

Western  
UNIVERSITY · CANADA



**Financial Statements**  
April 30, 2024

**THE UNIVERSITY OF WESTERN ONTARIO  
COMBINED FINANCIAL STATEMENTS,  
And Independent Auditors' Report thereon  
APRIL 30, 2024**



## Introduction to Western University Financial Statements 2023-2024

The 2024 financial statements show Western's continued growth and financial stability. Revenues have increased year over year, as the student body grows and activity on campus continues to rise. Amid this growth, rising costs from inflation and negotiated compensation arrangements have been carefully balanced. While the University has demonstrated financial stability, all of the excess of revenues over expenses are from investment returns, meaning the University's annual operating resources have been fully utilized in the delivery of our teaching and research mission. The investment returns create one-time resources that are focused on supporting strategic investments aligned with the priorities outlined in "Towards Western at 150", the University's strategic plan.

During 2024, Western entered into an important agreement with Brescia University College, that led to Brescia's strategic integration with Western on May, 1, 2024. Although the details of the integration are disclosed in the notes to these financial statements, the financial information will not be combined into Western until next year.

For Western's 2024 results, combined revenues rose to \$1,618.0 million (2023 - \$1,439.2 million), an increase of 12.4%. Changes in revenue year-over-year were reflective of activities supporting Western's growth agenda; restricted government grants and other grants and contracts increased to \$265.0 million (2023 - \$238.4 million), student fees increased to \$544.3 million (2023 - \$523.9 million), sales and services increased to \$206.0 million (2023 - \$189.3 million) and donations realized increased to \$51.0 million (2023 - \$43.1 million). Of note, Western's sales and services revenue of \$206.0 million (2023 - \$189.3 million) has recovered and now exceeds pre-pandemic 2019 levels. Revenue also includes investment returns of \$237.3 million (2023 - \$123.0 million), which make up (and exceed) the excess of revenues over expenses of \$219.5 million (2023 - \$116.5 million). Due to their volatility, investment returns are best suited to support one-time strategic priorities and are not relied upon to support ongoing operations.

Total expenses increased to \$1,398.5 million (2023 - \$1,322.7 million), a change of 5.7% year over year. Operating costs increased to \$242.0 million (2023 - \$218.0 million), a change of 11% (2023 - 23%). Scholarships, fellowships and bursaries continued at their highest award level ever, at \$93.8 million, up from last year's record of \$90.6 million. Compensation continues to be Western's single largest expenditure, at 62.0% of total expenses or \$867.6 million (2023 - 61.6% or \$814.7 million).

As at April 30, 2024, assets grew to \$4,782.6 million (2023 - \$4,464.6 million), liabilities and deferred contributions decreased to \$1,712.9 million (2023 - \$1,727.4 million), and net assets increased to \$3,069.7 million (2023 - \$2,737.2 million). The increase in assets was driven by the growth of investments. Liabilities and deferred contributions had a nominal overall decrease, with reductions in long-term debt and employee future benefits contributing to the decline. Net assets increased primarily as a result of strong investment returns, allocated to internally restricted and endowment net assets.

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Lynn Logan  
Vice-President (Operations & Finance)

## SUMMARY OF REVENUES AND EXPENSES

### Total Revenues and Expenses

For the year ended April 30, 2024

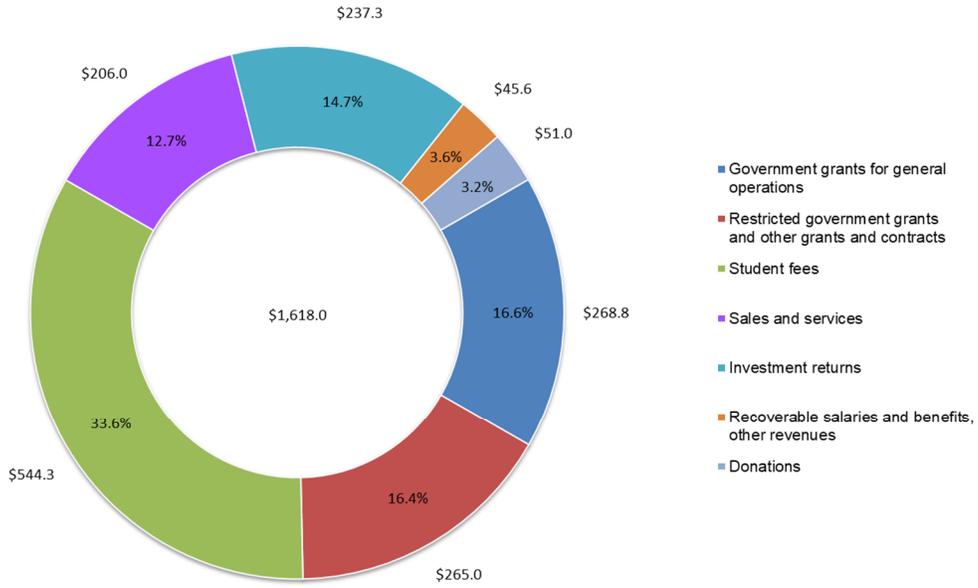
(millions of dollars)

	2020	2021	2022	2023	2024
	\$		\$	\$	\$
<b>Revenues</b>					
Government grants for general operations	266.2	268.7	268.6	268.6	268.8
Restricted government grants and other grants and contracts	225.5	215.2	229.4	238.4	265.0
Student fees	453.1	455.9	494.4	523.9	544.3
Sales and services	172.0	108.8	152.6	189.3	206.0
Investment returns	39.5	229.9	112.5	123.0	237.3
Donations	41.3	40.9	35.6	43.1	51.0
Recoverable salaries and benefits	18.4	17.7	18.2	18.6	17.0
Other revenues	31.9	30.9	28.9	34.3	28.6
	<b>1,247.9</b>	<b>1,368.0</b>	<b>1,340.2</b>	<b>1,439.2</b>	<b>1,618.0</b>
<b>Expenses</b>					
Salaries and benefits	740.7	730.3	767.5	814.7	867.6
Operating costs	179.9	152.1	176.9	218.0	242.0
Scholarships, fellowships and bursaries	81.9	90.4	86.5	90.6	93.8
Amortization of capital assets	72.5	72.3	72.0	78.2	83.4
Cost of sales and services	34.9	24.7	32.8	37.9	40.0
Repairs and maintenance	32.5	29.8	36.9	40.2	29.6
Utilities and taxes	25.3	22.6	24.7	29.0	28.1
Interest	14.9	14.4	14.2	14.1	14.0
	<b>1,182.6</b>	<b>1,136.6</b>	<b>1,211.5</b>	<b>1,322.7</b>	<b>1,398.5</b>

