

Explanatory Comments on the Financial Statements

The following charts provide analytical comments in regards to the primary drivers of the year over year changes in the financial statements. The explanatory comments are not intended to completely describe the variances. Please see the 2023-24 Annual Report for additional analysis. There were no material changes to the notes of the financial statements.

Statement of Financial Position

Assets

	April 30, 2024	April 30, 2023	Change Increase / (Decrease)	Comments
Cash and cash equivalents	\$ 74,826	\$ 68,904	\$ 5,921	Cash provided by operating activities was \$10,061 whereas cash provided from financing activities was \$4,261. This was offset by \$8,400 cash used in investing activities. Refer to the cash flow statements in the financial statements for more detailed activity and the capital asset section below for investing activities.
Accounts receivable <i>(includes student, external organizations and tax rebates)</i>	26,281	32,643	(6,362)	A significant portion of the change is attributable to a lower receivable balance related to the sale of the Hamilton Campus (\$7,000 received in 2023-24). Student accounts receivable decreased \$620 and the tax rebate receivable balance decreased \$648 from the prior year. The tax rebate change is due to lower March and April HST returns receivable at year end (2023-24 - \$1,045 vs. 2022-23 \$1,693) which is the result of a Section 211 claim in 2022-23 and timing of capital purchases at year-end. This was offset by an increase in GIC interest receivable of \$1,274 and an increase in Customer Accounts receivable of \$403.
Government grants receivable <i>(includes nursing grant, government research grants)</i>	6,402	5,485	917	The change is attributable to a higher receivable from MCU for the Nursing grant of \$2,026 compared to the prior year due to timing of payments received throughout the year. The increase is also a result of \$349 receivable from the Ministry of the Environment for the District Energy Electrification project. This increase was offset by a lower receivable from FedDev of \$1,250 related to the completion of the VPMI project and also slightly offset with a decrease in external research grants that were in a receivable position at year-end.
Prepaid expenses and other assets <i>(includes payments for future economic benefit)</i>	953	889	64	The change is attributable to the timing of software license payments around year end. The increase is the result of payment of a Conference Service license earlier than the prior year.

Inventories <i>(includes bookstore, natural gas, science stores and various housekeeping and maintenance supplies)</i>	1,458	1,631	(173)	<p>The change is attributable to campus store inventory decreasing by \$119 from prior year. The change was primarily due to a decrease in textbook inventory.</p>
Restricted investments <i>(includes endowments, unspent capital grants, internal sinking fund, investments held for other restricted purposes)</i>	220,928	210,806	10,122	<p>Due to an increase in endowments of \$7,813 (\$10,926 in investment gains, \$410 in new donations offset by spending of \$3,523). Also due to an increase in the sinking fund (contributions of \$1,509 related to the student fee collected for the repayment of the debenture proceeds used to fund the construction of the zone fitness centre and investment gain of \$890). Also due to an increase in the EFB reserves (\$492 investment gains). Internally restricted net assets also decreased by \$3,048 which Financial Services manages an investment strategy for these funds. Refer to appendix 4 of this report and financial statement note 12 for additional details. Unspent donations and government grants for capital contributions also increased by \$1,414.</p>
Capital assets	488,649	510,485	(21,836)	<p>Capital asset increases were \$10,122, which includes \$1,520 related to Mackenzie Chown A Block renovation and \$2,141 related to Village Residence renewal costs. Additional capital asset purchases were mainly the result of construction related District Energy System Electrification, District Energy Water Supply Replacement and SWAC renovations. The increases were offset by amortization of \$34,927.</p>
Employee future benefits asset <i>(includes the accrued benefit asset for the pension plan)</i>	9,465	9,899	(434)	<p>This change resulted from a \$26,105 increase in the discounted obligations, or a 4.07% increase and Plan assets also increased by \$25,671 or a 3.94% increase. The increase in plan assets is a result of interest income of \$38,084, offset by the remeasurement on plan assets of (\$2,913). Also, benefit payments to plan members decreased compared to the prior year. Benefit payments consisted of payments to plan members of \$19,357 (\$18,202 in 2022-23) and transfers out of the plan of \$15,118 (\$19,273 in 2022-23). The latest actuarial funding valuation was performed as at July 1, 2022.</p>

