

**ONTARIO  
SUPERIOR COURT OF JUSTICE  
COMMERCIAL LIST**

**IN THE MATTER OF THE *COMPANIES' CREDITORS  
ARRANGEMENT ACT*, R.S.C. 1985, c. C-36, AS AMENDED**

**AND IN THE MATTER OF A PLAN OF  
COMPROMISE OR ARRANGEMENT OF  
LAURENTIAN UNIVERSITY OF SUDBURY**

**SEVENTH REPORT OF THE MONITOR  
August 24, 2021**

**INTRODUCTION**

1. On February 1, 2021, Laurentian University of Sudbury (“**LU**” or the “**Applicant**”) brought an application (the “**CCAA Application**”) before this Court seeking an initial order pursuant to the *Companies’ Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the “**CCAA**”) to, among other things, obtain a stay of proceedings to allow the Applicant an opportunity to financially and operationally restructure itself.
2. On February 1, 2021, the Court granted an initial order (the “**Initial Order**”) that, among other things, appointed Ernst & Young Inc. as monitor of the Applicant in these CCAA proceedings (in such capacity, the “**Monitor**”), and approved a stay of proceedings for the initial 10-day period (the “**Stay Period**”) and certain Court ordered super-priority charges.
3. On February 5, 2021, the Court issued an order (the “**Mediator Appointment Order**”) appointing the Honourable Mr. Justice Sean F. Dunphy as mediator (the “**Court-Appointed Mediator**”) to oversee and mediate certain negotiations within the restructuring.
4. On February 10, 2021, the Court held a comeback hearing, which resulted in the issuance of an amended and restated initial order (the “**Amended and Restated Initial Order**”) which, among other things, approved debtor-in-possession interim financing in the amount of \$25 million (the “**DIP Facility**”) and extended the stay of proceedings to April 30, 2021.
5. On April 29, 2021, the Court granted a stay extension order (the “**Stay Extension Order**”) which, among other things, approved an increase in the DIP Facility to a maximum

principal amount of \$35 million (the “**Amended DIP Facility**”) and extended the stay of proceedings to August 31, 2021.

6. On May 31, 2021, the Court granted a claims process order (as amended and restated from time to time, the “**Claims Process Order**”) which, among other things, established a process whereby the Monitor, in conjunction with the Applicant, would (a) call for certain claims of creditors and establish bar dates by which such claims must be filed, (b) determine Claims (as defined in the Claims Process Order) for voting and distribution purposes in relation to a plan of compromise or arrangement to be presented by the Applicant at a future date (the “**Plan**”), and (c) develop a process for dealing with compensation claims, including establishing a methodology for calculating the compensation claims (the “**Claims Process**”).
7. On August 17, 2021, the Court granted an order (the “**Compensation Claims Process Order**”) approving the methodology to calculate Compensation Claims, other than Third Party RHBP Claims, (as those terms are defined in the Compensation Claims Process Order) and a process for notification and claims processing to determine Compensation Claims for voting and distribution purposes in relation to a Plan.

## **PURPOSE**

8. The purpose of this Seventh Report of the Monitor (the “**Seventh Report**”) is to provide information to the Court on:
  - a. The Applicant’s ongoing operations;
  - b. The status of the Applicant’s restructuring efforts;
  - c. Interactions with certain government bodies;
  - d. An update with respect to information requests and proceedings pursuant to the *Freedom of Information and Privacy Act* (“**FIPPA**”);
  - e. Engagement with stakeholders and the activities of the Chief Redevelopment Officer (“**CRO**”);
  - f. The status of the Claims Process;
  - g. The Applicant’s actual receipts and disbursements for the 17 week period from April 17, 2021 to August 13, 2021 (the “**Reporting Period**”) compared to the cash flow forecast appended to the Third Report;

- h. The Applicant’s cash flow forecast (the “**Revised Cash Flow Forecast**”) for the 25 week period from August 14, 2021 to February 4, 2022 (the “**Forecast Period**”);
- i. The Applicant’s request for approval of an order that, among other things:
  - i. approves the amendment to the DIP Facility to extend the maturity date to January 31, 2022; and
  - ii. extends the stay of proceedings from August 31, 2021 to January 31, 2022; and
- j. The Monitor’s recommendations with respect to the above.

## **TERMS OF REFERENCE AND DISCLAIMER**

- 9. In preparing this Seventh Report and making the comments herein, the Monitor has been provided with, and has relied upon, unaudited financial information, books and records and financial information prepared by the Applicant and discussions with senior management of the Applicant (“**Management**”) (collectively, the “**Information**”). Except as described in this Seventh Report in respect of the Applicant’s Revised Cash Flow Forecast:
  - a. The Monitor has reviewed the Information for reasonableness, internal consistency and use in the context in which it was provided. However, the Monitor has not audited or otherwise attempted to verify the accuracy or completeness of the Information in a manner that would wholly or partially comply with Generally Accepted Assurance Standards (“**GAAS**”) pursuant to the *Chartered Professional Accountants Canada Handbook* and, accordingly, the Monitor expresses no opinion or other form of assurance contemplated under GAAS in respect of the Information; and
  - b. Some of the information referred to in this Seventh Report consists of forecasts and projections. An examination or review of the financial forecasts and projections, as outlined in the *Chartered Professional Accountants Canada Handbook*, has not been performed.
- 10. Future oriented financial information referred to in this Seventh Report was prepared based on Management’s estimates and assumptions. Readers are cautioned that since projections are based upon assumptions about future events and conditions that are not ascertainable, the actual results will vary from the projections, even if the assumptions materialize, and the variations could be significant.

11. Unless otherwise indicated, the Monitor’s understanding of factual matters expressed in this Seventh Report concerning the Applicant and its business is based on the Information, and not independent factual determinations made by the Monitor.
12. This Seventh Report does not take into account all future impacts of COVID-19 (SARSCoV-2) (“**COVID-19**” or the “**Pandemic**”) on the forecasts or projections or other actions taken by the Applicant as a result of the Pandemic. Any references made to the impact of the Pandemic on the Applicant in this Seventh Report are based on preliminary enquiries and are not to be interpreted as a complete commentary or as an accurate assessment of the full impact of the Pandemic. The full impact of the Pandemic is not capable of being qualitatively or quantitatively assessed at this time.
13. Capitalized terms not defined in this Seventh Report are as defined in the Pre-Filing Report of the Proposed Monitor, prior reports of the Monitor, the Amended and Restated Initial Order and other orders granted in the CCAA proceedings, as applicable.
14. Certain documents referred to in this Seventh Report are as attached to the initial affidavit of Dr. Robert Haché (the “**Initial Haché Affidavit**”) sworn January 30, 2021 or the affidavit of Dr. Robert Haché (the “**Recent Haché Affidavit**”) sworn August 20, 2021 in connection with this motion.
15. Unless otherwise stated all monetary amounts contained herein are expressed in Canadian dollars.

## **BACKGROUND**

16. On March 28, 1960, LU was incorporated under *An Act to Incorporate Laurentian University of Sudbury*, S.O. 1960, c. 151 C. 154 (the “**Laurentian Act**”).
17. LU is a non-share capital corporation and a registered charity pursuant to the *Income Tax Act*, R.S.C. 1985, c.1 (the “**Income Tax Act**”). Pursuant to Section 149 of the Income Tax Act, LU is exempt from the payment of income tax because of its status as a registered charity. As a registered charity, LU also receives donations and issues tax receipts to donors.
18. LU is a publicly funded, bilingual and tricultural post-secondary institution. Its operations are located in the City of Greater Sudbury, Ontario. LU has consistently been one of the largest employers in Sudbury.
19. As described in the Initial Haché Affidavit, the governance structure of LU is bi-cameral. It has a Board of Governors (the “**Board**”) and a Senate (the “**Senate**”), both of which derive their powers from the Laurentian Act. The Board, and the President and Vice-

Chancellor generally have powers over the operational and financial management of LU, whereas the Senate is responsible for decisions in respect of educational policy at LU.

20. Prior to this CCAA proceeding, LU had relationships with certain independent federated universities, including the University of Sudbury (“**SU**”), the University of Thorneloe (“**Thorneloe**”) and Huntington University (“**Huntington**”) (collectively, the “**Federated Universities**”). On April 1, 2021, LU delivered Notices to Disclaim or Resiliate to each of the Federated Universities pursuant to section 32 of the CCAA (the “**Notices of Disclaimer**”). The Notices of Disclaimer became effective on May 2, 2021.
21. Further background information with respect to the Applicant is described in the Pre-Filing Report and prior Reports of the Monitor.

#### **UPDATE ON THE APPLICANT’S ONGOING OPERATIONS**

22. As set out in the Third Report, since the date of the Initial Order, the Applicant has focused on maintaining normal course day-to-day operations. Student classes continued during the winter and spring/summer terms (virtually, due to the Pandemic) with no disruption.
23. In late July, the Applicant opened registration for Fall term courses, which will commence in September 2021. While it is still too early to know what final enrolment figures will be for the 2021-22 academic year, preliminary course registration data indicates that enrolment appears to be trending consistent with the projections used by LU as the basis for the forecast information in the Third Report. Further information on enrolment will only be available in late Fall after the final add/drop dates for courses has passed.
24. In accordance with provincial guidelines, the Applicant has recently re-opened the campus for in-person attendance. Classes for the 2021-22 academic year will be delivered utilizing a mix of in-person and remote or on-line forums. Vaccination requirements for students, faculty and staff on campus continue to evolve and further announcements will be made as more information is available.

#### **UPDATE ON THE APPLICANT’S RESTRUCTURING EFFORTS**

25. The Applicant continues to take steps to advance its restructuring in a number of key areas as set out below. The Monitor has worked with LU to assist and advance these efforts. The following is a high level summary of the key steps taken since the Third Report.

## **Restructuring in Respect of Employees**

26. As set out in the Third Report, in light of its financial challenges, LU undertook a full review of all aspects of its operations, including among other things, a review of its academic programming, its faculty and employee complement and its relationship with the Federated Universities. The review identified significant operational changes that were needed to achieve financial sustainability.
27. As a result, LU, with the assistance of the Court-Appointed Mediator, engaged in discussion and negotiation with a number of parties including:
  - a. A committee of representatives elected by the Senate to address the academic restructuring;
  - b. Each of the Federated Universities;
  - c. The Laurentian University Faculty Association (“**LUFA**”), the bargaining unit representing LU’s faculty members; and
  - d. The Laurentian University Staff Union (“**LUSU**”), the bargaining unit representing certain non-faculty staff members.
28. Among other things, these negotiations resulted in the execution and ratification of term sheets with each of LUFA and LUSU. The term sheet with LUFA (the “**LUFA Term Sheet**”) resulted in the termination of the employment of a number of faculty, agreement on the terms of a new collective agreement to succeed the expired collective agreement, amendments to LU’s pension plan arrangements for all employee groups, and the resolution of a number of outstanding grievances.
29. The term sheet with LUSU (the “**LUSU Term Sheet**”) also resulted in the termination of the employment of a number of LUSU members, certain changes to the terms of the LUSU collective agreement and agreement with respect to the pension plan amendments.
30. In addition to the changes negotiated with LUFA and LUSU, LU identified a number of non-unionized positions that could be either consolidated or eliminated, resulting in the termination of employment of a number of non-unionized employees. In addition, LU implemented changes to compensation and benefits for non-unionized employees to mirror the amendments agreed to with LUFA and LUSU.
31. All of the above arrangements are described in greater detail in the Third Report.
32. Since the date of the Third Report, all of the above changes have been implemented. Terminations occurred in April or May. The termination of certain post-employment benefits including the retiree health benefits plan (the “**RHBP**”) and a supplemental unfunded retirement plan were made effective on April 30, 2021. In addition, the LUFA

Term Sheet and LUSU Term Sheet provided for certain changes to the Applicant's registered defined benefit pension plan. Those amendments have been drafted and LU has since filed the amendments with the Financial Services Regulatory Authority and the Canada Revenue Agency.