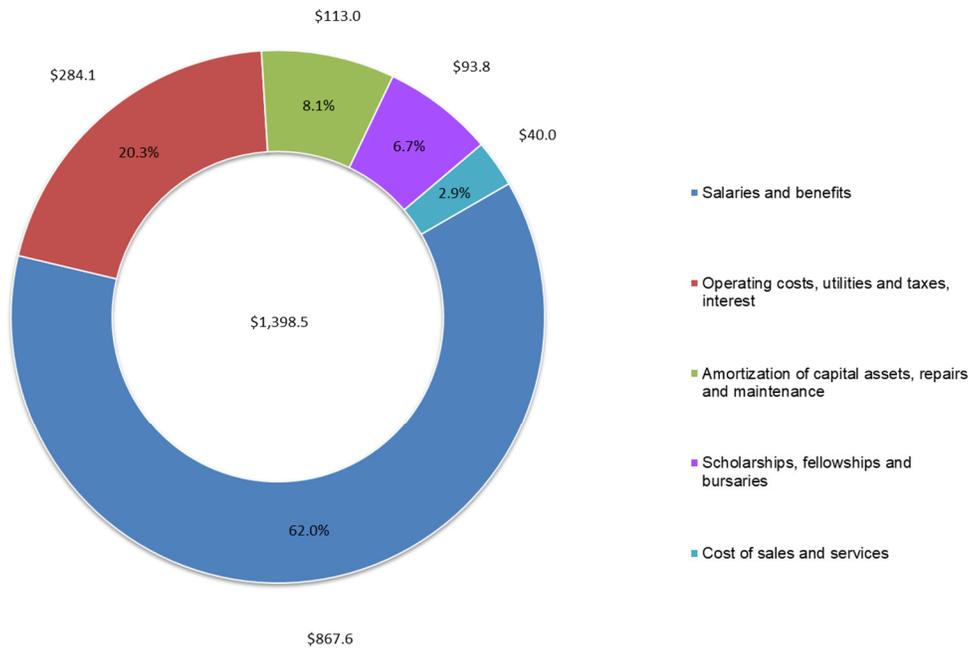
### % of Total Revenues and Expenses

	2020	2021	2022	2023	2024
	%		%	%	%
<b>Revenues</b>					
Government grants for general operations	21.3	19.6	20.0	18.7	16.6
Restricted government grants and other grants and contracts	18.1	15.7	17.1	16.6	16.4
Student fees	36.3	33.3	36.9	36.4	33.6
Sales and services	13.8	8.0	11.4	13.2	12.7
Investment returns	3.2	16.8	8.4	8.5	14.7
Donations	3.3	3.0	2.7	3.0	3.2
Recoverable salaries and benefits	1.5	1.3	1.4	1.3	1.1
Other revenues	2.5	2.3	2.1	2.3	1.7
	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>
<b>Expenses</b>					
Salaries and benefits	62.6	64.3	63.4	61.6	62.0
Operating costs	15.3	13.3	14.6	16.5	17.3
Scholarships, fellowships and bursaries	6.9	8.0	7.1	6.8	6.7
Amortization of capital assets	6.1	6.4	5.9	5.9	6.0
Cost of sales and services	3.0	2.2	2.7	2.9	2.9
Repairs and maintenance	2.7	2.5	3.0	3.0	2.1
Utilities and taxes	2.1	2.0	2.0	2.2	2.0
Interest	1.3	1.3	1.3	1.1	1.0
	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>

