



**FOR INFORMATION**

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**OPEN SESSION**

**TO:** Business Board

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**PRESENTER:** Sheila Brown, Chief Financial Officer  
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**DATE:** September 15, 2017 for October 10, 2017

**AGENDA ITEM:** 5

**ITEM IDENTIFICATION:**

Endowment Annual Financial Report for the year ended April 30, 2017

**JURISDICTIONAL INFORMATION:**

Pursuant to Section 5 (1.) (b.) of the Business Board Terms of Reference, the Business Board has responsibility for reviewing regular reports on matters affecting the finances of the University and on financial programs and transactions.

**GOVERNANCE PATH:**

**1. Business Board [For Information] (October 10, 2017)**

**PREVIOUS ACTION TAKEN:**

The 2016 annual financial report on endowments was presented to the Business Board on September 26, 2016.

**HIGHLIGHTS:**

Endowments provide a strong base of funding for student aid, for endowed chairs, for research and for academic programs in support of the academic vision. Endowments are restricted funds which must be used in accordance with purposes specified by donors or by Governing Council. Endowments are not available for use in support of general operating activities. At April 30, 2017, there were over 6,000 individual endowment funds totalling \$2.4 billion market value, an increase of \$282 million from April 30, 2016, made up of:

\$ 36 million	endowed donations
\$ 8 million	transfers from the University's unrestricted funds
\$341 million	investment income
(\$ 22 million)	fees and expenses
<u>(\$ 81 million)</u>	allocation for spending
<u>\$ 282 million</u>	

The increase in the total value of endowments resulted from an investment return of 15.4% for the 2016-17 year, net of investment fees and expenses, as compared to an investment return of -0.3% for 2015-16, also net of investment fees and expenses. In accordance with the University's Preservation of Capital Policy, the strategy is to not spend everything earned through the investment of funds in years when investment markets are good. In favourable years, such as 2016-17, funds in excess of the spending allocation are set aside and re-invested to provide a reserve to fund the spending allocation in years, such as 2015-16, when investment markets are poor. Please consult the full report for a comprehensive discussion of the endowments.

**FINANCIAL IMPLICATIONS:**

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**RECOMMENDATION:**

For information.

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**DOCUMENTATION PROVIDED:**

- *Endowments Annual Financial Report for the year ended April 30, 2017*