



Financial Statements

for the year ended April 30, 2023



UNIVERSITY OF
TORONTO

RESULTS AT A GLANCE



ENROLMENT

Student Enrolment increased by 0.6% to

86,297 FTE



REVENUE

Revenue increased by 11.6% year-over-year to

\$4.3 billion



NET INCOME

Positive net income of 12.9% before allocations to reserves

\$551 million



DEBT

Debt burden is 2.1% of expenses based on outstanding debt of

\$895 million



ENDOWMENTS

Donations of \$55 million and 4.3% return in LTCAP result in market value of

\$3.27 billion



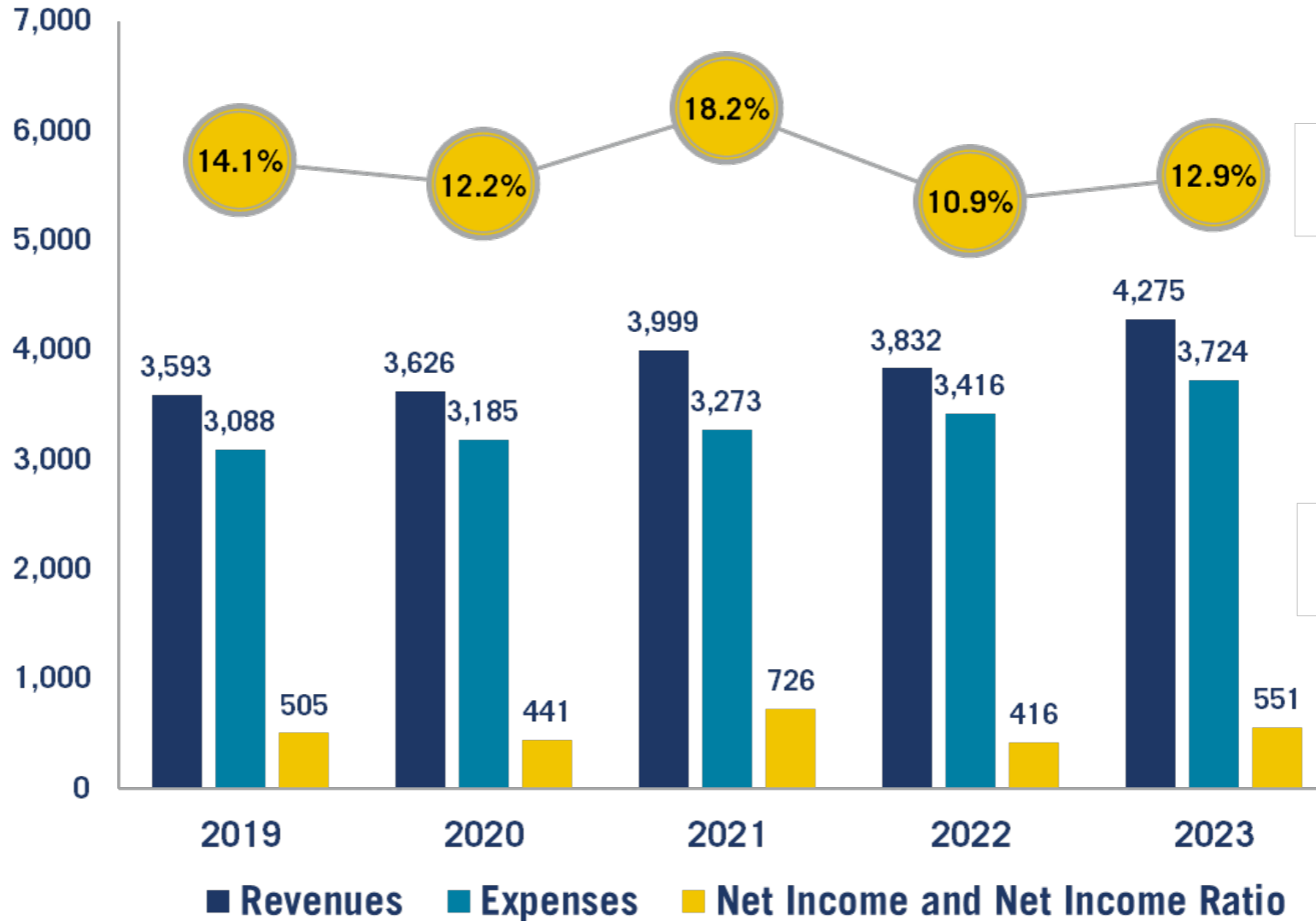
CAPITAL ASSETS

Value of capital assets after \$536 million additions and \$214 million amortization

\$5.8 billion

STATEMENT OF OPERATIONS

Revenue and Expenses (\$ millions)
for the year ended April 30



1 CAPITAL INVESTMENTS

Net income includes \$536 million capitalized for UTM Science Building, Schwartz Reisman Innovation Campus, UTSC Student Residence, Downtown Student Residence and UTSC Instructional Centre Phase II.