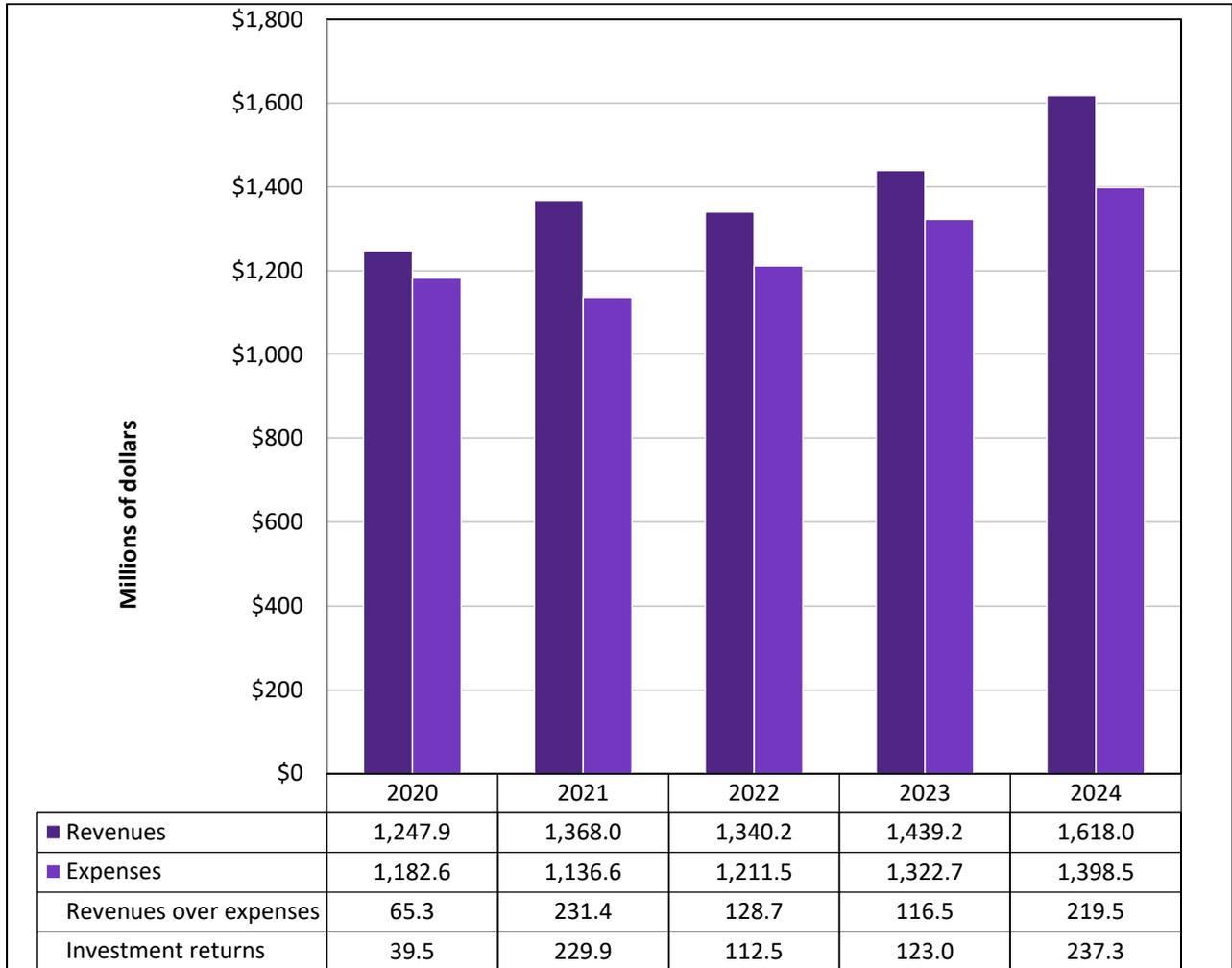
### 2024 Revenues Millions of dollars



### 2024 Expenses Millions of dollars



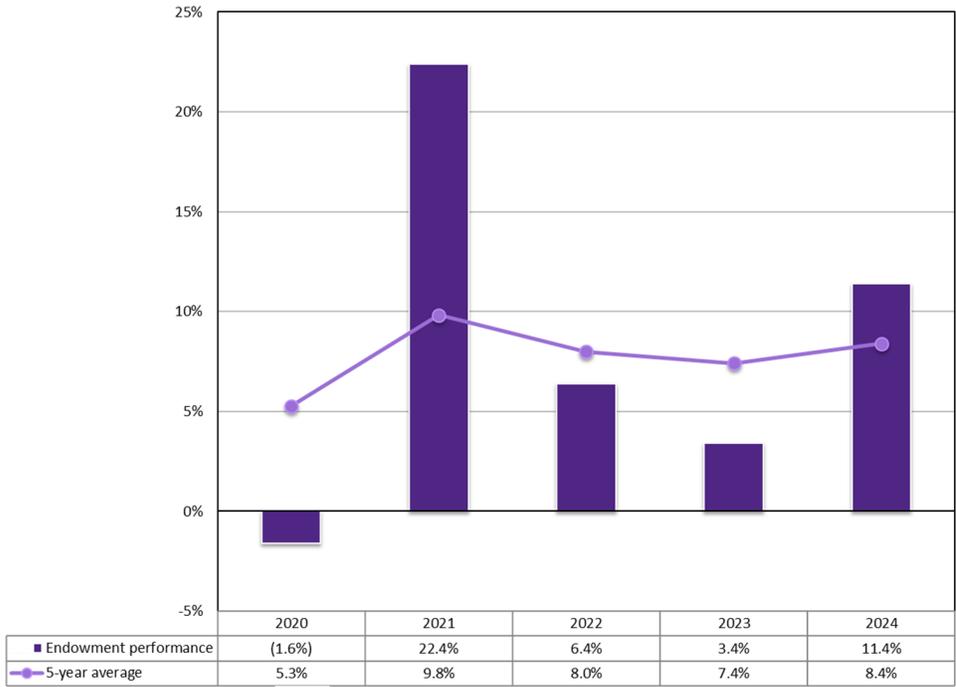
**Revenues and Expenses  
2020-2024**



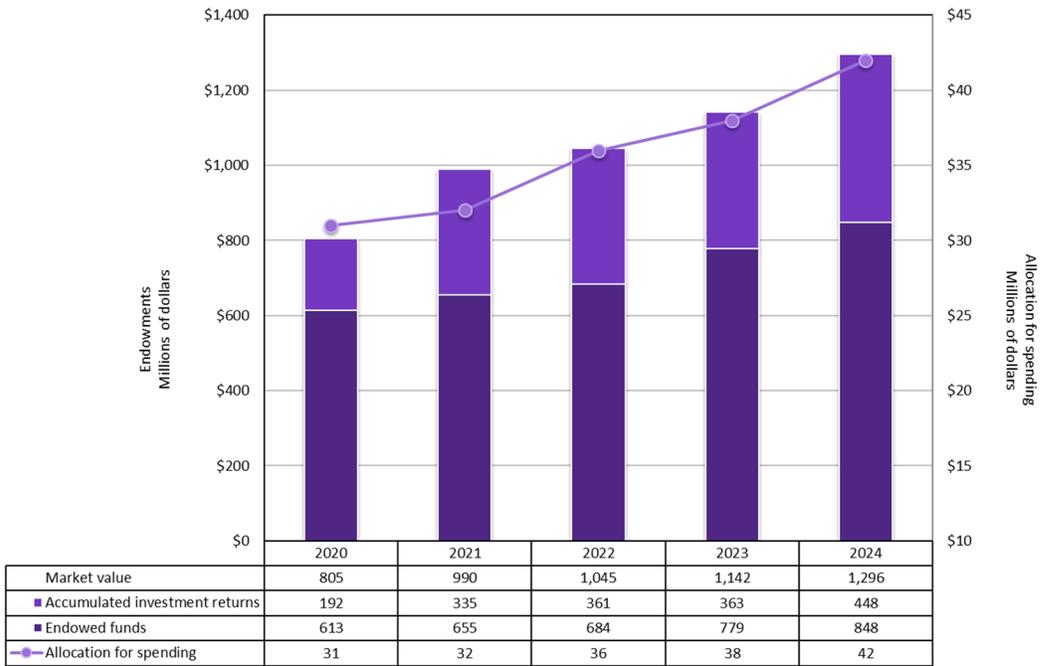
**SUMMARY OF ENDOWMENT ACTIVITY**  
**Contributions, Investment Returns and Allocation for Spending**  
**For the year ended April 30, 2024**  
(millions of dollars)

	2020	2021	2022	2023	2024
	\$	\$	\$	\$	\$
Fund balance, beginning of year	803.8	805.1	990.1	1,044.8	1,141.7
New contributions	39.6	41.9	28.1	95.2	68.5
Investment returns	(7.7)	175.1	62.4	39.7	127.9
Allocation for spending	(30.6)	(32.0)	(35.8)	(38.0)	(42.6)
<b>Fund balance, end of year</b>	<b>805.1</b>	<b>990.1</b>	<b>1,044.8</b>	<b>1,141.7</b>	<b>1,295.5</b>

### Endowment Performance



### Endowments



## *The* UNIVERSITY of WESTERN ONTARIO

### **Responsibility for Financial Reporting**

The accompanying combined financial statements of The University of Western Ontario are the responsibility of the University administration and have been approved by the Board of Governors.

The combined financial statements have been prepared by the University administration in accordance with Canadian accounting standards for not-for-profit organizations and are in accordance with Canadian generally accepted accounting principles. Financial statements necessarily include amounts based on informed judgments and estimates, with appropriate consideration to materiality. The administration has determined such amounts on a reasonable basis to ensure that the combined financial statements present fairly the financial position of the University.

The University maintains systems of internal accounting and administrative controls of high quality, consistent with reasonable cost. Such systems are designed to provide reasonable assurance that the financial information is relevant, reliable and accurate and that the University's assets are appropriately accounted for and adequately safeguarded.

The Board of Governors is responsible for ensuring that management fulfils its responsibilities for financial reporting and is ultimately responsible for reviewing and approving the financial statements. The Board carries out this responsibility principally through its Audit Committee.

The Audit Committee is appointed by the Board. This Committee consists of eight members, none of whom are involved in the daily operations of the University. This Committee meets periodically with the administration, the internal auditor and the external auditors, to discuss internal controls over the financial reporting process, auditing matters and financial reporting issues, to satisfy itself that each party is properly discharging its responsibilities, and to review the annual combined financial statements and the external auditors' report. The Committee reports its findings to the Board of Governors for consideration when approving the combined financial statements. The Committee also appoints annually the external auditors.

The combined financial statements, which comprise the combined statement of financial position as at April 30, 2024, the combined statements of operations, changes in net assets and cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information have been audited by KPMG LLP, the external auditors, in accordance with Canadian generally accepted auditing standards on behalf of the Board of Governors. KPMG has full and free access to the Audit Committee.



Alan Shepard  
President & Vice-Chancellor



Lynn Logan  
Vice-President (Operations & Finance)



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## **INDEPENDENT AUDITOR'S REPORT**

To the Board of Governors of The University of Western Ontario

### ***Opinion***

We have audited the combined financial statements of The University of Western Ontario (the Entity), which comprise:

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



***Emphasis of Matter – Basis of Preparation***

We draw attention to Note 1 to the financial statements which describes the basis of preparation used in these financial statements and the purpose of the financial statements.

Our opinion is not modified in respect of this matter.

***Other Information***

Management is responsible for the other information. Other information comprises:

- the information, other than the financial statements and the auditor’s report thereon, included in the “Supplementary Information on the Combined Financial Statements”.

Our opinion on the financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit and remain alert for indications that the other information appears to be materially misstated.

We obtained the information, other than the financial statements and the auditor’s report thereon, included in the “Supplementary Information on the Combined Financial Statements” as at the date of this auditor’s report.

If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact in the auditor’s report.

We have nothing to report in this regard.

***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.

- 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.



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- 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 Combined 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.

A handwritten signature in black ink that reads 'KPMG LLP'. The signature is written in a cursive, slightly slanted style. A horizontal line is drawn underneath the signature, extending from the left side of the 'K' towards the right.

Chartered Professional Accountants, Licensed Public Accountants

London, Canada

September 27, 2024

# THE UNIVERSITY OF WESTERN ONTARIO

## Combined Statement of Financial Position

Statement 1

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

(thousands of dollars)

	<u>2024</u>	<u>2023</u>
	\$	\$
<b>Assets</b>		
Current		
Cash	47,293	31,938
Accounts receivable [note 3]	129,742	117,453
Inventories	4,060	3,881
Prepaid expenses and deposits	19,028	14,858
Short-term investments [note 4(a)]	<u>987,150</u>	<u>916,088</u>
	1,187,273	1,084,218
Long-term other assets	6,710	6,231
Investments [note 4(a)]	2,282,187	2,076,267
Capital assets [note 5]	<u>1,306,439</u>	<u>1,297,866</u>
	<u>4,782,609</u>	<u>4,464,582</u>
<b>Liabilities and deferred contributions</b>		
Current		
Accounts payable and accrued liabilities [note 6]	133,773	123,041
Current portion long-term debt [note 9]	8,665	8,373
Deferred fees and income	<u>126,074</u>	<u>119,840</u>
	268,512	251,254
Long-term accounts payable	850	3,014
Employee future benefits [note 7(a)]	408,714	420,675
Long-term debt [note 9]	302,326	310,966
Deferred contributions [note 10]	298,887	290,171
Deferred capital contributions [note 11]	<u>433,637</u>	<u>451,347</u>
	1,712,926	1,727,427
<b>Net assets</b>	<u>3,069,683</u>	<u>2,737,155</u>
	<u>4,782,609</u>	<u>4,464,582</u>

Commitments and contingencies [note 4(a), note 17].

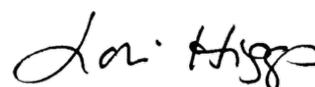
Subsequent event [note 19].

See accompanying notes to the combined financial statements.

