku.ca/vpepc/wp-content/uploads/sites/310/2024/07/Final-2023-Report-Employment-Equity\\_-002.pdf](https://www.yorku.ca/vpepc/wp-content/uploads/sites/310/2024/07/Final-2023-Report-Employment-Equity_-002.pdf)

University of Alberta's most recent report is from 2023 <https://www.ualberta.ca/equity-diversity-inclusion/media-library/edi/survey-and-reports-page/publicstaffedi-report-r06-23.pdf>

\*University of Calgary's most recent report is from 2022 <https://www.ucalgary.ca/live-uc-ucalgary-site/sites/default/files/teams/330/UCalgary%20EDI%20Data%20Infographics%202022.pdf>

\*Dalhousie University's most recent report is from 2021 <https://cdn.dal.ca/content/dam/dalhousie/pdf/dept/hres/AnnualReport/Dalhousie-Census-Report-2021.pdf>

\*Kwantlen Polytechnic University emailed an electronic copy of their most recent 2021 EE Report

McGill University's most recent report is from 2023 [https://www.mcgill.ca/senate/files/senate/06\\_d22-72\\_biennial\\_report\\_on\\_employment\\_equity.pdf](https://www.mcgill.ca/senate/files/senate/06_d22-72_biennial_report_on_employment_equity.pdf)

University of Victoria's most recent report is from 2023 <https://www.uvic.ca/equity-action-plan/view-progress/employment-equity-data/index.php>

University of Windsor  
Board of Governors

\*4.8.1: **New US Neighbour Tuition Rate – MBA Accounting Stream**

Item for: **Approval**

Forwarded by: **Board Resource Allocation Committee**

**MOTION: That the Board of Governors approve a new US Neighbour Rate of \$9,897.67 per term for students in the MBA Accounting Stream.**

**Rationale:**

- See 'Memo – MBA – Accounting (PAS) US Good Neighbour Rate'

*See attached.*



**Department of Finance**

401 Sunset Avenue  
Windsor, Ontario N9B 3P4  
T 519-253-3000 F 519-971-3619

To: Members of the Board of Governors  
From: Christie Hall, Assistant Controller  
Date: October 22, 2024  
**Subject: MBA-Accounting (PAS) US Good Neighbour Rate**

The Odette School of Business is currently seeking approval to offer a “Good Neighbour” tuition rate to US students for their MBS-PAS program.

Previously, the Odette School of Business would not have accepted US Students into the Master of Business - Accounting (PAS) program because of the CPA Ontario course requirements. However, the NEW Odette program that will launch January 1, 2025, will allow current CPA holders (Canada or the US) to receive advanced standing in the program. This change will now allow US CPA holders to come into the program and as a result, Odette now expect students from Michigan to apply to the program.

The Tuition & Financial Aid Steering Committee met and concluded that charging US students the same tuition rate as domestic out-of-province students for the MBA-PAS program would be most appropriate. The Out of Province rate proposed for our US students would be much more attractive to prospective US students compared to the international rates. Odette also anticipates an increase in enrolment from US students if this rate is approved. Below is a summary of the current tuition rates for the MBA-PAS program at the University for Domestic, Out of Province and International students for reference:

Domestic	Out of Province and Proposed New US Rate	International
\$8,977.50/term	\$9,897.67/term	\$18,650.00/term

If approved, the new rate would be effective starting in the Winter 2025 semester.

The program is also looking to move to a per-course rate which would provide students greater flexibility in the event that they have failed a course, or are looking to transfer from another institution into this program. Board approval of this change in methodology for the assessment of tuition is not necessary.

University of Windsor  
Board of Governors

4.8.2: **HRIS System Implementation Update**

Item for: **Approval**

Forwarded by: **Board Resource Allocation Committee**

**MOTION:** That the Board of Governors approve an increase in the total UWinsite People Project cost from \$4.3M to \$4.9M.

**Rationale:**

See 'Memo - UWinsite People – Project Status Update'.

