

*CONSOLIDATED FINANCIAL  
STATEMENTS*

Year ended April 30, 2023

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# TORONTO METROPOLITAN UNIVERSITY

Year ended April 30, 2023

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## INDEPENDENT AUDITOR'S REPORT

To the Board of Governors of Toronto Metropolitan University

### ***Opinion***

We have audited the consolidated financial statements of Toronto Metropolitan University (the Entity), which comprise:

- the consolidated balance sheet as at April 30, 2023
- the consolidated statement of operations for the year then ended
- the consolidated statement of changes in net assets for the year then ended
- the consolidated statement of cash flows for the year then ended
- and notes to the consolidated financial statements, including a summary of significant accounting policies

(Hereinafter referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the consolidated financial position of the Entity as at April 30, 2023, and its consolidated results of operations and its consolidated cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

### ***Basis for Opinion***

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the "***Auditor's Responsibilities for the Audit of the Financial Statements***" section of our auditor's report.

We are independent of the Entity in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.



### ***Responsibilities of Management and Those Charged with Governance for the Financial Statements***

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Canadian accounting standards for not-for-profit organizations, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Entity's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Entity or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Entity's financial reporting process.

### ***Auditor's Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.



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- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group Entity to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

*KPMG LLP*

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Chartered Professional Accountants, Licensed Public Accountants

Vaughan, Canada

June 26, 2023

# TORONTO METROPOLITAN UNIVERSITY

Consolidated Balance Sheet  
[In thousands of dollars]

April 30, 2023, with comparative information for 2022

	2023 \$	2022 \$
<b>ASSETS</b>		
<b>Current</b>		
Cash and cash equivalents	19,295	141,614
Short-term investments	141,522	41
Accounts receivable [note 5]	62,114	36,793
Prepaid expenses	14,427	14,951
Inventories	1,222	1,493
Current portion of notes receivable [note 6]	376	354
<b>Total current assets</b>	<b>238,956</b>	<b>195,246</b>
Investments [note 3[a]]	681,821	667,524
Employee future benefits - pension [note 4]	208,130	141,669
Notes receivable [note 6]	3,210	3,586
Long-term prepaid expenses	6,581	–
Capital assets [note 7]	1,214,167	1,233,335
	<b>2,352,865</b>	<b>2,241,360</b>
<b>LIABILITIES, DEFERRED CONTRIBUTIONS AND NET ASSETS</b>		
<b>Current</b>		
Accounts payable and accrued liabilities [note 8]	114,396	94,894
Deferred revenue	29,199	26,059
Current portion of long-term debt [note 9[a]]	9,536	9,041
Current portion of fair value of interest rate swaps [note 9[b]]	253	3,065
<b>Total current liabilities</b>	<b>153,384</b>	<b>133,059</b>
Employee future benefits - other [note 4]	37,692	34,971
Long-term debt [note 9[a]]	494,019	503,564
Fair value of interest rate swaps [note 9[b]]	8,955	9,270
Deferred long-term revenue [note 10]	48,750	–
Deferred revenue contributions [note 11]	177,755	172,918
Deferred capital contributions [note 12]	280,354	277,689
<b>Total liabilities</b>	<b>1,200,909</b>	<b>1,131,471</b>
<b>Net assets</b>		
Endowments [note 13]	155,492	148,873
Other [notes 14 and 15]	996,464	961,016
<b>Total net assets</b>	<b>1,151,956</b>	<b>1,109,889</b>
Commitments [note 17]		
Contingent liabilities [note 18]		
<b>Total Liabilities and Net Assets</b>	<b>2,352,865</b>	<b>2,241,360</b>

See accompanying notes to consolidated financial statements

On behalf of the Board of Governors:

\_\_\_\_\_

Chair

\_\_\_\_\_

Secretary

# TORONTO METROPOLITAN UNIVERSITY

## Consolidated Statement of Operations

[In thousands of dollars]

Year ended April 30, 2023, with comparative information for 2022

	2023	2022
	\$	\$
<b>REVENUE</b>		
Government grants for general operations	262,013	260,385
Government grants and contracts for restricted purposes	228,734	243,416
Student fees	416,897	417,560
Sales and services	35,160	24,655
Donations recognized <i>[note 16]</i>	14,501	21,233
Amortization of deferred capital contributions <i>[note 12]</i>	14,363	13,353
Unrealized gain on interest rate swaps <i>[note 9[b]]</i>	3,127	15,906
Investment income <i>[note 3[b]]</i>	28,871	11,608
Other income	15,173	7,069
	<u>1,018,839</u>	<u>1,015,185</u>
<b>EXPENSES</b>		
Salaries and benefits	607,700	576,569
Materials, supplies, repairs and maintenance	200,894	166,708
Sub grants to partner institutions	102,835	129,444
Bursaries and scholarships	52,282	54,342
Amortization of capital assets <i>[note 7]</i>	53,258	52,583
Interest <i>[note 9[a]]</i>	19,423	20,881
	<u>1,036,392</u>	<u>1,000,527</u>
<b>(Expenses less revenue) Revenue less expenses</b>	<u>(17,553)</u>	<u>14,658</u>

*See accompanying notes to consolidated financial statements*

# TORONTO METROPOLITAN UNIVERSITY

## Consolidated Statement of Changes in Net Assets

[In thousands of dollars]

Year ended April 30, 2023, with comparative information for 2022

				2023	2022
	Unrestricted	Internally	Endowments	Total	Total
	\$	\$	\$	\$	\$
		<i>[note 14]</i>	<i>[note 13]</i>		
<b>Net assets, beginning of year as previously presented</b>	(235,075)	1,196,091	148,873	1,109,889	1,038,915
Adoption of amendments to CPA Canada Section 3462 <i>[note 4]</i>	–	(9,344)	–	(9,344)	–
<b>Net assets, beginning of the year restated</b>	(235,075)	1,186,747	148,873	1,100,545	1,038,915
Revenue less expenses (Expenses less revenue)	(17,553)	–	–	(17,553)	14,658
Capitalization of investment income in endowments <i>[notes 3(b) and 13]</i>	(187)	–	5,927	5,740	6,139
Internally restricted endowment	(255)	–	255	–	–
Endowment contributions	–	–	437	437	1,471
Employee Future Benefit Remeasurement <i>[note 4]</i>	–	62,787	–	62,787	48,706
Employee Future Benefit Income <i>[note 4]</i>	(10,297)	10,297	–	–	–
Allocation of Carry Forwards <i>[note 14]</i>	21,964	(21,964)	–	–	–
Investment in capital assets <i>[note 15[b]]</i>	9,579	(9,579)	–	–	–
<b>Net assets (Net liabilities), end of year</b>	(231,824)	1,228,288	155,492	1,151,956	1,109,889