Approved on behalf of the Board of Governors:



S. Shortreed  
Chair, Board of Governors



L. Higgs  
Chair, Audit Committee

# THE UNIVERSITY OF WESTERN ONTARIO

## Combined Statement of Operations

## Statement 2

For the year ended April 30, 2024, with comparative information for 2023

(thousands of dollars)

	<b>2024</b>	<b>2023</b>
	<b>\$</b>	<b>\$</b>
<b>Revenues</b>		
Government grants for general operations	268,790	268,597
Restricted government grants and other grants and contracts	264,975	238,384
Student fees	544,295	523,917
Sales and services	206,040	189,300
Investment returns [note 4(b)]	237,289	123,026
Donations	51,033	43,104
Recoverable salaries and benefits	16,962	18,616
Other revenues	28,665	34,260
	<u>1,618,049</u>	<u>1,439,204</u>
<b>Expenses</b>		
Salaries and benefits	867,550	814,676
Operating costs	242,045	217,988
Scholarships, fellowships and bursaries	93,782	90,642
Amortization of capital assets	83,372	78,201
Cost of sales and services	40,006	37,844
Repairs and maintenance	29,696	40,202
Utilities and taxes	28,090	29,020
Interest	13,981	14,129
	<u>1,398,522</u>	<u>1,322,702</u>
<b>Excess of revenues over expenses</b>	<u><u>219,527</u></u>	<u><u>116,502</u></u>

See accompanying notes to the combined financial statements.

# THE UNIVERSITY OF WESTERN ONTARIO

## Combined Statement of Changes in Net Assets

## Statement 3

For the year ended April 30, 2024, with comparative information for 2023

(thousands of dollars)

	2024			2023	
	Unrestricted [note 12]	Internally Restricted [note 13]	Endowments [note 14]	Total	Total
	\$	\$	\$	\$	\$
<b>Net assets (deficit), beginning of year</b>	(383,436)	1,978,885	1,141,706	2,737,155	2,511,601
Excess of revenues over expenses	219,527	-	-	219,527	116,502
Change in internally restricted net assets	(146,593)	146,645	-	52	103
Investment returns allocated to internal endowments	(32,243)	-	32,243	-	-
Allocation for spending of internally endowed returns	10,366	-	(10,366)	-	-
Investment returns allocated to external endowments [note 4(b)]	-	-	95,688	95,688	29,203
Allocation for spending of externally endowed accumulated investment returns [note 4(b)]	-	-	(32,227)	(32,227)	(29,879)
Endowment contributions	(53,716)	-	68,470	14,754	28,342
Employee future benefits remeasurements and other items	34,734	-	-	34,734	81,283
<b>Net assets (deficit), end of year</b>	<b>(351,361)</b>	<b>2,125,530</b>	<b>1,295,514</b>	<b>3,069,683</b>	<b>2,737,155</b>

See accompanying notes to the combined financial statements.

# THE UNIVERSITY OF WESTERN ONTARIO

## Combined Statement of Cash Flows

## Statement 4

For the year ended April 30, 2024, with comparative information for 2023

(thousands of dollars)

	<u>2024</u>	<u>2023</u>
	\$	\$
<b>Operating activities</b>		
Excess of revenues over expenses	219,527	116,502
Non-cash items		
Amortization of capital assets	83,372	78,201
Amortization of deferred capital contributions	(30,961)	(30,455)
Net unrealized (gains)/losses from investments [note 4(b)]	(84,781)	(12,760)
Employee future benefits [note 7(a)]	22,773	23,321
Net change in non-cash working capital [note 16]	<u>(2,315)</u>	<u>(15,227)</u>
<b>Cash provided by operating activities</b>	<u>207,615</u>	<u>159,582</u>
<b>Investing activities</b>		
Net purchase of investments	(192,201)	(110,247)
Purchase of capital assets	(91,891)	(96,041)
<b>Cash used in investing activities</b>	<u>(284,092)</u>	<u>(206,288)</u>
<b>Financing activities</b>		
Receipt of deferred capital contributions	13,251	20,731
Net change in deferred contributions	8,715	10,706
Investment returns allocated to external endowments [note 4(b)]	95,688	29,203
Allocation for spending of externally endowed accumulated investment returns [note 4(b)]	(32,227)	(29,879)
Endowment contributions	14,753	28,342
Repayment of long-term debt	(8,348)	(8,061)
<b>Cash provided by financing activities</b>	<u>91,832</u>	<u>51,042</u>
Net increase in cash	15,355	4,336
Cash position, beginning of year	<u>31,938</u>	<u>27,602</u>
<b>Cash position, end of year</b>	<u><u>47,293</u></u>	<u><u>31,938</u></u>

See accompanying notes to the combined financial statements.

# THE UNIVERSITY OF WESTERN ONTARIO

## Notes to the Combined Financial Statements

Year Ended April 30, 2024  
(thousands of dollars)

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### 1. DESCRIPTION

The University of Western Ontario (“the University” or “Western”) operates under the authority of The University of Western Ontario Act, 1982. The University is incorporated without share capital. The University is dedicated to the advancement of learning through teaching and research and to the discovery and application of knowledge. The University is a registered charity and, under the provisions of section 149 of the Income Tax Act, is exempt from paying income taxes.

The combined financial statements of the University contain the accounts of the University and organizations that the University controls, including: Ivey Business School Foundation, Ivey Business School Asia Limited, The University of Western Ontario Research & Development Park, Windermere Manor Ltd., The Siebens - Drake Research Institute, UWO Investment Trust (#1), UWO Investment Trust (#2), and related foundations in which the University has an economic interest.

These combined financial statements do not include the accounts of three university colleges that are affiliated with, but not controlled by the University (Brescia University College, King’s University College at The University of Western Ontario and Huron University College), or the net assets of the Pension Plan for Academic Staff and the Pension Plan for Administrative Staff of the University. On May 1, 2024 Brescia University College fully integrated with Western. This integration is further described in Note 19.

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The combined financial statements have been prepared by management in accordance with Canadian Accounting Standards for not-for-profit organizations in Part III of the CPA Canada Handbook - Accounting and are in accordance with Canadian generally accepted accounting principles.

A summary of significant accounting policies is as follows:

#### (a) Revenue recognition

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

Operating grants are recorded as revenue in the period to which they relate. Grants approved but not received at the end of the year are accrued. Where a portion of a grant relates to a future year, it is deferred and recognized in the subsequent year.

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.

Externally restricted contributions, other than endowment contributions, are deferred and 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.

Endowment contributions, having externally imposed restrictions, are recognized as direct increases in endowment net assets.

Gifts of capital assets are recorded at fair value at the date of receipt and the related contributions are amortized to operations on the same basis as the related capital asset. Contributions of collection items and non-amortizable capital assets are recorded at fair value at the date of the receipt and as a direct increase to net assets.

Pledges are recorded as revenue on a cash basis, due to uncertainty of collection, and accordingly, pledges

# THE UNIVERSITY OF WESTERN ONTARIO

## Notes to the Combined Financial Statements

Year Ended April 30, 2024  
(thousands of dollars)

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outstanding and not received at the year-end are not recorded as an asset.

Student fees are recognized as revenue when courses and seminars are held. Activity fees are included in student fees.

Sales and services revenue is recognized at the point of sale or when the service has been provided.

(b) Inventories

Inventories are recorded at the lower of cost and net realizable value, determined using the weighted average cost method.

(c) Investments

Investments are recorded at fair value. The value of investments recorded in the combined financial statements is determined as follows:

i) Short-term investments, which consist of Guaranteed Investment Certificates ("GIC"), savings accounts and money market funds, are valued at cost plus accrued interest which together approximates fair value. Some of these short-term investments meet the definition of cash and cash equivalents but are held for investment rather than liquidity purposes and are classified as investments.

ii) Equities consist of Canadian, U.S., Non-North American, Global and Private equities. Canadian, U.S., Non-North American and Global equities are traded on the open market. Fair values are based on the latest closing price. Private equities are valued based on the latest valuation provided by the external investment manager, reflecting any impairment.

iii) Fixed income includes Canadian bonds, mortgages and private debt. Canadian bonds are traded on the open market and fair values are based on the latest closing price. Mortgages are valued at their net asset value per unit valued based on the latest valuation provided by the external investment manager, reflecting any impairment. Private debt is valued at fair value based on the latest valuation provided by the external investment manager, reflecting any impairment.

iv) Real assets consist of real estate and infrastructure investments. Both are valued based on the latest valuation provided by the external investment manager, reflecting any impairment.

v) Diversifiers include absolute return strategies which are a broad array of strategies that aim to provide positive returns in most markets. They generally have low correlation with other private and public asset classes and often rely on manager skill rather than the underlying market. Diversifiers are valued based on the latest valuation provided by the external investment manager, reflecting any impairment, and cash that is held for investment rather than liquidity purposes.

Transactions are recorded on a settlement date basis and any transaction costs are expensed against investment returns when incurred.