*See attached.*



**UWinsite People**  
401 Sunset Avenue  
Windsor, Ontario, Canada N9B 3P4  
uwinsitepeople@uwindsor.ca  
www.uwindsor.ca/uwinsite/people

BG241022-4.8.2

**To:** Board of Governors

**From:** Rachel McRae, UWinsite People Project Lead

**Date:** October 22, 2024

**Subject:** UWinsite People – Project Status Update

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### Project Background

The UWinsite People (UWP) project represents a comprehensive transformation of the University of Windsor's Human Resources Information System (HRIS), approved by the Board of Governors in January 2024. The project is designed to modernize and streamline HR and payroll processes, transitioning from the existing VIP system to Oracle HCM Cloud. The primary objectives of this transformation are to support HR transformation goals, improve payroll processes, enhance data management, and address the urgent need to replace the current on-premise solution with a cloud-based platform.

### Project Status Update

Since February, the project has made substantial progress, including the completion of over 300 Key Design Decisions (KDDs) to tailor the system to the University's business requirements. We successfully completed System Integration Testing (SIT), which validated more than 1,400 functional scenarios across six modules, demonstrating the system's reliability. Furthermore, we have streamlined HR processes by replacing manual, paper-based workflows with advanced recruiting technology, strategic workforce planning tools, and integrated, automated modules for benefits, time and labour, and absence management.

Currently, we are in the User Acceptance Testing (UAT) and Payroll Reconciliation Testing phases, which began in August. These phases involve comprehensive end-to-end testing to ensure a seamless transition to the new system. To support this, we completed a full data conversion to create a robust testing environment. A detailed cutover plan has also been developed, ensuring that key systems are handed over smoothly, while maintaining data integrity and operational efficiency. However, as we approach the November 18 go-live date, several significant risks have been identified during Payroll Reconciliation Testing, which, without proper mitigation, could impact payroll processing and year-end reporting. The memo below outlines these risks and the recommended mitigation strategies.

### Payroll Reconciliation Testing

Payroll Reconciliation Testing in the UWinsite People implementation is a critical step to ensure payroll data accuracy and integrity before the system goes live. This process involves comparing payroll results from the new UWinsite People system with those from the legacy VIP system, verifying that employee earnings, deductions, taxes, and benefits are calculated correctly (also known as "parallel processing"). By identifying any discrepancies between the two systems, this testing ensures compliance with regulatory requirements and reliability in payroll processing.

The current Payroll Reconciliation Testing has revealed challenges related to the quality and consistency of legacy HR and payroll data. These issues have delayed the completion of the first round of reconciliation. Despite the delay in the first round of payroll reconciliation, the project team and Accenture remain confident that payroll

reconciliation for all employees is achievable. All variances have been thoroughly reviewed, and solutions to address them have been identified. The table below outlines the key risks identified during the first round of testing and the recommended strategy to address them.

Risk	Implication	Risk Mitigation Strategy
<b>Payroll balances in VIP are not inherently stored in the database.</b>	Payroll balances required to prepare T4's are not stored in VIP until year-end (Dec 31). Attempts to manually recreate these balances resulted in several discrepancies during reconciliation, making the balances unreliable. This could mean that T4 reporting could be inaccurate if we continue as planned with a mid-calendar year cutover.	The project team recommends extending the system cutover to <b>January 6</b> to align with the calendar year. This will ensure that T4 generation for 2024 remains accurate and reconcilable.
<b>Inconsistencies in VIP legacy data, including exceptions and customizations.</b>	The VIP system has accumulated numerous customizations over the years, causing unique errors for individual employees and a high number of discrepancies. While the causes of these discrepancies have been identified, resolving them is a complex and time-consuming process, and without sufficient time, there is a risk that payroll inaccuracies may persist in UWP.	To mitigate this risk, it is recommended to extend the go-live date. This extension allows time to resolve all variances within acceptable thresholds, and gives technical and functional teams additional time to clean and validate legacy data for accurate payroll processing post-go-live.

The counter risk to an extension of timeline, is remaining on the now unsupported DLGL platform for an additional 6 weeks. The team has considered this risk against the others, and has determined that to protect the accuracy of the T4's, financial statements and to protect the reputation of the institution, a delay in timeline to January 6 is best.

### Steering Committee Go/No-Go Decision

At the **September 23, 2024** UWinside People Steering Committee meeting the Committee agreed that extending the system's go-live date to **January 6, 2025** was the best course of action.

### Revised Project Timeline

Below is the revised project timeline for remaining activities with the extension of the go-live date to **January 6, 2025**.

