Financial Statements of

UNIVERSITY OF WINDSOR

And Independent Auditor's Report thereon

Year ended April 30, 2024

Statement of Administrative Responsibility

The Administration of the University is responsible for the preparation of the financial statements, the notes and all other financial information contained in this annual report.

The Administration has prepared the financial statements in accordance with Canadian accounting standards for not-for-profit organizations. In order to achieve the objective of fair presentation in all material respects, reasonable estimates and judgments were employed. The Administration believes that the financial statements present fairly the University's financial position as at April 30, 2024 and the results of its operations for the year then ended.

In fulfilling its responsibilities and recognizing the limits inherent in all systems, the Administration has developed and maintains a system of internal control designed to provide reasonable assurance that University assets are safeguarded from loss and that the accounting records are a reliable basis for the preparation of financial statements.

The Board of Governors is responsible for ensuring that the Administration fulfills its responsibilities for financial reporting and is ultimately responsible for reviewing and approving the financial statements. The Board of Governors carries out its responsibility for review of the financial statements principally through the Audit Committee. The members of the Audit Committee are not officers or employees of the University. The Audit Committee meets with the Administration, as well as the external auditors, to discuss the results of audit examinations and financial reporting matters and to satisfy itself that each party is properly discharging its responsibilities. The auditors have full access to the Audit Committee with and without the presence of the Administration.

The financial statements for the year ended April 30, 2024, have been reported on by KPMG LLP, Chartered Professional Accountants, the external auditors appointed by the Board of Governors. The independent auditor's report outlines the scope of their audit and their opinion on the presentation of the information included in the financial statements.

Dr. Robert Gordon
President & Vice-Chancellor

Ms. Gillian Heisz
Vice-President, Finance and Operations

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INDEPENDENT AUDITOR'S REPORT

To the Board of Governors of the University of Windsor

Opinion

We have audited the financial statements of the University of Windsor (the University), which comprise:

- the statement of financial position as at April 30, 2024
- the statement of operations for the year then ended
- the statement of changes in net assets for the year then ended
- the statement of cash flows for the year then ended
- and notes to the 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 financial position of the University as at April 30, 2024, and its results of operations and changes in fund balances and its 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 University 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.

KPMG LLP, an Ontario limited liability partnership and member firm of the KPMG global organization of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee. KPMG Canada provides services to KPMG LLP.

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 University'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 University or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the University'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.

- 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 University'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 University'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 University 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

Chartered Professional Accountants, Licensed Public Accountants

Windsor, Canada

October 22, 2024

UNIVERSITY OF WINDSOR

Statement of Financial Position
(in thousands of dollars)

As at April 30, 2024, with comparative financial information for 2023

		2024	Note 16 2023
		$	**$**
ASSETS			
Current			
Cash and cash equivalents		69,078	41,570
Short-term investments	note 2	103,192	136,977
Accounts receivable		31,650	23,353
Inventories, prepaid expenses and other assets		15,530	11,263
Total current assets		219,450	213,163
Investments	note 2	225,312	207,412
Capital assets, net	note 3	454,998	457,287
		899,760	877,862
LIABILITIES and DEFERRED CONTRIBUTIONS			
Current			
Accounts payable and accrued liabilities	note 11	61,702	69,840
Deferred revenue		21,514	31,224
Current portion of deferred contributions	note 4	64,748	55,726
Current portion of long-term debt	note 7	2,044	2,302
Total current liabilities		150,008	159,092
Deferred capital contributions	note 5	167,062	169,375
Deferred contributions	note 4	2,522	3,333
Employee future benefits	note 6	61,896	132,840
Long-term debt	note 7	222,537	226,282
		604,025	690,922
NET ASSETS			
Unrestricted			
Funded operations		(615)	(774)
Unfunded operations		(50,842)	(125,547)
Total unrestricted		(51,457)	(126,321)
Internally restricted	note 8	195,289	173,495
Endowment	note 9	151,903	139,766
		295,735	186,940
Commitments and contingencies	note 14		
		899,760	877,862

See accompanying notes

UNIVERSITY OF WINDSOR

Statement of Operations
(in thousands of dollars)

Year ended April 30, 2024, with comparative financial information for 2023

		2024 $	2023 $
REVENUE			
Grants and contracts		138,428	140,233
Student fees		261,296	251,004
Sales and services		12,536	13,946
Investment income		23,315	16,083
Donations, non-endowment		3,905	2,084
Amortization of deferred capital contributions	note 5	10,257	9,270
Other revenue		14,334	13,455
		464,071	446,075
EXPENSES			
Salaries and benefits		295,364	282,990
Materials, supplies and services		60,397	52,803
Repairs and renovations		22,219	23,818
Cost of goods sold		119	1,666
Utilities		8,531	7,366
Interest on long-term debt		10,772	10,867
Scholarships and bursaries		22,296	22,230
Amortization of capital assets	note 3	26,042	24,868
Change in fair value of interest rate swaps		(3,094)	11
		442,646	426,619
Surplus of revenue over expenses		**21,425**	**19,456**