33. As of the commencement of the CCAA proceedings, there were 102 outstanding grievances filed by LUFA. Since the date of the Third Report, LU and LUFA have worked, with the assistance of a mediator and the Monitor, to resolve all of the outstanding grievances. In addition, as provided for in the LUFA Term Sheet, the parties proceeded to interest arbitration to have a number of outstanding collective bargaining issues determined. These matters were resolved by issuance of the arbitrator's award on June 21, 2021. Finally, in accordance with the LUFA Term Sheet, LU and LUFA have agreed to litigate an outstanding Unfair Labour Practice complaint filed by LUFA. Both parties have agreed to have an arbitrator hear the matter in a one-day hearing. This hearing has been scheduled for September 21, 2021. The parties have agreed that no monetary damages will arise as a result of the award.
34. Since the commencement of the CCAA proceeding, a number of key personnel have left the university, including the Vice-President Administration & Finance and the University Secretary and General Counsel. LU has since hired Mr. Michel Piché to serve as Interim Vice-President, Finance & Administration. An existing LU employee is currently serving as Acting University Secretary. The General Counsel role remains vacant.

### **Academic Restructuring**

35. The negotiations conducted with the assistance of the Court-Appointed Mediator also resulted in certain low-enrolment programs being eliminated or consolidated. These changes have been fully implemented. Overall, the changes impacted less than 10% of students. The majority of these students have been accommodated either by having the existing programs "taught-out" or transferring the students into alternative programs. For a small number of students for which there was no reasonable alternative, LU worked with the Ministry of Colleges and Universities ("MCU") and other post-secondary institutions to allow the students to transfer to another university to complete their studies.

### **Federated Universities**

36. As set out above, the operational review resulted in Notices of Disclaimer being delivered to each of the Federated Universities. Thorneloe and SU brought motions before this Court seeking to have the Notices of Disclaimer set aside. These motions were dismissed by this Court. The Transition Agreement with Huntington, approved by the Court on May 2, 2021, has been implemented, payments required to be made therein have been paid by Huntington, and the Gerontology Program was transferred.

37. On May 3, 2021, Thorneloe University served a Notice of Motion seeking leave to appeal the decision of this Court dismissing its motion to set aside the Notice of Disclaimer in respect of the agreements between LU and Thorneloe University. On June 23, 2021, the Ontario Court of Appeal dismissed Thorneloe’s motion for leave to appeal.
38. Since the Third Report, LU has engaged in further discussions with each of SU and Thorneloe with respect to transition arrangements for the provision of certain facilities type services that LU provided to those parties. On August 24, 2021, a Services Agreement was executed by LU and SU, and LU is working to finalize the terms of a Services Agreement with Thorneloe. On July 30, 2021, LU provided notice to each of the Federated Universities that benefits coverage for active employees of the Federated Universities would be terminated effective September 30, 2021, and that the Federated Universities should make alternate arrangements. In addition, LU, with the assistance of the Monitor, continues to engage in discussions with SU and Thorneloe with respect to longer term arrangements regarding SU’s and Thorneloe’s participation in the registered pension plan.
39. In addition, as set out in the Third Report, LU, the Assemblée de la francophonie de l’Ontario (“**AFO**”) and the Monitor engaged in discussions that culminated in the parties reaching agreement on a form of consent order (the “**AFO Consent Order**”) that resolved, in large part, the issues raised in a motion served by AFO seeking an order requiring LU to initiate consultations with AFO and enter into joint negotiations with AFO and SU. Pursuant to the AFO Consent Order, LU and AFO agreed to engage in meaningful consultations and information sharing regarding any proposals made by the AFO and any restructuring or financial sustainability initiatives that may impact the status or use of the French language at Laurentian. Since the date of the Third Report, LU, the Monitor, SU and AFO have engaged in several discussions and LU has responded to numerous information requests. These discussions remain ongoing.

### **Real Estate Review**

40. On July 5, 2021, this Court issued an order authorizing and directing LU to engage Cushman & Wakefield (“**C&W**”) as an advisor (the “**Real Estate Advisor**”) to perform a review of the Applicant’s real estate portfolio.
41. As set out in the Fifth Report, the scope of the Real Estate Advisor’s mandate includes:
  - a. Reviewing and understanding LU’s current real estate portfolio;
  - b. Considering potential strategies with respect to the monetization of redundant or potentially excess assets in the real estate portfolio;
  - c. Reviewing third party leases within the real estate portfolio;
  - d. Consideration of other strategies to monetize real estate assets;



- e. Reviewing and making recommendations on the optimization of space utilization; and
  - f. Providing recommendations as to strategies that should be further explored and suggesting next steps.
42. An engagement letter with C&W was executed on July 20, 2021. Immediately following execution of the engagement letter, the Real Estate Advisor commenced its work. Since that date, the Real Estate Advisor has engaged in several meetings with LU and the Monitor, reviewed information requested by C&W and provided by LU, and attended in person at the campus to conduct a site tour of the buildings and land. The Real Estate Advisor's work is ongoing and currently it is expected that the Real Estate Advisor will have preliminary feedback to provide to LU by the end of September, 2021.
43. Over the past several weeks, the Monitor has received numerous calls and emails from stakeholders expressing views in respect of whether LU should divest any real estate. The Monitor notes that the Real Estate Advisor's current mandate is simply to review and provide recommendations and it is not expected that any implementation decisions will be made until the full scope of the mandate is completed.

#### **Operational and Governance Review**

44. Pursuant to the LUFA Term Sheet and LUSU Term Sheet, LU agreed to undertake an operational and governance review to identify opportunities for increased efficiency and effectiveness of LU's Board and Senate as well as to assess LU's internal operations including, among other things, finance, human resources, risk, compliance, and information technology and to identify opportunities to ensure that best practices are established and maintained to drive continued future financial sustainability.
45. On August 5, 2021, LU issued a request for proposals ("**RFP**") to be submitted by interested parties to undertake all or a portion of the operational and governance review. The deadlines for submissions in response to the RFP is August 31, 2021. A copy of the RFP is attached as Appendix "F" to the Recent Haché Affidavit.
46. It is currently expected that one or more parties will be selected to conduct the operational and governance review. It is also expected that the party(ies), once selected, will engage in consultation with LUFA and LUSU and other stakeholders with respect to key components of the review, as part of the information gathering and process and in consideration of potential recommendations. It is further expected that the results of such review will not be available until late in 2021 or early in 2022.

## INTERACTIONS WITH GOVERNMENT BODIES

47. Since the date of the Third Report, the Applicant has expended significant time and effort responding to requests from a number of government ministries, regulatory bodies and legislative authorities.
48. The Ministry of Francophone Affairs (the “**MFA**”) has made certain inquiries of LU to understand the impact of the academic restructuring on LU’s French-language programming and services including as it relates to LU’s partial designation under the *French Language Services Act* (the “**FLSA**”). LU has responded to all of the MFA’s information requests and provided detailed information to the MFA with respect to all of its francophone programs. Discussions between the MFA and LU remain ongoing and have been productive.
49. In June 2021, the French Language Services Commissioner (the “**Commissioner**”) with the Office of the Ombudsman for Ontario advised LU that it would be conducting an investigation pursuant to the FLSA to determine whether LU met its obligations pursuant to its partial designation under the FLSA when it closed certain French language academic programs as part of the academic restructuring. Since then, the Commissioner has made multiple information requests of LU which LU has responded to. LU has confirmed its commitment as a bilingual university and to ensuring that it continues to offer strong French language programs for the approximately 20% of its student population who choose to enrol in same. LU understands the Commissioner’s investigation remains ongoing and continues to cooperate with the Commissioner in this respect.
50. On April 28, 2021, the Standing Committee on Public Accounts of the Legislature of Ontario, passed a motion requesting that the Auditor General of Ontario (the “**AGO**”) perform a value-for-money audit of LU for the period 2010-2020.
51. Since then, LU has received very extensive information requests from the AGO. In addition, the AGO has reached out and met with a number of LU employees and directors. A team from the AGO has visited the campus spending several days on site.
52. LU has cooperated with the AGO’s investigation and has made considerable efforts to respond to the AGO’s information requests, including producing significant volumes of information and providing the AGO with direct access to financial accounting and other systems. This has also involved external counsel assisting LU with a review of privileged documents and to ensure that disclosure of information does not breach any orders issued by the Court in this proceeding. With the exception of documents subject to privilege or court-ordered confidentiality, LU continues to provide the AGO with all of the documents requested. The Monitor notes that given the extensive nature of the information requests and LU’s limited resources, the process of responding to the information requests has taken a considerable amount of time and effort.

## **FIPPA**

53. The Amended and Restated Initial Order provided for a stay in respect of any existing, pending or future information requests made to the applicant under FIPPA except with the written consent of the Applicant and the Monitor or leave of the Court. This Court's endorsement further provided that the Information and Privacy Commissioner of Ontario (the "**Privacy Commissioner**") could request that this issue be revisited in 30 days and that any request for reconsideration could be made through the Monitor.
54. Since the commencement of the CCAA proceedings, LU has corresponded with counsel to the Privacy Commissioner on several occasions. The Monitor understands that there are currently three outstanding information requests made under FIPPA that are currently stayed by the Amended and Restated Initial Order. In addition, the Monitor understands that there are three matters that are currently subject to the adjudication process provided for under FIPPA. The Monitor understands that counsel to LU continues to work with the Privacy Commissioner and the FIPPA adjudicator with respect to these requests.
55. A single FIPPA request could potentially require the identification and production of thousands of documents, depending on the nature of the request. The Monitor understands that most of the Applicant's books and records are kept in hard copy within the department responsible for such documents (i.e. documents in respect of facilities are kept by the facilities team and finance documents are with the finance team). There is no central repository for documents. As a result, a single information request under FIPPA could require the attention of multiple people at LU in order to search and locate the requested documents.
56. Further, the Monitor notes that immediately prior to the commencement of the CCAA proceeding and during the CCAA proceeding, the Applicant has experienced a further reduction of personnel which would make compliance with such requests very difficult at this time.
57. Given the significant amount of time that responding to a single FIPPA request can take, the severity of the Applicant's constrained resources, and considering the time and effort being expended by LU in advancing its restructuring, responding to the MFA requests, the FLSA investigation and the AGO audit, the Monitor understands that LU continues to seek the extension of the stay of proceedings to information requests made under FIPPA.