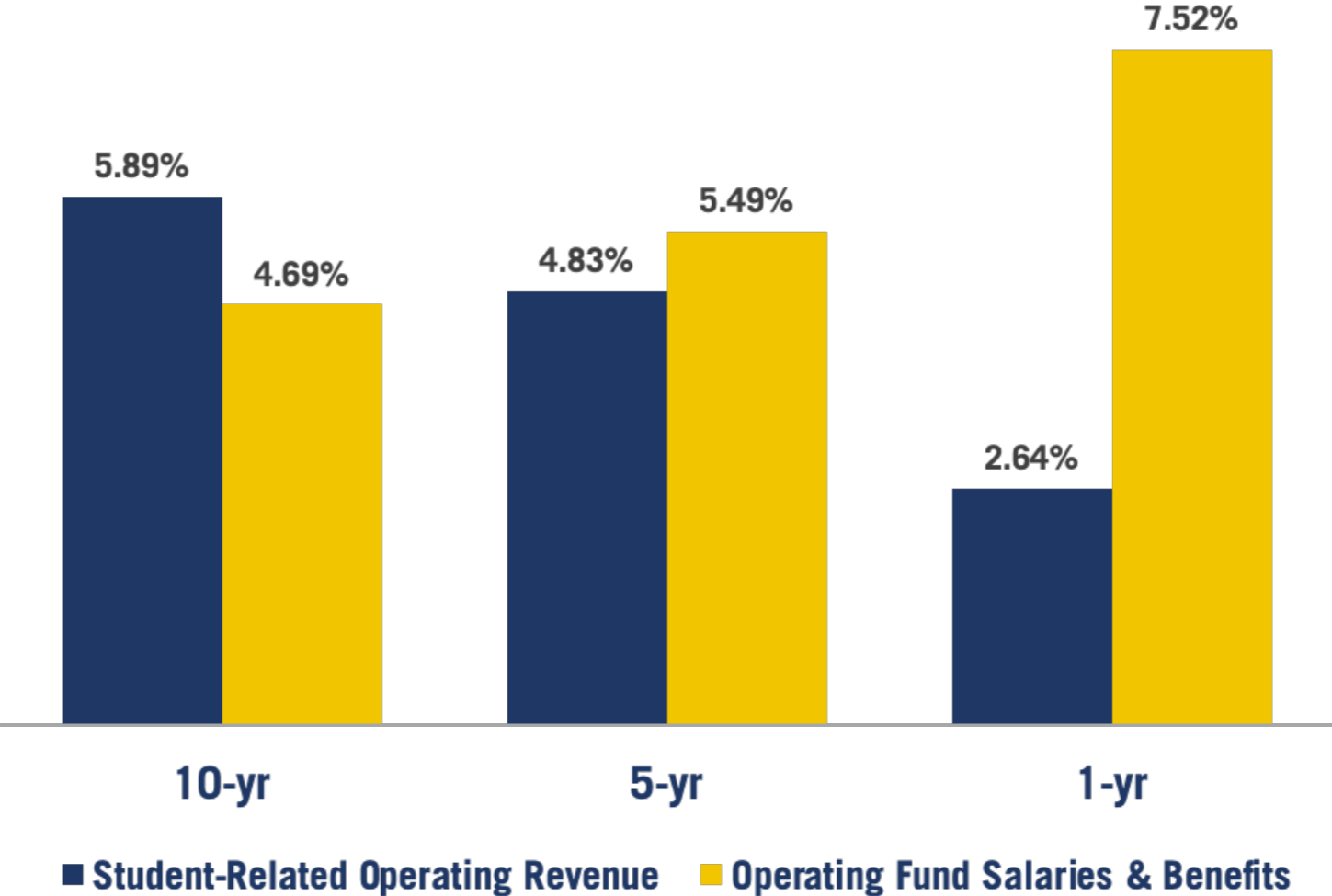
2 SAVINGS & CONTINGENCIES

Funds set aside in accordance with multi-year divisional academic plans, including deliberate use of reserves for operating contingencies, future capital investments, and faculty hiring.