Project Milestone	Date
UAT Execution	August 12 – November 3
Payroll Reconciliation Testing	August 12 – November 3
Training Delivery	November 1 and on going
Deployment	November 4 – December 2
<b>Freeze Period for VIP</b>	<b>October 22 – January 5</b>
<b>Go Live! (Soft Launch for HR and Payroll Teams)</b>	<b>December 2</b>
<b>Go Live! Campus Wide</b>	<b>January 6</b>
Sustainment	January 6 and on going

### Update Capital Project Budget

A small increase to the project budget is required to support the extended timeline, as well as a small change in scope that was approved by the Steering Committee earlier this year, to include the Learning module and Health and Safety module as part of the overall project. The revised budget ensures that all costs associated with the extended timeline and future phases are appropriately captured.

Note that the external costs in the chart below are inclusive of non-refundable HST (chart presented in \$000's).

Description	Original Budget				Projections (at Sep '24)	Extension Projections	Revised Budget	Budget Changes	% Change
	Phase 0	Phase 1	Phase 2	Total					
<b>Pre-Implementation</b>									
Fit Gap Analysis	265			265	265	0	265	0	0.0%
<b>Implementation</b>									
Consultant		2,327	393	2,720	3,149	461	3,610	890	32.7%
Project Team		347	221	568	463	91	554	-14	-2.4%
System Licensing		126	153	279	334	0	334	55	19.7%
Other Costs		62	37	99	54	0	54	-45	-45.5%
<b>Project Contingency</b>									
Contingency		286	83	369	0	83	83	-286	-77.5%
<b>Total Project Budget</b>	<b>265</b>	<b>3,148</b>	<b>887</b>	<b>4,300</b>	<b>4,265</b>	<b>635</b>	<b>4,900</b>	<b>600</b>	<b>14.0%</b>

### Updated Funding Strategies:

The overall funding strategy for the project has been updated as follows, with additional funding provided through IT Project Funding (in \$000's):

Funding Already Available and Earmarked	Original Funding Strategy	Updated Funding Strategy
Operating Budget 23/24 6-month review set aside	\$750	\$750
ITS Project Funding	\$744	<b>\$1,294</b>
IT Strategic Priority Fund	\$0	\$50
In-year operating budget savings earmarked for HRIS replacement	\$577	\$577
From in-year savings in HR and Finance	\$229	\$229
<b>Total Funding Already Available</b>	<b>\$2,300</b>	<b>\$2,900</b>
<b>Strategic Priority Fund</b>	<b>\$1,000</b>	<b>\$1,000</b>
<b>Internal Loan (repayment: \$100K over 10 years)*</b>	<b>\$1,000</b>	<b>\$1,000</b>
	<b>\$4,300</b>	<b>\$4,900</b>

\*Repayment plan to be generated from savings in FTE's as a result of the implementation.

### Phase 2 Implementation Plan

The University remains committed to moving forward with Phase 2 of the UWinside People implementation, which is now tentatively scheduled to begin in **February 2025**, with a targeted completion date of **August 2025**. The focus of Phase 2 will be on Faculty and Research Recruitment, the Learning module and Health and Safety. The Talent Management module's implementation will be delayed until following Phase 2.



University of Windsor  
Board of Governors

4.8.3: **New Residence – Food Hall Fit Out**

Item for: **Approval**

Forwarded by: **Board Resource Allocation Committee**

**MOTION:** That Board of Governors approve the Rodzik Dining Hall Fit Out Project with a total project cost of \$4.96M.

**Rationale:**

*See attached.*


**Vice-President, Finance & Operations**

Assumption Hall, Room 128  
 400 Huron Church Road  
 Windsor, Ontario N9C 2J9  
 T 519-253-3000 (x 2092)

**To:** Board of Governors

**From:** Shae Harasym, Director, Ancillary Operations  
 Ryan Kenney, AVP Operations

**Date:** October 22, 2024

**Subject:** **New Residence – Food Hall Fit-Out**

### Executive Summary

The University of Windsor has established a strategic partnership with Tilbury Capital (“Tilbury”) to construct a state-of-the-art residence facility at 710 Sunset Avenue, directly across from Alumni Hall Residence. The project, approved by the Board of Governors in 2022, encompasses a 130,404 sq. ft. residence featuring six stories and 452 beds, and remains on track to open for September 2025.

In conjunction with the residence development, the University has secured a lease for a 13,552 sq. ft., 250 seat dining hall within the residence, which will be designed alongside the expertise of Sodexo Canada Inc. (“Sodexo”), the University’s food service provider. This new dining facility will be operated by Sodexo and serve not only residence students but also faculty, staff, and the wider campus community, offering an innovative "all you care to eat" meal plan model.