See accompanying notes

UNIVERSITY OF WINDSOR

Statement of Changes in Net Assets
(in thousands of dollars)

Year ended April 30, 2024, with comparative financial information for 2023

	Unrestricted				2024	2023
	Funded Operations $	Unfunded Operations (Note 16) $	Internally Restricted (note 8) $	Endowment (note 9) $	Total $	Total $
Net assets, beginning of year (Note 16)	(774)	(125,547)	173,495	139,766	186,940	178,005
Surplus of revenues over expenses	25,975	(4,550)	-	-	21,425	19,456
Change in unexpended operating and restricted funds	(17,233)	-	17,233	-	-	-
Net contribution to investment in capital assets	(2,272)	-	2,272	-	-	-
Related party transaction (note 15)	144		-	-	144	241
Investment income allocated	-	-	-	13,971	13,971	8,266
Allocation for spending from accumulated investment returns	-	-	-	(8,442)	(8,442)	(7,167)
Employee future benefit remeasurement gain (loss)((note 6)	-	79,255	-	-	79,255	(13,926)
Contributed assets	-	-	391	-	391	-
Transfers and internal endowment contributions	(6,455)	-	1,898	4,557	-	-
External contributions	-	-	-	2,051	2,051	2,064
Net assets, end of year	(615)	(50,842)	195,289	151,903	295,735	186,940

See accompanying notes

UNIVERSITY OF WINDSOR

Statement of Cash Flows
(in thousands of dollars)

Year ended April 30, 2024, with comparative financial information for 2023

		2024 $	2023 $
OPERATING ACTIVITIES			
Surplus of revenue over expenses		21,425	19,456
Add (deduct) non-cash items:			
Deferred contributions, net		8,211	4,730
Amortization of deferred capital contributions		(10,257)	(9,270)
Amortization of capital assets, net of loss on disposal		25,800	24,359
Employee future benefits		8,311	9,557
Interest rate swaps		(3,094)	11
Related party transaction	note 15	144	241
Amortization of debt transaction costs		67	65
Net change in non-cash working capital	note 13	(27,318)	3,781
Cash provided by operating activities		23,289	52,930
FINANCING ACTIVITIES			
Repayments of long-term debt		(2,302)	(2,534)
Trusteed sinking fund		(1,769)	(1,681)
Contributions deferred for capital purposes		7,944	6,114
Investment income allocated to endowments		13,971	8,267
Endowment investment income for spending		(8,442)	(7,167)
External endowment contributions		2,051	2,064
Cash provided by (used in) financing activities		11,453	5,063
INVESTING ACTIVITIES			
Net change in investments		15,885	(40,611)
Net purchase of capital assets		(23,119)	(34,159)
Cash used in investing activities		(7,234)	(74,770)
Net decrease in cash and cash equivalents		27,508	(16,777)
Cash and cash equivalents, beginning of year		41,570	58,347
Cash and cash equivalents, end of year		69,078	41,570

See accompanying notes

AUTHORITY

The University of Windsor (the "University") is a mid-sized comprehensive research and teaching university. The University operates under the authority of the University of Windsor Act, 1962-63 which defines the authority and responsibilities of the Board of Governors and the Senate. The University is a registered charity and therefore is, under Section 149(1)(f) of the Income Tax Act (Canada), exempt from payment of income tax.

NOTE 1
SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND REPORTING PRACTICES

These financial statements have been prepared in accordance with Part III of the Chartered Professional Accountants (CPA) of Canada Handbook – Accounting, which sets out generally accepted accounting principles for not-for-profit organizations in Canada.

The significant accounting policies of the University are summarized below:

(a) Cash and cash equivalents
Cash and cash equivalents consist of balances with banks and investments with a maturity of approximately three months or less at the date of purchase, unless they are held for investment rather than liquidity purposes, in which case they are classified as investments.

(b) Financial Instruments
Financial instruments are recorded at fair value upon initial recognition. Investments in pooled funds and derivative instruments are subsequently measured at fair value. All other financial instruments are measured initially at fair value, and subsequently at amortized cost.