See accompanying notes to consolidated financial statements



# TORONTO METROPOLITAN UNIVERSITY

## Consolidated Statement of Cash Flows

[In thousands of dollars]

Year ended April 30, 2023, with comparative information for 2022

	2023	2022
	\$	\$
<b>OPERATING ACTIVITIES</b>		
Revenue less expenses (Expenses less revenue)	(17,553)	14,658
Add (deduct) non-cash items:		
Amortization of capital assets <i>[note 7]</i>	53,258	52,583
Amortization of deferred capital contributions <i>[note 12]</i>	(14,363)	(13,353)
Unrealized gain on interest rate swaps <i>[note 9[b]]</i>	(3,127)	(15,906)
Unrealized loss (gain) on investments <i>[note 3[b]]</i>	(5,372)	4,734
Employee future benefits contributions <i>[note 4]</i>	(33,404)	(31,390)
Employee future benefits expense <i>[note 4]</i>	23,107	24,991
Net change in deferred revenue contributions <i>[note 11]</i>	4,837	(141,386)
Net change in non-cash working capital balances <i>[note 19]</i>	(1,884)	284
<b>Cash (used in) provided by operating activities</b>	<b>5,499</b>	<b>(104,785)</b>
<b>INVESTING ACTIVITIES</b>		
Decrease in notes receivable <i>[note 6]</i>	354	334
Acquisition of capital assets <i>[note 7]</i>	(34,090)	(34,867)
Long-term prepaid expenses	(6,581)	–
Increase in short-term investments	(141,481)	–
Increase in investments	(8,925)	(118,079)
<b>Cash (used in) investing activities</b>	<b>(190,723)</b>	<b>(152,612)</b>
<b>FINANCING ACTIVITIES</b>		
Contributions received for capital purposes <i>[note 12]</i>	17,028	19,462
Endowment contributions <i>[note 13]</i>	437	1,471
Capitalization of investment income in endowments <i>[note 13]</i>	5,740	6,139
Repayment of long-term debt principal <i>[note 9[a]]</i>	(9,050)	(8,550)
Increase in long-term deferred revenue <i>[note 10]</i>	48,750	–
Increase in long-term debt <i>[note 9[a]]</i>	–	250,000
<b>Cash provided by financing activities</b>	<b>62,905</b>	<b>268,522</b>
<b>Net increase (decrease) in cash and cash equivalents during the year</b>	<b>(122,319)</b>	<b>11,125</b>
Cash and cash equivalents, beginning of year	141,614	130,489
<b>Cash and cash equivalents, end of year</b>	<b>19,295</b>	<b>141,614</b>
Supplemental cash flow information:		
Interest paid	21,260	21,468

*See accompanying notes to consolidated financial statements*

# TORONTO METROPOLITAN UNIVERSITY

## Notes to Consolidated Financial Statements

[In thousands of dollars]

Year ended April 30, 2023

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### 1. DESCRIPTION

Toronto Metropolitan University (the "University") (formerly Ryerson University) was incorporated in 1948 under the laws of the Province of Ontario. The University began operating under the business name 'Toronto Metropolitan University' in April 2022. The University's legal name was formally changed to Toronto Metropolitan University through an act of the Ontario Provincial Parliament on December 8, 2022.

The mission of the University is the advancement of applied knowledge and research to address societal needs and the provision of programs of study that provide a balance between theory and application and that prepare students for careers in professional and quasi-professional fields. As a leader in applied education and innovation, the goal of the University is to be recognized for the excellence of its teaching, the relevance of its curriculum, the success of its students in achieving their academic and career objectives, the quality of its scholarship, research and creative activity, and its commitment to accessibility, lifelong learning and involvement in the broader community.

These consolidated financial statements reflect the assets, liabilities, net assets, revenues, expenses and other transactions of all of the operations controlled by the University, including its wholly owned subsidiaries, Ryerson Futures Incorporated, operating as DMZ-Ventures and Cybersecure Catalyst. Accordingly, these consolidated financial statements include the academic, administrative and other operating expenses funded by fees, grants and other general revenue; restricted purpose funds, including endowment, research and trust; and the ancillary operations, such as residences, food services and parking.

The University is a registered charity and, therefore, is exempt from income taxes under the Income Tax Act [Canada].

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

These consolidated financial statements have been prepared in accordance with Part III of the Chartered Professional Accountants of Canada ["CPA Canada"] Handbook, which sets out generally accepted accounting principles for not-for-profit organizations in Canada and includes the significant accounting policies set out below:

#### **Cash and cash equivalents and investments**

Cash and cash equivalents consist of cash on hand, high interest savings and guaranteed investment certificates ("GICs"), with a term to maturity of three months or less at the time of purchase and which are readily convertible to cash on short notice. Investments with a maturity date greater than three months and less than one year are classified as short-term investments. Investments in excess of one year are classified as long-term investments. Management categorizes certain investments as long-term due to the nature of intent.

#### **Inventories**

Inventories, which consist of goods held for resale, are recorded at the lower of cost and net realizable value.

# TORONTO METROPOLITAN UNIVERSITY

Notes to Consolidated Financial Statements (continued)

[In thousands of dollars]

Year ended April 30, 2023

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## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES [continued]

### Employee future benefits

The University has defined benefit pension plans for its employees and provides other retirement benefits, such as extended health and dental care, for some of its employees. Accrued benefit obligations for all of the University's employee future benefit plans are determined in accordance with the CPA Canada Handbook Accounting Part III Section 3463.

The University recognizes the amount of the accrued obligation, net of the fair value of plan assets in the consolidated balance sheet. Current service and finance costs are expensed during the year. Remeasurements and other items which represent the total of the difference between actual and expected return on plan assets, actuarial gains and losses, and past service costs, are recognized directly in the consolidated statement of changes in net assets as a separately identified line item.

The cost of pensions and other retirement benefits earned by employees is determined using the projected unit credit (benefit prorate) cost method and management's best estimates regarding assumptions about a number of future conditions, including investment returns, salary changes, withdrawals, mortality rates and expected health care costs. The fair market value of assets is used for disclosure and calculation of pension cost, effective on the measurement date, which is April 30 of each year.

Contributions made to defined benefit plans during the year are included in the employee future benefits expense.

### Capital assets

Capital assets acquired and constructed by the University are recorded at cost. Contributions of capital assets are capitalized at fair value at the date of contribution. Capital assets that are newly acquired, constructed or developed are componentized according to their useful life, and amortized on a straight-line basis as follows:

Buildings	
Shell	40 years
Services system, roofing	25 years
Interior construction	15 years
Equipment and furnishings	3 - 10 years
Library books	5 years
Leasehold improvements	Over lease term

Costs of capital projects in progress, including interest, are capitalized. Interest costs are capitalized during the construction period. There were no temporary or partial impairments or disposals of assets during the year. Amortization is not recognized until project completion.