This project aligns with the University’s **Aspire: Together for Tomorrow Strategic Plan** and its call for a high-quality student experience for everyone. It also revitalizes the site of the former Clark Residence, creating a student housing hub. The dining hall’s construction is slated to begin on March 1, 2025, with a completion target of August 1, 2025 with a total project cost of \$4.96M. Together, these developments will significantly enhance the campus experience by promoting community, convenience, and health among students and staff alike.

### Project Overview

The University has formed a strategic partnership with Tilbury to develop a residence geared at first year students. Tilbury is responsible for the design, build, finance, operation and maintenance elements of the residence and the partnership. This assignment of responsibility, and the related build, maintain and operate standards are articulated in two critical agreements:

- ✓ Land lease
- ✓ Operating agreement

The agreements assign to the University the responsibility for provision of meal plan services to residents of both the new residence building and other existing residence buildings on campus.

As part of the commercial arrangements with Tilbury, the University has secured a lease (the University as lessee) to construct and operate a 13,552 sq. ft., 250 seat dining hall. This new dining hall will be centrally located within Rodzik Hall and will be easily accessible from both Sunset Avenue and Patricia Avenue. Based on the current project schedule, construction of the entire residence remains on track for occupancy in September 2025, with dining hall construction expected to commence March 1, 2025, and be completed August 1, 2025.

The dining hall and kitchen will be purpose built on-site to provide sufficient capacity for the entire residence student population, which will rectify a long-standing issue of insufficient dining spaces for students residing on campus, and will provide for a central residence dining location which is the norm across other Canadian post-secondary campuses.

After operating campus food services internally for several years, the University launched a public procurement process to select a new third-party food services operator in 2022 to both modernize campus dining and provide a more favourable financial outcome. As a result of this procurement, Sodexo Canada Inc. ("Sodexo") was announced as the successful proponent, and as part of their submission agreed to pay the University a profit share of the commissions earned for all food services-related revenues, as well as provide a capital contribution as part of the management agreement. Sodexo is collaborating with the University on the design and continues to act as an important partner in bringing forward its expertise in the food services area. Sodexo will operate the dining hall once open and operational.

This new dining hall will cater to all residence students, faculty, staff, and the broader campus community under an innovative "all you care to eat" (AYCTE) meal plan model. Currently, the UWin Card functions as a debit card, with meal plans arranged through a declining balance approach. Upon the opening of the dining hall, the UWindsor meal plans will move to this new flat fee model, which will enable residence students to access the dining hall using their UWin Card and dine as frequently and as abundantly as they wish. The majority of higher education institutions in Ontario have now moved to this new AYCTE model as it has become a core part of the expectations of incoming students when deciding between institutions to select as their educational provider.

The Fit Out project proposed will see the dining hall open alongside the Rodzik Hall residence in September 2025. Teeple Architects and Callidus Engineering had been engaged by Tilbury Capital for the main residence building; after a competitive procurement process, the University of Windsor has also engaged them for the dining hall's architect work, making for a seamless and coordinated building design.

### Project Expected Outcomes

The anticipated benefits of the dining hall project will encompass a range of improvements and positive outcomes for the University. Some of the potential benefits include:

- **Community Building:** A centralized dining space fosters social interaction and collaboration among students, faculty, and staff, creates a sense of belonging and community and enhances campus life and engagement.
- **Enhanced User Experience / Convenience:** Having a single dining location simplifies meal options for students and staff, making it easier to access nutritious food without traveling across campus.
- **Diverse Menu Options:** A central dining hall can provide a wider variety of food choices, catering to different dietary preferences, including vegetarian, vegan, and allergen-friendly options.
- **Cost Efficiency:** Centralizing dining services can reduce operational costs through bulk purchasing, streamlined staffing, and improved resource management.
- **Sustainability:** A dedicated dining facility can implement sustainable practices, such as waste reduction programs, local sourcing of ingredients, and eco-friendly packaging.
- **Enhanced Meal Plans:** A central dining hall allows for innovative meal plan structures, such as "all you care to eat," providing flexibility and value to students.
- **Health and Wellness:** By offering healthy meal options in one location, the dining hall promotes better eating habits among the campus community.
- **Culinary Innovation:** A larger facility can support diverse culinary programs and initiatives, fostering creativity in meal preparation and presentation.
- **Support for Local Vendors:** A central dining hall provides an opportunity to partner with local farms and businesses, bolstering the local economy and providing fresh, high-quality food options.