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

(c) Investments and investment income
Investments reported at fair value consist of cash, money market funds, term notes, treasury bills, real assets (including infrastructure investments) and equity instruments as well as pooled fund investments, derivative contracts and any investments in fixed income securities that the University designates upon purchase to be measured at fair value. Fair value amounts represent estimates of the consideration that would be agreed upon by knowledgeable, willing parties who are under no compulsion to act. It is best evidenced by a quoted market price, if one exists. The calculation of estimated fair value is based upon market conditions at a specific point in time and may not be reflective of future fair values.

Common share investments in related parties are measured according to the equity method. All other investments held by the University are subsequently recorded at amortized cost.

NOTE 1
SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND REPORTING PRACTICES (cont'd)

Investment income and losses, which consist of interest, dividends, income distributed from pooled funds, realized and unrealized capital gains and losses and realized and unrealized currency gains and losses, net of applicable transaction costs are recorded as investment income in the Statement of Operations except for the investment income designated for endowments.

The amount made available for spending against externally restricted endowments is recorded as investment income and any restricted amounts available for spending that remain unspent at year-end are deferred and categorized as deferred contributions. Investment income on externally restricted endowments in excess of the amount made available for spending, losses on externally restricted endowments, and deficiency of investment income compared to the amount available for spending are recorded as direct increases (decreases) to endowments.

(d) Derivative financial instruments

In order to manage its interest rate risk, the University has entered into interest rate swap agreements to convert variable rate interest on bankers' acceptances term loans to a fixed rate. The University does not designate interest rate swap agreements as hedges for accounting purposes. Accordingly, the interest rate swap contracts are marked to market based on the fair value provided by the financial institution, which is counterparty to these contracts, with changes in fair value recorded in the Statement of Operations.

(e) Inventories

Inventories are valued at lower of cost and net realizable value.

(f) Capital assets

Capital assets are recorded at cost. Contributed assets including land are recorded at fair market value at the date of contribution are reported in the Statement of Changes in Net Assets. Amortization is provided on a straight-line basis using the following rates:

Land improvements	20 Years
Buildings	40 Years
Parking lots	15 Years
Building and Plant Equipment	20 Years
Equipment	5 Years
Library and books	5 Years
Computing systems	15 Years
Leasehold improvements	Term of lease
Collections (Works of Art and Rare books)	not amortized
Capital in progress	not amortized

Capital assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying value of an asset may not contribute to the University's ability to provide services. Any impairment results in a write-down of the capital asset and an expense in the statement of operations. An impairment loss is not reversed if the fair value of the related capital asset subsequently increases.

NOTE 1
SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND REPORTING PRACTICES (cont'd)

(g) Revenue recognition

The University follows the deferral method of accounting for contributions which include donations and government grants.

Unrestricted contributions are recognized as revenue when received or receivable. The operating grant from the Province of Ontario is considered unrestricted and is recorded in the period to which the operating funds relate.

Externally restricted contributions, other than endowments, are recognized as revenue in the year in which the related expenses are recognized. Contributions restricted for the purchase of capital assets are deferred, and when expended, are amortized into revenue, at a rate corresponding with the amortization rate for the related capital assets. External endowment contributions and income preserved as capital protection on externally restricted endowments are recognized as direct increase in net assets in the year in which they are received. Income preserved as capital protection on internally restricted endowments is recorded as unrestricted revenue and transferred to internal endowments.

Donations of assets are recorded at fair value when a fair value can be reasonably estimated. Pledges receivable are not recorded as an asset in the accompanying financial statements. Endowment contributions are recognized as direct increases in net assets.

Tuition fees which relate to academic terms or parts thereof occurring after April 30 are recorded as deferred revenue.

Revenue from student fees and from the sale of services and products is recognized at the time the products are delivered or the services provided. All ancillary revenues from student fees and sale of goods and services are included in sales and services on the Statement of Operations.

Externally restricted investment income is recognized as revenue in the year in which the related expenses are incurred. Unrestricted investment income is recognized as revenue when earned.

(h) Employee future benefits

The University of Windsor Employees' Retirement Plan (Employee Plan) is a defined benefit plan, fully cost shared with its members. The University of Windsor Retirement Plan for Faculty and Certain Other Employees (Faculty Plan) is a money purchase plan with a defined benefit component that provides a minimum level of pension benefits. Under this hybrid Faculty Plan, the University and employees are required to make contributions based on a specified percentage of the employee's pensionable earnings. The amount of pension benefits provided to employees is based upon the accumulation of contributions and investment earnings thereon, when the employee retires, subject to a guaranteed minimum benefit amount.

The University has approved supplemental plans for certain retirees to provide them with benefits that are in excess of the University's registered pension plans. The accrued benefit obligations associated with the supplemental plans are accounted for in a manner consistent with the Employee and Faculty pension plans and using the same assumptions.