(d) Investment returns

Investment returns, in the combined statement of operations, include interest, dividends, income distributions from pooled funds, realized and unrealized capital gains and losses and realized and unrealized currency gains and losses.

# THE UNIVERSITY OF WESTERN ONTARIO

## Notes to the Combined Financial Statements

Year Ended April 30, 2024  
(thousands of dollars)

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Investment returns attributed to the endowments are recorded as an addition (reduction) to endowments net assets. All other investment returns along with the amounts allocated for spending from the endowments are recorded as investment returns in the combined statement of operations.

Investment returns on internally restricted endowments are recorded as an allocation from unrestricted to endowments in the combined statement of changes in net assets. The University protects the capital value of the endowments by limiting the amount of investment returns that are allocated for spending. Endowments are permitted to spend an amount equal to 4% of the average value of the total endowment over the most recent 5 year period. In any particular year, should investment returns be insufficient to fund the amounts made available for spending, endowment capital will be used, with the expectation that such amounts will be recovered from future investment returns.

### (e) Capital assets

Purchased tangible capital assets, including works of art, are recorded at cost. Contributed capital assets are recorded at fair value at the date of receipt. When an estimate of fair value cannot reasonably be made, both the intangible asset and the related contribution are not recorded.

Repairs and maintenance costs are expensed. 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 goods and services. Any impairment results in a write-down of the asset and an expense in the combined statement of operations. An impairment loss is not reversed if the fair value of the related asset subsequently increases.

Amortization is provided on a straight-line basis over the estimated useful life for buildings and building components, computer equipment and library acquisitions, and on a declining balance basis for all other capital assets.

Amortization rates are generally as follows:

Buildings and building components	5 to 40 years
Computer equipment	5 years
Equipment and furnishings	20% declining balance
Library acquisitions	5 years

Construction in progress is primarily buildings. No amortization is recorded until construction is substantially complete and the assets are ready for productive use.

Works of art and collections are not amortized.

### (f) Employee future benefits

#### i) Non-pension plans:

The University provides medical, dental and life insurance benefits to eligible employees. The University accrues for these obligations using accounting assumptions, with the cost of these benefits being actuarially determined using the projected benefit method pro-rated on service using best estimates of salary escalation, retirement ages of employees and expected health care costs. Remeasurements and other items, including plan amendments and actuarial gains and losses are recognized directly in net assets in the combined statement of financial position and are presented as a separately identified line item in the combined statement of changes in net assets.

# THE UNIVERSITY OF WESTERN ONTARIO

## Notes to the Combined Financial Statements

Year Ended April 30, 2024  
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ii) Pension plans and other retirement income funds:

The University sponsors pension plans for its academic and administrative staff. The benefits provided under the plans are entirely defined contribution. There is no past service liability in respect of either of these plans. Contributions to defined contribution plans are expensed as incurred.

(g) Foreign currency translation

The University accounts for transactions in foreign currency at the exchange rate in effect at the time of the transactions. At year-end, monetary assets and liabilities denominated in foreign currency are translated at year-end exchange rates. Foreign exchange gains and losses on investments have been included in investment returns.

(h) Derivative and other financial instruments

Derivative financial instruments are used to manage market and currency exposure risk primarily associated with the University's debt and investments. The University does not enter into derivative financial instruments for trading or speculative purposes. Derivative financial instruments that may be employed include interest rate swaps, currency forward contracts and currency futures. These contract positions will generally be the same or smaller than the market value of the underlying investments, thereby ensuring that the portfolio remains unleveraged. Investment manager valuations or bank valuations are used by the University to fair value the derivative financial instruments, reflecting any impairment.

Other financial instruments including accounts receivable and accounts payable are initially recorded at fair value and are subsequently recorded at cost or amortized cost, net of any provisions for impairment.

(i) Accounting estimates

The preparation of the combined financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the combined financial statements and the reported amounts of revenues and expenses during the year. Significant items subject to the use of management estimates and assumptions include the determination of the useful lives of capital assets for amortization and the amortization of deferred capital contributions, determination of the fair value of financial instruments, valuation of non-pension retirement benefit obligations and provisions for contingencies. Actual results could differ from those estimates.

(j) Contributed services

The University benefits from services provided by volunteers in assisting the institution in carrying out its activities. Because of the difficulty of determining the fair value, contributed services are not recognized in the combined financial statements.

(k) Agency obligations

The University acts as an agent which holds resources and makes disbursements on behalf of various unrelated individuals or groups. These individuals and groups include the affiliate colleges as well as other universities. The University has no discretion over such agency transactions. Resources received in connection with such agency transactions are reported as liabilities, not revenue, and subsequent distributions are reported as decreases to these liabilities.

(l) Controlled organizations

The University includes controlled organizations in its combined financial statements.

# THE UNIVERSITY OF WESTERN ONTARIO

## Notes to the Combined Financial Statements

Year Ended April 30, 2024  
(thousands of dollars)

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### 3. ACCOUNTS RECEIVABLE

Current accounts receivable is comprised primarily of balances for trade accounts receivable and research projects. An allowance of \$2,487 (2023 - \$2,176) has been recorded.

### 4. INVESTMENTS

(a) Endowed and non-endowed investments consist of the following:

	2024	2023
Equities	\$ 1,329,012	\$ 1,148,362
Fixed income	475,278	390,286
Real assets	330,392	309,701
Diversifiers	147,505	227,918
	<u>2,282,187</u>	<u>2,076,267</u>
Short-term	987,150	916,088
	<u>\$ 3,269,337</u>	<u>\$ 2,992,355</u>

Endowed investments consist of donations held in perpetuity received by the University to benefit current and future generations. Non-endowed investments consist of research, capital and other funds received and held for future expenditures.

Endowed and non-endowed investments are segregated into the following investment portfolios:

	2024	2023
Short-term	\$ 681,877	\$ 635,465
Mid-term	211,408	201,089
Operating and Endowment Fund	2,090,671	1,873,548
Other	285,381	282,253
	<u>\$ 3,269,337</u>	<u>\$ 2,992,355</u>

Short-term and mid-term portfolios are liquid and can be used to settle short-term obligations.

Uncalled commitments:

Approximately 13.1% (2023 – 12.4%) of the University's Operating and Endowment Fund is invested in funds managed by third-party managers that, by way of the legal terms and conditions, require investors to make initial commitments. Funds are then invested in response to a series of capital calls issued by the manager over a pre-defined investment period. These private funds typically take the form of limited partnerships managed by a general partner and cover various areas of private equity, real estate, mortgage, private debt and infrastructure investments. The University has uncalled commitments of approximately \$345,765 (2023 - \$210,762). The University anticipates being able to meet all calls as they are made.

# THE UNIVERSITY OF WESTERN ONTARIO

## Notes to the Combined Financial Statements

Year Ended April 30, 2024  
(thousands of dollars)

(b) Investment returns recorded in the combined statement of operations are calculated as follows:

	2024	2023
Investment returns	\$ 300,750	\$ 122,350
Investment returns allocated to external endowments	(95,688)	(29,203)
Allocation for spending of externally endowed accumulated investment returns	32,227	29,879
	<u>\$ 237,289</u>	<u>\$ 123,026</u>

Investment income is comprised of the following:

	2024	2023
Unrealized gains on investments	\$ 84,781	\$ 12,760
Realized gains on investments	46,497	187
Interest and dividend income	106,011	110,079
	<u>\$ 237,289</u>	<u>\$ 123,026</u>

## 5. CAPITAL ASSETS

Capital assets consist of the following:

	2024			2023		
	Cost	Accumulated Amortization	Net Book Value	Cost	Accumulated Amortization	Net Book Value
Buildings and building components	\$ 1,576,087	\$ 718,716	\$ 857,371	\$ 1,520,930	\$ 681,588	\$ 839,342
Equipment, furnishings & computer equipment	515,833	383,523	132,310	546,249	412,983	133,266
Library acquisitions	312,925	293,533	19,392	303,301	284,849	18,452
Construction in progress	65,623	-	65,623	76,513	-	76,513
Land	201,488	-	201,488	200,143	-	200,143
Works of art and collections	30,255	-	30,255	30,150	-	30,150
	<u>\$ 2,702,211</u>	<u>\$ 1,395,772</u>	<u>\$ 1,306,439</u>	<u>\$ 2,677,286</u>	<u>\$ 1,379,420</u>	<u>\$ 1,297,866</u>

During the year, paintings were donated to the University with a total appraised value of \$52 (2023 - \$104).