The dining hall project further supports the underlying foundational commitments under the *Aspire: Together for Tomorrow* Strategic Plan, specifically ensuring a high quality, relevant teaching, learning, and student experience for everyone and fostering an engaged, healthy, safe, and environmentally sustainable campus.

### Project Governance Structure

The University has established a Capital Project Committee for construction of the dining hall that is responsible for project governance and strategic decisions during the procurement and construction phase of the project. The Vice-President, Finance and Operations is the Executive Sponsor for the project.

Name	Position	Role
Gillian Heisz	Vice-President, Finance and Operations	Chair & Exec Sponsor
Ryan Kenney	Associate Vice-President, Operations	Member
Shae Harasym	Director, Ancillary Operations	Member
Charlie Simpkins	Director, Strategic Initiatives & Business Enterprise	Member
Lynn Charron	Acting Director, Residence Life Services	Member
Kevin Francis	Project Administrator	Member
Dan Castellan	Manager, Facilities Projects	Member
Tracy Huff	Ancillary Operations Coordinator	Admin Support
Sodexo Leadership		

### Capital Budget

In partnership with Teeple, the project team has prepared a capital project budget for the Rodzik Dining Hall Fit Out Project, as presented below. Note that at this stage, the budget is based on Class C estimates, and as a result, the construction contingency is higher than typical. The effective rate of HST would be nil as the project is eligible for full ITC's. Should further savings need to be identified based on future iterations of the budget and/or prices at tender, the budget for kitchen equipment will be reduced.

Description		Total (\$000's)
General Contractor Costs		\$2,173
Construction & Design Contingency	20%	\$435
<b>Total Cost of Construction</b>		<b>\$2,608</b>
Architects and Consultants		\$156
Kitchen Equipment		\$1,620
Furniture		\$438
Miscellaneous & Other		\$138
<b>Total Soft Costs</b>		<b>\$2,352</b>
<b>Total Project Budget</b>		<b>\$4,960</b>

### Financing and Funding Strategies and Advancement

The funding strategy is primarily a capital contribution from Sodexo which was negotiated in the Management Agreement (2023). As part of this agreement, Sodexo will be contributing \$4.26M to the project, with an additional \$500,000 secured as a donation from the Rodzik Family Foundation for the formal naming of the dining hall. The Advancement Office has also identified another possible supporter for a \$200,000 gift to support the furniture.

The overall funding strategy for the project is as follows (in \$000's):

Funding Already Available and Earmarked	
Sodexo Contribution	\$4,260
Fundraising	\$700
<b>Total Funding Already Available</b>	<b>\$4,960</b>

It is anticipated that no additional funding by way of financing will be required at this point in time. Given the external nature of the project’s financing structure, a break-even analysis is not relevant for the purposes of illustrating the project’s payback period; the University’s payback period is effectively nil.

In the unlikely scenario of a termination of the food services agreement with Sodexo, the University would be required to reimburse Sodexo the unamortized portion of the dining hall’s capital investment, which is equal to \$284K for each year of the 15-year amortization schedule remaining upon termination. Should termination occur during Sodexo’s agreement term, the University would immediately begin the public procurement process of engaging a new third party food services provider to replace Sodexo; as part of this process, an investment to offset the unamortized capital costs of the dining hall fit out would be expected of potential proponents to ensure the University minimizes its financial liability associated with these expenses.

### Operating Budget Impact

Due to the nature of the arrangements with Tilbury and Sodexo, there is no impact to the University’s ongoing operating budget because of this capital project. The revenues generated from commissions from Sodexo are expected to cover the rent and utility costs. Excess commissions earned from higher than predicted residence enrolment will support the repayment of historical food services debt.

### Impact of Project on Campus Operations

Due to the nature of the arrangements with Tilbury and Sodexo, there is no impact to campus operations.

### Risk Assessment

Administration has prepared a risk assessment for the capital project and determined for the suite of risks whether it is a low, medium, or high risk. Please note that the assessment considers the likelihood of the risk as well as its magnitude for the institution.

