

Financial Statements

for the year ended April 30, 2024



UNIVERSITY OF
TORONTO

RESULTS AT A GLANCE



ENROLMENT

Student Enrolment increased by 2.7% to

88,652 FTE



REVENUE

Revenue increased by 8.5% year-over-year to

\$4.6 billion



NET INCOME

Positive net income of 10.9% before allocations to reserves

\$508 million



DEBT

Debt burden is 2.1% of expenses based on internal and external debt of

\$1.1 billion



ENDOWMENTS

Donations and grants of \$66 million and 11.4% return in LTCAP result in market value of

\$3.6 billion



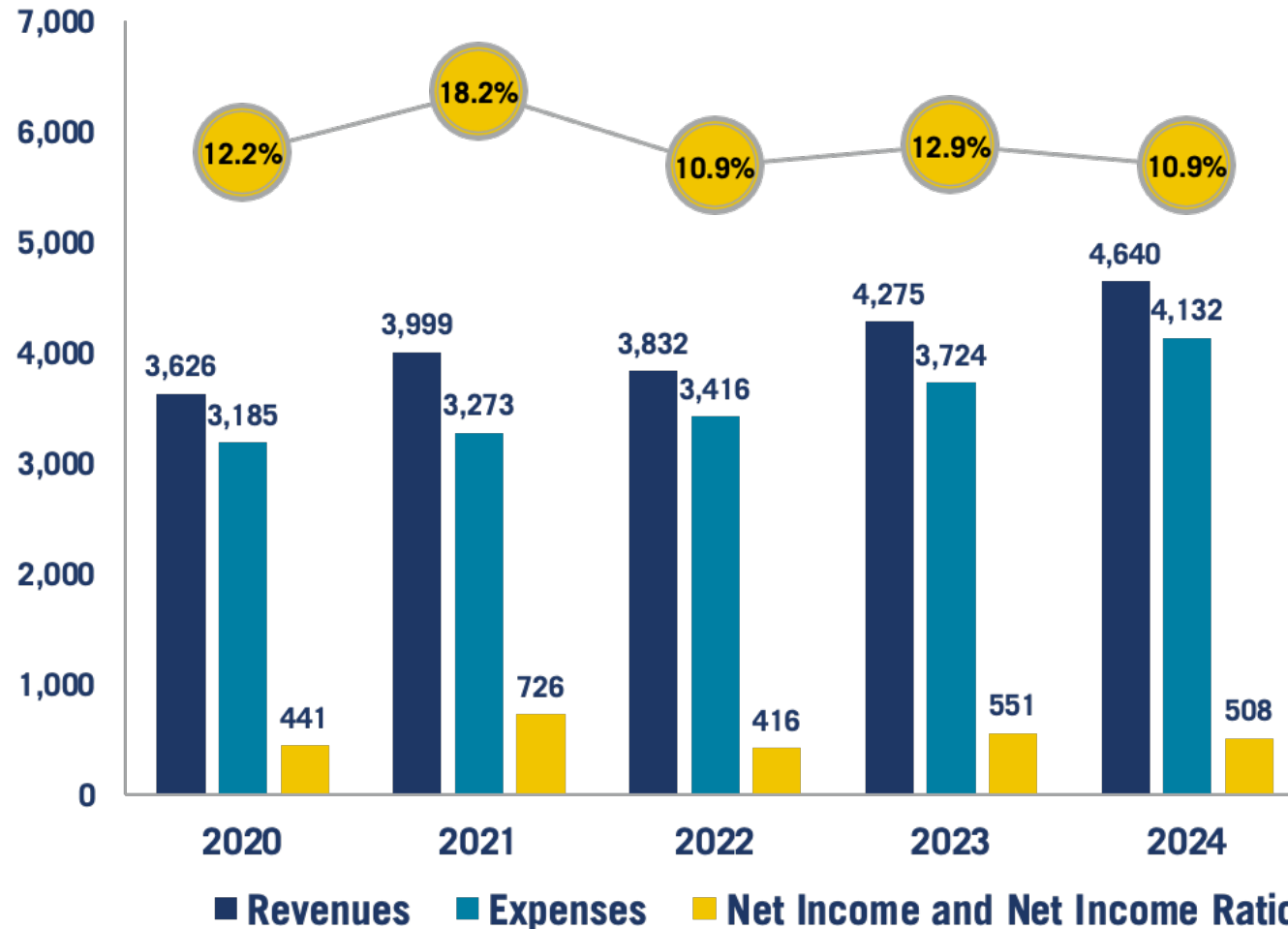
CAPITAL ASSETS

Value of capital assets after \$369 million net additions and \$222 million amortization

\$6.0 billion

STATEMENT OF OPERATIONS

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



CAPITAL INVESTMENTS

1 Net income includes \$369 million capitalized for UTSC Instructional Centre Phase II, Oak House Student Residence, Academic Wood Tower, UTSC SAMIH, Lash Miller Building expansion, UTM Science Building, Schwartz Reisman Innovation Campus, and UTSC Student Residence.