# **TORONTO METROPOLITAN UNIVERSITY**

Notes to Consolidated Financial Statements [continued]

[In thousands of dollars]

Year ended April 30, 2023

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## **2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES [continued]**

### **Collections**

Collections of art work, substantially all received as gifts are recorded as income and expense at their appraised value in the period received.

### **Revenue recognition**

The University follows the deferral method of accounting for contributions, which includes donations and government grants. Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured. Contributions externally restricted for purposes other than endowment are deferred and recognized as revenue in the year in which the related expenses are recognized. Endowment investment income for restricted endowments is deferred and recognized as revenue in the year in which the related expenses are recognized. Donation pledges are not recorded since they are not legally enforceable claims. Endowment contributions are recognized as direct increases in net assets in the year in which they are received. Student fees are recognized as revenue when courses and seminars are held. Sales and services revenue is recognized at point of sale or when the service has been provided.

### **Foreign currency translation**

Monetary assets and liabilities in foreign currencies are translated at the exchange rate in effect at year end. Operating revenue and expenses are translated at average rates prevailing during the year. Gains or losses arising from these translations are included in the consolidated statement of operations.

### **Contributed services**

An indeterminable number of hours are contributed by volunteers each year. However, because of the difficulty of determining their fair value, contributed services are not recognized in these consolidated financial statements.

### **Use of estimates**

The preparation of consolidated financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenue and expenses for the year. Significant items subject to such estimates and assumptions include the valuation of derivatives and employee future benefits. Actual results could differ from those estimates.

# TORONTO METROPOLITAN UNIVERSITY

Notes to Consolidated Financial Statements [continued]

[In thousands of dollars]

Year ended April 30, 2023

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## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES [continued]

### Financial instruments

Financial instruments are recorded at fair value on initial recognition. Freestanding derivative instruments that are not in a qualifying hedging relationship and equity instruments that are quoted in an active market are subsequently measured at fair value. Investments in equity instruments that are not quoted in an active market are measured at cost, less any reduction for impairment. All other financial instruments are subsequently recorded at cost or amortized cost, unless management has elected to carry the instruments at fair value. The University has elected to continue to carry any such financial instruments at fair value.

Transaction costs incurred on the acquisition of financial instruments measured subsequently at fair value are expensed as incurred. All other financial instruments are adjusted by transaction costs incurred on acquisition and financing costs, which are amortized using the straight-line method.

Financial assets are assessed for impairment on an annual basis at the end of the fiscal year. If there is an indicator of impairment, the University determines if there is a significant adverse change in the expected amount or timing of future cash flows from the financial asset. If there is a significant adverse change in the expected cash flows, the carrying value of the financial asset is reduced to the highest of the present value of the expected cash flows, the amount that could be realized from selling the financial asset or the amount the University expects to realize by exercising its right to any collateral. If events and circumstances reverse in a future period, an impairment loss will be reversed to the extent of the improvement, not exceeding the initial carrying value.

### Capital management

The University manages its capital by maintaining optimum levels on an ongoing basis. The objective is to ensure an adequate supply for operations while maintaining the flexibility to maximize investment returns and/or to reduce the cost of any potential external financing.

The levels of liquid resources are considered in the annual budget process. Cash flows are monitored on a daily basis, and actual operating results are compared to budget on a quarterly basis. The consolidated financial statements are augmented by reports that detail the liquid inflows and outflows.

### Accounting policy adoptions

[a] Cloud computing arrangements:

The University has early adopted the provision to allow for the capitalization of directly attributable expenditures for software service cloud computing contracts and to present such costs as prepaid expenses. Long-term prepaid assets comprise of a prepaid cloud computing expense with benefit period greater than one year.

# TORONTO METROPOLITAN UNIVERSITY

Notes to Consolidated Financial Statements [continued]

[In thousands of dollars]

Year ended April 30, 2023

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES [continued]

### [b] Employee Future Benefits:

For any benefit plans whereby an actuarial valuation is not required to comply with legislation, regulatory or contractual requirements, the defined benefit obligation must be measured as of the balance sheet date using an actuarial valuation for accounting purposes. Previously the accounting guidance allowed for the obligation to be measured using an actuarial valuation for funding purposes. As allowable under the transitional provisions of Section 3462 the cumulative effect of applying the amendment is recorded in opening net assets at the date that the amendment is first applied without restatement of prior period comparatives. As such, an adjustment of \$9,344 [note 4] has been recorded in the consolidated statement of changes in net assets as a reduction to internally restricted net assets, for any plans impacted by this policy change.

## 3. INVESTMENTS AND INVESTMENT INCOME

[a] Investments classified as long-term represent funds held for endowments, deferred revenue contributions, unspent deferred capital contributions and internally designated funds for capital projects. Management categorizes certain liquid investments as long-term due to the nature of intent.

	2023	2022
	\$	\$
Endowments	155,492	148,873
Deferred unrealized gain on endowments	25,841	20,469
Stabilization fund for endowment	24,859	29,067
Investment - cash and liquid categorized long-term	316,002	323,887
Investments - other	159,627	145,228
<b>Investments</b>	<b>681,821</b>	<b>667,524</b>

Investments held for endowments including the unrealized gain consist of cash and units of Fiera Capital Corp., Balanced Endowment Foundation and Trust Fund ["FC"] and units in pooled funds managed by Jarislowsky Fraser Limited ["JF"] in the following asset classes:

	FC	JF
Cash and short term	13.2%	3.6%
Bonds	16.1%	33.3%
Canadian equities	29.8%	31.1%
Foreign equities and other	40.9%	32.0%
<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>

Investments held for the Stabilization fund for endowment are in the Fiera Capital Corp., Money Market Core Strategy and those held for other purposes are invested in the Phillips, Hager & North Short Term Bond and Mortgage Fund as well as a mix of GICs (Guarantee investment certificates) and investment savings accounts.

# TORONTO METROPOLITAN UNIVERSITY

Notes to Consolidated Financial Statements [continued]

[In thousands of dollars]

Year ended April 30, 2023

## 3. INVESTMENTS AND INVESTMENT INCOME [continued]

[b] Investment income included in the consolidated statement of operations is calculated as follows:

	2023	2022
	\$	\$
Net investment income	35,886	18,667
Add (deduct) amounts attributed to:		
deferred revenue contributions [note 11]	4,934	(5,592)
deferred capital contributions [note 12]	(837)	(62)
endowment capital preservation [note 13]	(5,740)	(6,139)
Add (deduct) unrealized investment loss (gain) [note 11]	(5,372)	4,734
<b>Investment income recognized during the year</b>	<b>28,871</b>	<b>11,608</b>

Investment income earned is net of management fees of \$512 [2022 - \$522].