## **ENGAGEMENT WITH OTHER STAKEHOLDERS AND ACTIVITIES OF CRO**

58. Throughout this process, LU, through the CRO and with the assistance of the Monitor continues to engage in discussions with various other stakeholders including MCU, the

Applicant’s pre-filing lenders, LUFA and LUSU, research granting agencies, community representatives, indigenous stakeholders, the Northern Ontario School of Medicine and l’Université de Hearst.

59. The CRO has also spent considerable time assisting LU with formulating the scope of the operational and governance review and working with Management and the Board to advance the restructuring.

## **CLAIMS PROCESS<sup>1</sup>**

60. The Claims Process Order outlines the process by which Pre-Filing Claims, Restructuring Claims and D&O Claims (each as defined in the Claims Process Order) are to be solicited, reviewed and adjudicated. The Claims Bar Date for such claims was July 30, 2021, or in the case of Restructuring Claims, is the date that is thirty (30) days after the date the Monitor sends a Proof of Claim Document package to the Creditor.
61. As of the Claims Bar Date, the Monitor has received approximately 200 Proofs of Claim with an aggregate asserted claim value in excess of \$300 million. The Monitor and LU are in the process of reviewing Proofs of Claim as submitted and will provide the Court with further information as this review progresses.
62. The Compensation Claims Process Order approved a methodology to calculate Compensation Claims and a process for notification and claims processing to determine Compensation Claims for voting and distribution purposes in relation to a Plan.
63. Pursuant to the recently granted Compensation Claims Order, the Monitor is in the process of preparing individual Statements of Compensation Claims and expects these packages will be mailed to individual recipients within the next couple of weeks. The Monitor is also in the process of arranging for publication of the notices as contemplated in the Compensation Claims Order in the *Globe & Mail*, the *Sudbury Star* and *Le Voyageur*.
64. The Monitor notes that this Court was advised at the hearing in respect of the Compensation Claims Order, that any potential claims by the Federated Universities, the Mining Innovation Rehabilitation and Applied Research Corporation (“**MIRARCO**”), the Centre for Excellence in Mining Innovation (“**CEMI**”) and the Sudbury Neutrino Observatory Laboratory (“**SNOLab**”) (each a “**Third Party**” and together the “**Third Parties**”) and/or employees or retirees of the Third Parties specifically relating to the RHBP were being temporary excluded from the Compensation Claims Methodology (as defined in the

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<sup>1</sup> All capitalized terms used in this section that are not otherwise defined shall have the meaning ascribed to such terms in the Claims Process Order.

Compensation Claims Order) to allow the Applicant, the Monitor and the Third Parties to engage in further discussions. The Applicant has since proposed a process and timeline to counsel to certain of the Third Parties for such engagement with a view to resolving the methodology with respect to the Third Party RHBP Claims or returning to this Court to have the matter finally determined before the end of September.

65. The Monitor is of the view that the proposed timetable is reasonable, provides LU and the Third Parties with the opportunity to consensually resolve the Third Party RHBP Claims, and if necessary, will permit a contested motion to proceed in an orderly manner.

### **ACTUAL RECEIPTS AND DISBURSEMENTS**

66. The Applicant's weekly cash flow forecast for the period from April 17, 2021 to September 3, 2021 (the "**Cash Flow Forecast**") was appended to the Third Report.
67. Attached at Appendix "A" to this Seventh Report is a summary of the Applicant's actual receipts and disbursements for the Reporting Period. Appendix "B" to this Seventh Report contains a variance analysis with respect to some of the larger variances from the Cash Flow Forecast.
68. The Applicants had net cash inflow of approximately \$2.3 million during the Reporting Period net of (a) \$7.5 million in additional receipts from restricted funds directed to the Segregated Accounts, (b) \$3.6 million in reimbursements from the Segregated Accounts and (c) payment of monthly interest expense on the DIP Facility.
69. Net receipts were \$56.5 million vs. a previous forecast of \$38.5 million. Approximately \$4.9 million of the \$18.0 million variance relates to certain permanent positive differences relating to:
  - a. The receipt of certain operating grants that were not forecast;
  - b. Greater reimbursable expenses from SNOLab, CEMI and MIRARCO;
  - c. The collection of HST refunds from prior periods;
  - d. The collection of certain insurance proceeds; and
  - e. Other miscellaneous items.
70. The remaining \$13.1 million of positive variance is a timing difference as a result of earlier than forecast collection of student amounts, reimbursements and other receipts, the majority of which is expected to reverse during the next cash flow forecast period.

71. Net disbursements including payment of interest charges on the DIP Facility were \$54.2 million compared to a forecasted amount of \$72.9 million resulting in a positive variance of \$18.7 million. Approximately \$4.5 million of this relates to lower than forecast payroll, benefits and pension amounts primarily due to unfilled vacant positions, resignations and lower than forecast part-time and casual hires. The remaining \$14.2 million primarily relates to timing differences as a result of the ongoing deferral of all expenditures, other than critical expenditures, as LU continues to work through its restructuring, which positive variance is expected to reverse during the next cash flow forecast period.
72. Overall, the Applicant's actual net cash inflow was materially better than forecast. The Monitor notes that the ability to limit or defer expenditures has been possible as a result of the majority of operations continuing to have been conducted virtually. However, given the recent return to campus, it is expected that many ordinary course expenditures will need to resume over the coming weeks and months.

#### **REVISED CASH FLOW FORECAST**

73. The Revised Cash Flow Forecast, attached as Appendix "C" to this Seventh Report, has been prepared by Management, using the probable and hypothetical assumptions set out in the notes to the Revised Cash Flow Forecast (the "**Assumptions**") and represents the estimates of Management of the projected cash flow during the Forecast Period on a weekly basis.
74. The Revised Cash Flow Forecast has been prepared solely for the purpose described above, and readers are cautioned that it may not be appropriate for other purposes.
75. The Monitor has reviewed the Revised Cash Flow Forecast to the standard required of a Court-appointed Monitor by section 23(1)(b) of the CCAA. Section 23(1)(b) requires a Monitor to review the debtor's cash flow statement as to its reasonableness and to file a report with the Court on the Monitor's findings.
76. Pursuant to this standard, the Monitor's review of the Revised Cash Flow Forecast consisted of inquiries, analytical procedures and discussions related to information supplied to it by certain key members of Management and employees of the Applicant. Since the Assumptions need not be supported, the Monitor's procedures with respect to them were limited to evaluating whether they were consistent with the purpose of the Revised Cash Flow Forecast. The Monitor also reviewed the support provided by Management for the Assumptions and the preparation and presentation of the Revised Cash Flow Forecast.

77. Based on the Monitor's review, nothing has come to its attention that causes it to believe, in all material respects, that:
- a. The Assumptions are not consistent with the purpose of the Revised Cash Flow Forecast;
  - b. As at the date of this Seventh Report, the Assumptions are not suitably supported and consistent with the plans of the Applicant or do not provide a reasonable basis for the Revised Cash Flow Forecast, given the Assumptions; or
  - c. The Revised Cash Flow Forecast does not reflect the Assumptions.
78. The Revised Cash Flow Forecast projects that during the Forecast Period, the Applicant will have estimated total combined receipts of approximately \$95.7 million, net of \$7.2 million in receipts from restricted funds to be directed to the Segregated Accounts. Estimated total combined disbursements including payment of interest charges on the DIP Facility are forecast to be approximately \$91.0 million, net of reimbursements from the Segregated Accounts of \$8.5 million. The Forecast Period includes a draw of \$10 million on the DIP Facility, representing the increase in the DIP Facility previously approved by this Court. The Monitor understands that this amount was wired to LU on August 24, 2021. This results in projected net cash inflow (net of Segregated Account activity), including DIP proceeds, of approximately \$14.7 million. The Revised Cash Flow Forecast projects that with the increase in the DIP facility, LU will have access to sufficient liquidity during the Forecast Period.
79. The main assumptions of the Revised Cash Flow Forecast are as follows:
- a. Academic teaching operations, the provision of ancillary services and certain in-process research activity continues in the ordinary course, uninterrupted;
  - b. Enrolment for the 2021-22 academic year is assumed to be in accordance with LU's previous projections;
  - c. On campus operations will resume and continue throughout the academic year including the re-opening of the student residences (the Monitor notes that should this change and the residences need to be vacated, this could result in a material loss of revenue and cash receipts);
  - d. The majority of vacancies in staff positions will remain unfilled pending the completion of the operational and governance review at which time LU will be in a better position to assess future staffing needs;
  - e. Capital project related disbursements including deferred maintenance are limited to critical time-sensitive expenditures required to maintain the buildings and

infrastructure. All other budgeted deferred maintenance amounts will continue to be postponed pending the completion of the restructuring;

- f. Critical research pursuant to research grants received prior to December 2020 for which funds were not segregated are funded to the extent the research is required to support students enrolled in LU programs. Non-critical research continues to be deferred;
- g. Payment by the Applicant of its portion of assessments due to the Pension Benefit Guarantee Fund as well as special payments to the Applicant's defined benefit pension plan continue to be stayed as per previous orders granted by this Court;
- h. LU continues to fund certain scholarships and bursaries to students from operations without drawing on its investment account which holds funds designated to support endowments; and
- i. All payments in respect of goods and services supplied pre-filing and principal and interest payments on pre-filing debt continue to be stayed with the following limited exceptions;
  - i. customary exceptions with respect to wages and benefits (but not termination and severance or pre-filing vacation pay) owing to active employees;
  - ii. students will remain unaffected, including in respect of ordinary course student refunds, scholarships, bursaries and other amounts; and
  - iii. funds collected on behalf of the Students' Associations will be remitted in the ordinary course.

#### **AMENDMENTS TO THE DIP AGREEMENT AND DIP LENDER'S CHARGE**

80. The Amended and Restated Initial Order approved a term sheet (the "**DIP Term Sheet**") dated January 19, 2021, between LU and Firm Capital Corporation for the provision of the DIP Facility in the principal amount of \$25 million. After executing the DIP Term Sheet, Firm Capital Corporation assigned its interest to Firm Capital Mortgage Fund Inc. (the "**DIP Lender**"). In addition, as contemplated by the DIP Term Sheet, LU and the DIP Lender executed a definitive agreement dated February 10, 2021 (the "**DIP Agreement**") to formally document the terms and conditions set out in the DIP Term Sheet. On April 20, 2021, LU and the DIP Lender entered into an Amended DIP Term Sheet (the "**First DIP Amendment**"), pursuant to which LU and the DIP Lender agreed to the terms of the



Amended DIP Facility which increased the maximum principal amount available under the DIP Facility by a further \$10 million.