NOTE 1
SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND REPORTING PRACTICES (cont'd)

Additionally, certain faculty are members of the Teachers' Superannuation Fund and employees who are members of CUPE 1001 are members of the CUPE 1001 Pension Plan. Both plans are multi-employer plans and as such, the University records the cost of providing these benefits equal to its requirement to make contributions on an annual basis.

The University provides other post-employment employee benefits such as medical, dental and life insurance to eligible employees and retirees. The University's other post-employment employee benefits have been measured using an accounting valuation on a prospective basis.

The University accounts for the Employee and Faculty pension plans using the immediate recognition approach. The University recognizes the amount of the accrued benefit obligation net of the fair value of plan assets, adjusted for any valuation allowance, in the Statement of Financial Position. Current service and finance costs are expensed during the year, while remeasurements and other items, representing the total of the difference between actual and expected return on plan assets, actuarial gains and losses, adjustments to the valuation allowance including the impact on finance costs, and past service costs, are recognized as a direct increase or decrease in net assets.

The accrued benefit obligations for the plans are determined based on the latest actuarial valuation reports prepared for funding purposes. The accrued obligation for the unfunded plan is prepared on a basis consistent with funded plans. The actuarial valuations are performed at least every three years. In the years between valuations, the University uses a roll-forward technique to estimate the defined benefit obligation. Assets of the pension plans are valued using fair values at April 30.

(i) Unrestricted unfunded operations

The changes in unfunded employee future benefits, the fair value of interest rate swaps and the unfunded portion of the LSRC Corp. investment are included in unrestricted unfunded operations.

(j) Internally restricted net assets

University policy permits Faculties and other departments to carry forward certain unexpended budget allocations for future purposes. These amounts are provided for by transfers to internally restricted net assets. Also included are amounts restricted for the purpose of investment in capital assets and repair projects, contingency reserves, employee benefits reserves, funds held for strategic initiatives and unexpended departmental internally restricted funds.

(k) Contributed services

Volunteers contribute an indeterminable number of hours per year to assist the University in carrying out its service delivery activities. Due to the difficulty of determining their fair value, contributed services are not recognized in the financial statements.

(in thousands of dollars, unless otherwise noted)

NOTE 1
SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND REPORTING PRACTICES (cont'd)

(l) Use of estimates

The preparation of financial statements requires Administration to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the year. Significant items subject to such estimates and assumptions include the carrying amount of capital assets, valuation allowance for accounts receivable, valuation of investments and assets and obligations related to pension and employee future benefits. Actual results could differ from those estimates.

(m) Agency obligations

The University acts as an agent which holds resources and makes disbursements on behalf of various unrelated individuals and groups. The University has no discretion over such agency transactions. Resources received in connection with such agency transactions are reported as liabilities, and subsequent distributions are reported as decreases to these liabilities.

NOTE 2
INVESTMENTS

	2024	**2023**
	$	$
Deposits, money market funds, term notes and treasury bills	105,642	139,516
Government and corporate bonds	69,293	61,157
Real assets	20,629	17,573
Canadian equities	37,618	41,476
Global equities	72,740	62,754
Investment in LSRC Corp. (note 15)	22,582	21,913
	328,504	344,389
Less amounts reported as:		
Short-term investments	103,192	136,977
	225,312	207,412

(in thousands of dollars, unless otherwise noted)

NOTE 3
CAPITAL ASSETS

	Cost	Accumulated Amortization	**2024** Net Book Value	**2023** Net Book Value
	$	$	$	$
Land	17,085	-	17,085	17,085
Land improvements	9,346	3,534	5,812	6,279
Buildings and plant equipment	608,404	250,719	357,685	329,519
Parking lots	3,542	2,971	571	63
Equipment	240,859	207,119	33,740	26,869
Library and books	146,592	139,936	6,656	7,227
Computing systems	26,108	9,079	17,029	18,619
Leasehold improvements	1,227	985	242	308
Collections	2,248	-	2,248	2,248
Capital in progress	13,930	-	13,930	49,070
	1,069,341	614,343	454,998	457,287

In the year, amortization of capital assets totaled $26,042 (2023 - $24,868) including net write downs or loss on disposals for 2024 of $242 (2023 - $509).