## 6. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

As at April 30, 2024, accounts payable and accrued liabilities include current government remittances payable of \$17,680 (2023 - \$16,636).

# THE UNIVERSITY OF WESTERN ONTARIO

## Notes to the Combined Financial Statements

Year Ended April 30, 2024  
(thousands of dollars)

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### 7. EMPLOYEE FUTURE BENEFITS

(a) Non-pension plans:

The interval between actuarial valuations for employee future benefits does not exceed three years with the most recent valuations prepared as at April 30, 2023. In the years between valuations, an extrapolation of the actuarial valuation is used to determine the projected benefit obligations.

The accrued benefit liability relating to the employee future benefits is \$408,714 (2023 - \$420,675). This liability has been recorded in the combined financial statements.

Total expense for these plans is \$22,773 (2023 - \$23,321) including an expense of \$2,722 (2023 recovery – \$36) for supplemental and other benefits. Benefits paid during the year amounted to \$11,439 (2023 - \$10,230).

The significant actuarial assumptions adopted in measuring the University's accrued benefit obligations are as follows:

	Non-Pension Plans	
	2024	2023
Discount rate	5.2%	4.7%
Expected long-term rate of return on plan assets	-	-
Medical trend rate	5.54%	5.54%
Dental trend rate	5.00%	5.00%

(b) Pension plans:

Contributions to the defined contribution pension plans during the calendar years ending December 31 are as follows:

	December 31, 2023	December 31, 2022
Employer contributions	\$ 42,124	\$ 39,126
Employee contributions	29,593	27,277
	<u>\$ 71,717</u>	<u>\$ 66,402</u>

### 8. FINANCIAL INSTRUMENTS

(a) Fair values

Fair value estimates are made as of a specific point in time, using available information about the financial instrument.

The carrying value of cash, accounts receivable, bank indebtedness and accounts payable and accrued liabilities approximates their fair values based on the short-term maturity of those instruments. The fair value of investments is disclosed in note 4(a) and derivative financial instruments in note 8(b).

(b) Derivative financial instruments

The notional and fair values of the derivative financial instruments are as follows:

# THE UNIVERSITY OF WESTERN ONTARIO

## Notes to the Combined Financial Statements

Year Ended April 30, 2024  
(thousands of dollars)

	2024		2023	
	Notional Value	Fair Value	Notional Value	Fair Value
Foreign currency contracts	\$ 180,428	\$ (1,341)	\$ 1,027,216	\$ (3,723)
Interest rate swap agreements	\$ 22,246	\$ 615	\$ 30,619	\$ 842

(i) Foreign currency forward contracts:

The fair value of the foreign currency forward contracts is included with investments. The change in the fair value of the foreign currency forward contracts is accounted for consistent with investment returns in the combined statements of operations and changes in net assets. All outstanding contracts have a remaining term to maturity of less than one year.

(ii) Interest rate swaps:

The fair value of the interest rate swap is recorded within accounts receivable in the combined statement of financial position and the unrealized gain or loss in the fair value is recorded in operating costs in the combined statement of operations. During the year, the total unrealized loss on the interest rate swaps was \$227 (2023 - \$366 gain).

The interest rate swap contract results in the University fixing a long-term interest rate of 2.99% on the floating rate debt obligation instead of paying a short-term floating rate of 5.02% (2023 – 4.97%).

The interest rate swap agreement relates to the debt on Ontario Hall Residence which matures on October 15, 2026. The counterparty to the contract is a major Canadian financial institution. The University does not anticipate any material adverse effect on its financial position resulting from its involvement in this type of contract, nor does it anticipate non-performance by the counterparty given their high credit rating.

(c) Risk management

The University, through its financial assets and liabilities is exposed to various risks. The University's financial risks have not significantly changed during the year. Management believes that these financial risks are appropriately mitigated and do not pose significant risk to the University's on-going operations. There have been no significant changes in the policies, procedures, and methods used to manage these risks in the year. The following analysis will provide a measurement of risks as at the combined statement of financial position date:

(i) Credit risk

Credit risk is the risk of financial loss to the University if a counterparty to a financial instrument fails to meet its contractual obligation.

Approximately 49% (2023 - 51%) of the University's investments consist of money market securities, fixed income products and diversifiers. In order to minimize the risk of having an issuer of these debt instruments fail to pay interest or principal as required, the University takes credit rating requirements into consideration and ensures that a qualified investment manager reviews the credit worthiness of each security that is included in its portfolios, regardless of the credit rating of those securities.

# THE UNIVERSITY OF WESTERN ONTARIO

## Notes to the Combined Financial Statements

Year Ended April 30, 2024  
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The University has established policies for extending credit to various businesses, groups and individuals who purchase goods and services from the University, in order to reduce incidents of non-payment. Management believes that the credit risk is minimized by dealing with creditworthy counterparties.

The University is also exposed to credit risk through its use of interest rate swaps and foreign exchange contracts. The credit risk associated with these contracts arises from the possibility that the counterparty to the contract in which the University has an unrealized gain fails to perform according to the terms of the contract. The credit risk is much less than the notional principal amount, being limited at any time to the change in fair value attributable to the instruments.

### (ii) 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 purchases equipment, books and other supplies and services in foreign currencies and may occasionally mitigate its exposure to foreign currency by entering into forward exchange contracts at the time of ordering.

The University is exposed to currency risk with respect to its investments denominated in foreign currencies. To manage foreign currency risk associated with these investments, the University uses foreign currency forward contracts that are administered by an investment manager. These contract positions will generally be the same or smaller than the market value of the underlying assets, thereby ensuring that the portfolio remains unleveraged. The policy range of exposure to non-Canadian currencies has been established to be within the range of 0% to 80% of the total Operating and Endowment Fund, after currency hedging.

### (iii) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market interest rates.

The University is subject to interest rate cash flow risk with respect to its floating rate debt. The University mitigates this risk by entering into interest rate swap agreements for its floating rate debt that fixes the interest rate over the term of the debt.

All other debt of the University, being unsecured debenture, have fixed interest rates and are therefore not exposed to cash flow interest rate risks.

The University's short-term investments are subject to interest rate fluctuations as maturing investments are reinvested at new rates of interest. The fair value held in fixed income, diversifiers, GIC's and other short-term investments will fluctuate due to changes in market interest rates.

### (iv) Market risk

Market risk is the risk that the fair value of a financial instrument will fluctuate due to changes in market prices, whether those changes are caused by factors specific to the individual instrument or its issuer or factors affecting all instruments traded in the market.

The University's investments in equities, fixed income, real assets, GIC's and other short-term investments are subject to market risk. Management mitigates this risk through diversification of its investment portfolio.

# THE UNIVERSITY OF WESTERN ONTARIO

## Notes to the Combined Financial Statements

Year Ended April 30, 2024  
(thousands of dollars)

### (v) Liquidity risk

Liquidity risk is the risk that the University will be unable to fulfill its obligations on a timely basis or at a reasonable cost when its obligations fall due. The University manages its liquidity risk by monitoring its operating and capital requirements. The University prepares capital and operating budgets to fulfill its obligations.

The University's operating account is covered by a \$100,000 unsecured, uncommitted revolving credit facility that is repayable on demand (2023 - \$100,000). As at April 30, 2024 no amount has been drawn on the facility (April 30, 2023 – nil).

The University has access to a \$100,000, unsecured, uncommitted, operating demand loan dedicated to help manage short-term liquidity needs of the Operating and Endowment Fund. As at April 30, 2024 no amount has been drawn on the facility.

### (vi) Inflation risk

Inflation risk is the risk that unexpected increases in the price level of goods and services may negatively impact investment performance.

The University's investments in equities and fixed income are sensitive to inflation risk. Management mitigates this risk by investing in real assets which provide a natural hedge to inflation risk by exhibiting returns that are highly correlated with inflation.