81. As of today's date, LU has drawn on the full \$35 million available pursuant to the DIP Facility. The Amended DIP Facility currently has a maturity date of August 31, 2021.
82. As set out above, the Revised Cash Flow Forecast projects that LU will not require any additional financing for the period of the requested stay extension. LU will also not be in a position to repay the DIP Facility on August 31, 2021. While LU is expected to have positive net cash inflow and to maintain a reasonable cash balance, this balance will be required to allow LU to operate through the next academic year, including into next summer when cyclically, receipts are at its lowest. In addition, if the Pandemic results in a return to virtual operations and students are not living in LU's residences, there could be significant impacts on the ability to achieve the results in the Revised Cash Flow Forecast.
83. Accordingly, LU has agreed with the DIP Lender to enter into a further Amended DIP Term Sheet (the "**Second DIP Amendment**") pursuant to which the DIP Lender has agreed to extend the maturity date of the DIP Facility to January 31, 2022 in exchange for a \$350,000 extension fee. The extension fee represents 1% of the outstanding DIP Facility. A copy of the Second DIP Amendment is attached as Exhibit "E" to the Recent Haché Affidavit and has been executed by LU and the DIP Lender, subject to court approval.
84. The Second DIP Amendment provides that the DIP Facility shall remain subject to the same terms and conditions as set out in the DIP Agreement and the First DIP Amendment.
85. The Applicant has achieved significant accomplishments in the CCAA proceedings to date. In the first few months, it addressed its operating cost structure as reflected by the execution of the LUFA Term Sheet, the LUSU Term Sheet and the Huntington Agreement and approval of the Notices of Disclaimer issued to the Federated Universities. The Applicant continues to advance its restructuring as set out above and requires continued access to the funds that have been advanced pursuant to the DIP Facility, particularly given the uncertainty resulting from the COVID-19 Pandemic and the impact it could have on ongoing operations. The Monitor is satisfied that the extension fee is comparable to fees charged in connection with debtor-in-possession financing in other CCAA proceedings. Approval of the Second DIP Amendment will provide LU with the necessary working capital to continue operating through the 2021-22 academic year while working with its stakeholders to complete its restructuring. Accordingly, the Monitor is of the view that the Applicant's request for approval of the Second DIP Amendment is necessary and reasonable.
86. The Monitor supports the Applicant's request for approval of the Second DIP Amendment.

## STAY EXTENSION

87. The Stay Period is currently set to expire on August 31, 2021. The Applicant requests an extension of the Stay Period up to and including January 31, 2022.
88. The Monitor is of the view that the requested extension of the Stay Period is appropriate for the following reasons:
  - a. The extension of the Stay Period will provide comfort to LU's existing and new incoming students that the Applicant will continue operations in the ordinary course during the 2021-22 academic year;
  - b. The Applicant requires the extension in order to undertake several steps necessary to advance its restructuring, including:
    - i. receiving the results of the Real Estate Advisor's work to identify potential opportunities to realize on assets that are considered not critical to LU's ongoing operations, which is expected to be completed before the end of this calendar year;
    - ii. engaging one or more parties to conduct the governance and operational review and receiving feedback from such review;
    - iii. reviewing and determining claims as asserted pursuant to the Claims Process Order;
    - iv. implementing the process set out in the Compensation Claims Process Order and dealing with any notices of dispute arising from this process; and
    - v. conducting negotiations with significant creditors in respect of the framework for a Plan; and
  - c. The Applicant continues to operate in good faith and with due diligence since the date of the Initial Order.
89. Based on the Revised Cash Flow Forecast, and with the approval of the Second DIP Amendment, the Monitor is of the view that the Applicant should have sufficient liquidity to fund its operations until January 31, 2022. If there are any material events to report upon in the interim period, the Applicant and the Monitor will return to the Court.
90. For the foregoing reasons, the Monitor supports the Applicant's request for an order extending the Stay Period to January 31, 2022.

## **MONITOR'S RECOMMENDATIONS AND CONCLUSIONS**

91. For the reasons stated herein, the Monitor supports the relief sought by the Applicant including the approval of:
- a. The Second DIP Amendment; and
  - b. The extension of the stay of proceedings to January 31, 2022.
92. Accordingly, the Monitor recommends that the Court grant the relief sought by the Applicant.

All of which is respectfully submitted this 24<sup>th</sup> day of August, 2021.

**ERNST & YOUNG INC., in its capacity as  
Monitor of the Applicant, and not in  
its corporate or personal capacity**

Per:



**Sharon S. Hamilton, CPA, CA, CIRP, LIT  
Senior Vice President**

APPENDIX "A"

SUMMARY OF ACTUAL RECEIPTS AND DISBURSEMENTS

**Laurentian University**  
Cash Flow - Actuals



For the 17 weeks ended August 13, 2021

(in 000s CAD\$)	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual
	17-Apr-2021 23-Apr-2021	24-Apr-2021 30-Apr-2021	01-May-2021 07-May-2021	08-May-2021 14-May-2021	15-May-2021 21-May-2021	22-May-2021 28-May-2021	29-May-2021 04-Jun-2021	05-Jun-2021 11-Jun-2021	12-Jun-2021 18-Jun-2021
<b>Receipts</b>									
Operating Grants	\$ 198	\$ 3,510	\$ 1,492	\$ 2,935	\$ -	\$ 2,941	\$ 290	\$ -	\$ 2,941
Research Grants	222	211	11	345	544	45	160	202	1,152
Student Fees	174	803	2,891	1,837	912	561	494	329	365
Reimbursements	79	965	155	467	506	539	26	815	-
Donations	5	0	1	0	18	20	11	-	2
Other Receipts	170	58	69	80	39	2,556	38	31	127
Less Restricted Receipts	(227)	(1,199)	(11)	(346)	(562)	(65)	(461)	(173)	(1,154)
<b>Total Receipts</b>	<b>621</b>	<b>4,348</b>	<b>4,608</b>	<b>5,319</b>	<b>1,457</b>	<b>6,597</b>	<b>558</b>	<b>1,205</b>	<b>3,433</b>
<b>Operating Disbursements</b>									
Payroll & Benefits	(5,439)	(36)	(3,880)	(1,368)	(4,125)	(409)	(2,588)	(384)	(1,722)
Pension	(988)	-	-	-	(995)	-	-	-	-
Occupancy Costs	(70)	(198)	(432)	(138)	-	(1)	(218)	(694)	(175)
Other Operating Costs	(557)	(729)	(33)	54	(96)	(86)	(44)	(352)	(370)
Information Technology	(2)	(1)	-	-	(3)	(19)	-	(19)	(11)
Professional Fees	(12)	(168)	(1)	(21)	(10)	(155)	(31)	(16)	(95)
Student Refunds	-	(167)	-	-	(263)	-	(259)	(459)	(128)
Transferred Research Grants	-	-	-	-	-	-	-	-	(469)
Transfers to Federated Universities	(103)	(391)	-	(49)	-	(23)	-	-	-
Transfers to NOSM	-	(7)	-	-	-	-	-	-	-
Transfers to the Students' Associations	-	-	-	-	-	-	-	-	-
Transfers from / (to) Segregated Accounts	-	523	-	-	923	59	1,002	-	-
<b>Total Operating Disbursements</b>	<b>(7,171)</b>	<b>(1,175)</b>	<b>(4,346)</b>	<b>(1,523)</b>	<b>(4,569)</b>	<b>(633)</b>	<b>(2,137)</b>	<b>(1,924)</b>	<b>(2,970)</b>
<b>Net Operating Cash Flow</b>	<b>(6,550)</b>	<b>3,173</b>	<b>262</b>	<b>3,796</b>	<b>(3,112)</b>	<b>5,964</b>	<b>(1,579)</b>	<b>(719)</b>	<b>464</b>
<b>Non operating Receipts/ (Disbursements)</b>									
Capital Project Grants	-	988	-	-	-	-	-	-	-
Capital Projects	-	(4)	-	-	-	(9)	-	-	-
Debt Service	-	-	-	-	-	-	-	-	-
Restructuring Costs	(514)	(1,010)	(109)	(262)	(1,391)	(247)	-	(361)	(358)
<b>Total Non-Operating Disbursements</b>	<b>(514)</b>	<b>(26)</b>	<b>(109)</b>	<b>(262)</b>	<b>(1,391)</b>	<b>(256)</b>	<b>-</b>	<b>(361)</b>	<b>(358)</b>
<b>Total Disbursements</b>	<b>(7,685)</b>	<b>(1,201)</b>	<b>(4,456)</b>	<b>(1,785)</b>	<b>(5,960)</b>	<b>(889)</b>	<b>(2,137)</b>	<b>(2,285)</b>	<b>(3,328)</b>
<b>Net Cash Receipts/(Disbursements)</b>	<b>\$ (7,063)</b>	<b>\$ 3,147</b>	<b>\$ 152</b>	<b>\$ 3,535</b>	<b>\$ (4,503)</b>	<b>\$ 5,708</b>	<b>\$ (1,579)</b>	<b>\$ (1,080)</b>	<b>\$ 105</b>
<b>Cash Balance</b>									
Beginning cash balance	\$ 31,796	\$ 24,733	\$ 27,705	\$ 27,657	\$ 31,192	\$ 26,689	\$ 32,216	\$ 30,637	\$ 29,557
Adjustment to Actual, fx adjustment	-	-	-	-	-	-	-	-	-
Cash Receipts/(Disbursements)	(7,063)	3,147	152	3,535	(4,503)	5,708	(1,579)	(1,080)	105
DIP Financing Draw/(Interest Payments)	-	(175)	(200)	-	-	(180)	-	-	-
<b>Ending cash balance</b>	<b>\$ 24,733</b>	<b>\$ 27,705</b>	<b>\$ 27,657</b>	<b>\$ 31,192</b>	<b>\$ 26,689</b>	<b>\$ 32,216</b>	<b>\$ 30,637</b>	<b>\$ 29,557</b>	<b>\$ 29,662</b>
<b>DIP Financing</b>									
Opening Balance	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000
Draw/(Payback)	-	-	-	-	-	-	-	-	-
Interest and Other Fees	-	175	200	-	-	180	-	-	-
Repayment of Interest and Other Fees	-	(175)	(200)	-	-	(180)	-	-	-
<b>Ending Balance</b>	<b>\$ 25,000</b>	<b>\$ 25,000</b>	<b>\$ 25,000</b>	<b>\$ 25,000</b>	<b>\$ 25,000</b>	<b>\$ 25,000</b>	<b>\$ 25,000</b>	<b>\$ 25,000</b>	<b>\$ 25,000</b>
<b>Available Liquidity</b>	<b>\$ 34,733</b>	<b>\$ 37,705</b>	<b>\$ 37,657</b>	<b>\$ 41,192</b>	<b>\$ 36,689</b>	<b>\$ 42,216</b>	<b>\$ 40,637</b>	<b>\$ 39,557</b>	<b>\$ 39,662</b>
<b>Endowment Fund</b>									
Beginning balance	\$ 61,034	\$ 61,034	\$ 60,762	\$ 60,762	\$ 60,762	\$ 60,762	\$ 60,762	\$ 62,534	\$ 62,534
Transfers in/(out)	-	-	-	-	-	-	-	-	-
Change in Market Value	-	(272)	-	-	-	-	1,772	-	-
<b>Ending Balance</b>	<b>\$ 61,034</b>	<b>\$ 60,762</b>	<b>\$ 60,762</b>	<b>\$ 60,762</b>	<b>\$ 60,762</b>	<b>\$ 60,762</b>	<b>\$ 62,534</b>	<b>\$ 62,534</b>	<b>\$ 62,534</b>
<b>Segregated Accounts</b>									
Beginning balance	\$ 7,699	\$ 7,925	\$ 8,602	\$ 8,613	\$ 8,959	\$ 8,598	\$ 8,604	\$ 8,063	\$ 8,236
Restricted Receipts	227	1,199	11	346	562	65	461	173	1,154
Transfers from / (to) Operating Account	-	(523)	-	-	(923)	(59)	(1,002)	-	-
<b>Ending Balance</b>	<b>\$ 7,925</b>	<b>\$ 8,602</b>	<b>\$ 8,613</b>	<b>\$ 8,959</b>	<b>\$ 8,598</b>	<b>\$ 8,604</b>	<b>\$ 8,063</b>	<b>\$ 8,236</b>	<b>\$ 9,390</b>