## 4. EMPLOYEE FUTURE BENEFITS

The University has defined benefit pension plans, being the Toronto Metropolitan University Pension Plan ("TMUPP"), Total Earnings Supplementary Plan and the Supplemental Retirement Pension Plan. Other non-pension defined benefit plans provide other post-retirement and post-employment benefits to most of its employees. Certain faculty are members of the Teachers' Superannuation Fund, a multi-employer defined benefit plan.

The University's pension plans are based on years of service and the average pensionable salary over a consecutive 60-month period. Pension benefits are indexed to inflation and will be increased each year in accordance with the increases to the Consumer Price Index ["CPI"] to a maximum CPI increase of 8%. Any increases in the CPI above 8% will be carried forward and added in years when the CPI is less than 8%.

Other non-pension defined benefit plans are for faculty early retirees where the University pays 100% of the premium for medical, dental and life insurance until the age of 65. All retirees after the age of 65 are required to pay their own premiums for medical and dental benefits.

# TORONTO METROPOLITAN UNIVERSITY

Notes to Consolidated Financial Statements [continued]

[In thousands of dollars]

Year ended April 30, 2023

## 4. EMPLOYEE FUTURE BENEFITS [continued]

The latest filed actuarial valuation for the TMUPP which represents the vast majority of the obligations, was performed as at March 31, 2022. The next required actuarial valuation for the TMUPP is March 31, 2025. The University measures its accrued benefit obligation and the fair value of plan assets as at April 30.

	2023		2022	
	Pension benefit plans	Other benefit plans	Pension benefit plans	Other benefit plans
	\$	\$	\$	\$
Fair value of plan assets	1,833,784	–	1,731,212	–
Accrued benefit obligations	(1,625,654)	(37,692)	(1,589,543)	(34,971)
<b>Employee future benefits asset (liability)</b>	<b>208,130</b>	<b>(37,692)</b>	<b>141,669</b>	<b>(34,971)</b>

These amounts are reflected in Internally restricted net assets [note 14].

Information about the expense, funding and benefits paid under the University's defined benefit plans is as follows:

	2023			2022		
	Pension benefit plans	Other benefit plans	Total benefit plans	Pension benefit plans	Other benefit plans	Total benefit plans
	\$	\$	\$	\$	\$	\$
Funding by employer	32,093	1,311	33,404	29,713	1,677	31,390
Defined benefit plans cost (income)	(14,674)	4,377	(10,297)	(9,853)	3,454	(6,399)
Employee future benefits expense	17,419	5,688	23,107	19,860	5,131	24,991
Benefits paid	69,727	1,311	71,038	59,212	1,677	60,889



# TORONTO METROPOLITAN UNIVERSITY

Notes to Consolidated Financial Statements [continued]

[In thousands of dollars]

Year ended April 30, 2023

## 4. EMPLOYEE FUTURE BENEFITS [continued]

The principal actuarial assumptions adopted in measuring the University's accrued benefit obligations and expense for defined benefit plans are as follows:

	2023		2022	
	Pension benefit plans %	Other benefit plans %	Pension benefit plans %	Other benefit plans %
<b>Accrued benefit obligation:</b>				
Discount rate	7.10	4.60	7.15	7.15
Provision for adverse deviation (PfAD)	11.80	n/a	20.15	20.15
Rate of compensation increase	3.50	3.50	3.50	3.50
Rate of long-term inflation	2.00	–	2.00	–
<b>Benefit cost:</b>				
Discount rate	7.15	4.45	7.15	7.15
Provision for adverse deviation (PfAD)	20.15	n/a	20.15	20.15
Rate of compensation increase	3.50	3.50	3.50	3.50
Rate of inflation	2.00	–	2.00	–
<b>Medical costs increases:</b>				
Drug	–	6.25	–	5.95
Hospital	–	4.00	–	4.00
Other medical	–	4.00	–	4.00
Dental	–	4.00	–	4.00

The University has elected to use the funding valuation approach for TMUPP financial accounting purposes. Funding requirements for TMUPP determined on the basis that plan continues indefinitely consider two actuarial measurement approaches. In accordance with the most recent funding report filed with the regulators, the first approach determines obligation using a net discount rate of 5.75% and second approach determines obligations using a discount rate of 7.10% and obligations were then increased to include a explicit PfAD of 11.8%. The second approach is required to be used to determine TMUPP obligations for financial accounting purposes.

# TORONTO METROPOLITAN UNIVERSITY

Notes to Consolidated Financial Statements [continued]

[In thousands of dollars]

Year ended April 30, 2023

## 4. EMPLOYEE FUTURE BENEFITS [continued]

Due to change in accounting standards (Section 3462), other non-pension benefit plans that do not have legislative, regulatory or contractual requirement to use funding valuation are required to measure obligations using accounting valuation that relies on discount rate provided by Institute of Actuaries (CIA)/Fiera yield curve.

Remeasurements are recorded as an increase (decrease) to the consolidated statement of changes in net assets as follows:

	2023			2022		
	Pension benefit plans	Other benefit plans	Total benefit plans	Pension benefit plans	Other benefit plans	Total benefit plans
	\$	\$	\$	\$	\$	\$
Difference between actual and expected returns on plan assets	(14,012)	–	(14,012)	47,265	–	47,265
Actuarial gain on obligation	75,249	1,550	76,799	–	1,441	1,441
<b>Remeasurements</b>	<b>61,237</b>	<b>1,550</b>	<b>62,787</b>	<b>47,265</b>	<b>1,441</b>	<b>48,706</b>

## 5. ACCOUNTS RECEIVABLE

	2023	2022
	\$	\$
Student receivable	36,795	28,860
Grants receivable	19,708	2,649
Other receivable	10,391	9,112
	66,894	40,621
Less allowance for doubtful accounts	(4,780)	(3,828)
	62,114	36,793

# TORONTO METROPOLITAN UNIVERSITY

Notes to Consolidated Financial Statements [continued]

[In thousands of dollars]

Year ended April 30, 2023

## 6. NOTES RECEIVABLE

The notes receivable balance includes the Palin Foundation, in the amount of \$3,586 [2022 - \$3,940], as outlined in the Student Campus Centre Operating Agreement, which bears interest at 5.93% per annum. The repayment period will continue until January 2031 as follows:

	\$
2024	376
2025	399
2026	423
2027	449
2028	476
Thereafter	1,463
	<u>3,586</u>
Less current portion	376
	<u>3,210</u>

Total interest earned during fiscal 2023 is \$224 [2022 - \$244] and principal repayments received during the year totalled \$354 [2022 - \$334].