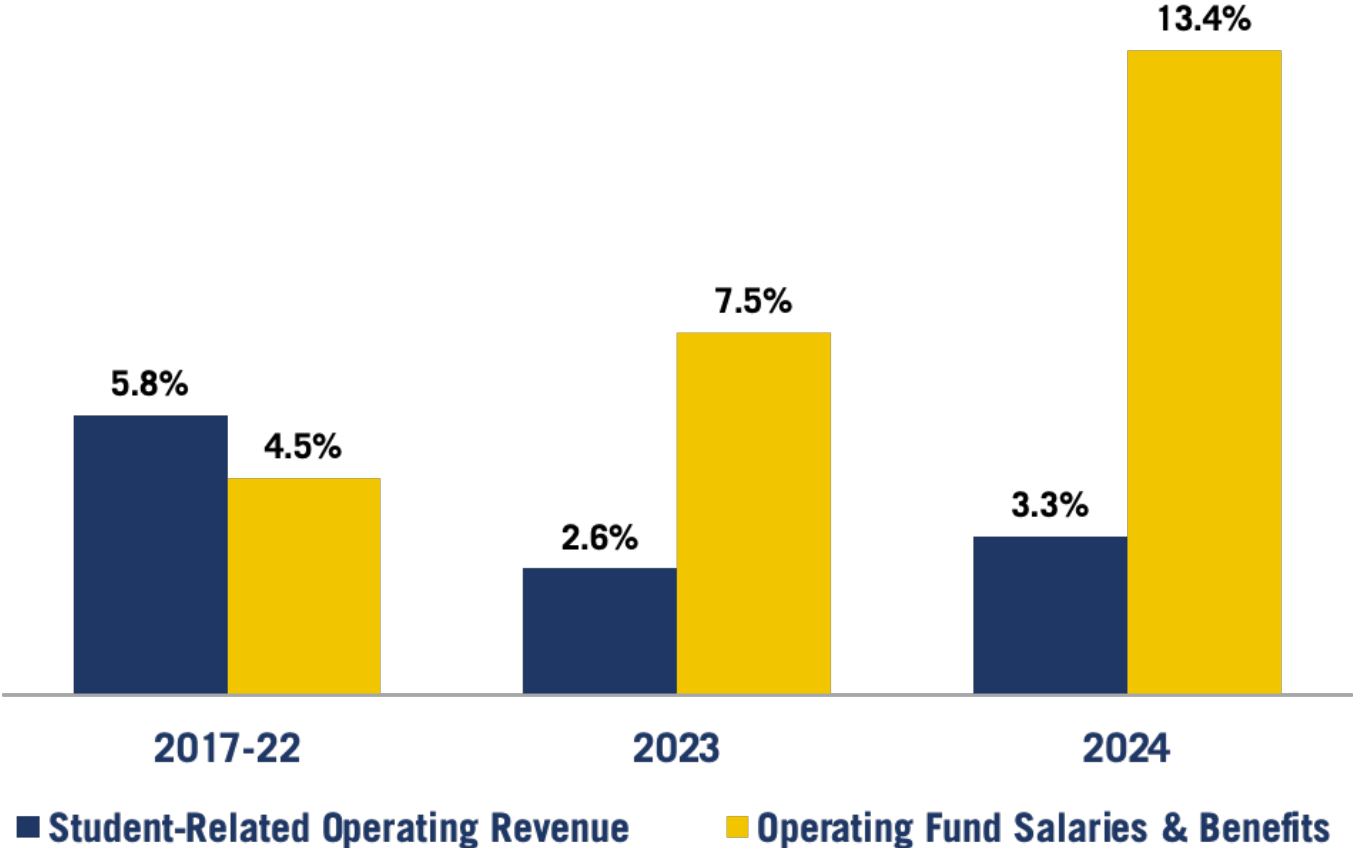
SAVINGS & CONTINGENCIES

2 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.

