Financial Statements

for the year ended April 30, 2025

UNIVERSITY OF TORONTO

RESULTS AT A GLANCE

ENROLMENT

Student Enrolment increased by 2.9% to

91,245 FTE

REVENUE

Revenue increased by 5.1% year-over-year to

$4.9 billion

NET INCOME

Net income of 10.6%, primarily due to strong investment returns

$519 million

DEBT

Debt burden is 2.3% of expenses based on outstanding internal and external debt of

$1.2 billion

ENDOWMENTS

Donations and grants of $95 million and 8.9% return in LTCAP result in market value of

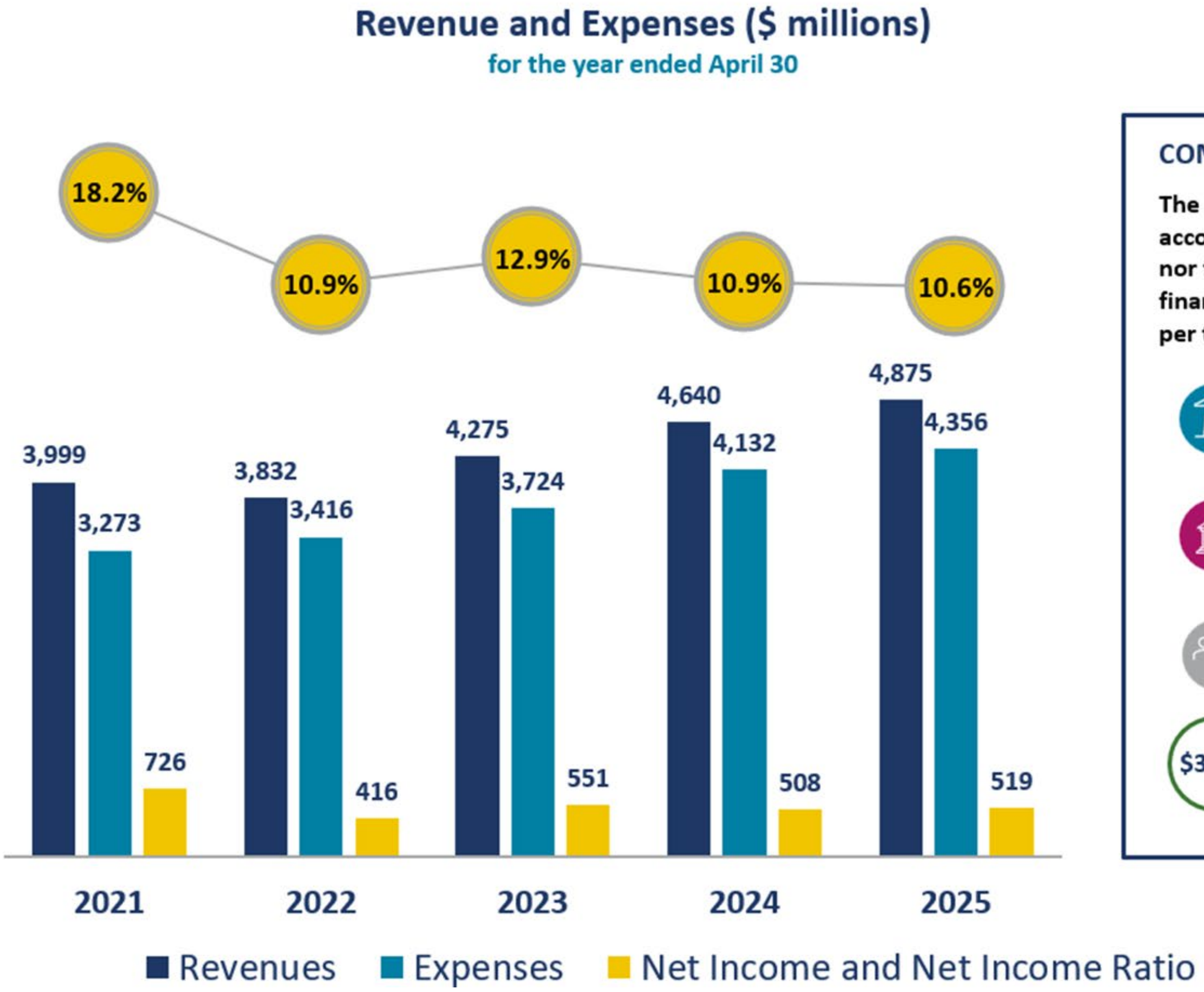
$3.9 billion

CAPITAL ASSETS

Value of capital assets after $630 million additions and $262 million amortization