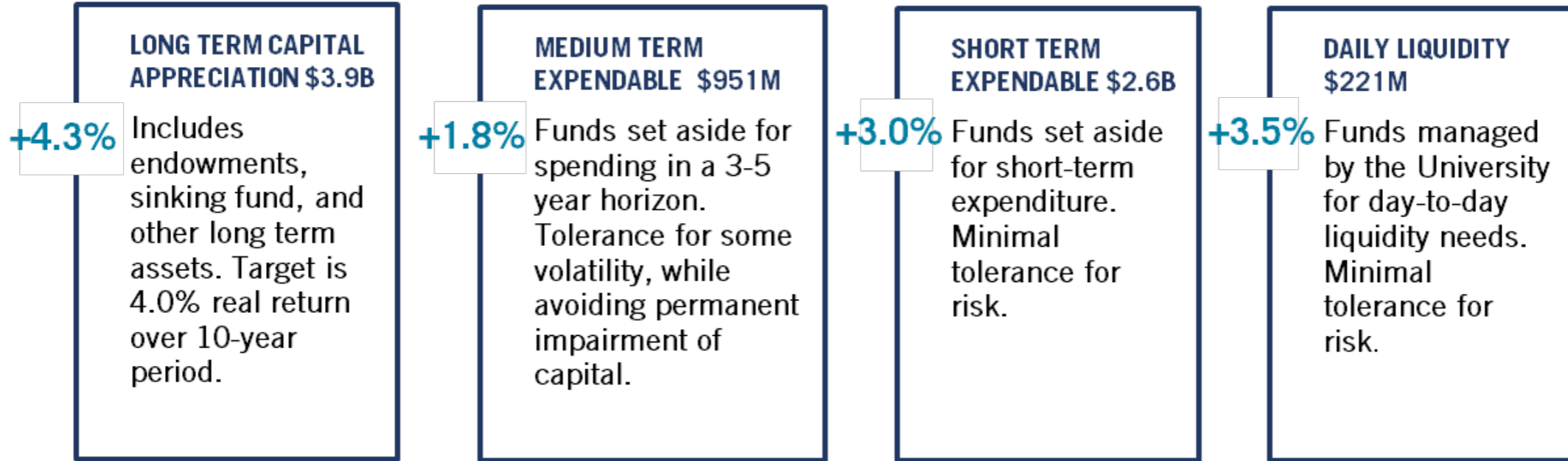
TRENDS IN PROGRAM REVENUES AND EXPENSES

Rate of Growth in Enrolment Revenue vs Operating Fund Salaries & Benefits

compound annualized growth rates for periods ending April 30, 2023



INVESTMENT RETURNS

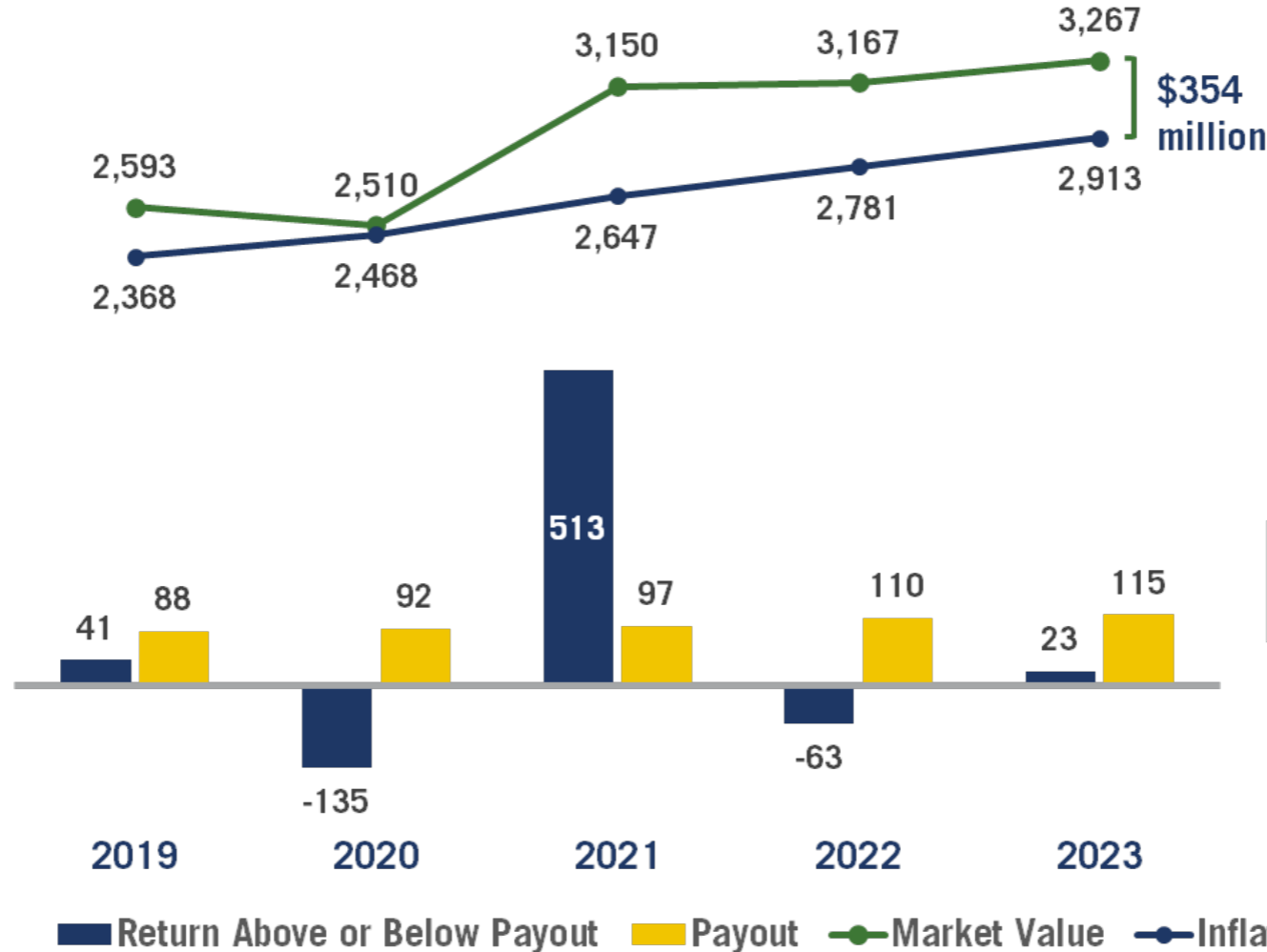


RISK TOLERANCE AND RETURN OBJECTIVES

The University establishes the investment risk and return objectives for each of these pools via the University Funds Investment Policy, which is approved by the Business Board. These objectives reflect the University's liability requirements and aim to produce balanced, secure returns for the University over time.

ENDOWMENT PAYOUT AND MARKET VALUE

Endowment Market Value, Preservation of Capital, Return, and Payout
for the year ended April 30 (\$ millions)



1 ENDOWMENT BOOK VALUE

The inflation-adjusted book value of the University's endowments increased by \$132 million, including \$77 million of new endowed donations and matchings and \$55 million inflation on existing endowments.

2 RETURN AND PAYOUT

Total return of \$138 million less an endowment payout of \$115 million resulted in an increase of \$23 million in the cumulative preservation of capital (before inflation).