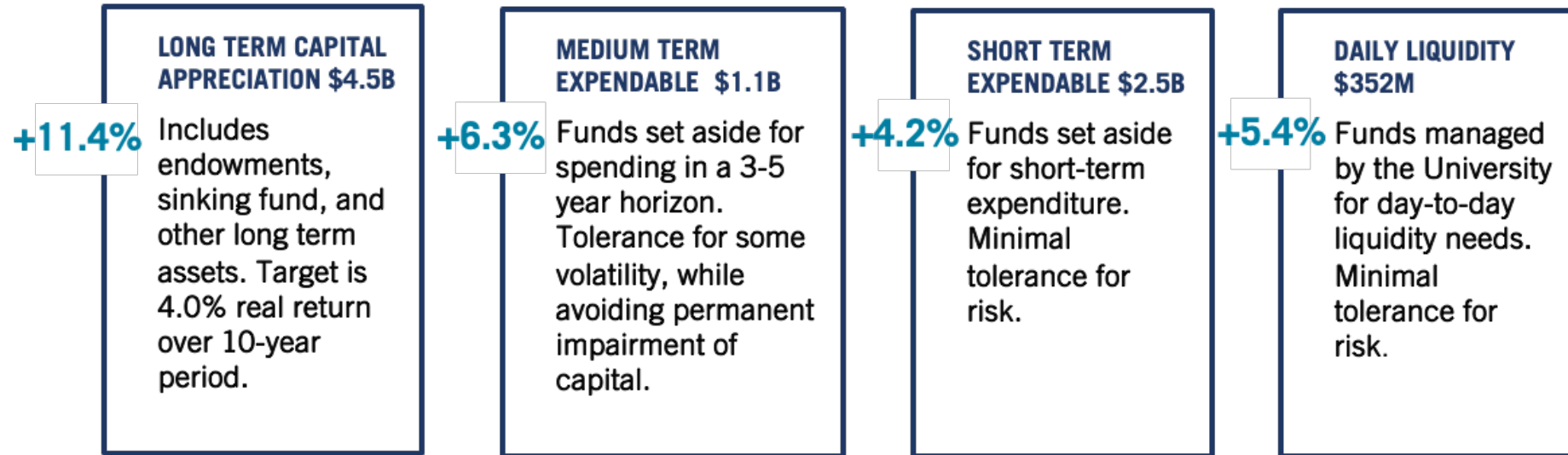
Rate of Growth in Enrolment Revenue vs Operating Fund Salaries & Benefits