NOTE 4
DEFERRED CONTRIBUTIONS

Deferred contributions represent unspent externally restricted grants, donations, contributions, and investment income. Changes in deferred contributions are as follows:

	2024	**2023**
	$	$
Balance, beginning of year	59,059	54,329
Grants, contributions, donations, and investment income	60,354	54,735
Recognized to revenue	(52,143)	(50,005)
	67,270	59,059
Less amounts reported as:		
Current portion of deferred contributions	(64,748)	(55,726)
Deferred contributions	2,522	3,333

(in thousands of dollars, unless otherwise noted)

NOTE 5
DEFERRED CAPITAL CONTRIBUTIONS

Deferred capital contributions represent the unspent and unamortized amount of donations and grants received for the purchase of capital assets. Changes in deferred capital contributions are as follows:

	2024	**2023**
	$	$
Balance, beginning of year	169,375	172,531
Additions for capital purchases	7,944	6,114
Amortization of deferred capital contributions	(10,257)	(9,270)
Balance, end of year	167,062	169,375

In the year, amortization of deferred capital contributions totaled $10,257 (2023 - $9,270) including net write downs for 2024 of $664 (2023 - $nil).

NOTE 6
EMPLOYEE FUTURE BENEFITS

Defined benefit plans
The University measures its accrued benefit obligations and the fair value of plan assets for accounting purposes as at April 30 of each year. The latest actuarial valuations for funding purposes were completed as of July 1, 2023 for the Faculty Plan and July 1, 2021 for the Employee Plan. The next valuations are required to be completed as of July 1, 2026 for the Faculty Plan and July 1, 2024 for the Employee Plan. Valuation results report a going concern surplus for the Faculty Plan and a going concern surplus for the Employee Plan.

The assets of the funded plans are managed by external investment managers, are held by an independent custodian, and are completely separate and apart from the assets of the University.

The University also provides for other non-pension post-employment employee benefits. The University measures its accrued non-pension employee future benefits for funding purposes as of April 30. The latest actuarial valuation for funding purposes was completed as of April 30, 2024.

(in thousands of dollars, unless otherwise noted)

NOTE 6
EMPLOYEE FUTURE BENEFITS (cont'd)

Information about the University's benefit plans as at April 30 is as follows:

(a) Reconciliation of the funded status of the defined benefit plans to the accrued benefit liability:

	2024				
	Pension		Supplemental Pensions	Other	Totals
	Faculty	Employee			
	$	$	$	$	$
Accrued benefit obligation	635,372	283,770	3,690	58,206	981,038
Fair value of plan assets	644,163	296,769	-	-	940,932
Valuation allowance	(8,791)	(12,999)	-	-	(21,790)
Plan deficit	-	-	(3,690)	(58,206)	(61,896)

	2023 (note 16)				
	Pension		Supplemental Pensions	Other	Totals
	Faculty	Employee			
	$	$	$	$	$
Accrued benefit obligation	697,789	271,706	3,720	58,433	1,031,648
Fair value of plan assets	627,102	287,008	-	-	914,110
Valuation allowance	-	(15,302)	-	-	(15,302)
Plan deficit	(70,687)	-	(3,720)	(58,433)	(132,840)

With respect to the Supplemental Pensions, the University has invested $246 (2023 - $371) outside of the plans to fund these obligations.

(b) Details of annual contributions and benefits paid are as follows:

	2024				
	Pension				Other
	Faculty	Employee	Supplemental Pensions	Multi-employer	
	$	$	$	$	$
Employer contributions	11,352	4,697	300	515	1,839
Employee contributions	9,180	4,697	-	505	-
Benefits paid	31,707	12,449	300	n/a	1,839

(in thousands of dollars, unless otherwise noted)

NOTE 6
EMPLOYEE FUTURE BENEFITS (cont'd)

	2023				
	Pension				Other
	Faculty	Employee	Supplemental Pensions	Multi-employer	
	$	$	$	$	$
Employer contributions	10,718	4,074	298	541	1,816
Employee contributions	8,898	4,074	-	541	-
Benefits paid	29,811	13,925	298	n/a	1,816

(c) Information on the Remeasurements and other items included in the Statement of Changes in Net Assets is as follows:

	2024		
	Pension	Other	Total
	$	$	$
Difference between actual and expected return on plan assets	8,597	-	8,597
Actuarial gains	(91,758)	(3,360)	(95,118)
Decrease in valuation allowance and impact on finance cost	7,266	-	7,266
Remeasurements and other items	(75,895)	(3,360)	(79,255)

	2023		
	Pension	Other	Total
	$	$	$
Difference between actual and expected return on plan assets	12,521	-	12,521
Actuarial (gains) losses	8,027	(316)	7,711
Decrease in valuation allowance and impact on finance cost	(7,841)	-	(7,841)
Remeasurements and other items	12,707	(316)	12,391

Included in the salaries and benefits expense on the Statement of Operations, are the current service costs and finance costs of $28,034 (2023 - $26,326).