**Laurentian University**  
**Cash Flow - Actuals**  
For the 17 weeks ended August 13, 2021

(in 000s CAD\$)	Actual 19-Jun-2021 25-Jun-2021	Actual 26-Jun-2021 02-Jul-2021	Actual 03-Jul-2021 09-Jul-2021	Actual 10-Jul-2021 16-Jul-2021	Actual 17-Jul-2021 23-Jul-2021	Actual 24-Jul-2021 30-Jul-2021	Actual 31-Jul-2021 06-Aug-2021	Actual 07-Aug-2021 13-Aug-2021	Actual 17-Apr-2021 13-Aug-2021
<b>Receipts</b>									
Operating Grants	\$ -	\$ 2,973	\$ 195	\$ 3,023	\$ -	\$ 3,046	\$ -	\$ 70	\$ 23,614
Research Grants	61	269	103	317	1,927	50	157	146	5,921
Student Fees	219	284	255	570	565	368	4,128	6,680	21,435
Reimbursements	943	147	99	589	74	488	566	782	7,239
Donations	7	0	3	1	9	4	0	3	85
Other Receipts	1,512	213	193	12	111	146	201	140	5,697
Less Restricted Receipts	(68)	(269)	(106)	(352)	(1,936)	(160)	(157)	(218)	(7,464)
<b>Total Receipts</b>	<b>2,674</b>	<b>3,617</b>	<b>741</b>	<b>4,160</b>	<b>749</b>	<b>3,942</b>	<b>4,895</b>	<b>7,602</b>	<b>56,528</b>
<b>Operating Disbursements</b>									
Payroll & Benefits	(3,200)	(964)	(1,496)	(1,908)	(2,636)	(1,333)	(1,510)	(1,469)	(34,468)
Pension	-	(926)	-	-	-	(876)	-	-	(3,785)
Occupancy Costs	(115)	(85)	(100)	(335)	(104)	(123)	-	(374)	(3,162)
Other Operating Costs	(71)	(171)	(168)	(51)	(216)	(246)	(92)	(1,565)	(4,794)
Information Technology	(47)	(414)	(35)	(66)	(8)	(14)	(139)	(46)	(825)
Professional Fees	-	(9)	(43)	-	(70)	(64)	-	(42)	(735)
Student Refunds	(146)	(28)	(75)	(45)	(85)	-	(38)	(53)	(1,746)
Transferred Research Grants	-	-	(276)	(88)	(87)	-	-	-	(919)
Transfers to Federated Universities	-	-	-	-	-	-	-	-	(566)
Transfers to NOSM	-	-	-	-	-	-	-	-	(7)
Transfers to the Students' Associations	-	-	-	-	-	-	-	-	-
Transfers from / (to) Segregated Accounts	-	1,018	25	-	7	-	-	-	3,556
<b>Total Operating Disbursements</b>	<b>(3,579)</b>	<b>(1,581)</b>	<b>(2,169)</b>	<b>(2,492)</b>	<b>(3,199)</b>	<b>(2,656)</b>	<b>(1,779)</b>	<b>(3,549)</b>	<b>(47,451)</b>
<b>Net Operating Cash Flow</b>	<b>(905)</b>	<b>2,036</b>	<b>(1,427)</b>	<b>1,667</b>	<b>(2,449)</b>	<b>1,286</b>	<b>3,116</b>	<b>4,054</b>	<b>9,077</b>
<b>Non operating Receipts/ (Disbursements)</b>									
Capital Project Grants	-	-	-	-	-	-	-	-	988
Capital Projects	-	-	-	-	(5)	(3)	-	-	(21)
Debt Service	-	-	-	-	-	-	-	-	-
Restructuring Costs	-	(242)	(690)	-	(365)	(874)	-	(384)	(6,807)
<b>Total Non-Operating Disbursements</b>	<b>-</b>	<b>(242)</b>	<b>(690)</b>	<b>-</b>	<b>(370)</b>	<b>(877)</b>	<b>-</b>	<b>(384)</b>	<b>(5,840)</b>
<b>Total Disbursements</b>	<b>(3,579)</b>	<b>(1,823)</b>	<b>(2,859)</b>	<b>(2,492)</b>	<b>(3,569)</b>	<b>(3,533)</b>	<b>(1,779)</b>	<b>(3,933)</b>	<b>(53,292)</b>
<b>Net Cash Receipts/(Disbursements)</b>	<b>\$ (905)</b>	<b>\$ 1,794</b>	<b>\$ (2,117)</b>	<b>\$ 1,667</b>	<b>\$ (2,819)</b>	<b>\$ 409</b>	<b>\$ 3,116</b>	<b>\$ 3,669</b>	<b>\$ 3,237</b>
<b>Cash Balance</b>									
Beginning cash balance	\$ 29,662	\$ 28,758	\$ 30,377	\$ 28,260	\$ 29,927	\$ 27,108	\$ 27,337	\$ 30,453	\$ 31,796
Adjustment to Actual, fx adjustment	-	-	-	-	-	-	-	-	-
Cash Receipts/(Disbursements)	(905)	1,794	(2,117)	1,667	(2,819)	409	3,116	3,669	3,237
DIP Financing Draw/(Interest Payments)	-	(175)	-	-	-	(180)	-	-	(911)
<b>Ending cash balance</b>	<b>\$ 28,758</b>	<b>\$ 30,377</b>	<b>\$ 28,260</b>	<b>\$ 29,927</b>	<b>\$ 27,108</b>	<b>\$ 27,337</b>	<b>\$ 30,453</b>	<b>\$ 34,122</b>	<b>\$ 34,122</b>
<b>DIP Financing</b>									
Opening Balance	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000
Draw/(Payback)	-	-	-	-	-	-	-	-	-
Interest and Other Fees	-	175	-	-	-	180	-	-	911
Repayment of Interest and Other Fees	-	(175)	-	-	-	(180)	-	-	(911)
<b>Ending Balance</b>	<b>\$ 25,000</b>	<b>\$ 25,000</b>	<b>\$ 25,000</b>	<b>\$ 25,000</b>	<b>\$ 25,000</b>	<b>\$ 25,000</b>	<b>\$ 25,000</b>	<b>\$ 25,000</b>	<b>\$ 25,000</b>
<b>Available Liquidity</b>	<b>\$ 38,758</b>	<b>\$ 40,377</b>	<b>\$ 38,260</b>	<b>\$ 39,927</b>	<b>\$ 37,108</b>	<b>\$ 37,337</b>	<b>\$ 40,453</b>	<b>\$ 44,122</b>	<b>\$ 44,122</b>
<b>Endowment Fund</b>									
Beginning balance	\$ 62,534	\$ 62,534	\$ 63,365	\$ 63,365	\$ 63,365	\$ 63,365	\$ 63,906	\$ 63,906	\$ 61,034
Transfers in/(out)	-	-	-	-	-	-	-	-	-
Change in Market Value	-	831	-	-	-	540	-	-	2,871
<b>Ending Balance</b>	<b>\$ 62,534</b>	<b>\$ 63,365</b>	<b>\$ 63,365</b>	<b>\$ 63,365</b>	<b>\$ 63,365</b>	<b>\$ 63,906</b>	<b>\$ 63,906</b>	<b>\$ 63,906</b>	<b>\$ 63,906</b>
<b>Segregated Accounts</b>									
Beginning balance	\$ 9,390	\$ 9,458	\$ 8,709	\$ 8,790	\$ 9,142	\$ 11,071	\$ 11,231	\$ 11,388	\$ 7,699
Restricted Receipts	68	269	106	352	1,936	160	157	218	7,464
Transfers from / (to) Operating Account	-	(1,018)	(25)	-	(7)	-	-	-	(3,556)
<b>Ending Balance</b>	<b>\$ 9,458</b>	<b>\$ 8,709</b>	<b>\$ 8,790</b>	<b>\$ 9,142</b>	<b>\$ 11,071</b>	<b>\$ 11,231</b>	<b>\$ 11,388</b>	<b>\$ 11,606</b>	<b>\$ 11,606</b>

APPENDIX "B"  
CASH FLOW VARIANCE ANALYSIS

**Laurentian University**  
**Cash Flow - Variance Report**  
For the 17 weeks ended August 13, 2021



(in 000s CAD\$)

	Actual		Forecast		Variance	
	17-Apr-2021 13-Aug-2021		17-Apr-2021 13-Aug-2021		17-Apr-2021 13-Aug-2021	
<b>Receipts</b>						
Operating Grants	\$	23,614	\$	22,658	\$	957
Research Grants		5,921		2,918		3,003
Student Fees		21,435		11,114		10,321
Reimbursements		7,239		4,120		3,119
Donations		85		-		85
Other Receipts		5,697		1,650		4,047
Less Restricted Receipts		(7,464)		(3,905)		(3,558)
<b>Total Receipts</b>		<b>56,528</b>		<b>38,555</b>		<b>17,974</b>
<b>Operating Disbursements</b>						
Payroll & Benefits		(34,468)		(38,611)		4,143
Pension		(3,785)		(4,162)		377
Occupancy Costs		(3,162)		(6,669)		3,507
Other Operating Costs		(4,794)		(7,693)		2,899
Information Technology		(825)		(3,158)		2,333
Professional Fees		(735)		(1,452)		717
Student Refunds		(1,746)		(3,914)		2,168
Transferred Research Grants		(919)		(2,376)		1,457
Transfers to Federated Universities		(566)		(583)		17
Transfers to NOSM		(7)		(3)		(4)
Transfers to the Students' Associations		-		-		-
Transfers from / (to) Segregated Accounts		3,556		4,589		(1,033)
<b>Total Operating Disbursements</b>		<b>(47,451)</b>		<b>(64,031)</b>		<b>16,580</b>
<b>Net Operating Cash Flow</b>		<b>9,077</b>		<b>(25,477)</b>		<b>34,554</b>
<b>Non operating Receipts/ (Disbursements)</b>						
Capital Project Grants		988		988		-
Capital Projects		(21)		(1,117)		1,096
Debt Service		-		-		-
Restructuring Costs		(6,807)		(7,789)		982
<b>Total Non-Operating Disbursements</b>		<b>(5,840)</b>		<b>(7,919)</b>		<b>2,078</b>
Total Disbursements		(53,292)		(71,950)		18,658
<b>Net Cash Receipts/(Disbursements)</b>	<b>\$</b>	<b>3,237</b>	<b>\$</b>	<b>(33,395)</b>	<b>\$</b>	<b>36,632</b>
<b>Cash Balance</b>						
Beginning cash balance	\$	31,796	\$	31,796	\$	-
Adjustment to Actual, fx adjustment		-		-		-
Cash Receipts/(Disbursements)		3,237		(33,395)		36,632
DIP Financing Draw/(Payback)		(911)		9,021		(9,932)
<b>Ending cash balance</b>	<b>\$</b>	<b>34,122</b>	<b>\$</b>	<b>7,422</b>	<b>\$</b>	<b>26,700</b>
<b>DIP Financing</b>						
Opening Balance	\$	25,000	\$	25,000	\$	-
Draw/(Payback)		-		10,000		(10,000)
Interest and Other Fees		911		979		(68)
Repayment of Interest and Other Fees		(911)		(979)		68
<b>Ending Balance</b>	<b>\$</b>	<b>25,000</b>	<b>\$</b>	<b>35,000</b>	<b>\$</b>	<b>(10,000)</b>
<b>Available Liquidity</b>	<b>\$</b>	<b>44,122</b>	<b>\$</b>	<b>7,422</b>	<b>\$</b>	<b>36,700</b>
<b>Endowment Fund</b>						
Beginning balance	\$	61,034	\$	61,034	\$	-
Transfers in/(out)		-		-		-
Change in Market Value		2,871		-		2,871
<b>Ending Balance</b>	<b>\$</b>	<b>63,906</b>	<b>\$</b>	<b>61,034</b>	<b>\$</b>	<b>2,871</b>
<b>Segregated Accounts</b>						
Beginning balance	\$	7,699	\$	7,699	\$	-
Restricted Receipts		7,464		3,905		3,558
Transfers from / (to) Operating Account		(3,556)		(4,589)		1,033
<b>Ending Balance</b>	<b>\$</b>	<b>11,606</b>	<b>\$</b>	<b>7,015</b>	<b>\$</b>	<b>4,591</b>