annualized growth rates for periods ending April 30

TRENDS IN PROGRAM REVENUES AND EXPENSES



INVESTMENT RETURNS

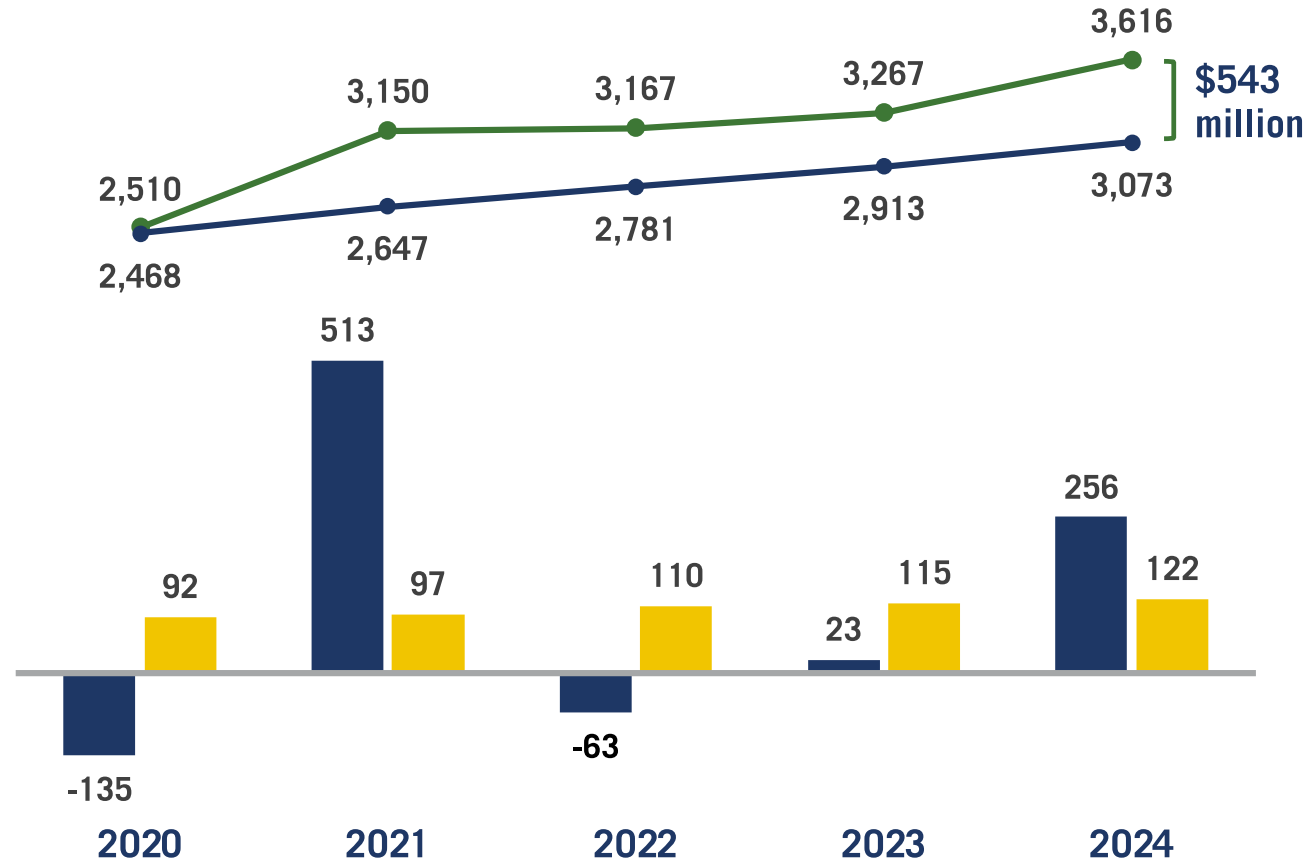


RISK TOLERANCE AND RETURN OBJECTIVES

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

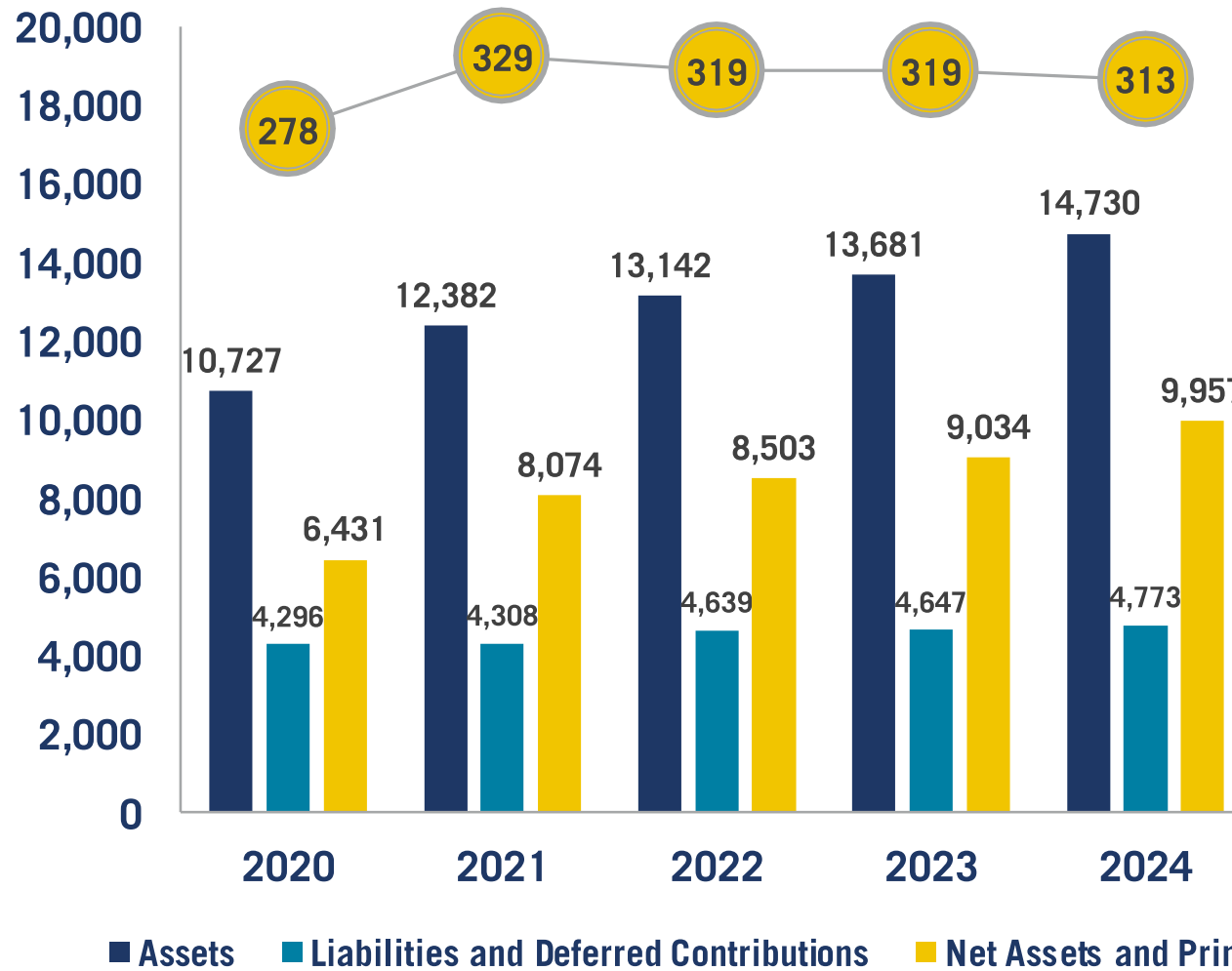
The inflation-adjusted book value of the University's endowments increased by \$160 million, including \$93 million of new endowed donations and matchings and \$67 million inflation on existing endowments.

2 RETURN AND PAYOUT

Total return of \$378 million less an endowment payout of \$122 million resulted in an increase of \$256 million in the cumulative preservation of capital.