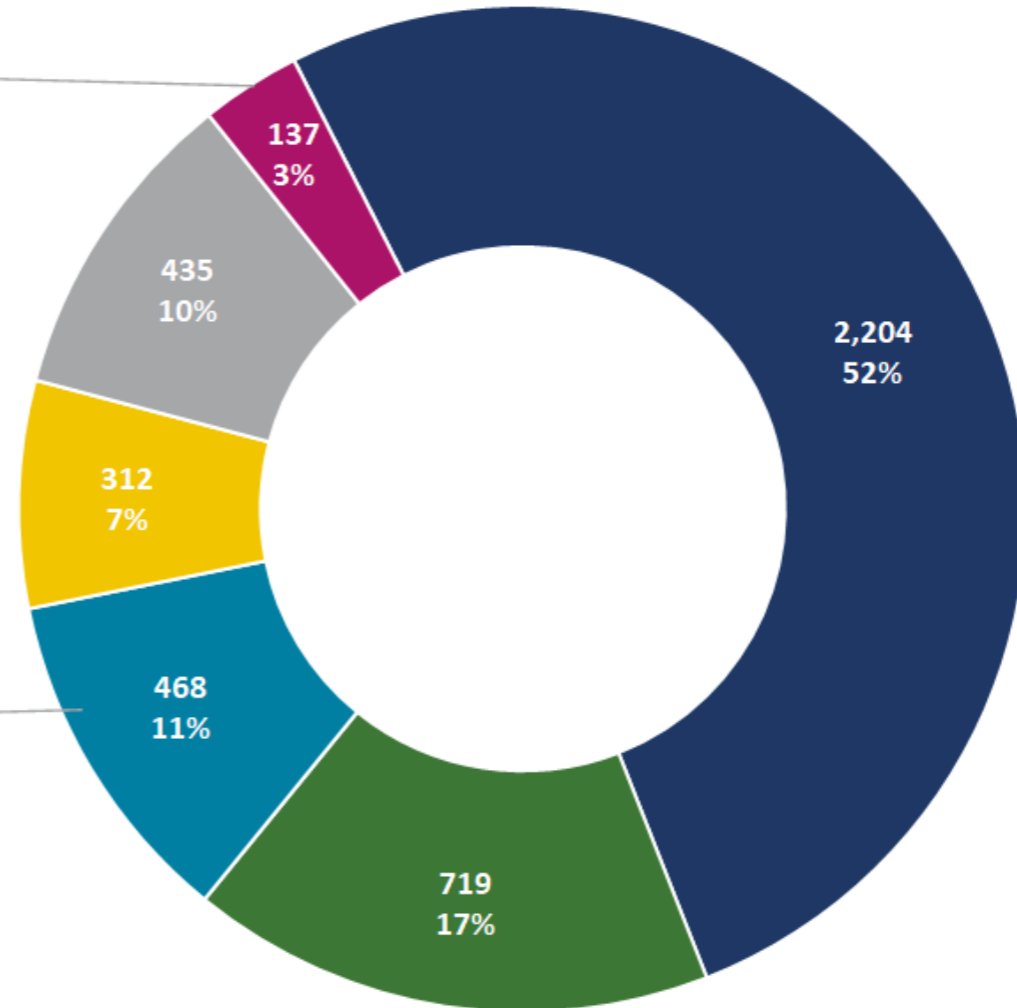
REVENUES BY CATEGORY



Total cash received for expendable and endowed donations equals \$154 million. Cash received is recorded as endowment or deferred contribution until spent.



Total cash received from government and other grants and contracts for restricted purposes equals \$508 million. Cash received is recorded as deferred contribution until spent. Endowed grants are recorded as an increase to net assets.



- Student fees
- Grants for general operations
- Grants for restricted purposes
- Investment income
- Sales, services and sundry income
- Donations

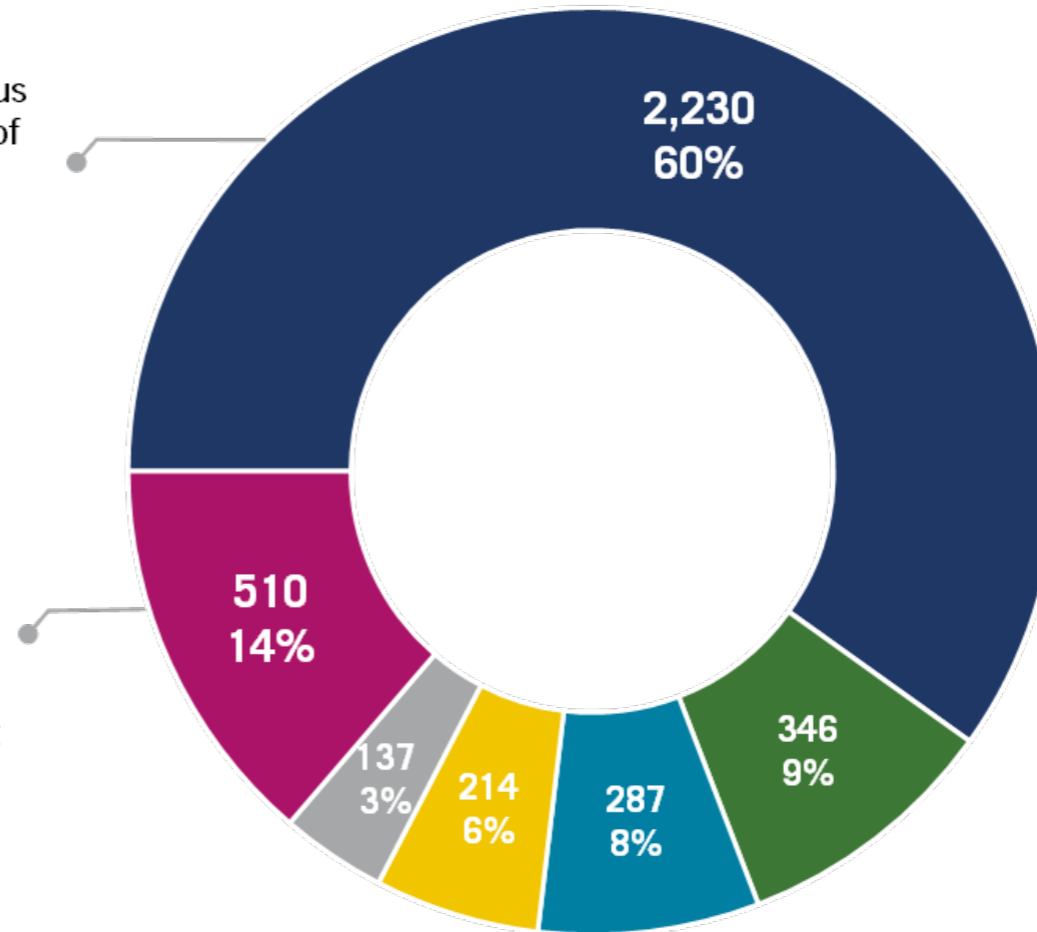
EXPENSES BY CATEGORY



Compensation includes \$1.8 billion in salaries, plus future benefits expenses of \$203 million and other benefit expenses of \$206 million. Other benefits include, for example, the cost of Canada Pension Plan and Employment Insurance contributions, medical benefits, educational support, and life insurance.