## 7. CAPITAL ASSETS

Capital assets consist of the following:

	<u>2023</u>			<u>2022</u>		
	Cost \$	Accumulated amortization \$	Net book value \$	Cost \$	Accumulated amortization \$	Net book value \$
Land	523,904	–	523,904	523,904	–	523,904
Buildings	804,272	302,325	501,947	804,272	282,050	522,222
Equipment and furnishings	544,565	415,212	129,353	520,554	387,834	132,720
Library books	39,052	35,750	3,302	37,130	34,294	2,836
Leasehold improvements	48,819	30,651	18,168	43,079	26,502	16,577
Capital projects in progress	37,493	–	37,493	35,076	–	35,076
	<u>1,998,105</u>	<u>783,938</u>	<u>1,214,167</u>	<u>1,964,015</u>	<u>730,680</u>	<u>1,233,335</u>

# TORONTO METROPOLITAN UNIVERSITY

Notes to Consolidated Financial Statements [continued]

[In thousands of dollars]

Year ended April 30, 2023

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## 7. CAPITAL ASSETS [continued]

The change in net book value of capital assets is due to the following:

	2023	2022
	\$	\$
<b>Balance, beginning of year</b>	1,233,335	1,251,051
Purchase of capital assets:		
financed by debt	7,629	14,762
internally financed [note 15[b]]	20,266	12,891
funded by deferred capital contributions [note 12]	6,195	7,214
Less amortization of capital assets [note 15[b]]	(53,258)	(52,583)
<b>Balance, end of year</b>	1,214,167	1,233,335

## 8. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

Included in accounts payable and accrued liabilities are government remittances payable of \$5,226 [2022 - \$5,001], which includes amounts payable for harmonized sales tax and payroll-related taxes.

# TORONTO METROPOLITAN UNIVERSITY

Notes to Consolidated Financial Statements [continued]

[In thousands of dollars]

Year ended April 30, 2023

## 9. LONG-TERM DEBT AND DERIVATIVE FINANCIAL INSTRUMENTS

[a] Long-term debt consists of the following:

	2023	2022
	\$	\$
Facilities Expansion Loan [the "TD Loan"] A variable rate loan, bears interest at the bank's cost of funds in effect for term loans from time to time plus 1.150%. The loan matures on July 3, 2034.	89,306	94,833
Facilities Expansion Loan [the "BMO Loan"] A variable rate loan with interest and principal payable monthly. The loan bears interest at the bank's cost of funds in effect for term loans from time to time plus 0.225%. The loan matures on January 2, 2031.	32,613	35,911
Debentures		
Senior unsecured, Series A debentures, bearing fixed interest at 3.768% per annum, repayable semi-annually, with final installment due on October 11, 2057.	130,000	130,000
Senior unsecured, Series B debentures, bearing fixed interest at 3.542% per annum, repayable semi-annually, with final installment due on May 4, 2061.	250,000	250,000
Compass Group Canada Agreement Comprises two non-interest-bearing components: a capital investment fund, amortized on a straight-line basis over 10 years with monthly principal payments; and depreciable value-adds, depreciated over 10 years. The unpaid balances are payable on the expiry date of August 26, 2025, with an option to extend.	1,536	1,761
Other project.	100	100
	503,555	512,605
Less current portion	(9,536)	(9,041)
	494,019	503,564

# TORONTO METROPOLITAN UNIVERSITY

Notes to Consolidated Financial Statements [continued]

[In thousands of dollars]

Year ended April 30, 2023

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## 9. LONG-TERM DEBT AND DERIVATIVE FINANCIAL INSTRUMENTS [continued]

The long-term debts are unsecured; however, in the event of default, the bank and lenders may impose additional requirements.

The fair value of the long-term debt, except for debentures, approximates its carrying value as the rates fluctuate with bank prime.

The following are the future minimum annual debt principal repayments due over the next five fiscal years and thereafter:

	\$
2024	9,536
2025	10,102
2026	10,690
2027	11,291
2028	11,981
Thereafter	449,955
	<hr/> 503,555

Total interest expense on long-term debt for the year ended April 30, 2023 was \$ 19,423 [2022 - \$20,881], which excluded capitalized interest of \$751 [2022 - \$495].

### [b] Derivative financial instruments:

The University has in place two Interest Rate Swap Agreements ["Agreements"]. The TD agreement will expire on July 4, 2034 and the BMO agreement will expire on January 1, 2031. Under the terms of the Agreements, the University agrees with the counterparty to exchange, at specified intervals and for a specified period, its floating interest on the TD Loan and BMO Loan [note 9[a]] for fixed interest of 4.675% for the TD Agreement and 5.705% for the BMO Agreement calculated on the notional principal amount of each loan. The use of the swaps effectively enable the University to convert the floating rate interest obligations of the loans into fixed rate obligations and thus, manage its exposure to interest rate risk.

# TORONTO METROPOLITAN UNIVERSITY

Notes to Consolidated Financial Statements [continued]

[In thousands of dollars]

Year ended April 30, 2023

## 9. LONG-TERM DEBT AND DERIVATIVE FINANCIAL INSTRUMENTS [continued]

The notional amount of the loan and the fair value of the derivative liability are as follows:

	<u>2023</u>		<u>2022</u>	
	<u>Notional</u>	<u>Fair</u>	<u>Notional</u>	<u>Fair</u>
	<u>loan</u>	<u>value</u>	<u>loan</u>	<u>value</u>
	<u>amount</u>	<u>of swap</u>	<u>amount</u>	<u>of swap</u>
	\$	\$	\$	\$
Interest rate swap:				
TD	89,306	(6,416)	94,833	(8,305)
BMO	32,613	(2,792)	35,911	(4,030)
	121,919	(9,208)	130,744	(12,335)
Less current portion:				
TD	–	(43)	–	1,974
BMO	–	296	–	1,091
	121,919	(8,955)	130,744	(9,270)

The change in fair values of the interest rate swaps for the year ended April 30, 2023 was \$3,127 [2022 - \$15,906].

## 10. DEFERRED LONG-TERM REVENUE

On February 9, 2023 in order to monetize the value of the Daphne Cockwell Centre ["DCC"] residence facility, the University entered into two simultaneous lease-leaseback agreements of same duration (50 years less one day) with a third party. Under the lease the residence was leased to third party for an upfront consideration of \$50,000. The University then entered into a leaseback agreement of the DCC residence at annual lease payment of \$2,200 with a Consumer Price Index step-up every five years. Overall the University continues to retain control and substantially all the benefits and risks of asset ownership of the residence. The upfront consideration is reported as deferred long-term revenue and will be amortized on a straight-line basis over the term of the lease.