(in thousands of dollars, unless otherwise noted)

NOTE 6
EMPLOYEE FUTURE BENEFITS (cont'd)

(d) The significant actuarial assumptions adopted in measuring the University's accrued benefit obligation and benefit costs for accounting purposes are as follows:

	2024			
	Pension			Other
	Faculty	Employee	Supplemental Pensions	
Accrued Benefit Obligation:				
Discount rate	6.50%	5.50%	6.11%	5.19%
Rate of compensation increase	3.00%	1.75%	n/a	n/a
Initial weighted average health care trend rate	n/a	n/a	n/a	5.75%
Ultimate weighted average health care trend rate	n/a	n/a	n/a	4.00%
Year ultimate rate reached	n/a	n/a	n/a	2040
Benefit Cost:				
Discount rate	5.40%	5.50%	5.44%	4.84%
Rate of compensation increase	3.00%	1.75%	n/a	n/a

	2023			
	Pension			Other
	Faculty	Employee	Supplemental Pensions	
Accrued Benefit Obligation:				
Discount rate	5.40%	5.50%	5.44%	4.84%
Rate of compensation increase	3.00%	1.75%	n/a	n/a
Initial weighted average health care trend rate	n/a	n/a	n/a	5.75%
Ultimate weighted average health care trend rate	n/a	n/a	n/a	4.00%
Year ultimate rate reached	n/a	n/a	n/a	2040
Benefit Cost:				
Discount rate	5.40%	5.50%	5.44%	4.94%
Rate of compensation increase	3.00%	1.75%	n/a	n/a

(in thousands of dollars, unless otherwise noted)

NOTE 7
LONG-TERM DEBT

Details of the long-term debt are as follows:

	Maturity	Interest Rate	2024 Principal Outstanding $	2023 Principal Outstanding $
Series A Senior Unsecured Debentures	June 2046	5.37%	108,300	108,300
Less: Trusteed Sinking Fund			(36,105)	(34,336)
Transaction costs			(878)	(917)
			71,317	73,047
Series B Senior Unsecured Debentures	July 2057	3.745%	40,000	40,000
Less: Transaction costs			(431)	(444)
			39,569	39,556
Series C Senior Unsecured Debentures	September 2060	2.786%	60,000	60,000
Less: Transaction costs			(487)	(501)
			59,513	59,499
TD Bank, Tranche 1	January 2043	3.03%	20,830	21,642
TD Bank, Tranche 2	June 2044	3.13%	33,352	34,520
Bank of Montreal	October 2023	6.425%	-	320
			224,581	228,584
Current portion of long-term debt			(2,044)	(2,302)
			222,537	226,282

The University has hedged until maturity the TD Bank credit facilities (Tranche 1 and 2) with interest rate swaps to lock in effective rates of 3.03% and 3.13%, respectively. The University hedged the Bank of Montreal loan with an interest rate swap to lock in an effective rate of 6.425% and this loan matured in October 2023. All of the credit facilities are unsecured.

The fair value of the interest rate swaps of $6,083 (2023 – $2,988) is recorded on the Statement of Financial Position (Net Assets, Unfunded Operations). The change in fair value of the interest rate swaps of $3,094 (2023 – $11) is recorded in the Statement of Operations.

The University has line of credit agreements available for up to $3 million. As of April 30, 2024, $nil has been drawn on these agreements (2023 - $nil).

(in thousands of dollars, unless otherwise noted)

NOTE 7
LONG-TERM DEBT (cont'd)

The principal repayments of the long-term debt required in the next five fiscal years are:

Fiscal Year	Principal
2025	$2,044
2026	$2,108
2027	$2,174
2028	$2,242
2029	$2,312

NOTE 8
INTERNALLY RESTRICTED NET ASSETS

Details of the internally restricted net assets are as follows:

	2024	**2023**
	$	$
Invested in capital assets	107,593	105,320
Board of Governors restricted funds for debt repayment	10,861	8,530
Unexpended operating funds		
Internally financed capital or repair projects	(16,836)	(22,814)
Departmental carryforward for operations	23,381	25,517
Contingency reserves	17,885	14,635
Employee benefits reserves	6,673	3,788
Enrolment deviation reserves	18,787	10,481
Earmarked for capital and repair projects	3,306	3,275
Funds held for strategic initiatives	2,706	2,400
	55,902	37,282
Unexpended restricted funds		
Unspent departmental research funds	16,120	15,320
Unspent departmental trust funds	4,957	6,377
Other internally restricted funds	(144)	666
	20,933	22,363
Total unexpended operating and restricted funds	76,835	59,645
Total internally restricted net assets	195,289	173,495

(in thousands of dollars, unless otherwise noted)

NOTE 9
ENDOWMENT

Contributions restricted for endowment consist of restricted donations received by the University and contributions internally endowed by the Board of Governors. The investment income generated from endowments must be used in accordance with the various purposes established by the donors or the Board of Governors.