The category "other" includes repairs, maintenance, leases, cost of sales and services, utilities, travel and conferences, interest on long-term debt, and miscellaneous other expenses.



■ Salaries and employee benefits

■ Materials, supplies and services

■ Inter-institutional contributions

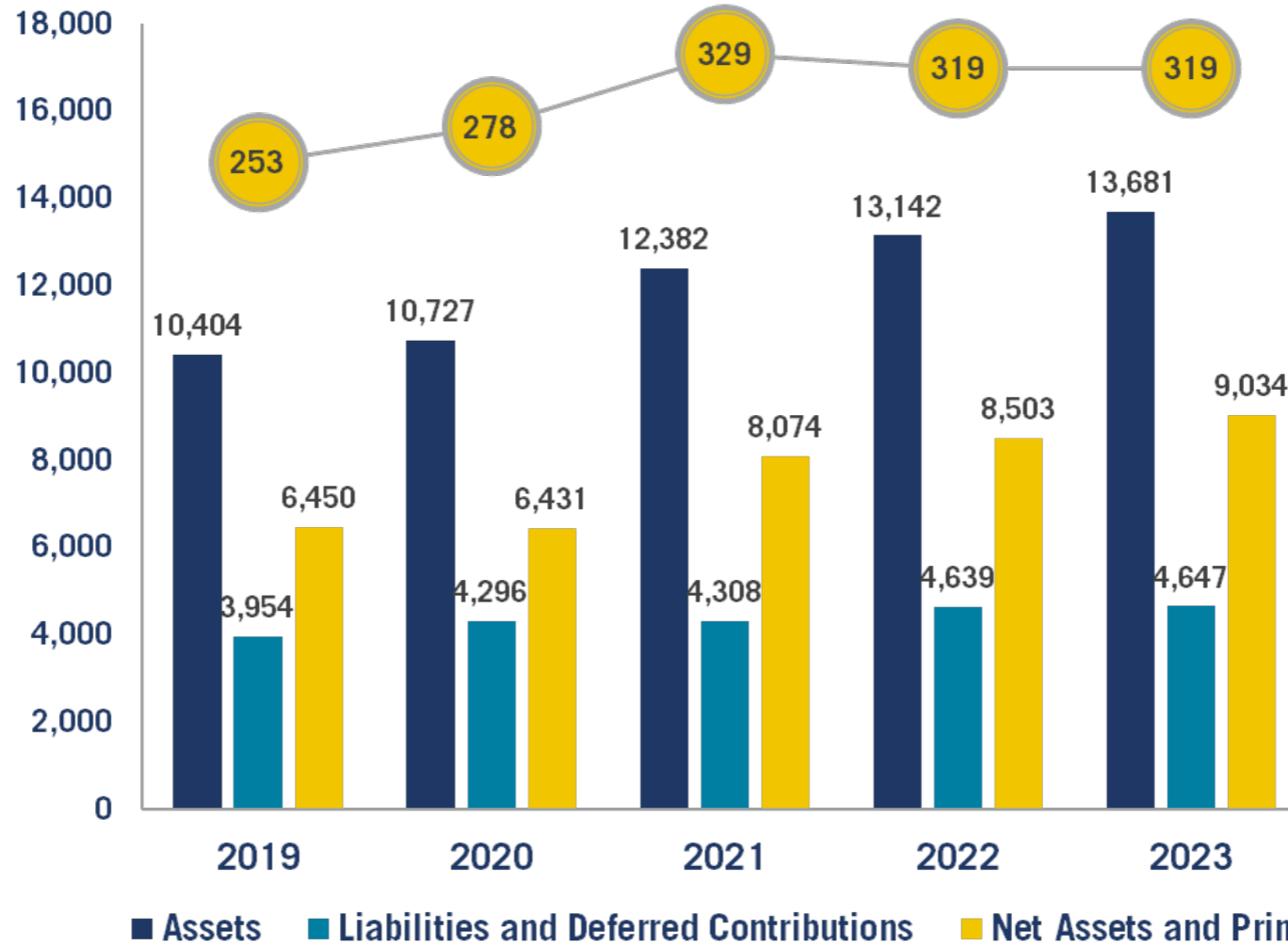
■ Scholarships, fellowships, bursaries