$6.3 billion

STATEMENT OF OPERATIONS



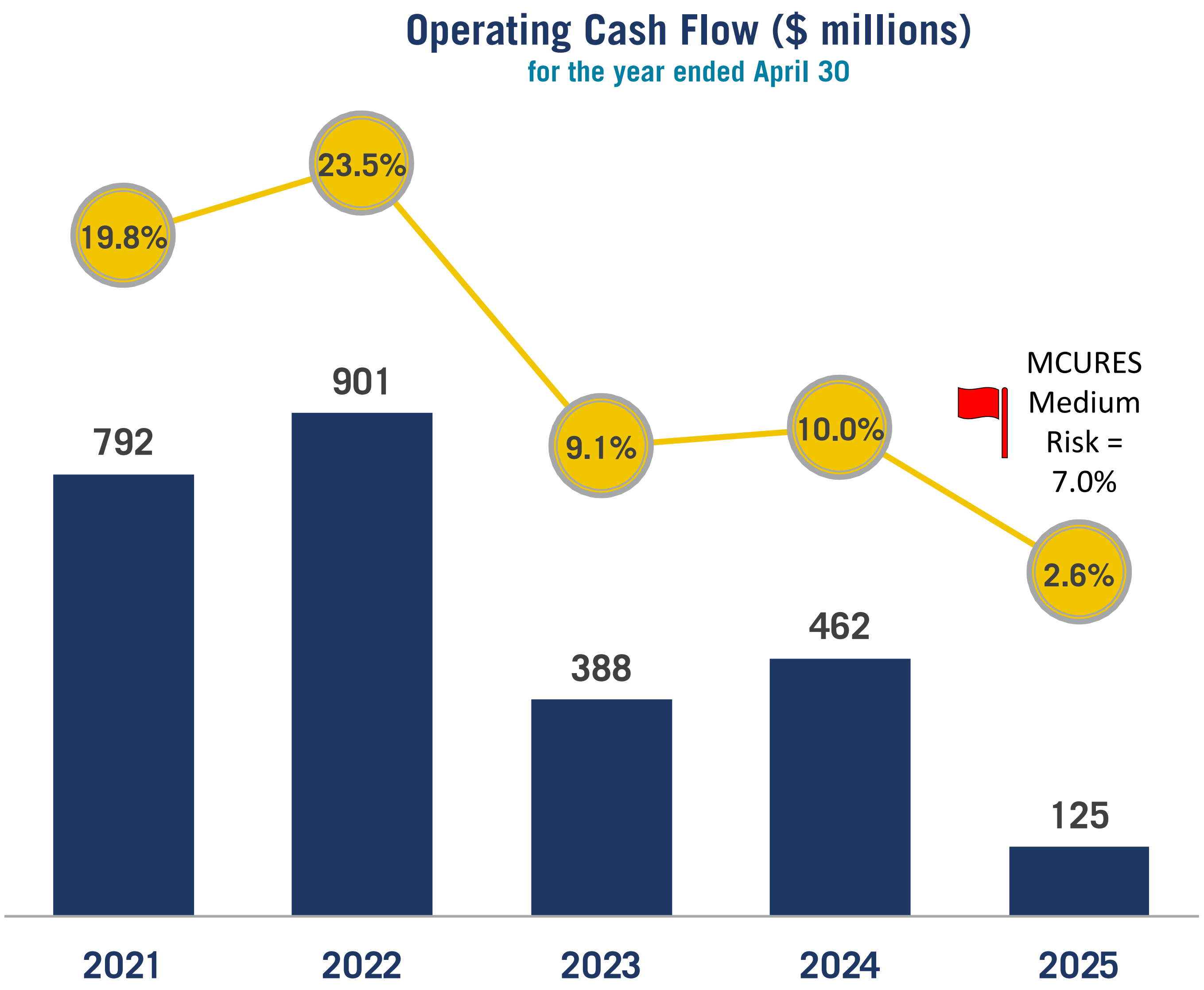
COMMITMENTS FROM NET INCOME

The $513 million of net income does not account for spending on capital projects, nor funds set aside to address specific financial risks
per the multi-year budget plan:

- $296 million: spent on capital assets (in excess of depreciation expense)
- $114 million: investment income smoothed over the long range budget period
- $75 million: added to reserve for pension special payments

