

Financial Statements

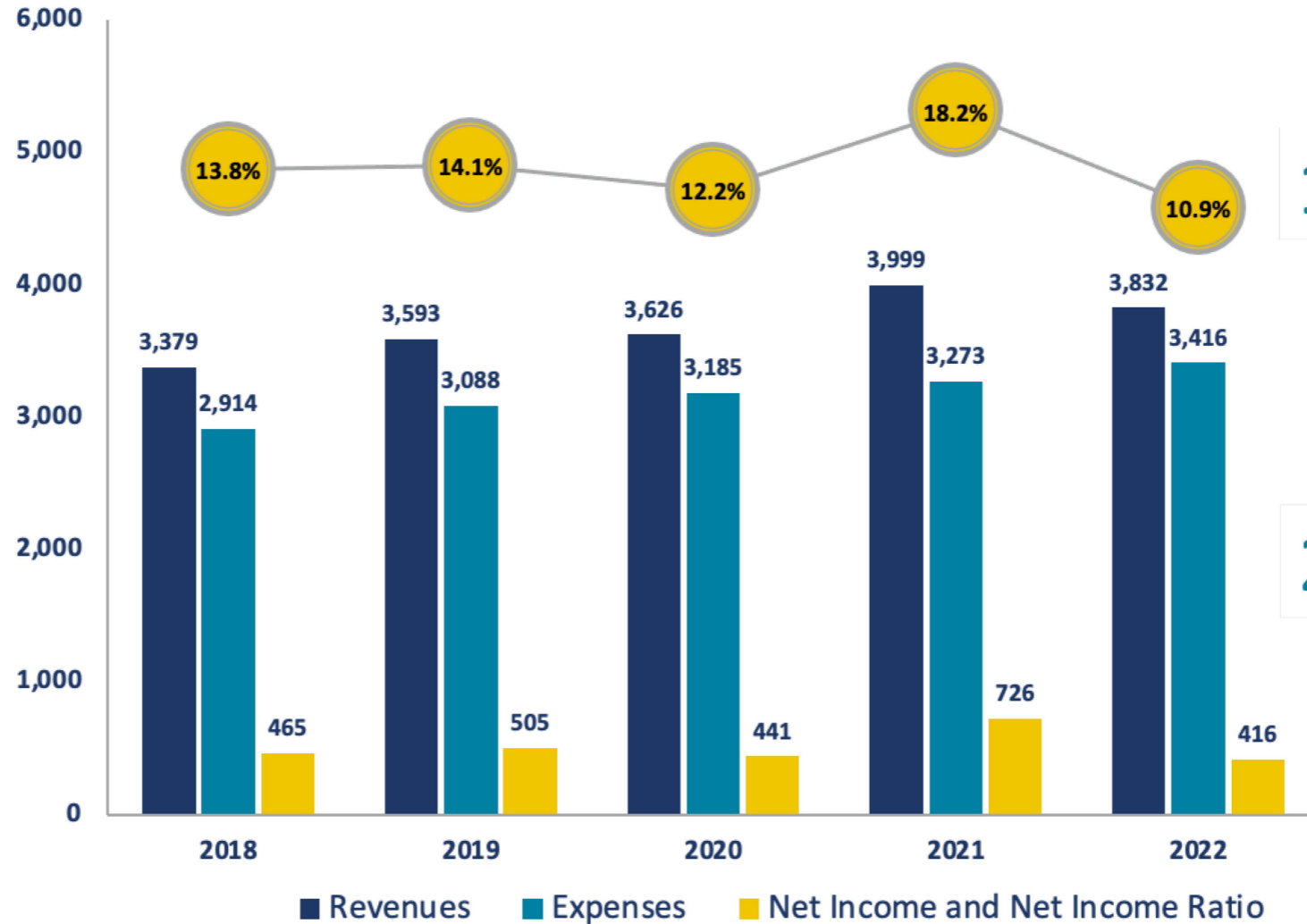
for the year ended April 30, 2022



UNIVERSITY OF
TORONTO

STATEMENT OF OPERATIONS

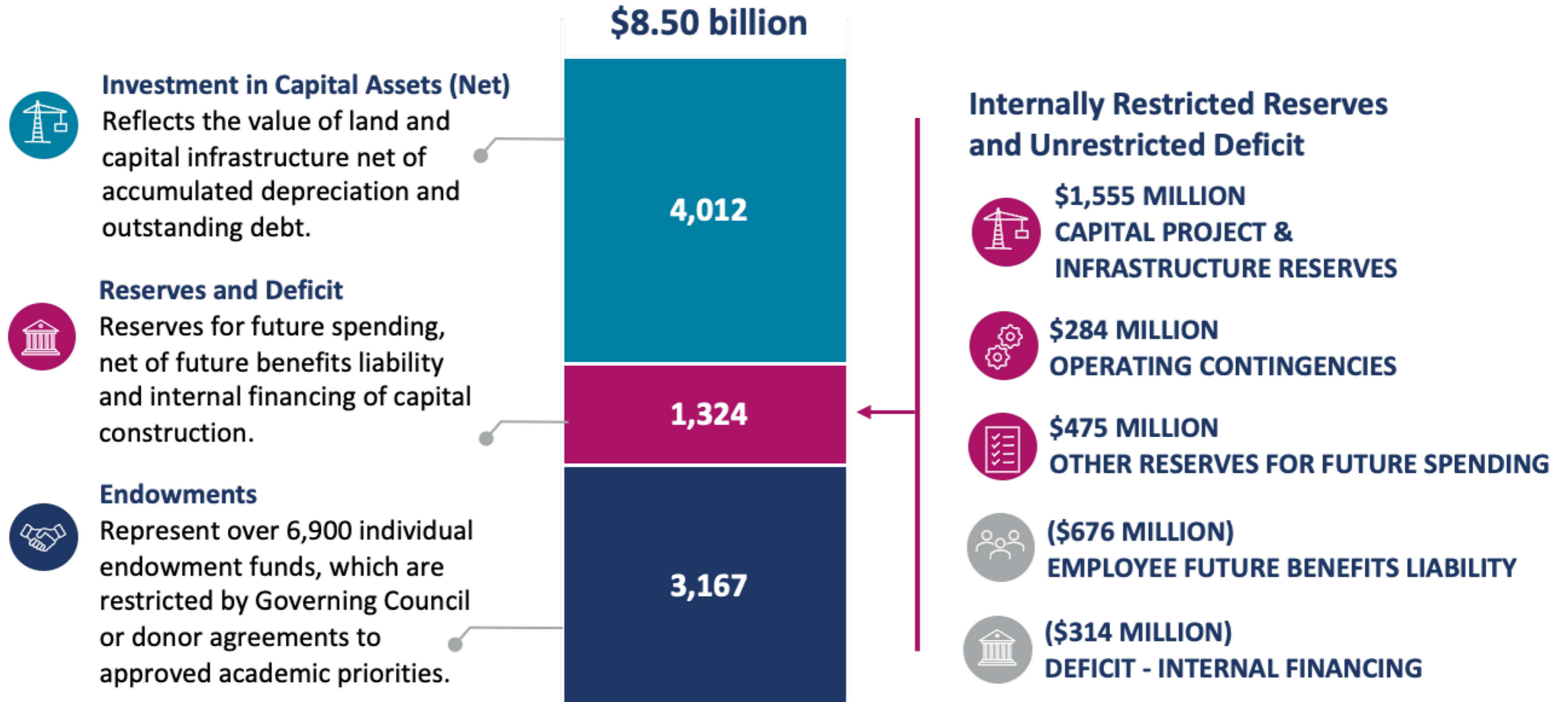
Revenue and Expenses (\$ millions)
for the year ended April 30



1 **CAPITAL INVESTMENTS**
Net income includes \$496 million capitalized for UTM Science Building, Schwartz Reisman Innovation Campus, UTSC Student Residence, Fitzgerald Revitalization 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.