<b>Risk</b>	<b>Assessment</b>	<b>Discussion and Mitigation Strategies</b>
Escalation of project costs	Medium	There is some level of risk associated with the overall project budget given the fluid nature of the current construction environment. As a mitigation strategy, the project budget contains a contingency allocation and industry experts have been consulted to reasonably estimate expected costs.
Extension of project timeline	Low	The project is time sensitive due to the inherent risk of the residence hall and dining hall construction not being completed in time for Fall 2025 opening. To mitigate the risk of project timeline extension, administration has ensured that key resources are assigned to the project, construction timelines are strictly adhered to, additional time has been allotted for delays, and the Executive Sponsor will closely monitor project progress.
Reputational Risks	High	There is significant reputational risk to the institution of failing to successfully open the dining hall and residence on schedule. Selection of strong partners and adequate staffing of the team will help to mitigate this risk.

Other risks assessed by the project team but deemed to be low or nil include risk to institutional working capital or debt; impact on University credit ratings; impact on MCU-monitored financial health metrics; taxation / charitable status / government relations related risks and climate change related risks.

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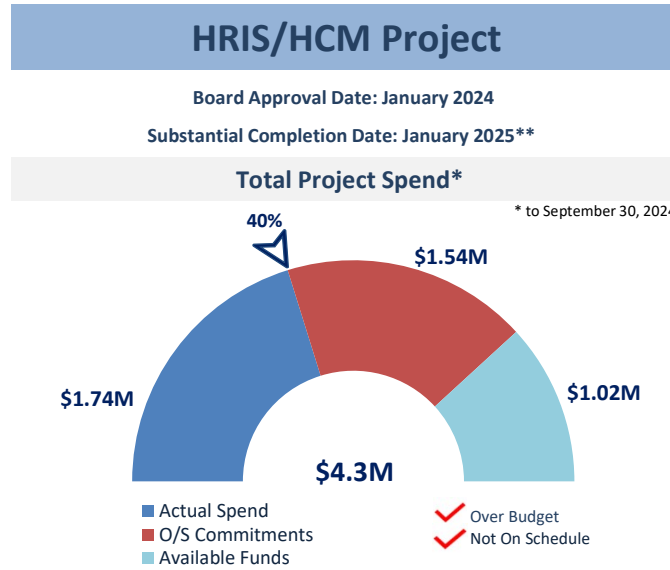
\*4.8.4: **Sustainability Framework**

Item for: **Information**

Forwarded by: **Board Resource Allocation Committee**

A new Sustainability Framework website is now available: <https://www.uwindsor.ca/sustainability/356/campus-sustainability-framework>.

## Board Approved Capital Projects > \$2.5M



\*\* Substantial completion date has been pushed back to January 2025 due to high risk factors of earlier implementation  
 \*\* Request for Board approved budget of \$4.3m to be increased to \$4.9m

Project Name	Budget	Expenditures and O/S Purchase Orders	Notes
HRIS/HCM Implementation	\$4.3M	\$3.28M	<p><b>Project Status</b> - Configuration of Oracle HRIS software. Phase 1: Project underway, currently in UAT testing and Payroll Reconciliation Phase.</p> <p><b>Change Management/Comms:</b> The UWinsite People Change Management team has been actively meeting with all faculties and departments to communicate the change impacts of the UWinsite People implementation. A comprehensive training plan for end users has been developed and will launch on November 4 to prepare the campus for go-live.</p> <p><b>Substantial completion - January 2025</b></p> <p><b>Funding Source</b> - Internal Reserves, Internal Loan</p>

## Active Projects with a Budget of \$1.5M - \$2.5M

Project Name	Budget	Expenditures and O/S Purchase Orders	Notes
TERF_2024_Campus Classroom Renovations	\$ 1,738,537.00	\$470,701	Project Status - Implementation ongoing Substantial completion - Jan 2025
CAW HVAC Controls Upgrades	\$ 2,100,000.00	\$130,109	Project Status - Contractor selected, KO implementation Phase 1 - 2024/25 - approved at \$1.2M Phase 2 - 2025/26
Alumni Stadium Outdoor Mondo Overlay Track (2024)	\$ 1,784,383.00	\$1,784,372	Project Status - Install complete, deficiencies being addressed
Leddy West - 1st Floor Student Collaboration Hub	\$ 1,500,000.00	\$123,885	Project Status - Site prep being completed, procurement in progress Phase 1 - Abatement activities commenced, tender docs to be released Oct 2024 Phase 2 - Construction