$34m Balance added to other reserves in net assets

CASH FLOW FROM OPERATIONS



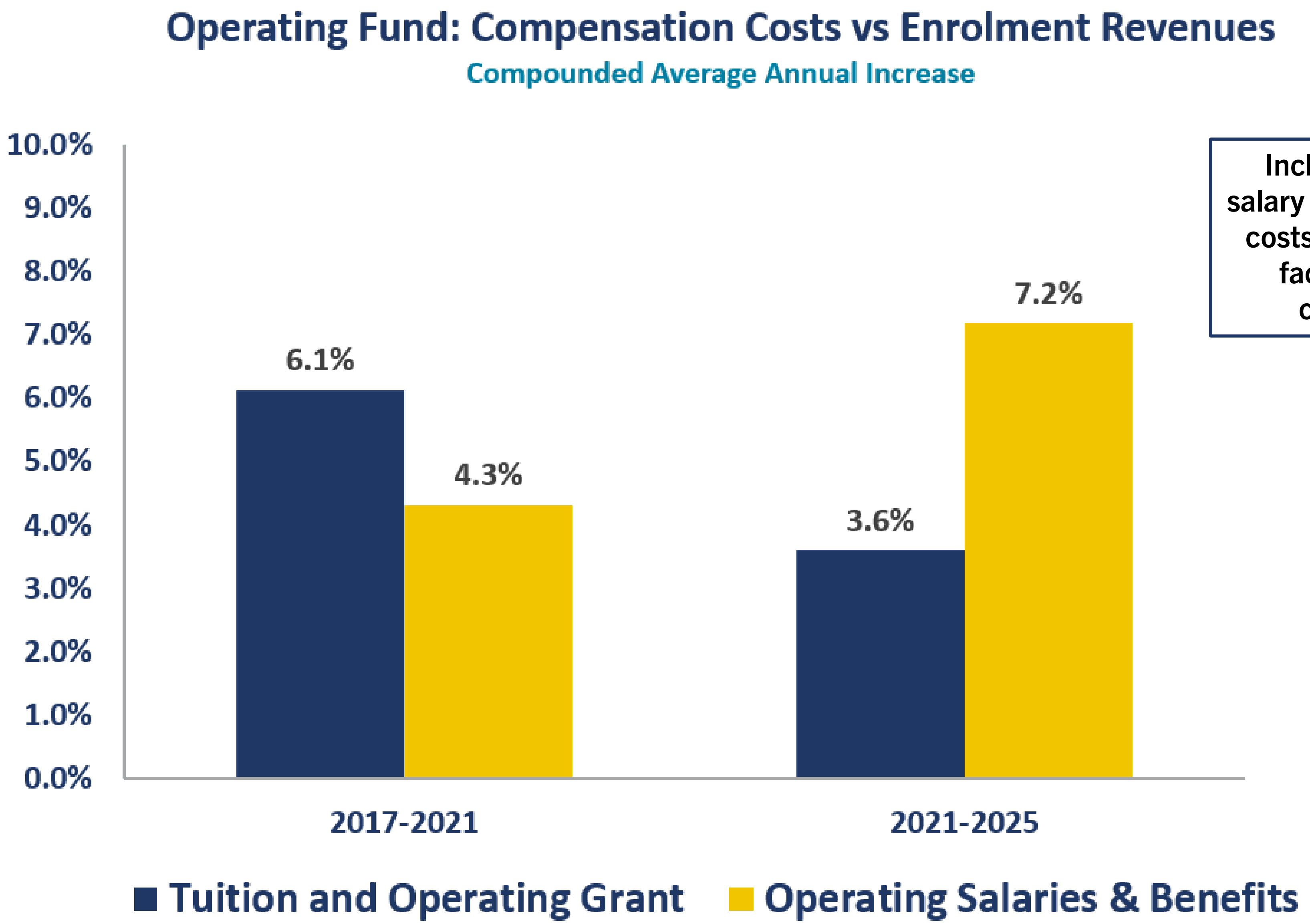
OPERATING RATIO

1 The University faces uncertainty in international enrolment, a domestic tuition fee freeze, ongoing inflation and impacts of compensation increases contained in post-Bill 124 collective agreements, and the rising cost of employee benefits.

INVESTMENT INCOME

2 Mark-to-market gains on working capital investments contribute to positive results in net income, but these unrealized gains are excluded from operating cash flow.