Liabilities

	April 30, 2024	April 30, 2023	Change Increase / (Decrease)	Comments
Accounts payable and accrued liabilities <i>(includes to be paid general operating, payroll and construction (i.e. Mackenzie Chown A Block, Village Residence Renewal, District Energy Electrification, 3401 Schmon Parkway renovations etc.) related expenses</i>	\$ 32,397	\$ 26,351	\$ 6,046	This increase is primarily due to an increase in payroll remittances (mainly income tax, CPP and EI) of \$5,036 due to the timing of pay periods around year end. Student credit balances in a payable position increased by \$1,777. Accruals for construction projects decreased by \$748 compared to the prior year mainly due to Mackenzie Chown A-block renovation project being completed. The remaining portion is attributed to the timing of other expenses incurred around year-end.
Deferred revenue <i>(includes tuition payments for spring/summer, deposits (i.e. residence), and other payments for service in a future fiscal period.</i>	37,803	39,231	(1,428)	The change is primarily attributable to a decrease in deferred tuition and student fees of \$2,392 and the deferred gain from the sale of the Hamilton Campus being fully recognized in 2023-24 (\$247 in the prior year). Offset by an increase in Conference Service deferred revenue of \$780 mainly due to World Rowing deposits. The remaining portion is due to general deferred revenue increasing as a result of timing of externally restricted non research grant payments and spending.
Deferred contributions <i>(includes unspent non capital external grants with restrictions)</i>	12,393	14,309	(1,916)	The change is primarily attributable to the awarding and utilization of externally restricted research grants.
Current portion of long-term debt	17,409	2,908	14,501	The change is attributable to planned repayment of long-term debt in accordance with borrowing agreements and the University's debt repayment strategy. The current year balance includes the loan for the Student Experience Projects of \$14,400 which matures at the end of June 2024.
Long-term debt <i>(includes loans for Earp, Lowenberger, 3401 Schmon Parkway and Student Experience Projects)</i>	17,123	34,532	(17,409)	Same explanation as change for current portion of long-term debt.
Debenture payable <i>(represents the \$93,000 bullet payment due in 2045 and \$125,000 due in 2060)</i>	215,084	215,010	74	The change represents the amortization of deferred charges related to the 2005 Series A bond and the 2020 Series B bond. Deferred charges represented \$2,916 at April 30, 2024.
Deferred capital contributions	210,787	214,400	(3,613)	Additions include a grant of \$3,579 for the Facilities Renewal Program funds,

<i>(represents the unamortized portion of donations and grants received specifically for the acquisition of capital)</i>				\$394 for District Energy Electrification, \$1,487 in Zone Expansion student fees, \$981 for the CASP Farm project and \$728 in other grants and donations, offset by amortization of \$10,782.
Employee future benefits obligations <i>(represents pension and non-pension future benefits which includes retiree medical, dental and health care spending accounts)</i>	30,547	29,692	855	Non-pension employee future benefit obligation increased by \$855 and the Pension benefit plan obligation decreased by \$434 (see Employee future benefits asset above). The increase in non-pension obligation is the result of current service costs of \$1,713 (increase of \$494 compared to the prior year) and interest costs of \$1,442, offset by an actuarial gain of \$611. Benefit payments remained consistent compared to the prior year.