BREAKDOWN OF NET ASSETS



INVESTMENT RETURNS

+1.5%

LONG TERM CAPITAL APPRECIATION \$3.9B

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

-6.2%

MEDIUM TERM EXPENDABLE \$751M

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

-1.6%

SHORT TERM EXPENDABLE \$2.5B

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

+0.7%

DAILY LIQUIDITY \$333M

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

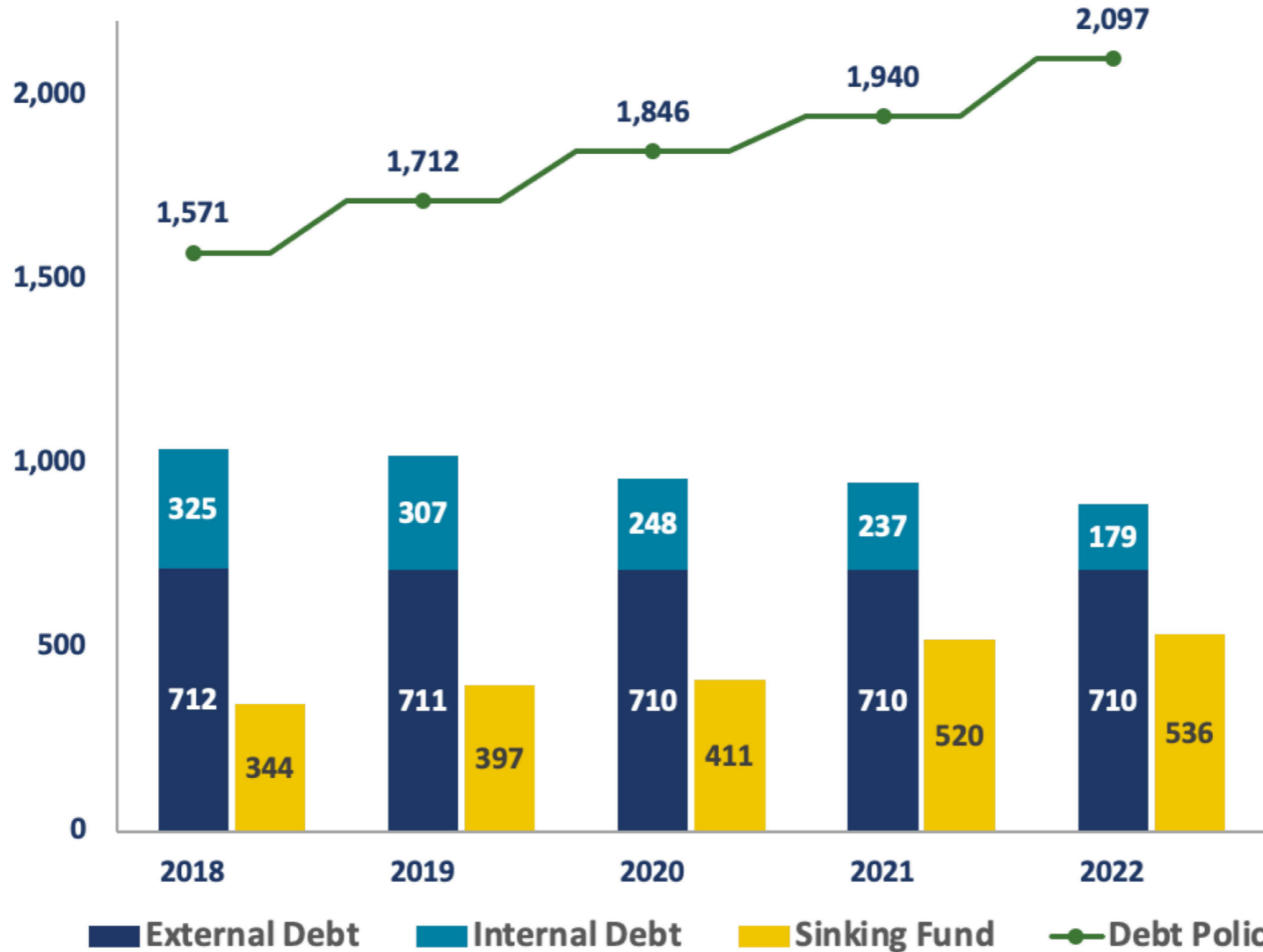


RISK TOLERANCE AND RETURN OBJECTIVES

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 steady, predictable returns for the University over time.

DEBT AND THE SINKING FUND

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



DID YOU KNOW ...

U of T's debt strategy sets the debt policy limit based on a debt burden ratio of 5.0%

