Financial Statements of

UNIVERSITY OF WINDSOR

And Independent Auditor's Report thereon

Year ended April 30, 2026

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, 2026 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, 2026, 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. John-Justin McMurtry
President & Vice-Chancellor

Ms. Marie Campagna
Interim 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, 2026
- 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, 2026, and its results of operations 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.

KPMG LLP

Chartered Professional Accountants, Licensed Public Accountants

Windsor, Canada

October 20, 2026

UNIVERSITY OF WINDSOR

Statement of Financial Position
(in thousands of dollars)

As at April 30, 2026, with comparative financial information for 2025

		2026 $	2025 $
ASSETS			
Current			
Cash and cash equivalents		60,487	86,819
Short-term investments	note 2	70,291	65,161
Accounts receivable		28,738	24,135
Inventories, prepaid expenses and other assets		11,175	10,661
Total current assets		170,691	186,776
Investments	note 2	290,526	255,316
Capital assets, net	note 3	441,152	449,716
		902,369	891,808
LIABILITIES and DEFERRED CONTRIBUTIONS			
Current			
Accounts payable and accrued liabilities	note 11	51,712	61,142
Deferred revenue		12,527	14,906
Current portion of deferred contributions	note 4	69,747	66,930
Current portion of long-term debt	note 7	2,174	2,108
Total current liabilities		136,160	145,086
Deferred capital contributions	note 5	160,528	163,356
Deferred contributions	note 4	2,443	2,523
Employee future benefits	note 6	56,894	55,037
Long-term debt	note 7	214,573	218,636
		570,598	584,638
NET ASSETS			
Unrestricted			
Funded operations		-	-
Unfunded operations		(48,991)	(48,450)
Total unrestricted		(48,991)	(48,450)
Internally restricted	note 8	188,900	190,392
Endowment	note 9	191,862	165,228
		331,771	307,170
Commitments and contingencies	note 14		
		902,369	891,808

See accompanying notes

UNIVERSITY OF WINDSOR

Statement of Operations
(in thousands of dollars)

Year ended April 30, 2026, with comparative financial information for 2025

		2026 $	2025 $
REVENUE			
Grants and contracts		158,694	156,490
Student fees		201,113	231,990
Sales and services		11,436	12,926
Investment income		26,163	23,644
Donations, non-endowment		4,008	2,967
Amortization of deferred capital contributions	note 5	9,425	9,688
Other revenue		14,343	12,045
		425,182	449,750
EXPENSES			
Salaries and benefits		274,684	295,057
Materials, supplies and services		54,409	59,822
Repairs and renovations		18,339	21,075
Utilities		9,684	9,264
Interest on long-term debt		10,634	10,704
Scholarships and bursaries		30,876	31,607
Amortization of capital assets	note 3	27,623	27,812
		426,249	455,341
Deficiency of revenue over expenses before fair value adjustment		(1,067)	(5,591)
Change in fair value of interest rate swaps	note 7	1,756	(4,323)
Surplus (deficiency) of revenue over expenses		**689**	**(9,914)**

See accompanying notes

UNIVERSITY OF WINDSOR

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

Year ended April 30, 2026, with comparative financial information for 2025

	Unrestricted				2026	2025
	Funded Operations $	Unfunded Operations $	Internally Restricted (note 8) $	Endowment (note 9) $	Total $	Total $
Net assets, beginning of year	-	(48,450)	190,392	165,228	307,170	295,735
Surplus (deficiency) of revenue over expenses	3,714	(3,025)	-	-	689	(9,914)
Change in unexpended operating and restricted funds	(1,421)	-	1,421	-	-	-
Net contribution to investment in capital assets	5,486	-	(5,486)	-	-	-
Related party transaction (note 15)	(14)		-	-	(14)	440
Investment income allocated	-	-	-	32,370	32,370	15,061
Allocation for spending from accumulated investment returns	-	-	-	(13,637)	(13,637)	(9,069)
Employee future benefit remeasurement costs (note 6)	-	2,484	-	-	2,484	11,836
Contributed assets	-	-	136	-	136	192
Transfers and internal endowment contributions	(7,765)	-	2,437	5,328	-	-
External contributions	-	-	-	2,573	2,573	2,889
Net assets, end of year	-	(48,991)	188,900	191,862	331,771	307,170