BALANCE SHEET

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



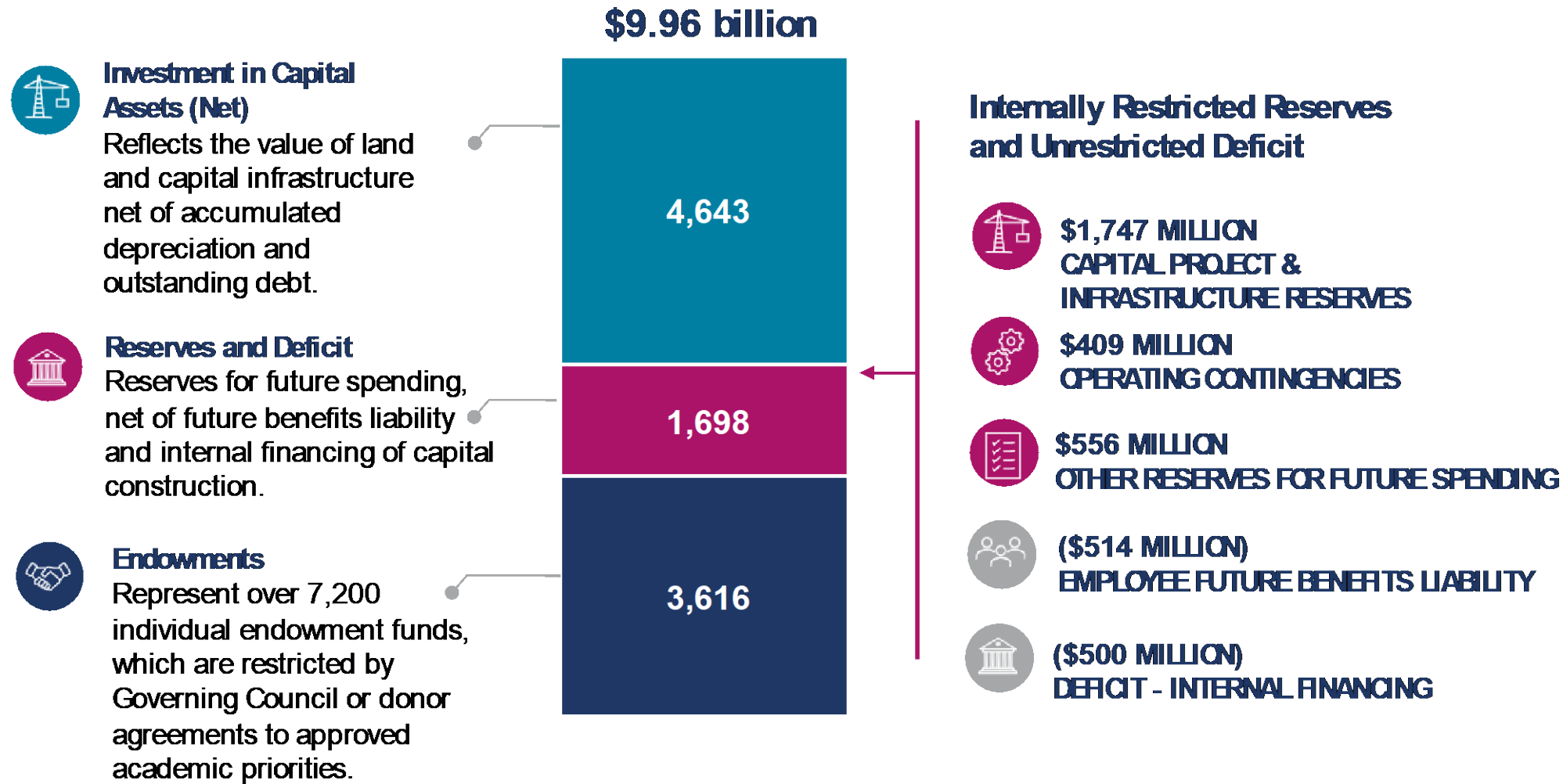
GROWTH IN ASSETS

1 Assets have grown since 2020 mainly due to three factors: growth in endowments as a result of good investment returns; new endowed donations; and the construction of new space.