## Appendix “B”

### Variance Analysis

The following paragraphs set out LU’s explanations for the more significant variances between LU’s actual cash flows and those included in the cash flow forecast in the Third Report for the period April 17, 2021 to August 13, 2021:

1. Collections related to Operating Grants were higher than forecast by approximately \$1.0 million. This variance is primarily due to the following:
  - a. Approximately \$0.6 million positive permanent difference due to the greater collection of core and special purpose operating grants than forecast; and
  - b. Approximately \$0.4 million positive permanent difference due to restricted operating grants received but not forecast.
2. Collections related to Research Grants were higher than forecast by approximately \$3.0 million due to greater receipt of restricted research grants than forecast;
3. Collections related to Student Fees were higher than forecast by approximately \$10.3 million primarily due to timing differences in the receipts from students.
4. Collections related to Reimbursements were higher than forecast by approximately \$3.1 million. This variance is due to the following:
  - a. Approximately \$1.5 million positive permanent difference due to greater reimbursable expenses than forecast, including \$0.6 million higher SNOLab, CEMI, and MIRARCO payroll & benefits recovered; and
  - b. Approximately \$1.6 million positive difference due to timing differences in the receipt of reimbursable expenses earlier than forecast.
5. Collections related to Other Receipts were higher than forecast by approximately \$4.0 million. This variance is due to the following:
  - a. Approximately \$1.6 million positive permanent difference due to the collection of HST refunds relating to a reassessment of prior periods that was not forecast;
  - b. Approximately \$0.4 million positive permanent difference due the greater collection of HST refunds than forecast;
  - c. Approximately \$0.3 million positive permanent difference due to the collection of insurance proceeds received but not forecast;
  - d. Approximately \$0.5 million positive permanent difference due to greater collection of other receivables than forecast; and

- e. Approximately \$1.2 million positive timing difference in other receipts being received earlier than forecast.
6. Collections related to Restricted Receipts were higher than forecast by approximately \$3.6 million due to permanent differences in receipt of restricted operating grants, restricted research grants, and restricted donations.
7. Disbursements related to Payroll & Benefits were lower than forecast by approximately \$4.1 million primarily due to unfilled vacant positions, resignations and lower part-time and casual hires during the period, partially offset by higher SNOLab, CEMI, and MIRARCO payroll & benefits by approximately \$0.6 million.
8. Disbursements related to Pension were lower than forecast by approximately \$0.4 million due to lower pension contributions than forecast.
9. Disbursements related to Occupancy Costs were lower than forecast by approximately \$3.5 million primarily due to the timing of payments to suppliers and timing of maintenance spending;
10. Disbursements related to Other Operating Costs were lower than forecast by approximately \$2.9 million primarily due to the timing of payments to suppliers;
11. Disbursements related to Information Technology were lower than forecast by approximately \$2.3 million primarily due to the timing of payments to suppliers and timing of IT equipment and software license purchases;
12. Disbursements related to Professional Fees were lower than forecast by approximately \$0.7 million primarily due to the timing of payments to suppliers;
13. Disbursements related to Student Refunds were lower than forecast by approximately \$2.2 million primarily due to the timing and deferral of student refund requests;
14. Disbursements related to Transferred Research Grants were lower than forecast by approximately \$1.5 million primarily due to the timing of research grant transfers to research partners;
15. Transfers from Segregated Accounts were lower than forecast by approximately \$1.0 million primarily due to the timing differences related to Transferred Research Grants and Capital Project disbursements of, partially offset by the reimbursement of research related restricted use expenditures;
16. Disbursements related to Capital Projects were lower than forecast by approximately \$1.1 million primarily due to the timing of scheduled work; and
17. Disbursements related to Restructuring Costs were lower than forecast by approximately \$1.0 million primarily due to the timing of payments to Assistants.

APPENDIX "C"  
REVISED CASH FLOW FORECAST

(in 000s CAD\$)		Week:	1	2	3	4	5	6	7	8	9	10	11	12	13
Notes		14-Aug-2021 20-Aug-2021	21-Aug-2021 27-Aug-2021	28-Aug-2021 03-Sep-2021	04-Sep-2021 10-Sep-2021	11-Sep-2021 17-Sep-2021	18-Sep-2021 24-Sep-2021	25-Sep-2021 01-Oct-2021	02-Oct-2021 08-Oct-2021	09-Oct-2021 15-Oct-2021	16-Oct-2021 22-Oct-2021	23-Oct-2021 29-Oct-2021	30-Oct-2021 05-Nov-2021	06-Nov-2021 12-Nov-2021	
<b>Receipts</b>															
Operating Grants	1	\$ 3,002	\$ -	\$ 2,894	\$ 933	\$ 3,077	\$ 500	\$ 3,153	\$ -	\$ 3,169	\$ -	\$ 3,130	\$ 187	\$ 2,938	
Research Grants	2	54	54	54	104	1,847	54	63	88	63	63	63	63	63	
Student Fees	3	1,819	1,601	2,083	2,262	2,473	2,404	2,404	1,378	1,378	1,378	1,378	1,378	658	
Reimbursements	4	-	643	240	447	225	540	233	446	105	751	339	450	-	
Donations	5	-	-	-	-	-	-	-	-	-	-	-	-	-	
Other Receipts	6	17	442	248	75	318	75	875	17	17	164	317	17	17	
Less Restricted Receipts	21	(54)	(54)	(54)	(104)	(1,847)	(54)	(63)	(88)	(63)	(63)	(1,050)	(63)	(63)	
<b>Total Receipts</b>		<b>4,838</b>	<b>2,687</b>	<b>5,464</b>	<b>3,717</b>	<b>6,094</b>	<b>3,519</b>	<b>6,665</b>	<b>1,841</b>	<b>4,669</b>	<b>2,293</b>	<b>4,175</b>	<b>1,312</b>	<b>3,614</b>	
<b>Operating Disbursements</b>															
Payroll & Benefits	7	(578)	(3,326)	(2,014)	(965)	(1,120)	(3,750)	(1,867)	(1,028)	(1,315)	(1,028)	(3,387)	(2,405)	(506)	
Pension	8	(1,131)	-	-	-	-	(932)	-	-	-	(1,023)	-	-	-	
Occupancy Costs	9	(225)	(225)	(225)	(261)	(360)	(199)	(261)	(200)	(200)	(200)	(238)	(200)	(200)	
Other Operating Costs	10	(569)	(555)	(555)	(650)	(650)	(850)	(650)	(663)	(663)	(863)	(663)	(663)	(663)	
Information Technology	11	(105)	(105)	(105)	(54)	(54)	(54)	(54)	(54)	(54)	(54)	(54)	(54)	(54)	
Professional Fees	12	(57)	(57)	(57)	(105)	(105)	(105)	(105)	(105)	(105)	(105)	(105)	(105)	(105)	
Student Refunds	13	(308)	(168)	(141)	(138)	(113)	(113)	(113)	(63)	(45)	(45)	(45)	(29)	(29)	
Transferred Research Grants	14	-	-	-	-	(950)	-	-	-	-	-	-	-	-	
Transfers to Federated Universities	15	-	-	-	-	-	-	-	-	-	-	-	-	-	
Transfers to NOSM	16	-	-	-	-	-	-	-	-	-	-	(1,500)	-	-	
Transfers to the Students' Associations	17	-	-	-	-	-	-	-	-	-	-	-	-	-	
Transfers from / (to) Segregated Accounts	22	-	2,000	-	-	950	600	306	-	-	306	-	807	-	
<b>Total Operating Disbursements</b>		<b>(2,973)</b>	<b>(2,437)</b>	<b>(3,097)</b>	<b>(2,173)</b>	<b>(2,402)</b>	<b>(5,402)</b>	<b>(2,744)</b>	<b>(2,112)</b>	<b>(2,382)</b>	<b>(3,013)</b>	<b>(5,992)</b>	<b>(2,649)</b>	<b>(1,557)</b>	
<b>Net Operating Cash Flow</b>		<b>1,865</b>	<b>250</b>	<b>2,367</b>	<b>1,544</b>	<b>3,692</b>	<b>(1,884)</b>	<b>3,921</b>	<b>(272)</b>	<b>2,287</b>	<b>(720)</b>	<b>(1,816)</b>	<b>(1,338)</b>	<b>2,056</b>	
<b>Non operating Receipts/ (Disbursements)</b>															
Capital Project Grants	18	-	-	-	-	-	-	-	-	-	-	988	-	-	
Capital Projects	18	(93)	(93)	(93)	(93)	(93)	(93)	(93)	(93)	(93)	(93)	(93)	(93)	(93)	
Debt Service	19	-	-	-	-	-	-	-	-	-	-	-	-	-	
Restructuring Costs	23	(908)	(961)	(857)	(350)	(350)	(350)	(350)	(325)	(325)	(325)	(325)	(325)	(325)	
<b>Total Non-Operating Disbursements</b>		<b>(1,001)</b>	<b>(1,054)</b>	<b>(950)</b>	<b>(443)</b>	<b>(443)</b>	<b>(443)</b>	<b>(443)</b>	<b>(418)</b>	<b>(418)</b>	<b>(418)</b>	<b>570</b>	<b>(418)</b>	<b>(418)</b>	
<b>Total Disbursements</b>		<b>(3,974)</b>	<b>(3,491)</b>	<b>(4,047)</b>	<b>(2,616)</b>	<b>(2,845)</b>	<b>(5,846)</b>	<b>(3,187)</b>	<b>(2,531)</b>	<b>(2,800)</b>	<b>(3,431)</b>	<b>(5,422)</b>	<b>(3,067)</b>	<b>(1,975)</b>	
<b>Net Cash Receipts/(Disbursements)</b>		<b>\$ 864</b>	<b>\$ (804)</b>	<b>\$ 1,417</b>	<b>\$ 1,101</b>	<b>\$ 3,249</b>	<b>\$ (2,327)</b>	<b>\$ 3,478</b>	<b>\$ (690)</b>	<b>\$ 1,869</b>	<b>\$ (1,138)</b>	<b>\$ (1,246)</b>	<b>\$ (1,756)</b>	<b>\$ 1,638</b>	
<b>Cash Balance</b>															
Beginning cash balance		\$ 34,122	\$ 34,987	\$ 44,182	\$ 45,031	\$ 46,132	\$ 49,381	\$ 47,055	\$ 50,289	\$ 49,599	\$ 51,467	\$ 50,329	\$ 49,083	\$ 47,074	
Adjustment to Actual, fx adjustment		-	-	-	-	-	-	-	-	-	-	-	-	-	
Cash Receipts/(Disbursements)		864	(804)	1,417	1,101	3,249	(2,327)	3,478	(690)	1,869	(1,138)	(1,246)	(1,756)	1,638	
DIP Financing Draw/(Interest Payments)		-	10,000	(568)	-	-	-	(245)	-	-	-	-	(253)	-	
<b>Ending cash balance</b>		<b>\$ 34,987</b>	<b>\$ 44,182</b>	<b>\$ 45,031</b>	<b>\$ 46,132</b>	<b>\$ 49,381</b>	<b>\$ 47,055</b>	<b>\$ 50,289</b>	<b>\$ 49,599</b>	<b>\$ 51,467</b>	<b>\$ 50,329</b>	<b>\$ 49,083</b>	<b>\$ 47,074</b>	<b>\$ 48,713</b>	
<b>DIP Financing</b>															
Opening Balance	24	\$ 25,000	\$ 25,000	\$ 35,000	\$ 35,000	\$ 35,000	\$ 35,000	\$ 35,000	\$ 35,000	\$ 35,000	\$ 35,000	\$ 35,000	\$ 35,000	\$ 35,000	
Draw/(Payback)		-	10,000	-	-	-	-	-	-	-	-	-	-	-	
Interest and Other Fees		-	-	568	-	-	-	245	-	-	-	-	253	-	
Repayment of Interest and Other Fees		-	-	(568)	-	-	-	(245)	-	-	-	-	(253)	-	
<b>Ending Balance</b>		<b>\$ 25,000</b>	<b>\$ 35,000</b>	<b>\$ 35,000</b>	<b>\$ 35,000</b>	<b>\$ 35,000</b>	<b>\$ 35,000</b>	<b>\$ 35,000</b>	<b>\$ 35,000</b>	<b>\$ 35,000</b>	<b>\$ 35,000</b>	<b>\$ 35,000</b>	<b>\$ 35,000</b>	<b>\$ 35,000</b>	
<b>Available Liquidity</b>		<b>\$ 44,987</b>	<b>\$ 44,182</b>	<b>\$ 45,031</b>	<b>\$ 46,132</b>	<b>\$ 49,381</b>	<b>\$ 47,055</b>	<b>\$ 50,289</b>	<b>\$ 49,599</b>	<b>\$ 51,467</b>	<b>\$ 50,329</b>	<b>\$ 49,083</b>	<b>\$ 47,074</b>	<b>\$ 48,713</b>	
<b>Endowment Fund</b>															
Beginning balance	20	\$ 63,906	\$ 63,906	\$ 63,906	\$ 63,906	\$ 63,906	\$ 63,906	\$ 63,906	\$ 63,906	\$ 63,906	\$ 63,906	\$ 63,906	\$ 63,906	\$ 63,906	
Transfers in/(out)		-	-	-	-	-	-	-	-	-	-	-	-	-	
Change in Market Value		-	-	-	-	-	-	-	-	-	-	-	-	-	
<b>Ending Balance</b>		<b>\$ 63,906</b>	<b>\$ 63,906</b>	<b>\$ 63,906</b>	<b>\$ 63,906</b>	<b>\$ 63,906</b>	<b>\$ 63,906</b>	<b>\$ 63,906</b>	<b>\$ 63,906</b>	<b>\$ 63,906</b>	<b>\$ 63,906</b>	<b>\$ 63,906</b>	<b>\$ 63,906</b>	<b>\$ 63,906</b>	
<b>Segregated Accounts</b>															
Beginning balance		\$ 11,606	\$ 11,660	\$ 9,715	\$ 9,769	\$ 9,873	\$ 10,770	\$ 10,224	\$ 9,981	\$ 10,068	\$ 10,131	\$ 9,888	\$ 10,938	\$ 10,194	
Restricted Receipts	21	54	54	54	104	1,847	54	63	88	63	63	1,050	63	63	
Transfers from / (to) Operating Account	22	-	(2,000)	-	-	(950)	(600)	(306)	-	-	(306)	-	(807)	-	
<b>Ending Balance</b>		<b>\$ 11,660</b>	<b>\$ 9,715</b>	<b>\$ 9,769</b>	<b>\$ 9,873</b>	<b>\$ 10,770</b>	<b>\$ 10,224</b>	<b>\$ 9,981</b>	<b>\$ 10,068</b>	<b>\$ 10,131</b>	<b>\$ 9,888</b>	<b>\$ 10,938</b>	<b>\$ 10,194</b>	<b>\$ 10,256</b>	