Investment income on endowments that is available for spending at the discretion of the University or is available for spending as conditions have been met, has been recorded in the Statement of Operations.

Under University policy, only a portion of the income is spent, and the balance is reinvested with the objective of protecting the real value of the endowment against inflation and fluctuations in market returns. In any particular year, should net investment income be insufficient to fund the amount to be made available for spending, or if the investment return is negative, the amount that is made available for spending is funded from accumulated reinvested income.

			2024	**2023**
	Externally Endowed	Internally Endowed	Total Endowed	Total Endowed
	$	$	$	$
Endowment, beginning of year	124,369	15,397	139,766	140,486
Internal contributions	3,252	1,305	4,557	4,068
External contributions	2,046	5	2,051	2,064
Transfer to internally restricted net assets			-	(7,952)
Investment income allocated	13,971		13,971	8,267
Allocation for spending from accumulated investment returns	(8,442)		(8,442)	(7,167)
Endowment, end of year	135,196	16,707	151,903	139,766

(in thousands of dollars, unless otherwise noted)

NOTE 10
ONTARIO STUDENT OPPORTUNITY TRUST FUND (OSOTF) AND ONTARIO TRUST FOR STUDENT SUPPORT (OTSS)

Externally restricted endowments include monies provided by the Government of Ontario from the Ontario Student Opportunity Trust Fund and Ontario Trust for Student Support matching programs to award student aid as a result of raising an equal amount of endowed donations.

The University has recorded the following amounts under Phase I of the OSOTF program:

	2024	**2023**
Endowment Funds:	$	$
Balance, beginning of year	9,632	9,416
Investment income (loss)	378	45
Preservation (loss) of capital	113	171
Balance, end of year	10,123	9,632
Expendable Funds:		
Balance, beginning of year	595	657
Investment income	521	545
Bursaries awarded (2024 - 236; 2023 - 233)	(446)	(445)
Transfer from Endowment	(108)	(162)
Balance, end of year	562	595

Transfer from Endowment figures in 2024 include transfers out of unused expendable funds and into the preservation of capital in the endowment funds to ensure the capital is maximizing interest earned.

The University has recorded the following amounts under Phase II of the OSOTF program:

	2024	**2023**
Endowment Funds:	$	$
Balance, beginning of year	3,583	3,480
Preservation of capital	(151)	103
Balance, end of year	3,432	3,583
Expendable Funds:		
Balance, beginning of year	177	222
Realized investment income, net of direct investment-related expenses and preservation of capital contributions	139	103
Bursaries awarded (2024 - 198; 2023 - 190)	(131)	(148)
Balance, end of year	185	177

The market value of the endowment as at April 30, 2024 is $4,255 (2023 - $4,040).

(in thousands of dollars, unless otherwise noted)

NOTE 10
ONTARIO STUDENT OPPORTUNITY TRUST FUND (OSOTF) AND ONTARIO TRUST FOR STUDENT SUPPORT (OTSS)

The University has recorded the following amounts under the OTSS program:

	2024	**2023**
Endowment Funds:	$	$
Balance, beginning of year	34,033	33,874
Donations	250	78
Preservation capital	(60)	81
Balance, end of year	34,223	34,033
Expendable Funds:		
Balance, beginning of year	1,694	1,765
Realized investment income, net of direct investment-related expenses and preservation of capital contributions	900	810
Bursaries awarded (2024 – 646; 2023 - 628)	(982)	(881)
Balance, end of year	1,612	1,694

The market value of the endowment as at April 30, 2024 is $41,405 (2023 - $38,775).

NOTE 11
ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

Included in accounts payable and accrued liabilities, are government remittances payable of $2,457 (2023 - $2,293) which includes amounts payable for HST and payroll related taxes.

NOTE 12
FINANCIAL INSTRUMENTS

The University's financial instruments have been recognized and measured as disclosed in note 1. There has been no change in risk from the prior year. The University manages certain risks associated with its financial instruments as follows:

(a) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The University is subject to interest rate cash flow risk with respect to its floating rate debts. The University has addressed this risk by entering into interest rate swaps that fix the interest rates for the terms of the loans. All other debts of the University have fixed rates and are therefore not exposed to cash flow interest rate risk.

The University's short-term and portfolio investments are subject to interest rate fluctuations as maturing investments are reinvested at new rates of interest. The market value of investments in Government and Corporate bonds will fluctuate due to changes in market interest rates.