■ Amortization of capital assets

■ Other

BALANCE SHEET

Assets, Liabilities and Net Assets (\$ millions)
for the year ended April 30



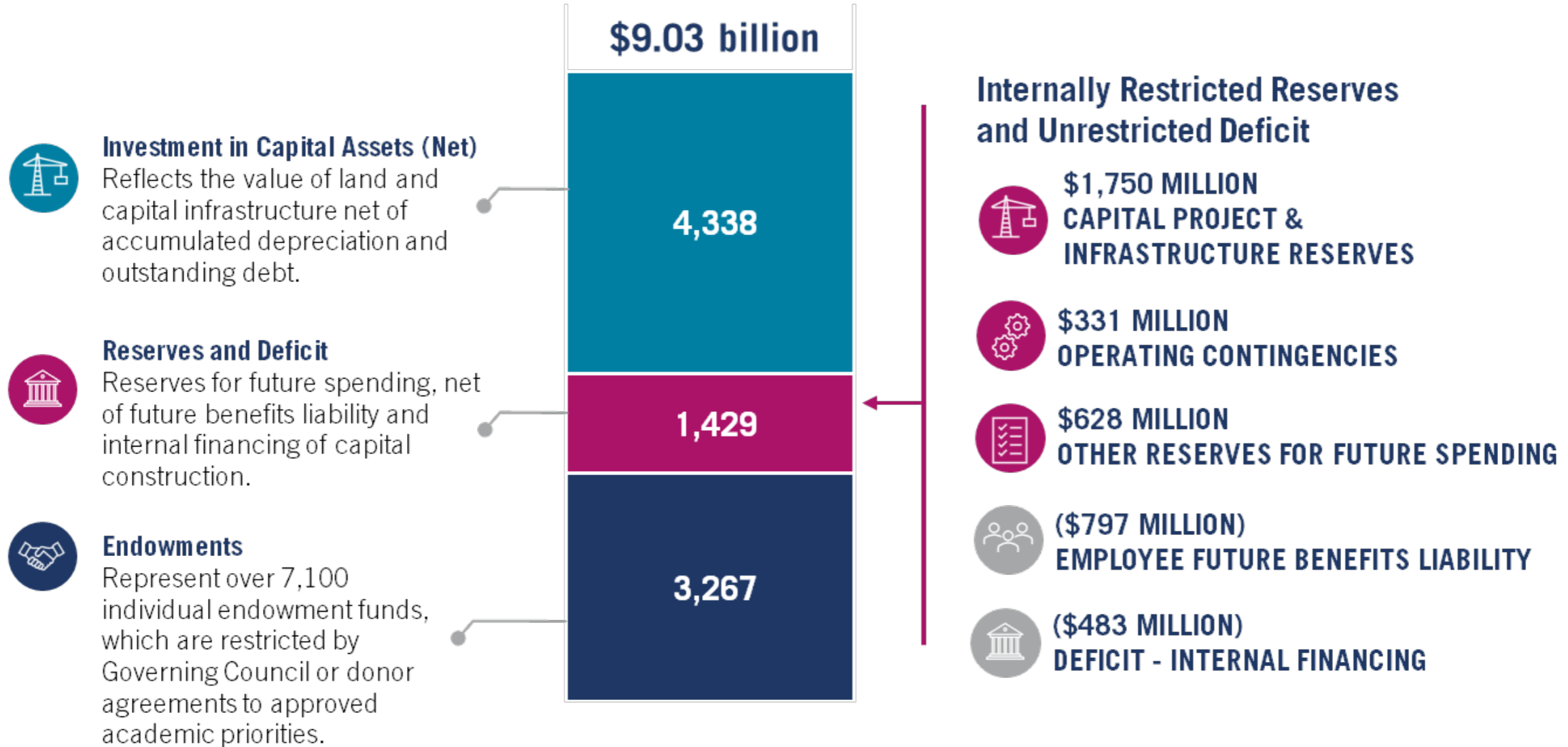
1 GROWTH IN ASSETS

Assets have grown since 2019 mainly due to three factors: growth in endowments as a result of good investment returns; new endowed donations; and the construction of new space.