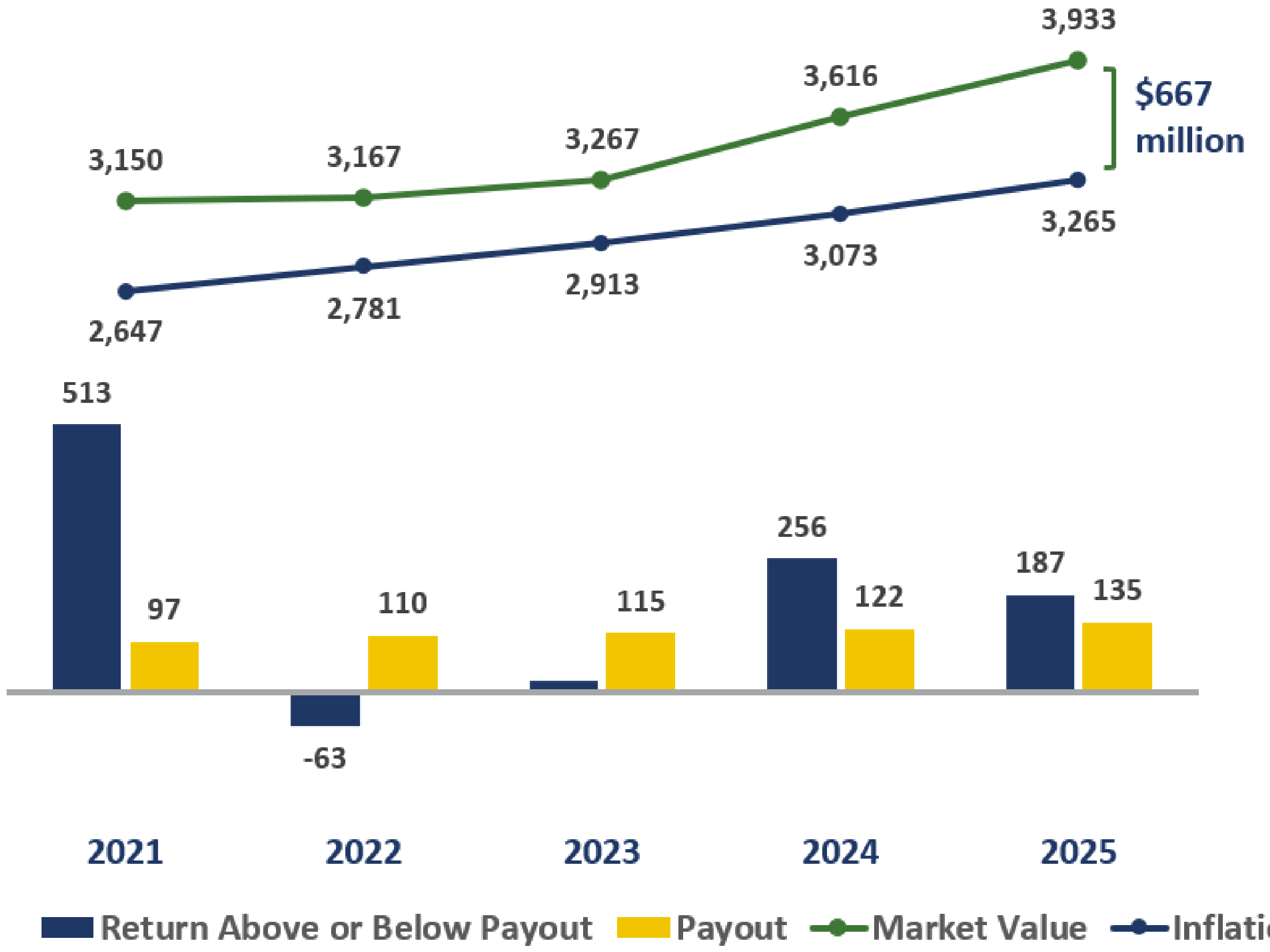
TRENDS IN PROGRAM REVENUES AND EXPENSES



Includes impact of salary increases, benefit costs, and changes in faculty and staff complement.

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 $317 million, including $130 million of new endowed donations and matchings and $62 million inflation on existing endowments.

2

RETURN AND PAYOUT

Total return of $322 million less an endowment payout of $135 million resulted in an increase of $187 million in the cumulative preservation of capital.

INVESTMENT RETURNS (TO APRIL 30, 2025*)

+8.9%

ENDOWMENT $3.9B & OTHER L/T $0.9B

Includes endowments, sinking fund, and other long term assets. Target is 4.0% real return over 10-year period.

+9.7%

MEDIUM TERM EXPENDABLE $1.1B

Funds set aside for spending in a 3-5 year horizon. Tolerance for some volatility, while avoiding permanent impairment of capital.

+6.7%

SHORT TERM EXPENDABLE $2.6B

Funds set aside for short-term expenditure. Minimal tolerance for risk.

+4.5%

DAILY LIQUIDITY $299M

Funds managed by the University for day-to-day liquidity needs. Minimal tolerance for risk.

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.