PENSION PLAN

2 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.

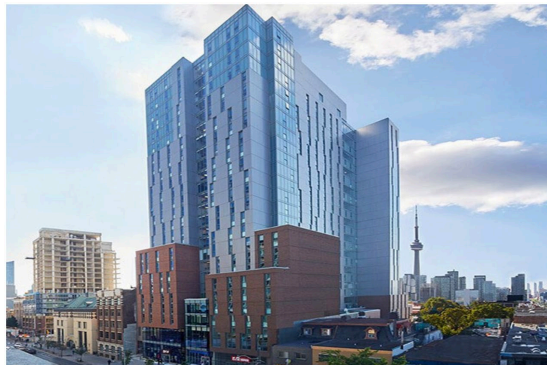
BREAKDOWN OF NET ASSETS



New Limited Partnerships for Capital and Infrastructure

CampusOne Student Residence

- In Dec 2023, the University acquired a 20% interest in CampusOne, an 890-bed residence adjacent to the St. George campus.
- The University's interest is accounted for using equity method.



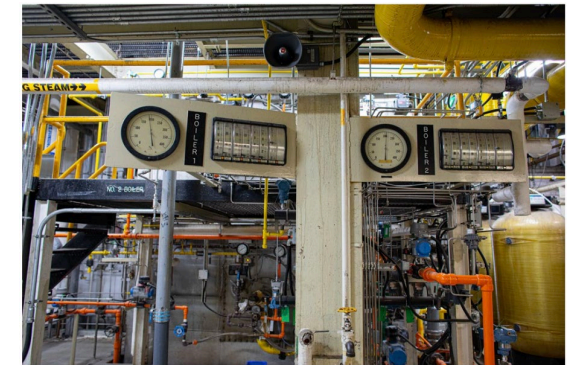
UTSC Residence (Harmony Commons)

- Harmony Commons, a 746-bed student residence, was completed during the year and sold to UTSC Residence LP.
- The University will receive a portion of the profits in future based on a profit-sharing formula, and accounts for its interest using the equity method.