Laurentian University  
Cash Flow Forecast



(in 000s CAD\$)	Week:	14	15	16	17	18	19	20	21	22	23	24	25	Forecast
Notes		13-Nov-2021 19-Nov-2021	20-Nov-2021 26-Nov-2021	27-Nov-2021 03-Dec-2021	04-Dec-2021 10-Dec-2021	11-Dec-2021 17-Dec-2021	18-Dec-2021 24-Dec-2021	25-Dec-2021 31-Dec-2021	01-Jan-2022 07-Jan-2022	08-Jan-2022 14-Jan-2022	15-Jan-2022 21-Jan-2022	22-Jan-2022 28-Jan-2022	29-Jan-2022 04-Feb-2022	14-Aug-2021 04-Feb-2022
<b>Receipts</b>														
Operating Grants	1	\$ -	\$ 3,175	\$ 687	\$ -	\$ 4,743	\$ -	\$ 4,141	\$ 187	\$ -	\$ 2,944	\$ -	\$ 3,188	\$ 42,046
Research Grants	2	63	113	50	1,897	50	75	50	63	63	63	63	63	5,239
Student Fees	3	658	920	1,021	1,202	2,910	1,202	1,202	2,838	2,838	2,838	2,838	516	42,855
Reimbursements	4	656	310	678	-	605	298	639	-	395	420	784	4	9,210
Donations	5	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Receipts	6	17	317	14	14	14	14	264	17	17	17	267	17	3,591
Less Restricted Receipts	21	(63)	(113)	(50)	(1,897)	(50)	(75)	(50)	(63)	(63)	(63)	(1,050)	(63)	(7,214)
<b>Total Receipts</b>		<b>1,331</b>	<b>4,722</b>	<b>2,400</b>	<b>1,216</b>	<b>8,273</b>	<b>1,514</b>	<b>6,246</b>	<b>3,041</b>	<b>3,250</b>	<b>6,220</b>	<b>2,901</b>	<b>3,725</b>	<b>95,726</b>
<b>Operating Disbursements</b>														
Payroll & Benefits	7	(1,675)	(3,400)	(2,415)	(358)	(1,682)	(3,275)	(2,469)	(302)	(987)	(1,229)	(3,835)	(2,187)	(47,101)
Pension	8	(1,050)	-	-	-	-	(1,060)	-	-	-	(1,200)	-	-	(6,396)
Occupancy Costs	9	(200)	(238)	(160)	(160)	(160)	(160)	(198)	(200)	(200)	(200)	(238)	(200)	(5,308)
Other Operating Costs	10	(663)	(863)	(539)	(539)	(539)	(739)	(539)	(742)	(722)	(822)	(622)	(622)	(16,602)
Information Technology	11	(54)	(54)	(43)	(43)	(43)	(43)	(43)	(54)	(54)	(54)	(54)	(54)	(1,450)
Professional Fees	12	(105)	(105)	(96)	(96)	(96)	(96)	(105)	(105)	(105)	(105)	(105)	(105)	(2,442)
Student Refunds	13	(29)	(29)	(91)	(91)	(91)	(91)	(91)	(97)	(97)	(97)	(97)	(72)	(2,321)
Transferred Research Grants	14	-	-	-	-	-	-	-	-	-	-	-	-	(950)
Transfers to Federated Universities	15	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers to NOSM	16	-	-	-	-	-	-	-	-	-	-	-	-	(1,500)
Transfers to the Students' Associations	17	-	(3,254)	-	-	-	-	-	-	-	-	-	-	(3,254)
Transfers from / (to) Segregated Accounts	22	-	306	-	-	-	306	-	988	812	1,112	-	-	8,490
<b>Total Operating Disbursements</b>		<b>(3,776)</b>	<b>(7,637)</b>	<b>(3,343)</b>	<b>(1,286)</b>	<b>(2,611)</b>	<b>(5,158)</b>	<b>(3,435)</b>	<b>(513)</b>	<b>(1,354)</b>	<b>(2,595)</b>	<b>(4,951)</b>	<b>(3,240)</b>	<b>(78,832)</b>
<b>Net Operating Cash Flow</b>		<b>(2,445)</b>	<b>(2,915)</b>	<b>(944)</b>	<b>(70)</b>	<b>5,662</b>	<b>(3,644)</b>	<b>2,811</b>	<b>2,529</b>	<b>1,896</b>	<b>3,624</b>	<b>(2,049)</b>	<b>485</b>	<b>16,894</b>
<b>Non operating Receipts/ (Disbursements)</b>														
Capital Project Grants	18	-	-	-	-	-	-	-	-	-	-	988	-	1,976
Capital Projects	18	(93)	(93)	(93)	(93)	(93)	(93)	(93)	(93)	(93)	(93)	(93)	(93)	(2,326)
Debt Service	19	-	-	-	-	-	-	-	-	-	-	-	-	-
Restructuring Costs	23	(325)	(325)	(325)	(325)	(325)	(325)	(325)	(325)	(325)	(325)	(325)	(325)	(9,976)
<b>Total Non-Operating Disbursements</b>		<b>(418)</b>	<b>(418)</b>	<b>(418)</b>	<b>(418)</b>	<b>(418)</b>	<b>(418)</b>	<b>(418)</b>	<b>(418)</b>	<b>(418)</b>	<b>(418)</b>	<b>570</b>	<b>(418)</b>	<b>(10,326)</b>
<b>Total Disbursements</b>		<b>(4,194)</b>	<b>(8,055)</b>	<b>(3,761)</b>	<b>(1,704)</b>	<b>(3,029)</b>	<b>(5,576)</b>	<b>(3,853)</b>	<b>(931)</b>	<b>(1,772)</b>	<b>(3,013)</b>	<b>(4,381)</b>	<b>(3,658)</b>	<b>(89,158)</b>
<b>Net Cash Receipts/(Disbursements)</b>		<b>\$ (2,863)</b>	<b>\$ (3,333)</b>	<b>\$ (1,362)</b>	<b>\$ (488)</b>	<b>\$ 5,244</b>	<b>\$ (4,062)</b>	<b>\$ 2,393</b>	<b>\$ 2,111</b>	<b>\$ 1,478</b>	<b>\$ 3,206</b>	<b>\$ (1,480)</b>	<b>\$ 67</b>	<b>\$ 6,568</b>
<b>Cash Balance</b>														
Beginning cash balance		\$ 48,713	\$ 45,850	\$ 42,517	\$ 40,911	\$ 40,423	\$ 45,667	\$ 41,605	\$ 43,745	\$ 45,856	\$ 47,334	\$ 50,541	\$ 49,061	\$ 34,122
Adjustment to Actual, fx adjustment		-	-	-	-	-	-	-	-	-	-	-	-	-
Cash Receipts/(Disbursements)		(2,863)	(3,333)	(1,362)	(488)	5,244	(4,062)	2,393	2,111	1,478	3,206	(1,480)	67	6,568
DIP Financing Draw/(Interest Payments)		-	-	(245)	-	-	-	(253)	-	-	-	-	(253)	8,185
<b>Ending cash balance</b>		<b>\$ 45,850</b>	<b>\$ 42,517</b>	<b>\$ 40,911</b>	<b>\$ 40,423</b>	<b>\$ 45,667</b>	<b>\$ 41,605</b>	<b>\$ 43,745</b>	<b>\$ 45,856</b>	<b>\$ 47,334</b>	<b>\$ 50,541</b>	<b>\$ 49,061</b>	<b>\$ 48,875</b>	<b>\$ 48,875</b>
<b>DIP Financing</b>														
Opening Balance	24	\$ 35,000	\$ 35,000	\$ 35,000	\$ 35,000	\$ 35,000	\$ 35,000	\$ 35,000	\$ 35,000	\$ 35,000	\$ 35,000	\$ 35,000	\$ 35,000	\$ 25,000
Draw/(Payback)		-	-	-	-	-	-	-	-	-	-	-	-	10,000
Interest and Other Fees		-	-	245	-	-	-	253	-	-	-	-	253	1,815
Repayment of Interest and Other Fees		-	-	(245)	-	-	-	(253)	-	-	-	-	(253)	(1,815)
<b>Ending Balance</b>		<b>\$ 35,000</b>	<b>\$ 35,000</b>	<b>\$ 35,000</b>	<b>\$ 35,000</b>	<b>\$ 35,000</b>	<b>\$ 35,000</b>	<b>\$ 35,000</b>	<b>\$ 35,000</b>	<b>\$ 35,000</b>	<b>\$ 35,000</b>	<b>\$ 35,000</b>	<b>\$ 35,000</b>	<b>\$ 35,000</b>
<b>Available Liquidity</b>		<b>\$ 45,850</b>	<b>\$ 42,517</b>	<b>\$ 40,911</b>	<b>\$ 40,423</b>	<b>\$ 45,667</b>	<b>\$ 41,605</b>	<b>\$ 43,745</b>	<b>\$ 45,856</b>	<b>\$ 47,334</b>	<b>\$ 50,541</b>	<b>\$ 49,061</b>	<b>\$ 48,875</b>	<b>\$ 48,875</b>
<b>Endowment Fund</b>														
Beginning balance	20	\$ 63,906	\$ 63,906	\$ 63,906	\$ 63,906	\$ 63,906	\$ 63,906	\$ 63,906	\$ 63,906	\$ 63,906	\$ 63,906	\$ 63,906	\$ 63,906	\$ 63,906
Transfers in/(out)		-	-	-	-	-	-	-	-	-	-	-	-	-
Change in Market Value		-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Ending Balance</b>		<b>\$ 63,906</b>	<b>\$ 63,906</b>	<b>\$ 63,906</b>	<b>\$ 63,906</b>	<b>\$ 63,906</b>	<b>\$ 63,906</b>	<b>\$ 63,906</b>	<b>\$ 63,906</b>	<b>\$ 63,906</b>	<b>\$ 63,906</b>	<b>\$ 63,906</b>	<b>\$ 63,906</b>	<b>\$ 63,906</b>
<b>Segregated Accounts</b>														
Beginning balance		\$ 10,256	\$ 10,319	\$ 10,126	\$ 10,176	\$ 12,072	\$ 12,122	\$ 11,892	\$ 11,942	\$ 11,017	\$ 10,267	\$ 9,218	\$ 10,268	\$ 11,606
Restricted Receipts	21	63	113	50	1,897	50	75	50	63	63	63	1,050	63	7,214
Transfers from / (to) Operating Account	22	-	(306)	-	-	-	(306)	-	(988)	(812)	(1,112)	-	-	(8,490)
<b>Ending Balance</b>		<b>\$ 10,319</b>	<b>\$ 10,126</b>	<b>\$ 10,176</b>	<b>\$ 12,072</b>	<b>\$ 12,122</b>	<b>\$ 11,892</b>	<b>\$ 11,942</b>	<b>\$ 11,017</b>	<b>\$ 10,267</b>	<b>\$ 9,218</b>	<b>\$ 10,268</b>	<b>\$ 10,330</b>	<b>\$ 10,330</b>