Current debt burden ratio is 2.6%, meaning U of T can afford an additional \$92 million in annual principal and interest payments - equivalent to \$1.2 billion of borrowing room at 5.5%

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

FINANCIAL HEALTH INDICATORS

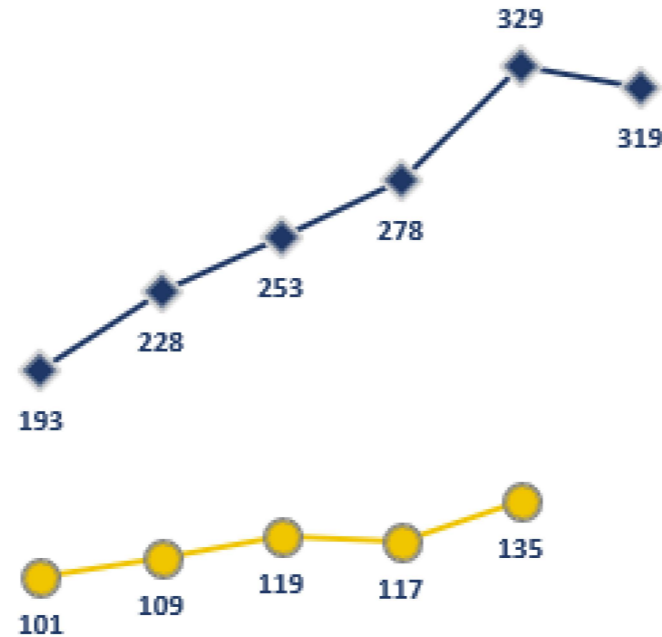
Net Income Ratio



16-17 17-18 18-19 19-20 20-21 21-22

Net Income Ratio

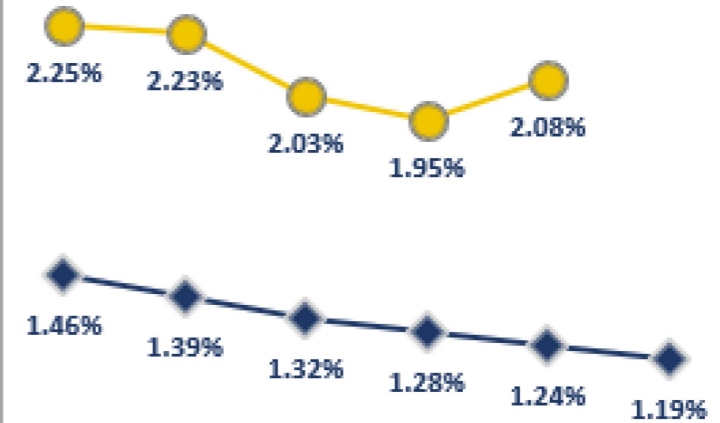
Primary Reserve Ratio



16-17 17-18 18-19 19-20 20-21 21-22

Primary Reserve Ratio

Interest Burden Ratio



16-17 17-18 18-19 19-20 20-21 21-22

Interest Burden Ratio

● Sector (Excl UofT) ◆ UofT

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for the year ended April 30, 2022



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