(in thousands of dollars, unless otherwise noted)

NOTE 12
FINANCIAL INSTRUMENTS (cont'd)

(b) Currency risk

Currency risk is the risk that the fair value or future cash flow of a financial instrument will fluctuate due to changes in foreign exchange rates. The University receives some research revenues in non-Canadian currencies and does not mitigate the potential for loss in revenues that could result due to a fall in value of the foreign currency between invoicing of such amounts and the time of receipt of funds. A portion of the University's investments for Endowment is invested outside of Canada. A reduction in the value of that foreign currency would have an adverse effect on the value of these investments. This risk is monitored through its investment managers.

(c) Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause another party to incur a financial loss. Accounts receivable are recorded net of an allowance for doubtful accounts of $5,004 (2023 - $4,903). The University does not expect other counterparties to fail to meet their obligations given their high credit ratings. The University has established policies and minimum credit rating requirements for such investments.

NOTE 13
STATEMENT OF CASH FLOWS

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

	2024 $	**2023** $
Accounts receivable	(8,297)	2,704
Inventories, prepaid expenses, and other assets	(1,173)	(499)
Accounts payable and accrued liabilities, net of impact of swaps	(8,138)	1,249
Deferred revenue	(9,710)	327
Net change in non-cash working capital balances	(27,318)	3,781

NOTE 14
COMMITMENTS AND CONTINGENT LIABILITIES

At April 30, 2024, commitments for future construction and renovations amounted to approximately $12,070 (2023 - $12,922). These projects will be financed by grants, internal funds, external borrowings and fundraising. Commitments for operations are reported in Note 8.

The University is a member of the Canadian University Reciprocal Insurance Exchange (CURIE). CURIE insures general liability, property and certain other risks. Annual premiums paid by the University will be determined by an Advisory Committee on the advice of the Actuary. There is provision under the agreement for assessments to the University if these premiums are not sufficient to cover any losses of CURIE.

(in thousands of dollars, unless otherwise noted)

NOTE 14
COMMITMENTS AND CONTINGENT LIABILITIES (cont'd)

The University has been named as a defendant or co-defendant in several actions for damages. The outcome and the amount of the losses, if any, are not determinable at this time and accordingly, no provision for losses has been made in the financial statements. The amount will be accounted for in the period when and if such losses are determined.

NOTE 15
RELATED PARTY TRANSACTIONS

The University is a 25% shareholder of LSRC Corp ("LSRC Corp."). LSRC Corp. is a special purpose project company for the purposes of constructing, financing, and maintaining the Toldo Lancer Centre ("TLC"). LSRC Corp. was incorporated on April 25, 2019 and is a taxable corporation established under the Ontario Business Corporations Act. The year end for LSRC Corp. is June 30. LSRC Corp. has issued common shares held equally by four shareholder groups. No one party has a controlling interest in the corporation. The Common Shares are voting shares which allow each of the Shareholders to elect an equal number of the Board of Directors of the corporation.

At April 30, 2024, LSRC Corp. recognized a net loss of $1,576 (2023 - $681 loss). As a result of the University's 25% share in LSRC Corp., the University recorded an investment loss of $394 (2023 - $170 loss) at April 30, 2024. Total investment cumulative loss incurred at April 30, 2024 is $797 (2023 - $403 - restated).

In 2024, the University obtained an additional $1,063 (2023 - $1,629) preferred shares in LSRC Corp. Total preferred shares owned by the University at April 30, 2024 was $23,379 (2023 - $22,316). This was in exchange for the University's financial contribution to the LSRC Corp. at April 30, 2024. These transactions have been recorded at the carrying value. The University has no Other Assets related to LSRC Corp. as at April 30, 2024 (2023 - $nil).

The impact of these related party transactions on the Statement of Cash Flows is:

	2024	**2023**
	$	$
Funds provided by (returned to) the University to LSRC Corp.	250	(10)
Investment loss in Common Shares	(394)	(251)
Related party transaction	(144)	(241)

Total investment in LSRC related to Note 2:

	2024	**2023**
	$	$
Balance, beginning of year	21,913	20,535
Investment in Preferred Shares	1,063	1,629
Investment loss in Common Shares	(394)	(251)
Balance, end of year	22,582	21,913

NOTE 16
COMPARATIVE FIGURES

During the year, it was determined that as of April 30, 2023 the valuation allowance was erroneously applied to the accrued benefit obligation for the Supplemental Pensions. As a result, the financial statements have been restated on a retrospective basis, with Employee future benefits liability increasing by $1,535 as of April 30, 2023, and a corresponding decrease in Unfunded operations through the employee future benefit remeasurement gain (loss) on the Statement of Changes in Net Assets. There is no revenue or expense impact of this error.

The comparative financial statements have been reclassified from statements previously presented to conform to the presentation of the current year financial statements.