# TORONTO METROPOLITAN UNIVERSITY

Notes to Consolidated Financial Statements [continued]

[In thousands of dollars]

Year ended April 30, 2023

## 11. DEFERRED REVENUE CONTRIBUTIONS

Deferred revenue contributions represent unspent externally restricted grants and donations for research and other specific purposes. The changes in the deferred revenue contributions balance were as follows:

	2023	2022
	\$	\$
<b>Balance, beginning of year</b>	172,918	314,304
Grants and donations received	244,936	115,811
Unrealized investment gain (loss)	5,372	(4,734)
Amount (used) attributed from investment income <i>[note 3[b]]</i>	(4,934)	5,592
Amount earned and recognized as revenue	(240,537)	(258,055)
<b>Balance, end of year</b>	<b>177,755</b>	<b>172,918</b>

Deferred revenue contributions include restricted funding from the Government of Canada's Future Skills Program of \$14,157 [2022 - \$19,121] and Magnet Student Work Placement Program of \$12,504 [2022 - \$14,455]. The Future Skills Centre hosted by the University is a consortium whose members include the University, Blueprint ADE, and the Conference Board of Canada.

Government grants and contracts revenue for restricted purposes of \$228,734 [2022 - \$243,416] includes, revenues recognized for Future Skills Program \$95,321 [2022 - \$72,772] and Magnet Student Work Placement Program \$36,694 [2022 - \$83,810].

## 12. DEFERRED CAPITAL CONTRIBUTIONS

Deferred capital contributions represent the unamortized and unspent amounts of donations and grants received for the purchase of capital assets. The amortization of deferred capital contributions is recorded as revenue in the consolidated statement of operations over the estimated useful lives of the capital assets.

The balance of deferred capital contributions related to capital assets consists of the following:

	2023	2022
	\$	\$
Unamortized deferred capital contributions		
used to purchase capital assets <i>[note 15[a]]</i>	252,302	260,470
Unspent deferred capital contributions	28,052	17,219
	<b>280,354</b>	<b>277,689</b>



# TORONTO METROPOLITAN UNIVERSITY

Notes to Consolidated Financial Statements [continued]

[In thousands of dollars]

Year ended April 30, 2023

## 12. DEFERRED CAPITAL CONTRIBUTIONS [continued]

The changes in the deferred capital contributions balance were as follows:

	2023	2022
	\$	\$
<b>Balance, beginning of year</b>	277,689	271,580
Grants and donations received	16,191	19,400
Investment income	837	62
Amortization of deferred capital contributions [note 15[b]]	(14,363)	(13,353)
<b>Balance, end of year</b>	<b>280,354</b>	<b>277,689</b>

## 13. ENDOWMENTS

Endowments consist of internally and externally restricted donations and grants received by the University. The endowment principal is required to be maintained intact, with the investment income generated used for the purposes established by donors. The University ensures, as part of its fiduciary responsibilities, that all funds received with a restricted purpose are expended for the purpose for which they were provided. The University has established a policy with the objective of protecting the real value of the endowments. The amount of income made available for spending is prescribed annually and an amount is added to endowment net assets for capital preservation. The changes in the endowment fund balance were as follows:

	2023	2022
	\$	\$
<b>Endowment balance, beginning of year</b>	148,873	140,867
Donations received - externally restricted [note 16]	437	1,471
Donations received - internally restricted [note 16]	255	224
Capital preservation - externally restricted [note 3[b]]	5,740	6,139
Capital preservation - internally restricted	187	172
<b>Endowment balance, end of year</b>	<b>155,492</b>	<b>148,873</b>

The long-term investments held for the endowment funds are reflected in [note 3[a]]. The accumulated internally restricted endowment for the year ended April 30, 2023 was \$4,498 [2022 - \$4,056].

# TORONTO METROPOLITAN UNIVERSITY

Notes to Consolidated Financial Statements [continued]

[In thousands of dollars]

Year ended April 30, 2023

## 14. INTERNALLY RESTRICTED NET ASSETS

Internally restricted net assets represent unspent funds which have been committed for specific purposes to enhance the University's operations, including its facilities, equipment, and information technology.

Internally restricted net assets - carryforwards have been designated for the following purposes:

	2023	2022
	\$	\$
Investment in capital assets [a, note 15[a]]	687,896	697,475
Employee future benefits [b, note 4] - Pension	208,130	141,669
Other	(37,692)	(34,971)
	858,334	804,173
Professional development fund [c]	3,757	3,626
Capital projects [d]	80,408	80,511
Student assistance and related funds [e]	24,152	20,536
Academic priorities, growth and internal research [f]	92,374	114,643
Department carryforwards [g]	58,568	78,206
Information Technology and other initiatives [h]	96,561	77,209
One time only specific budget allocations [i]	14,134	17,187
	369,954	391,918
	1,228,288	1,196,091

[a] Investment in capital assets represents the unamortized value of capital assets funded by the University, net of outstanding debt. It excludes those amounts funded through capital contributions.

[b] Employee future benefits balance represents the surpluses or deficits associated with the pension and other benefit plans.

[c] Professional development fund represents unspent funds of individual members of the Toronto Metropolitan Faculty Association, as provided by their collective agreement.

[d] Capital projects represent internally restricted funds for university-wide and ancillary operations in support of deferred maintenance, renovations and capital projects, either planned or in progress.

[e] Student assistance and related funds include funds which have been approved as part of the operating budget each year. It also includes the expendable portion of unrestricted donations and endowment fund income. Related funds include various student fees such as the athletic fee, special activities reserve fee, and student services fee.

# TORONTO METROPOLITAN UNIVERSITY

Notes to Consolidated Financial Statements [continued]

[In thousands of dollars]

Year ended April 30, 2023

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## 14. INTERNALLY RESTRICTED NET ASSETS [continued]

- [f] Academic priorities, growth and internal research funds represent amounts which have been allocated to the Provost in support of the academic plan, new programs, faculty hiring, graduate provisions and internally funded research and related projects.
- [g] Department carryforwards represent unspent accumulated budgets at the end of the fiscal year. The University has in place a flexible budgeting program, which allows all operating budget units to defer surpluses to the subsequent year(s) in support of department initiatives, projects and plans in the future.
- [h] Information Technology and other initiatives include funds allocated to new enterprise systems and other technological initiatives. This also includes several centrally held reserves for university-wide specific projects, self-insurance, security and safety initiatives, faculty and staff benefits and training.
- [i] One time only budget allocations approved for specific initiatives.