## 9. LONG-TERM DEBT

	Maturity	Interest Rate at April 30, 2024	2024 Principal Outstanding	2023 Principal Outstanding
The details of the debentures are as follows:				
(a) Series A Senior Unsecured Debentures	May 24, 2047	4.80%	\$ 189,285	\$ 189,269
(b) Series B Senior Unsecured Debentures	December 4, 2057	3.39%	99,460	99,451
Total debentures			\$ 288,745	\$ 288,720
(c) The details of the Daily Compounded CORRA Loans are as follows:				
Daily Compounded CORRA Loan	May 15, 2024	2.99%	\$ 22,246	\$ 30,619
Total Daily Compounded CORRA Loans			\$ 22,246	\$ 30,619
Total debt			\$ 310,991	\$ 319,339
Less current portion			8,665	8,373
			\$ 302,326	\$ 310,966

(a) On May 24, 2007, the University issued Series A Senior Unsecured Debentures in the aggregate principal amount of \$190,000. The debenture bears interest at 4.80% which is payable semi-annually on May 24 and November 24 with the principal amount to be repaid on May 24, 2047. The proceeds of the issue were initially used to retire certain existing capital debt and to finance new capital projects.

# THE UNIVERSITY OF WESTERN ONTARIO

## Notes to the Combined Financial Statements

Year Ended April 30, 2024  
(thousands of dollars)

A sinking fund has been established to provide funds to repay the debenture principal upon maturity. At April 30, 2024 the value of the sinking fund was \$36,682 (2023 - \$32,929).

- (b) On December 4, 2017, the University issued Series B Senior Unsecured Debentures in the aggregate principal amount of \$100,000. The debenture bears interest at 3.39% which is payable semi-annually on June 4 and December 4 with the principal amount to be repaid on December 4, 2057. The proceeds of the issue will be used to finance future capital projects.

A sinking fund has been established to provide funds to repay the debenture principal upon maturity. At April 30, 2024, the value of the sinking fund was \$11,164 (2023 - \$10,022).

- (c) At April 30, 2024, the University has outstanding debt of \$22,246 on a \$100,000 committed non-revolving facility. An interest rate swap agreement has been entered into to fix the effective interest rate at 2.99%, over the remaining term, ending October 15, 2026. There is a remaining credit facility in the amount of \$30,000 which is a revolving demand facility by way of Daily Compounded Canadian Overnight Repo Rate Average (CORRA) Loans that have not been drawn upon.
- (d) Anticipated requirements to meet the principal portion of the debt repayments over the next five years are as follows:

	Principal
2025	\$ 8,665
2026	8,975
2027	4,606
2028	-
2029	-
Subsequent years	288,745
	<u>\$ 310,991</u>

## 10. DEFERRED CONTRIBUTIONS

Deferred contributions represent unspent externally restricted grants, donations, contributions and investment income. The balance consists of:

	2024	2023
Balance, beginning of year	\$ 290,171	\$ 279,465
Grants, contributions, donations and investment income	541,543	356,917
Recognized to revenue	(532,827)	(346,211)
Balance, end of year	<u>\$ 298,887</u>	<u>\$ 290,171</u>

	2024	2023
Unspent research grants	\$ 172,291	\$ 168,357
Scholarships	25,733	25,460
Other restricted funds	100,863	96,354
	<u>\$ 298,887</u>	<u>\$ 290,171</u>

# THE UNIVERSITY OF WESTERN ONTARIO

## Notes to the Combined Financial Statements

Year Ended April 30, 2024  
(thousands of dollars)

### 11. DEFERRED CAPITAL CONTRIBUTIONS

Deferred capital contributions represent the unamortized amount of donations and grants received for the purchase of capital assets. Unspent deferred capital contributions are included in deferred contributions until such time as capital expenditures are incurred. The changes in the deferred capital contributions balance are as follows:

	2024	2023
Balance, beginning of year	\$ 451,347	\$ 461,071
Amortization of deferred capital contributions	(30,961)	(30,455)
Contributions received during the year	13,251	20,731
Balance, end of year	<u>\$ 433,637</u>	<u>\$ 451,347</u>

Represented by:

	2024	2023
Amounts used for the purchase of capital assets	\$ 433,637	\$ 451,347
Amounts to be spent on capital assets	-	-
	<u>\$ 433,637</u>	<u>\$ 451,347</u>

### 12. UNRESTRICTED NET ASSETS

Details of the unrestricted net assets are as follows:

	2024	2023
Operating fund surplus	\$ 50,588	\$ 40,227
Provision for vacation pay	(19,500)	(19,500)
Operating deficit - related organizations	(3,756)	(11,388)
Provision for employee future benefits	(378,693)	(392,775)
	<u>\$ (351,361)</u>	<u>\$ (383,436)</u>

### 13. INTERNALLY RESTRICTED NET ASSETS

Details of the internally restricted net assets are as follows:

	2024	2023
Investment in capital assets	\$ 830,550	\$ 793,800
Departmental carry forwards	219,725	235,674
Capital reserves	272,825	207,687
Operating deficit - ancillary and support units	(9,406)	(18,650)
Faculty and research trust funds	129,028	138,355
Equipment reserves	79,947	71,012
Self-insurance funds	1,288	1,317

# THE UNIVERSITY OF WESTERN ONTARIO

## Notes to the Combined Financial Statements

Year Ended April 30, 2024  
(thousands of dollars)

Undistributed investment returns	120,852	184,585
Major strategic opportunities fund	432,875	322,154
Sinking funds	47,846	42,951
	<u>\$ 2,125,530</u>	<u>\$ 1,978,885</u>

- i) Investment in capital assets represents the unamortized value of capital assets funded by the University, net of outstanding debt. It excludes those assets funded through capital contributions.
- ii) Departmental carry forwards represent amounts that vary from budget. The University has in place a flexible budgeting program, which allows operating budget units to defer surpluses and deficits to the subsequent year(s).
- iii) The capital reserves represent funds internally restricted for deferred maintenance, capital emergencies and capital projects either planned or in progress.
- iv) Ancillary and support unit carry forwards (deficits) represent amounts that these units are permitted to carry forward.
- v) Faculty and research trust funds include donations and other revenue with no external restrictions that departments are permitted to carry forward.
- vi) The equipment reserves represent funds that departments have allocated for the future replacement of assets.
- vii) The reserve for self-insurance represents funds set aside to cover uninsured losses and the deductible portion of insured losses.
- viii) The undistributed investment returns represent funds internally restricted for uses as determined by the University.
- ix) The major strategic opportunities fund represents funds to be used for strategic opportunities and the long-term benefit of the University.
- x) Sinking funds were established for the purpose of accumulating funds to repay principal outstanding on the University's debentures at maturity.

## 14. ENDOWMENTS

### (a) Endowments

Endowments consist of externally restricted donations received by the University and internal resources transferred by the University in the exercise of its discretion. The University ensures, as part of its fiduciary responsibilities, that investment income generated from endowments is used in accordance with the various purposes established by donors or the University.

Net assets restricted for endowment consist of the following:

	2024	2023
Externally endowed	\$ 933,268	\$ 855,054
Internally endowed	362,246	286,652
	<u>\$ 1,295,514</u>	<u>\$ 1,141,706</u>

# THE UNIVERSITY OF WESTERN ONTARIO

## Notes to the Combined Financial Statements

Year Ended April 30, 2024  
(thousands of dollars)

Represented by:

	2024	2023
Endowed funds	\$ 847,555	\$ 778,899
Accumulated investment returns	447,959	362,807
	<u>\$ 1,295,514</u>	<u>\$ 1,141,706</u>

(b) Ontario Student Opportunity Trust Fund Endowment

i) Phase I

Externally restricted endowments include grants provided by the Government of Ontario for the Ontario Student Opportunity Trust Fund (OSOTF) matching program. These monies are to award student aid as a result of raising an equal amount of endowed donations.

	2024 Western	2024 Affiliates	2023 Western	2023 Affiliates
<b>Changes in Endowment Fund Balances</b>				
Fund balances, beginning of year	\$ 64,090	\$ 2,951	\$ 63,999	\$ 2,949
Cash donations	54	-	120	-
Preservation (use) of capital	4,654	-	(179)	-
Other change to balance	108	28	150	2
<b>Fund balances, end of year</b>	<u>\$ 68,906</u>	<u>\$ 2,979</u>	<u>\$ 64,090</u>	<u>\$ 2,951</u>

### Changes in Expendable Funds Available for Awards

Fund balances, beginning of year	\$ 1,767	\$ 855	\$ 1,588	\$ 883
Investment income	2,513	327	2,332	123
Expendable donations	61	-	3	-
Value of bursaries awarded	(2,211)	(141)	(2,006)	(149)
Other change to balance	(108)	(18)	(150)	(2)
<b>Fund balances, end of year</b>	<u>\$ 2,022</u>	<u>\$ 1,023</u>	<u>\$ 1,767</u>	<u>\$ 855</u>

The fair value of the endowment at April 30, 2024 was \$74,931 (2023 - \$69,690). The number of awards disbursed was 674 (2023 - 753).