See accompanying notes

UNIVERSITY OF WINDSOR

Statement of Cash Flows
(in thousands of dollars)

Year ended April 30, 2026, with comparative financial information for 2025

		2026 $	2025 $
OPERATING ACTIVITIES			
Surplus (deficiency) of revenue over expenses		689	(9,914)
Add (deduct) non-cash items:			
Deferred contributions, net		2,737	2,183
Amortization of deferred capital contributions		(9,425)	(9,688)
Amortization of capital assets, net of loss on disposal		27,623	27,597
Employee future benefits		4,341	4,977
Interest rate swaps		(1,756)	4,323
Related party transaction	note 15	(14)	440
Amortization of debt transaction costs		66	66
Net change in non-cash working capital	note 13	(15,170)	893
Cash provided by operating activities		9,091	20,877
FINANCING ACTIVITIES			
Repayments of long-term debt		(2,108)	(2,044)
Trusteed sinking fund		(1,955)	(1,859)
Contributions deferred for capital purposes		6,597	5,982
Investment income allocated to endowments		32,370	15,061
Endowment investment income for spending		(13,637)	(9,069)
External endowment contributions		2,573	2,889
Cash provided by financing activities		23,840	10,960
INVESTING ACTIVITIES			
Net change in investments		(40,340)	8,027
Net purchase of capital assets		(18,923)	(22,123)
Cash used in investing activities		(59,263)	(14,096)
Net (decrease) increase in cash and cash equivalents		(26,332)	17,741
Cash and cash equivalents, beginning of year		86,819	69,078
Cash and cash equivalents, end of year		60,487	86,819

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.

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

	2026 $	2025 $
Deposits, money market funds, term notes and treasury bills	69,550	67,522
Government and corporate bonds	96,649	88,854
Real assets	26,433	23,635
Canadian equities	52,754	42,196
Global equities	92,695	75,662
Investment in LSRC Corp. (note 15)	22,736	22,608
	360,817	320,477
Less amounts reported as:		
Short-term investments	70,291	65,161
	290,526	255,316

NOTE 3
CAPITAL ASSETS

	Cost	Accumulated Amortization	2026 Net Book Value	2025 Net Book Value
	$	$	$	$
Land	17,879	-	17,879	17,803
Land improvements	9,346	4,469	4,877	5,344
Buildings and plant equipment	620,240	277,813	342,427	350,403
Parking lots	4,366	3,128	1,238	861
Equipment	264,633	224,216	40,417	42,769
Library and books	151,874	145,201	6,673	6,271
Computing systems	30,499	12,879	17,620	18,770
Leasehold improvements	4,345	1,239	3,106	175
Collections	2,483	-	2,483	2,445
Capital in progress	4,432	-	4,432	4,875
	1,110,097	668,945	441,152	449,716

In the year, amortization of capital assets totaled $27,623 (2025 - $27,812) including net write downs or loss on disposals for 2026 of $nil (2025 - $215).

NOTE 4
DEFERRED CONTRIBUTIONS

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

	2026	2025
	$	$
Balance, beginning of year	69,453	67,270
Grants, contributions, donations, and investment income	62,041	60,470
Recognized to revenue	(59,304)	(58,287)
	72,190	69,453
Less amounts reported as:		
Current portion of deferred contributions	(69,747)	(66,930)
Deferred contributions	2,443	2,523

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:

	2026 $	2025 $
Balance, beginning of year	163,356	167,062
Additions for capital purchases	6,597	5,982
Amortization of deferred capital contributions	(9,425)	(9,688)
Balance, end of year	160,528	163,356

In the year, amortization of deferred capital contributions totaled $9,425 (2025 - $9,688) including net write downs for 2026 of $nil (2025 - $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, 2025, for the Faculty Plan and July 1, 2024, for the Employee Plan. The next valuation for the Faculty Plan is required to be completed as of July 1, 2028. There is a valuation currently in process for the Employee Plan as of January 1, 2026. 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, 2025.