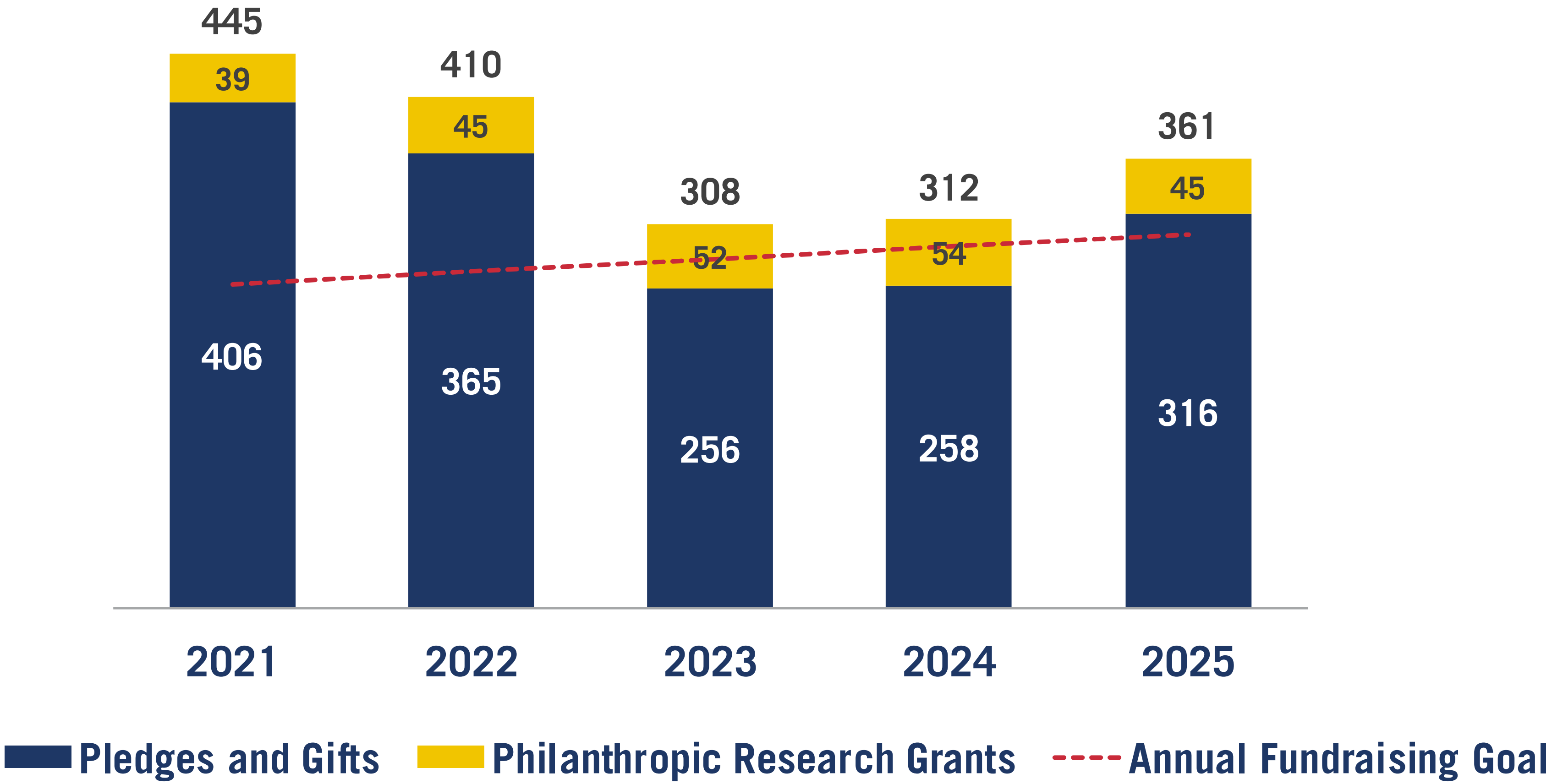
* Returns differ from those reported at UTAM financial year end (December 31, 2024) due to difference in reporting period.

DEFY GRAVITY

From its inception on January 1, 2019 through April 30, 2025, the Defy Gravity campaign has raised $2.27 billion dollars toward its ambitious $4 billion goal and has surpassed 75% of its targets for alumni engagement. In FY 2025, $361 million was raised on an annual fundraising goal of $300 million.