The amounts for affiliated colleges noted above are provided for information purposes only and are not included in the combined financial statements.

# THE UNIVERSITY OF WESTERN ONTARIO

## Notes to the Combined Financial Statements

Year Ended April 30, 2024  
(thousands of dollars)

### ii) Phase II

	2024 Western	2024 Affiliates	2023 Western	2023 Affiliates
<b>Changes in Endowment Fund Balances</b>				
Fund balances, beginning of year	\$ 22,958	\$ 1,525	\$ 23,052	\$ 1,524
Cash donations	69	-	30	-
Preservation (use) of capital	1,455	-	(184)	-
Other change to balance	82	10	60	1
<b>Fund balances, end of year</b>	<b>\$ 24,564</b>	<b>\$ 1,535</b>	<b>\$ 22,958</b>	<b>\$ 1,525</b>

### Changes in Expendable Funds Available for Awards

Fund balances, beginning of year	\$ 339	\$ 342	\$ 449	\$ 387
Investment income	2,293	146	1,950	20
Expendable donations	27	-	32	-
Value of bursaries awarded	(2,219)	(60)	(2,032)	(64)
Other change to balance	(82)	(10)	(60)	(1)
<b>Fund balances, end of year</b>	<b>\$ 358</b>	<b>\$ 418</b>	<b>\$ 339</b>	<b>\$ 342</b>

The fair value of the endowment at April 30, 2024 was \$26,875 (2023 - \$25,179). The number of awards disbursed was 266 (2023 - 266).

The amounts for affiliated colleges noted above are provided for information purposes only and are not included in the combined financial statements

### (c) Ontario Trust for Student Support Endowment

Externally restricted endowments include grants provided by the Government of Ontario for the Ontario Trust for Student Support (OTSS) matching program. These monies are to award student aid as a result of raising an equal amount of endowed donations.

	2024 Western	2024 Affiliates	2023 Western	2023 Affiliates
<b>Changes in Endowment Fund Balances</b>				
Fund balances, beginning of year	\$ 68,407	\$ 8,043	\$ 68,677	\$ 7,998
Cash donations	18	74	17	7
Preservation (use) of capital	4,551	48	(388)	-
Other change to balance	39	-	101	38
<b>Fund balances, end of year</b>	<b>\$ 73,015</b>	<b>\$ 8,165</b>	<b>\$ 68,407</b>	<b>\$ 8,043</b>

# THE UNIVERSITY OF WESTERN ONTARIO

## Notes to the Combined Financial Statements

Year Ended April 30, 2024  
(thousands of dollars)

### Changes in Expendable Funds Available for Awards

Fund balances, beginning of year	\$	417	\$	703	\$	457	\$	881
Investment income		1,951		625		1,813		173
Expendable donations		8		-		17		-
Value of bursaries awarded		(1,867)		(320)		(1,769)		(313)
Other change to balance		(39)		(70)		(101)		(38)
<b>Fund balances, end of year</b>	<b>\$</b>	<b>470</b>	<b>\$</b>	<b>938</b>	<b>\$</b>	<b>417</b>	<b>\$</b>	<b>703</b>

The fair value of the endowment at April 30, 2024 was \$82,588 (2023 - \$77,669). The number of awards disbursed was 615 (2023 - 536).

The amounts for affiliated colleges noted above are provided for information purposes only and are not included in the combined financial statements.

### 15. THE SEYMOUR SCHULICH ENDOWMENT FUND

The Seymour Schulich Endowment Fund has a current fair value of \$45,421 (2023 - \$43,481). The Fund includes \$11,639 received from two Government of Ontario matching programs, the Ontario Student Opportunity Trust Fund and the Ontario Trust for Student Support.

### 16. STATEMENT OF CASH FLOWS

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

	2024	2023
Accounts receivable and other long-term other assets	\$ (12,768)	\$ (23,480)
Inventories	(179)	(718)
Prepaid expenses and deposits	(4,170)	22
Accounts payable and accrued liabilities	8,568	3,537
Deferred fees and income	6,234	5,412
Net change in non-cash working capital	<u>\$ (2,315)</u>	<u>\$ (15,227)</u>

### 17. COMMITMENTS AND CONTINGENCIES

#### (a) Legal matters

The University is involved in litigation and disputes that arise in the normal course of operations. In respect to these claims the University believes it has valid defences, funded provisions and/or appropriate insurance coverage in place. Litigation is subject to many uncertainties, and the outcome of individual matters is not predictable. It is possible the final resolution of some of these matters may require the University to make expenditures in excess of estimated reserves, over an extended period of time and in a range that cannot be reasonably estimated at this time. The University's policy is to recognize the losses on litigation and disputes when the outcome becomes reasonably determinable. In the administration's judgement no material exposure exists on the eventual settlement of litigation.

# THE UNIVERSITY OF WESTERN ONTARIO

## Notes to the Combined Financial Statements

Year Ended April 30, 2024  
(thousands of dollars)

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(b) Capital commitments

The estimated cost to complete capital projects in progress at April 30, 2024 is approximately \$44,000 (2023 - \$40,000).

(c) Lease commitments

The University leases premises for academic purposes and the remaining aggregate minimum rental payments under operating leases are as follows:

	Lease commitments
2025	\$ 971
2026	3,168
2027	3,913
2028	3,937
2029	4,012
Subsequent years	35,835
	<u>\$ 51,836</u>

(d) Canadian Universities Reciprocal Insurance Exchange

The University participates in a reciprocal exchange of insurance risks in association with other Canadian universities. This self-insurance reciprocal, CURIE, involves a subscriber agreement to share the insurable property and liability risks of member universities for a term of not less than five years. Plan members are required to pay annual deposit premiums, which are actuarially determined and expensed in the year. If premiums collected are insufficient to cover expenses and claims, the University may be requested to pay additional amounts.

## 18. PLEDGES

Total pledges outstanding and expected year of collection are as follows:

	Pledges
2024	\$ 38,169
2025	12,829
2026	10,314
Subsequent years	47,935
	<u>\$ 109,247</u>

# THE UNIVERSITY OF WESTERN ONTARIO

## Notes to the Combined Financial Statements

Year Ended April 30, 2024  
(thousands of dollars)

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### 19. SUBSEQUENT EVENT

On May 1, 2024, Brescia University College (Brescia), a women's Catholic university affiliated with Western, fully integrated with the University. As part of the integration, Western has acquired all of the assets and assumed all of the liabilities of Brescia, and continuing students, faculty and staff have been integrated with the University. The integration will better position Brescia and Western to enhance educational outcomes for students. The University will continue providing academic programming that was unique to Brescia, as part of the newly formed Brescia School of Food and Nutritional Sciences, in the Faculty of Health Sciences.

At the date of integration, the fair value of monetary assets and liabilities equal their book values. The fair values of land and buildings acquired were \$40,980 in excess of their book value. Included in cash is \$7,977 restricted for the preservation of endowments previously established at Brescia. The fair values of assets, liabilities and endowments are as follows:

	<b>May 1, 2024</b>
<b>Assets</b>	
Cash	\$ 12,125
Capital assets	93,592
Other assets	372
	<hr/> 106,089 <hr/>
<b>Liabilities and endowments</b>	
Accounts payable and other accrued liabilities	1,441
Advances from Western University	6,400
Long-term debt	32,536
Mortgage	600
Deferred contributions	1,613
Deferred capital contributions	4,887
	<hr/> 47,477 <hr/>
Endowments	7,977
	<hr/> 55,454 <hr/>
<b>Excess of asset acquired over liabilities assumed</b>	<hr/> <b>\$ 50,635</b> <hr/>

As part of the agreement with Brescia, Western established the Brescia Legacy Fund of \$25,000 in April 2024, which is included in Western's internal endowments as at April 30, 2024. On May 1, 2024, Western fully settled the long-term debt and mortgage.