## **In the Matter of the CCAA of Laurentian University of Sudbury**

### **Notes to the Unaudited Cash Flow Forecast of the Applicant**

This Cash Flow Forecast has been prepared by the Applicant, with the assistance of the Monitor, for the purpose of the CCAA proceedings, using the following probable and hypothetical assumptions. The defined terms used in this Cash Flow Forecast are defined in the Monitor's Pre-filing Report.

The following provides a description of revenue and expense items and assumptions used in preparing the forecast:

#### **General assumptions**

- Receipts and disbursements denominated in US currency have been converted into Canadian dollars using an exchange rate of CDN\$1.30 = US\$1.00.
- Cash Flow Forecast includes estimates and assumptions concerning the impact of COVID-19 on the Applicant's operations.
- Cash Flow Forecast assumes the necessary availability of financing under the DIP Agreement dated February 10, 2021 and the DIP facility extension.
- Unless otherwise indicated pre-filing amounts owing to third party suppliers and service providers are stayed. Post-filing goods and services from suppliers and service providers will be settled in the normal course.

#### **Receipts**

##### **1. Operating Grants:**

- Operating grants are primarily forecast based on the grant funding framework determined by the Province of Ontario and are expected to continue to be funded on a semi-monthly basis.

##### **2. Research Grants:**

- Research grants are based on revenue forecast by the Applicant's Research group and past funding experience.

##### **3. Student Fees:**

- Tuition, ancillary fees, and other student fees are billed to students upon registration for each academic semester and are collected on a seasonal basis. Student Fees are projected based on forecast student billings and collection experience.

##### **4. Reimbursements:**

- Receipts for the reimbursement of costs funded by the Applicant on behalf of certain associated organizations, including, but not limited to SNOLab, CEMI, and MIRARCO, have been forecast based upon the anticipated timing of incurring the costs and the subsequent billing and collection experience of the re-imburement.

## **5. Donations:**

- Donation receipts for operations, restricted use, research projects and capital projects are forecast based on historical experience. Endowment fund contributions are accounted for separately in the Cash Flow Forecast.

## **6. Other Receipts:**

- Miscellaneous receipts are forecast based on expected revenues and collection experience, including amounts related to ancillary services, including, parking, copier & printer, campus services, Ontario Universities' Application Centre fees, HST refunds and other miscellaneous receipts.

## **Disbursements**

### **7. Payroll & Benefits:**

- All outstanding and future wages, salaries, employee and retiree benefits (including, without limitation, employee medical, dental, vision, insurance and similar benefit plans or arrangements), ordinary course pension benefits or contributions, vacation pay, expenses and any director fees and expenses, payable on or after the date of this Order, in each case for costs incurred in the ordinary course of business and consistent with existing practices, compensation policies and arrangements for current and future employees (but not including any payments to former employees or retirees in respect of the SuRP, the RHBP or termination or severance payments, which are hereby stayed), and all other payroll processing and servicing expenses will be paid in the ordinary course.
- All statutory deemed trust amounts in favour of the Crown in right of Canada or of any Province or other taxing authority that are required to be deducted from employee wages including, in respect of employee insurance, Canada Pension Plan, Quebec Pension Plan and income taxes will be remitted

### **8. Pension:**

- DB Pension Plan in respect of required employee contributions, including pre-filing amounts, and the employer current service payments made in ordinary course.
- Payments to former employees or retirees in respect of the SuRP are stayed.
- LU's portion of Special Payments (as defined in the Amended and Restated Initial Order dated February 11, 2021) with respect to the DB Pension Plan are suspended.
- Payments related to pre-filing amounts owing to Pension Benefit Guarantee Fund are stayed.

### **9. Occupancy Costs:**

- Costs of operating and maintaining the Applicant's facilities and rental properties are forecast based on historical run rates.

### **10. Other Operating Costs:**

- Other Operating Costs including equipment purchases, library subscription fees, travel costs, food service costs, costs related to research projects and other operating costs are forecast based on historical run rates.

**11. Information Technology:**

- Information Technology costs including licensing fees and purchasing of new hardware are forecast based on historical run rates.

**12. Professional Fees:**

- Professional Fees include fees related to auditors, actuaries and other professionals assisting with research or other university operating projects, as well as the cost of Assistants up to the CCAA Filing Date, are forecast based on historical run rates.

**13. Student Refunds:**

- Amounts owing to students for the current 2020-21 academic year and future amounts owing in respect of rebates, refunds or other similar amounts will be paid in the ordinary course.
- Amounts owing in respect of the current 2020-21 academic year and future amounts payable to students in respect of student scholarship, bursary or grants will be paid in the ordinary course.

**14. Transferred Research Grants:**

- Research grants transferred to other researchers or research partners are forecast based on the forecast availability of segregated research grants.

**15. Transfers to Federated Universities:**

- There are no payments forecast to the Federated Universities as the disclaimer of each of the Federation Agreements and Financial Distribution Notices became effective May 1, 2021.

**16. Transfers to NOSM:**

- Transfers to NOSM for Student Fees collected on behalf of NOSM are forecast based on post-filing collection of NOSM Student Fees.
- Student fees collected pre-filing are stayed.

**17. Transfers to Students' Associations:**

- Transfers of Student Fees collected on behalf of its Students' Associations are forecast based on the forecast billing and collection of Student Fees.

**18. Capital projects:**

- Due to cash conservation measures taken by LU, most capital projects have been deferred however, the amounts forecast reflect certain expenditures that are expected to be necessary for critical maintenance and repairs.

**19. Debt Service:**

- Debt service costs including, interest and principal repayments, are stayed as of the CCAA Filing Date.

**20. Endowment Fund:**

- Endowment Funds represent funds held in an investment account and internally designated to support previously donated endowments, primarily for LU scholarships, NOSM scholarships and other purposes.



- The funds are invested in an investment account however, no change in market value has been forecasted.

**21. Restricted Receipts:**

- Restricted receipts primarily include restricted donations and research grants, which are held in segregated accounts and are only available for their restricted use.

**22. Transfers from Segregated Accounts:**

- Funds are transferred from LU's segregated accounts to its operating accounts as a reimbursement for restricted use expenditures.

**23. Restructuring Costs:**

- Restructuring costs have been forecast based on anticipated run rates. All outstanding fees and disbursements of Assistants retained or employed by the Applicant will be paid.

**24. DIP Financing:**

- The cash flow includes the draw of \$10 million previously approved and ongoing interest costs at the current rate for the duration of the extension period.