Pledges, Gifts, and Philanthropic Research Grants

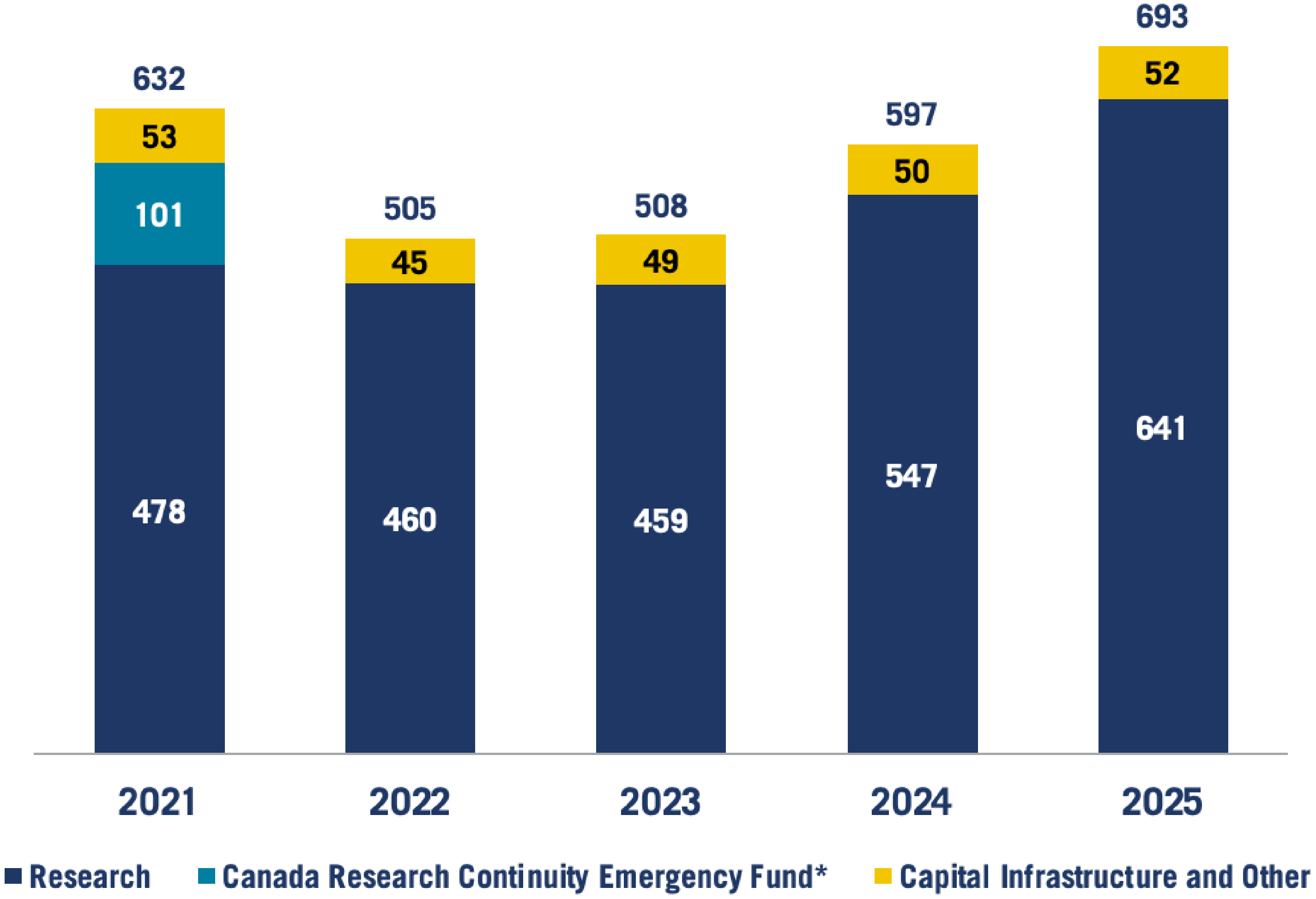
for the year ended April 30 (millions of dollars)



* This figure includes federated universities and other affiliated institutions, but excludes donations to partner hospitals.

Government and Other Grants and Contracts Received for Restricted Purposes

for the year ended April 30 (millions of dollars)