## 15. INVESTMENT IN CAPITAL ASSETS

- [a] Net assets invested in capital assets, which represent internally financed capital assets, are calculated as follows:

	2023	2022
	\$	\$
Capital assets [note 7]	1,214,167	1,233,335
Less long-term debt [note 9[a]]	(273,969)	(275,390)
Less unamortized deferred capital contributions [note 12]	(252,302)	(260,470)
	<u>687,896</u>	<u>697,475</u>

# TORONTO METROPOLITAN UNIVERSITY

Notes to Consolidated Financial Statements [continued]

[In thousands of dollars]

Year ended April 30, 2023

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## 15. INVESTMENT IN CAPITAL ASSETS [continued]

[b] The change in net assets invested in capital assets is calculated as follows:

	2023	2022
	\$	\$
Purchase of capital assets internally financed [note 7]	20,266	12,891
Repayment of long-term debt principal [note 9[a]]	9,050	8,550
	29,316	21,441
Amortization of deferred capital contributions [note 12]	14,363	13,353
Less amortization of capital assets [note 7]	(53,258)	(52,583)
	(38,895)	(39,230)
	(9,579)	(17,789)

## 16. DONATIONS

Donations recognized are calculated as follows:

	2023	2022
	\$	\$
Donations received	29,497	34,035
Less: donations to endowments [note 13]	(692)	(1,695)
Less: donations restricted for capital purposes	(13,485)	(10,217)
Less: donations restricted for other purposes	(819)	(890)
	14,501	21,233

# TORONTO METROPOLITAN UNIVERSITY

Notes to Consolidated Financial Statements [continued]

[In thousands of dollars]

Year ended April 30, 2023

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## 17. COMMITMENTS

- [a] The estimated cost to complete construction and renovation projects in progress as at April 30, 2023, which will be funded by government grants, donations and operations, is \$32,387 [2022 - \$20,131].
- [b] The operating contribution to the Student Campus Centre is approximately \$479 per year.
- [c] The following are the approximate future minimum annual operating lease payments due over the next five fiscal years and thereafter:

	\$
2024	10,995
2025	8,296
2026	7,822
2027	7,502
2028	6,409
Thereafter	51,717
	<hr/> 92,741 <hr/>

Commitments related to the lease back expense of the DCC residence [note 10] are net of upfront lease consideration amortized on a straight line basis over the term of the lease.

## 18. CONTINGENT LIABILITIES

- [a] In 2023, the University renewed its agreement with the Canadian Universities Reciprocal Insurance Exchange ["CURIE"] for a period of five years, ending December 31, 2027. CURIE is a pooling of the property damage and public liability insurance risks of its members. All members pay annual deposit premiums which are actuarially determined and are subject to further assessment in the event members' premiums are insufficient to cover losses and expenses.
- [b] The University is involved from time to time in litigation, which arises in the normal course of operations. With respect to claims as at April 30, 2023, the University believes it has valid defences, funded provisions and/or appropriate insurance coverage in place. In the unlikely event any claims are successful, such claims are not expected to have a material effect on the University's consolidated financial position.
- [c] The University is contingently liable in the amount of \$5,300 with respect to letters of guarantee issued.

# TORONTO METROPOLITAN UNIVERSITY

Notes to Consolidated Financial Statements [continued]

[In thousands of dollars]

Year ended April 30, 2023

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## 19. NET CHANGE IN NON-CASH WORKING CAPITAL BALANCES

The net change in non-cash working capital balances related to operations consists of the following:

	2023	2022
	\$	\$
Accounts receivable	(25,321)	(1,556)
Prepaid expenses	524	658
Inventories	271	(208)
Accounts payable and accrued liabilities	19,502	2,429
Deferred revenue	3,140	(1,039)
	<u>(1,884)</u>	<u>284</u>

## 20. FAIR VALUES OF FINANCIAL ASSETS AND LIABILITIES

The fair values of financial instruments approximate their carrying values unless otherwise noted.

Fair value estimates are made at a specific point in time, based on relevant market information and information about the financial instruments. These estimates involve uncertainties and matters of significant judgment and, therefore, cannot be determined with precision. Changes in assumptions could significantly affect the estimates.

# TORONTO METROPOLITAN UNIVERSITY

Notes to Consolidated Financial Statements [continued]

[In thousands of dollars]

Year ended April 30, 2023

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## 21. FINANCIAL RISK MANAGEMENT

The University is exposed to various financial risks through transactions in financial instruments. There have been no significant changes in risk exposure as compared to the prior year, unless otherwise indicated.

### Liquidity risk:

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. All of the University's investments, held from time to time, are considered to be readily realizable as they are listed on recognized stock exchanges and can be quickly liquidated at amounts close to their fair value in order to meet liquidity requirements.

### Interest rate risk:

The value of fixed income securities, held from time to time, will generally rise if interest rates fall and fall if interest rates rise. The value of securities will vary with developments within the specific companies or governments which issue the securities. See Note 9[b] for interest rate risk related to debt.

### Credit risk:

Credit risk refers to the risk that a counterparty may default on its contractual obligations, resulting in a financial loss. The University is exposed to credit risk with respect to investments and accounts receivable. The University assesses, on a continuous basis, accounts receivable and provides for any amounts that are not collectible in the allowance for doubtful accounts.

### Market risk:

The value of equity securities changes with stock market conditions, which are affected by general economic and market conditions. The University manages the market risk of its investment portfolio by investing in pooled funds in a widely diversified group of asset classes managed by external investment managers.

### Foreign exchange risk:

The value of securities denominated in a currency other than the Canadian dollar will be affected by changes in the value of the Canadian dollar in relation to the value of the currency in which the security is denominated.

# TORONTO METROPOLITAN UNIVERSITY

Notes to Consolidated Financial Statements [continued]

[In thousands of dollars]

Year ended April 30, 2023

## 22. ONTARIO STUDENT OPPORTUNITY TRUST FUND AND ONTARIO TRUST FOR STUDENT SUPPORT

The Ministry of Colleges and Universities ["MCU"] requires separate reporting of balances and details of changes in balances for the two phases of the Ontario Student Opportunity Trust Fund ["OSOTF I and II"] and the Ontario Trust for Student Support ["OTSS"]. The required government reporting for each is as follows:

- [a] The following is the schedule of changes for the year ended April 30 in the first phase of the OSOTF I balance, which is included in the endowment balance [note 13]:

	2023	2022
	\$	\$
<b>Endowment balance at cost, beginning of year</b>	8,733	8,722
Cash donations received	5	11
<b>Endowment balance at cost, end of year</b>	8,738	8,733
Cumulative unrealized gain	4,102	3,313
<b>Endowment balance at market, end of year</b>	12,840	12,046

The following is the schedule of changes for the year ended April 30 in the OSOTF I expendable funds available for awards. The balance is included in deferred revenue contributions [note 11]. Investment income, net of direct investment-related expenses represents the balance made available for spending by the University during the year in accordance with its policy.