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:

	2026				
	Pension		Supplemental Pensions	Other	Totals
	Faculty	Employee			
	$	$	$	$	$
Accrued benefit obligation	697,772	311,834	3,940	52,954	1,066,500
Fair value of plan assets	781,197	362,442	-	-	1,143,639
Valuation allowance	(83,425)	(50,608)			(134,033)
Plan deficit	-	-	(3,940)	(52,954)	(56,894)

	2025				
	Pension		Supplemental Pensions	Other	Totals
	Faculty	Employee			
	$	$	$	$	$
Accrued benefit obligation	671,768	275,634	3,509	51,528	1,002,439
Fair value of plan assets	697,861	325,239	-	-	1,023,100
Valuation allowance	(26,093)	(49,605)	-	-	(75,698)
Plan deficit	-	-	(3,509)	(51,528)	(55,037)

With respect to the Supplemental Pensions, the University has invested $876 (2025 - $863) outside of the plans to fund these obligations.

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

	2026				
	Pension				Other
	Faculty	Employee	Supplemental Pensions	Multi-employer	
	$	$	$	$	$
Employer contributions	10,046	3,824	295	450	1,874
Employee contributions	9,656	3,824	-	449	-
Benefits paid	39,496	18,047	295	n/a	1,874

NOTE 6
EMPLOYEE FUTURE BENEFITS (cont'd)

	2025				
	Pension				Other
	Faculty	Employee	Supplemental Pensions	Multi-employer	
	$	$	$	$	$
Employer contributions	8,983	4,858	297	510	1,809
Employee contributions	9,420	4,858	-	497	-
Benefits paid	34,704	13,643	297	n/a	1,809

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

	2026		
	Pension	Other	Total
	$	$	$
Difference between actual and expected return on plan assets	(85,045)	-	(85,045)
Actuarial losses (gains)	30,852	(1,830)	29,022
Decrease in valuation allowance and impact on finance cost	53,539	-	53,539
Remeasurements and other items	(654)	(1,830)	(2,484)

	2025		
	Pension	Other	Total
	$	$	$
Difference between actual and expected return on plan assets	(44,203)	-	(44,203)
Actuarial gains	(10,671)	(9,584)	(20,255)
Decrease in valuation allowance and impact on finance cost	52,622	-	52,622
Remeasurements and other items	(2,252)	(9,584)	(11,836)

Included in the salaries and benefits expense on the Statement of Operations, are the current service costs and finance costs of $20,380 (2025 - $20,924).

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:

	2026			
	Pension			Other
	Faculty	Employee	Supplemental Pensions	
Accrued Benefit Obligation:				
Discount rate	6.45%	6.50%	6.46%	5.13%
Rate of compensation increase	5.00%	1.50%	n/a	n/a
Initial weighted average health care trend rate	n/a	n/a	n/a	5.40%
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	6.50%	6.25%	6.43%	4.93%
Rate of compensation increase	3.00%	1.50%	n/a	n/a

	2025			
	Pension			Other
	Faculty	Employee	Supplemental Pensions	
Accrued Benefit Obligation:				
Discount rate	6.50%	6.25%	6.41%	4.93%
Rate of compensation increase	3.00%	5.00%	n/a	n/a
Initial weighted average health care trend rate	n/a	n/a	n/a	5.66%
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	6.50%	5.50%	6.16%	5.19%
Rate of compensation increase	3.00%	1.75%	n/a	n/a

NOTE 7
LONG-TERM DEBT

Details of the long-term debt are as follows:

	Maturity	Interest Rate	2026 Principal Outstanding $	2025 Principal Outstanding $
Series A Senior Unsecured Debentures	June 2046	5.37%	108,300	108,300
Less: Trusteed Sinking Fund			(39,919)	(37,964)
Transaction costs			(798)	(838)
			67,583	69,498
Series B Senior Unsecured Debentures	July 2057	3.745%	40,000	40,000
Less: Transaction costs			(405)	(418)
			39,595	39,582
Series C Senior Unsecured Debentures	September 2060	2.786%	60,000	60,000
Less: Transaction costs			(461)	(474)
			59,539	59,526
TD Bank, Tranche 1	January 2043	3.03%	19,128	19,992
TD Bank, Tranche 2	June 2044	3.13%	30,902	32,146
			216,747	220,744
Current portion of long-term debt			(2,174)	(2,108)
			214,573	218,636

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. All of the credit facilities are unsecured.

The fair value of the interest rate swaps of $3,516 (2025 – $1,760) is recorded on the Statement of Financial Position (Net Assets, Unfunded Operations). The change in fair value of the interest rate swaps of $1,756 gain (2025 – $4,323 loss) is recorded in the Statement of Operations.

The University has line of credit agreements available for up to $28 million ($25 million with Scotiabank and $3 million with TD). As of April 30, 2026, $nil has been drawn on these agreements (2025 - $nil).

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
2027	$2,174
2028	$2,242
2029	$2,312
2030	$2,385
2031	$2,459

NOTE 8
INTERNALLY RESTRICTED NET ASSETS

Details of the internally restricted net assets are as follows:

	2026 $	2025 $
Invested in capital assets	97,252	102,738
Board of Governors restricted funds for debt repayment	14,618	12,181
Unexpended operating funds		
Internally financed capital or repair projects	(13,295)	(14,813)
Departmental carryforward for operations	16,129	16,148
Contingency reserves	20,702	22,717
Employee benefits reserves	8,129	7,388
Enrolment deviation reserves	17,175	17,336
Earmarked for capital and repair projects	2,548	3,146
Funds held for strategic initiatives	3,697	3,097
	55,085	55,019
Unexpended restricted funds		
Unspent departmental research funds	14,652	15,841
Unspent departmental trust funds	7,279	5,053
Other internally restricted funds	14	(440)
	21,945	20,454
Total unexpended operating and restricted funds	77,030	75,473
Total internally restricted net assets	188,900	190,392

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.

	Externally Endowed $	Internally Endowed $	**2026** Total Endowed $	**2025** Total Endowed $
Endowment, beginning of year	146,958	18,270	165,228	151,903
Internal contributions	2,816	2,512	5,328	4,444
External contributions	2,453	120	2,573	2,889
Investment income allocated	32,370	-	32,370	15,061
Allocation for spending from accumulated investment returns	(13,637)	-	(13,637)	(9,069)
Endowment, end of year	170,960	20,902	191,862	165,228

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:

	2026	2025
Endowment Funds:	$	$
Balance, beginning of year	10,608	10,123
Investment income	1,320	389
Preservation of capital	106	96
Balance, end of year	12,034	10,608
Expendable Funds:		
Balance, beginning of year	602	562
Investment income	615	583
Bursaries awarded (2026 – 250; 2025 - 229)	(460)	(444)
Transfer from Endowment	(106)	(99)
Balance, end of year	651	602

Transfer from Endowment figures in 2026 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:

	2026	2025
Endowment Funds:	$	$
Balance, beginning of year	3,852	3,432
Preservation of capital	552	420
Balance, end of year	4,404	3,852
Expendable Funds:		
Balance, beginning of year	192	185
Realized investment income, net of direct investment-related expenses and preservation of capital contributions	136	142
Bursaries awarded (2026 – 201; 2025 - 221)	(118)	(135)
Balance, end of year	210	192

The market value of the endowment as at April 30, 2026 is $5,106 (2025 - $4,482).