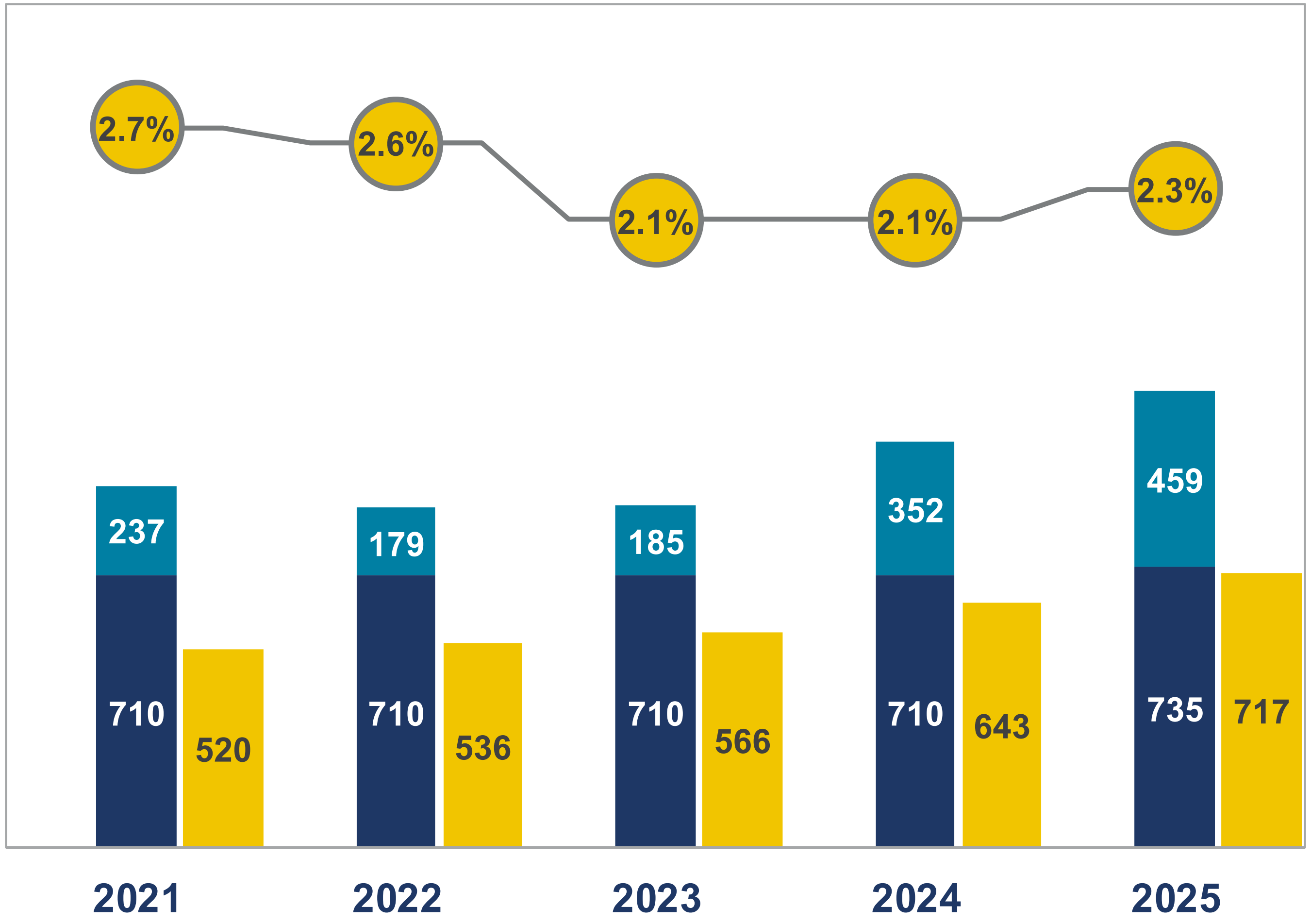
* $90 million of this funding was transferred to hospitals

DEBT AND THE SINKING FUND

Increase of $25 million in external debt in 2024-25 relates to drawdown of financing for Project LEAP.

Outstanding Debt

for the year ended April 30 ($ millions)



DID YOU KNOW ...