	2023	2022
	\$	\$
<b>Expendable balance at cost, beginning of year</b>	-	-
Investment and other income, net of direct investment-related expenses	411	384
Bursaries awarded	(379)	(339)
Unspent balance transfer to stabilization account	(32)	(45)
<b>Expendable balance at cost, end of year</b>	-	-
<b>Number of bursaries awarded</b>	196	198



# TORONTO METROPOLITAN UNIVERSITY

Notes to Consolidated Financial Statements [continued]

[In thousands of dollars]

Year ended April 30, 2023

## 22. ONTARIO STUDENT OPPORTUNITY TRUST FUND AND ONTARIO TRUST FOR STUDENT SUPPORT [continued]

The following is the schedule of changes for the year ended April 30 in the OSOTF I Stabilization funds. Investment income earned in excess of amounts made available for spending is recorded in the Stabilization funds as deferred revenue contributions [note 11].

	2023	2022
	\$	\$
<b>Stabilization funds balance at cost, beginning of year</b>	2,296	1,827
Investment income not available for spending and capital preservation	(402)	424
Unspent balance transfer to expendable accounts	32	45
<b>Stabilization funds balance at cost, end of year</b>	<b>1,926</b>	<b>2,296</b>

[b] The following is the schedule of changes for the year ended April 30 in the second phase of the OSOTF II balance, which is included in the endowment balance [note 13].

	2023	2022
	\$	\$
<b>Endowment balance at cost, beginning of year</b>	3,973	3,970
Cash donations received	2	3
<b>Endowment balance at cost, end of year</b>	<b>3,975</b>	<b>3,973</b>
Cumulative unrealized gain	1,884	1,524
<b>Endowment balance at market, end of year</b>	<b>5,859</b>	<b>5,497</b>

The following is the schedule of changes for the year ended April 30 in the OSOTF II expendable funds available for awards. The balance is included in deferred revenue contributions [note 11]. Investment income, net of direct investment-related expenses, represents the balance made available for spending by the University during the year in accordance with its policy.

	2023	2022
	\$	\$
<b>Expendable balance, beginning of year</b>	–	–
Investment and other income, net of direct investment-related expenses	187	176
Bursaries awarded	(160)	(138)
Unspent balance transfer to stabilization accounts	(27)	(38)
<b>Expendable balance, end of year</b>	<b>–</b>	<b>–</b>
<b>Number of bursaries awarded</b>	<b>117</b>	<b>75</b>

# TORONTO METROPOLITAN UNIVERSITY

Notes to Consolidated Financial Statements [continued]

[In thousands of dollars]

Year ended April 30, 2023

## 22. ONTARIO STUDENT OPPORTUNITY TRUST FUND AND ONTARIO TRUST FOR STUDENT SUPPORT [continued]

The following is the schedule of changes for the year ended April 30 in the OSOTF II Stabilization funds. Investment income earned in excess of amounts made available for spending is recorded in the Stabilization funds as deferred revenue contributions [note 11].

	2023	2022
	\$	\$
<b>Stabilization funds balance at cost, beginning of year</b>	1,012	781
Investment income (available) not available for spending and capital preservation	(186)	193
Unspent balance transfer from expendable accounts	27	38
<b>Stabilization funds balance at cost, end of year</b>	<b>853</b>	<b>1,012</b>

[c] The Government of Ontario requires separate reporting of balances as at March 31, 2022 and details of the changes in the balances for the period then ended in connection with the OTSS fund, which is included in the endowment balance [note 13].

The following is the schedule of donations received between April 1 and March 31:

	2023	2022
	\$	\$
Cash donations	–	–
Unmatched cash donations	32	31
<b>Total cash donations</b>	<b>32</b>	<b>31</b>

The following is the schedule of changes in endowment balance of OTSS for the period from April 1 to March 31:

	2023	2022
	\$	\$
<b>Endowment balance at cost, beginning of year</b>	51,180	51,149
Eligible cash donations received	31	31
Capital preservation and others	–	–
<b>Endowment balance at cost, end of year</b>	<b>51,211</b>	<b>51,180</b>
Cumulative unrealized gain	21,980	20,441
<b>Endowment balance at market value, end of year</b>	<b>73,191</b>	<b>71,621</b>

# TORONTO METROPOLITAN UNIVERSITY

Notes to Consolidated Financial Statements [continued]

[In thousands of dollars]

Year ended April 30, 2023

## 22. ONTARIO STUDENT OPPORTUNITY TRUST FUND AND ONTARIO TRUST FOR STUDENT SUPPORT [continued]

The following is the schedule of changes in expendable funds available for awards of OTSS for the period from April 1 to March 31. Investment income, net of direct investment-related expenses, represents the balance made available for spending by the University during the year in accordance with its policy.

	2023 \$	2022 \$
<b>Expendable balance, beginning of year</b>	552	260
Investment and other income, net of direct investment-related expenses	2,364	2,214
Bursaries awarded	(2,270)	(1,820)
Unspent balance transfer to Stabilization account	(122)	(102)
<b>Expendable balance, end of year</b>	<b>524</b>	<b>552</b>
<b>Number of bursaries awarded</b>	<b>606</b>	<b>705</b>

The following is the schedule of changes for the period from April 1 to March 31 in the OTSS Stabilization funds. Investment income earned in excess of amounts made available for spending is recorded in the Stabilization funds as a deferred revenue contributions [note 11].

	2023 \$	2022 \$
<b>Stabilization funds balance at cost, beginning of year</b>	12,658	10,092
Investment and other income (available) not available for spending	(2,361)	2,464
Unspent balance transfer from expendable account	122	102
<b>Stabilization funds balance at cost, end of year</b>	<b>10,419</b>	<b>12,658</b>

OTSS awards issued for the period from April 1, 2022 to March 31, 2023:

Status of Recipients	OSAP Recipients		Non-OSAP Recipients		Total	
	#	\$ (In dollars)	#	\$ (In dollars)	#	\$ (In dollars)
Full-Time	372	1,434,129	81	381,093	453	1,815,222
Part-Time	62	182,139	91	273,072	153	455,211
<b>Total</b>	<b>434</b>	<b>1,616,268</b>	<b>172</b>	<b>654,165</b>	<b>606</b>	<b>2,270,433</b>

## 23. SUBSEQUENT EVENT

Subsequent to year end on June 9, 2023, the University acquired a property for \$38,318.