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

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

	2026	2025
Endowment Funds:	$	$
Balance, beginning of year	38,398	34,223
Donations	193	144
Preservation of capital	5,542	4,031
Balance, end of year	44,133	38,398
Expendable Funds:		
Balance, beginning of year	1,874	1,612
Realized investment income, net of direct investment-related expenses and preservation of capital contributions	1,226	1,266
Bursaries awarded (2026 – 660; 2025 - 700)	(963)	(1,004)
Balance, end of year	2,137	1,874

The market value of the endowment as at April 30, 2026 is $51,118 (2025 - $44,251).

NOTE 11
ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

Included in accounts payable and accrued liabilities, are government remittances payable of $4,264 (2025 - $2,295) which includes amounts payable for HST and payroll related taxes.

During the year, the University incurred $6,799 (2025 - $11,867) in expenses related to salary continuance, retirement incentives and severance, of which $4,581 (2025 - $9,952) is included in Accounts Payable and Accrued Liabilities at April 30, 2026.

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.

NOTE 12
FINANCIAL INSTRUMENTS (cont'd)

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.

(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 by 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 receivables are recorded net of an allowance for doubtful accounts of $6,472 (2025 - $5,701). 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:

	2026 $	2025 $
Accounts receivable	(4,603)	7,515
Inventories, prepaid expenses, and other assets, net of impact of swaps	1,242	546
Accounts payable and accrued liabilities	(9,430)	(560)
Deferred revenue	(2,379)	(6,608)
Net change in non-cash working capital balances	(15,170)	893

NOTE 14
COMMITMENTS AND CONTINGENT LIABILITIES

At April 30, 2026, commitments for future construction and renovations amounted to approximately $6,536 (2025 - $4,587). 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.

The University has been named as a defendant or co-defendant in several actions for damages. The outcome and the amount of 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.

On April 29, 2022, the University entered into a long-term ground lease with TILCAP Residences Inc. (the Developer) for the development of a student residence, Rodzik Hall, which opened on August 31, 2025. During the term of the lease, the University will make occupancy payments derived from student residence fees to the Developer. During the first 30 years of the initial term, the University will provide the Developer with certain guaranteed occupancy payments, recorded in the period to which they relate. During the year, the University expensed $82 (2025 - $nil) of occupancy payments. In addition to the occupancy guarantee, the University is entitled to annual operating rent equal to the greater of $100,000 and 3% of specified residence revenues. During the year, the University recognized $138 rental revenue (2025 – $32). The University has implemented strategies to mitigate the risk of expensing occupancy payments and considers the risk to be low. The University participates in student revenues in excess of established occupancy rates and in other non-traditional revenue streams generated in the building. The Developer is responsible for the operating expenses related to the residence space.

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, 2026, LSRC Corp. recognized a net loss of $1,801 (2025 - $3,191). As a result of the University's 25% share in LSRC Corp., the University recorded an investment loss of $450 (2025 - $797) at April 30, 2026. Total investment cumulative loss incurred at April 30, 2026, is $2,045 (2025 - $1,595).

In 2026, the University obtained an additional $578 (2025 - $823) preferred shares in LSRC Corp. Total preferred shares owned by the University at April 30, 2026, was $24,780 (2025 - $24,202). This was in exchange for the University's financial contribution to the LSRC Corp. at April 30, 2026. These transactions have been recorded at the carrying value. The University has no Other Assets related to LSRC Corp. as at April 30, 2026 (2025 - $nil).

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

	2026	**2025**
	$	$
Funds provided by (returned to) the University to LSRC Corp.	464	357
Investment loss in Common Shares	(450)	(797)
Related party transaction	14	(440)

Total investment in LSRC related to Note 2:

	2026	**2025**
	$	$
Balance, beginning of year	22,608	22,582
Investment in Preferred Shares	578	823
Investment loss in Common Shares	(450)	(797)
Balance, end of year	22,736	22,608