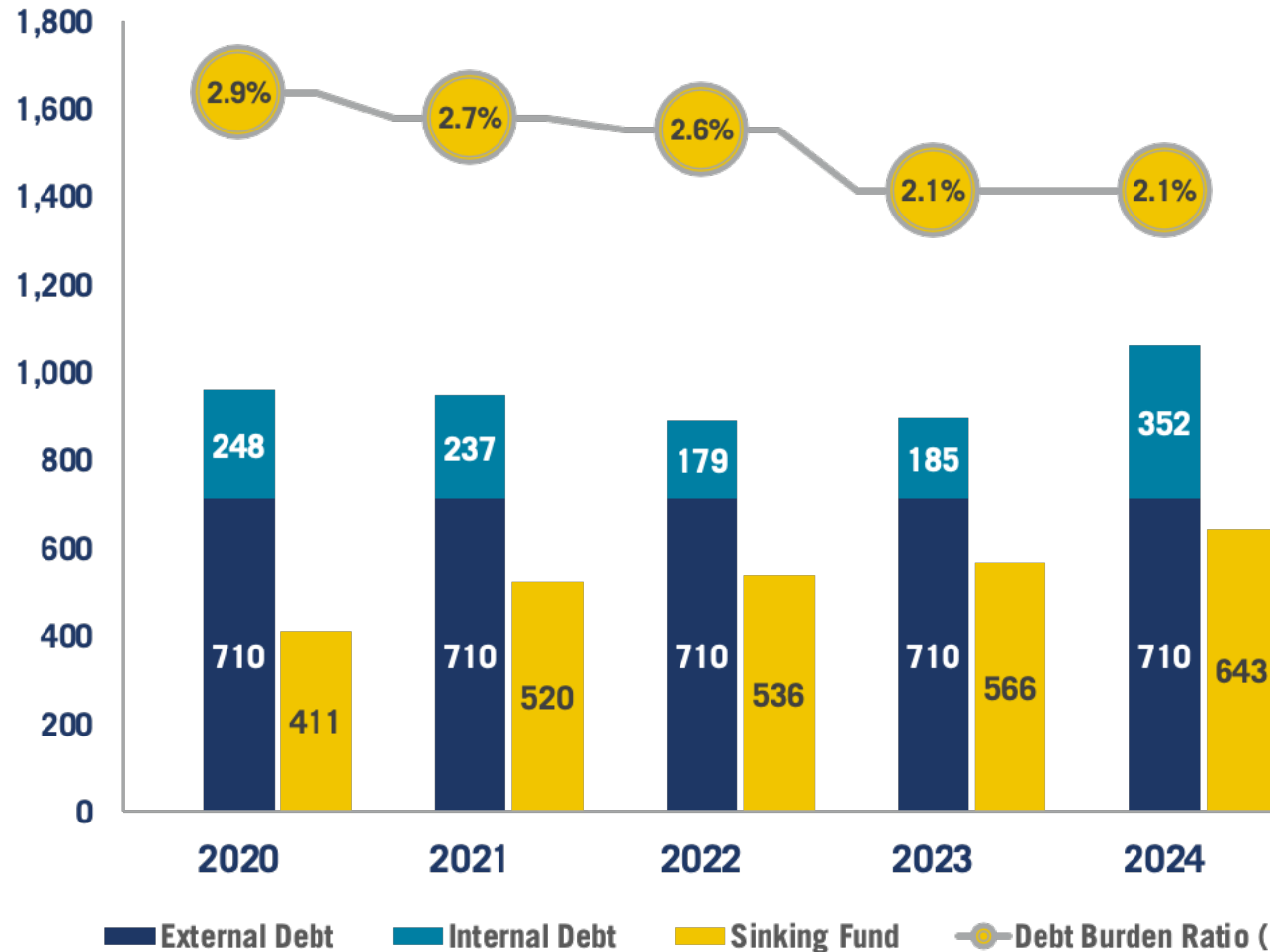
Project LEAP

- Project LEAP will enable deep energy retrofits at St. George. The university has secured but not yet drawn on two credit facilities:
 - Senior \$62.8 million, converted to an all-in fixed rate of 3.783% via a rate swap.
 - Junior \$50.2 million at a fixed rate of 1.0%.
- Project LEAP LP is a fully consolidated entity.



DEBT AND THE SINKING FUND

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



DID YOU KNOW ...

The University's debt policy limit is based on a debt burden ratio of 6.0% of total expenses, equivalent to \$2.9 billion of internal, external, and indirect debt.

The current debt burden ratio is 2.1%, meaning the University can afford an additional \$152 million in annual principal and interest payments - equivalent to \$1.86 billion of unused borrowing room.

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

MCU Financial Accountability Framework

University of Toronto results for the year ended April 30, 2024

PERFORMANCE

Net Income
(Loss)



Operating
Ratio



DEBT

Viability
Ratio



Interest
Burden



LIQUIDITY

Working
Capital Ratio*



Primary
Reserve (days)



CREDIT RATING

S&P Global

AA+
(Stable)

MOODY'S

Aa1
(Stable)



AA
(Stable)

**MCU Financial
Accountability Framework**

- Low Risk
- Medium Risk
- High Risk

*Note on Working Capital

COU has recommended that this metric be adjusted to account for shorter-term assets that are available for working capital but classified as long-term assets based on GAAP. This is consistent with the approach taken by credit rating agencies.

MCU has deferred consideration of this adjustment pending further work by universities to standardize the note disclosure that references these assets.

The University of Toronto has \$2.4 billion of working capital assets reported as long term and disclosed in note 3. The adjusted value for this metric would be 1.76 (low risk).

Financial Statements

for the year ended April 30, 2024



UNIVERSITY OF
TORONTO