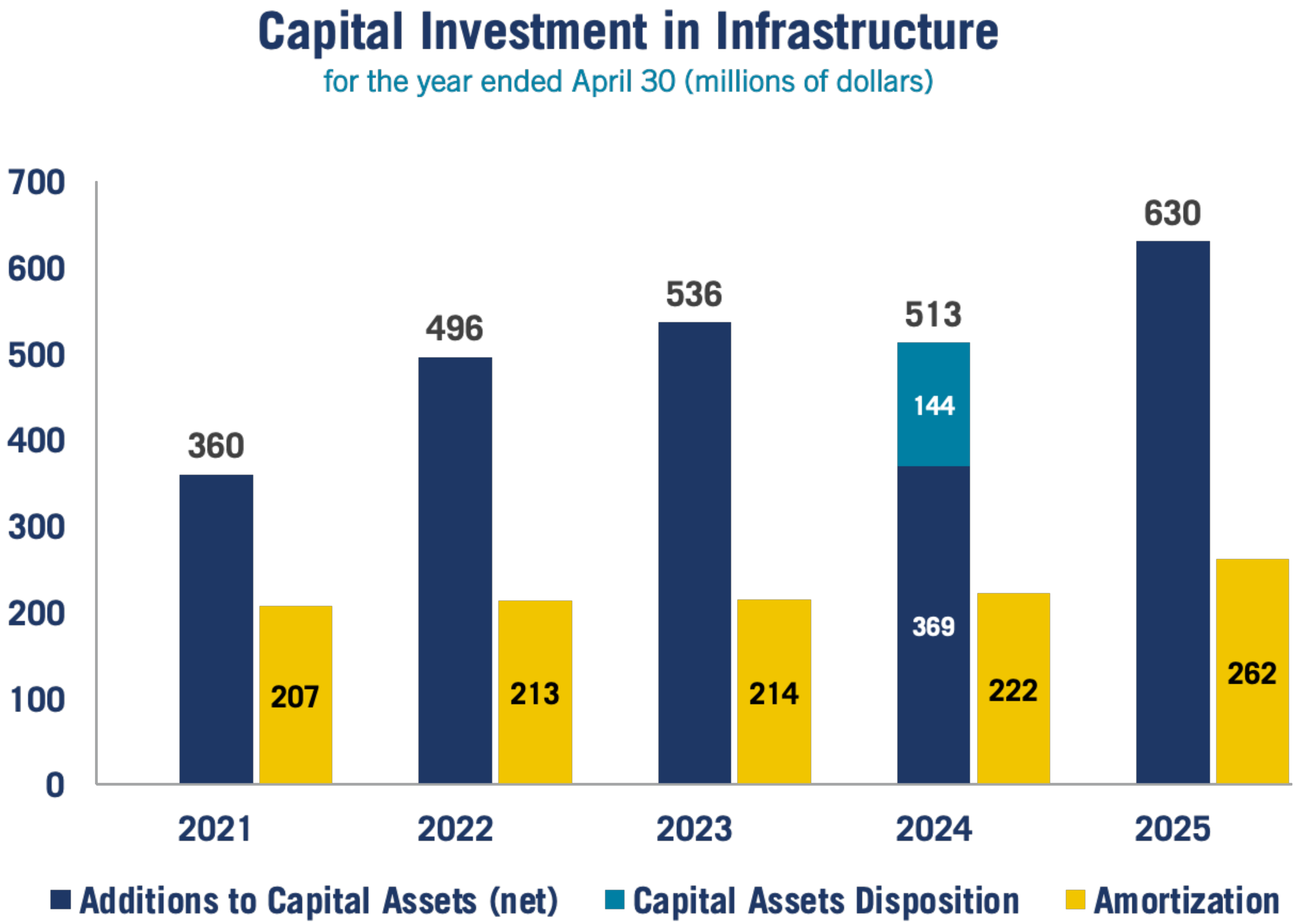
The University's debt policy limit is based on a debt burden ratio of 6.0% of total expenses, equivalent to $3.1 billion of internal, external, and indirect debt.

The current debt burden ratio is 2.3%, meaning the University can afford an additional $151 million in annual principal and interest payments equivalent to $1.94 billion of unused borrowing room.

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

UNIVERSITY OF TORONTO

CAPITAL ASSETS



BREAKDOWN OF NET ASSETS

Investment in Capital Assets (Net)
Reflects the value of land and capital infrastructure net of accumulated depreciation and outstanding debt.

Reserves and Deficit
Reserves for future spending, net of future benefits liability and internal financing of capital construction.

Endowments
Represent over 7,200 individual endowment funds, which are restricted by Governing Council or donor agreements to approved academic priorities.

Internally Restricted Reserves and Unrestricted Deficit

$1,677 MILLION
CAPITAL PROJECT & INFRASTRUCTURE RESERVES

$577 MILLION
OPERATING CONTINGENCIES

$557 MILLION
OTHER RESERVES FOR FUTURE SPENDING

($506 MILLION)
EMPLOYEE FUTURE BENEFITS LIABILITY

($514 MILLION)
DEFICIT - INTERNAL FINANCING

MCU Financial Accountability Framework (DRAFT)

University of Toronto results for the year ended April 30, 2025 (Pending MCU Review)

PERFORMANCE	DEBT		LIQUIDITY	CREDIT RATING	
Net Income (Loss)	Viability Ratio*	Debt to Revenue	Working Capital Ratio	S&P Global	AA+ (Stable)
10.6%	4.2	15%	1.79	Moody's	Aa1 (Stable)
Operating Ratio	Interest Burden	Debt Ratio	Primary Reserve (days)*	DBRS	AA (Stable)
2.6%	0.9%	24%	260		

OVERALL: NO ACTION

*Note on Expendable Net Assets

MCU has proposed changes to the definition of Expendable Net Assets that, if adopted, would have an impact on the calculation of the Viability Ratio and the Primary Reserve Ratio for 2024-25. The proposed changes are intended to exclude net assets in employee future benefits and sinking funds.

The proposed changes would result in a Viability Ratio of 3.2 and a Primary Reserve of 200 days for the University of Toronto. The risk rating for the metrics would be unchanged.

MCU Financial Accountability Framework

- Low Risk
- Medium Risk
- High Risk

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