2 PENSION PLAN

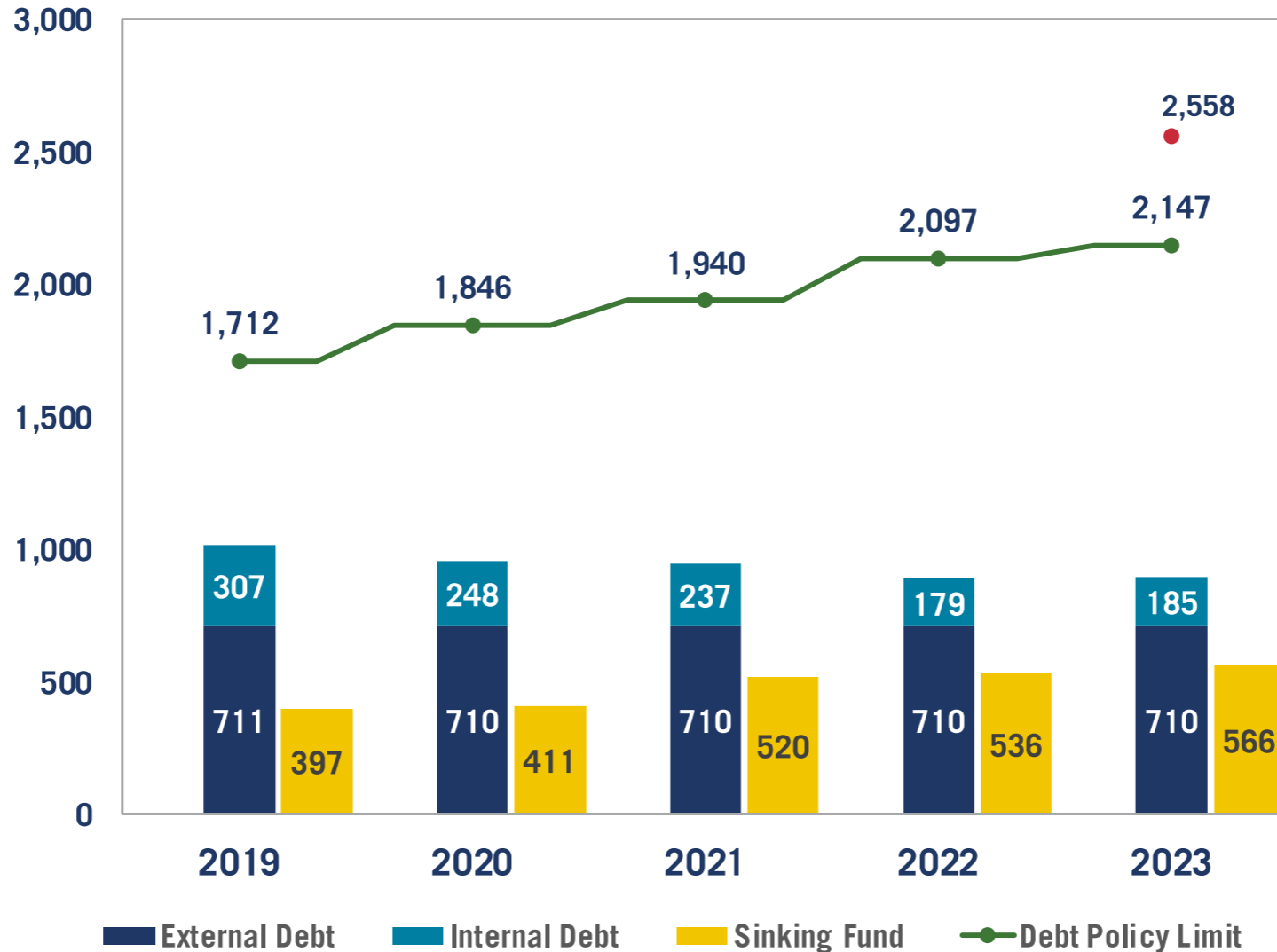
The assets and liabilities of the University's registered pension plan were transferred to the University Pension Plan Ontario effective July 1, 2021. The pension obligation mainly represents the University's obligation for its supplemental pension arrangement.

BREAKDOWN OF NET ASSETS



DEBT AND THE SINKING FUND

Outstanding Debt and Debt Policy Limit
for the year ended April 30 (\$ millions)



DID YOU KNOW ...

Prior to May 1, 2023, U of T's debt strategy set the debt policy limit based on a debt burden ratio of 5.0%.

Effective May 1, 2023, the debt burden ratio will increase to 6% based on an expanded definition of debt that includes indirect debt held by joint venture partners.

The new total debt limit is made up of \$1.07 billion in internal borrowing room, plus external debt capacity of \$1.49 billion including indirect debt as noted above.

The University's credit ratings rank it as a strong investment-grade credit.



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