Net Assets

	April 30, 2024	April 30, 2023	Change Increase / (Decrease)	Comments
Endowment	\$ 130,145	\$ 122,332	\$ 7,812	The increase is primarily attributable to investment gains of \$10,926. Spending from the endowment totaled \$3,523. The balance of the change was new donations of \$410.
Invested in capital assets	63,784	76,150	(12,366)	Invested in capital assets represents the net carrying value of capital assets. Repayment of long-term debt and purchases of capital assets internally financed increased the balance by \$11,779, which was offset by net amortization of \$24,145. Refer to financial statement note 11 for more detailed activity.
Internally restricted	82,468	85,516	(3,048)	Internally restricted net assets represent internally committed funds. Refer to appendix 4 of this report and financial statement note 12 for additional details.
Employee future benefits	(21,082)	(19,793)	(1,289)	The balance is equal to assets net of the employee future benefit obligation. The components are explained on pages 1 and 2 under Employee future benefits asset / obligation.
Unrestricted	104	104	-	Unrestricted represents the surplus/deficit of the University adjusted for transactions between other net asset accounts. As of April 30, 2024, there is a small uncommitted surplus, which represents uncommitted cash.

Statement of Operations

Revenue

	April 30, 2024	April 30, 2023	Change Increase / (Decrease)	Comments
Student fees <i>(includes domestic and international tuition plus University specific ancillary fees)</i>	\$ 184,876	\$ 187,616	\$ (2,740)	The change is attributable to a decrease in international enrolment vs. 2022-23 of 5.1% offset by increased international tuition rates as well as the impact of domestic tuition anomalies. Domestic tuition was flat to 2022-23.
Government grants <i>(includes the base operating grants and all other grants for general purposes)</i>	\$ 106,411	\$ 98,411	8,000	The change is driven by additional MCU funding related to Nursing clinical education of \$3.0M, the STEM Sustainability Grant of \$2.6M and teacher education of \$1.2M. Additional funding was also received related to the CEWIL Innovation hub of \$0.8M and \$0.4 from the Niagara Region related to capital.
Ancillary operations <i>(includes revenue from the bookstore, parking, residence, hospitality services, conference services)</i>	\$ 40,630	\$ 38,673	1,957	The change is attributable to an increase in Residence revenue of \$1,026, an increase in Parking revenue of \$498, an increase in Dining Services of \$186, an increase in Conference Services of \$773, offset by decrease in Campus Store sales of \$518.
Sales and services <i>(includes interest earned on student accounts, deferral fees, facility rentals, membership fees, application fees and athletic fees)</i>	20,349	19,376	973	The change is due to an increase in program fee revenue of \$1,721 compared to the prior year. The main increase is from Sports and Recreation programs, including Youth University, Campus Recreation and Aquatics. This was offset with a decrease in the amount of unclaimed student credit balances recognized during the year (after allowing for an appropriate reserve) of \$1,433. Goodman Professional and Executive non-credit course fee revenue increased by \$249 also contributed to the change. The remaining change is attributed to a number of activities in smaller dollar values across the University.
Other revenues for restricted purposes <i>(includes general donations and non-endowed and endowment donation revenue earned)</i>	5,451	5,083	368	The change is a result of an increase in endowment revenue recognized from increased spending of endowment accounts of \$166, an increase in spending of donated expendable student award trusts of \$103 and an increase in operating and project fundraising and donation revenue of \$99.
Investment income	9,421	6,792	2,629	The change is a result of a \$2,243 increase in operating investment income due to higher interest rates. Operating investment income was \$7,928 (\$5,685 2022-23). The Mawer Balanced Fund had a return of \$1,378 or (7.1%)

				compared to a return \$996 or (6.1%) in 2022-23. The Mawer Balanced Fund is used for investing the University's sinking fund and non-pension employee future benefits.
Research grants for restricted purposes <i>(includes direct research funding and activity)</i>	16,530	13,973	2,557	This amount matches the research expenditures for the year. See Note 17 in the Financial Statements for a breakdown of expenses.
Gain on sale of assets	86	365	(279)	The gain on sale is related to the sale of the Hamilton Campus and recognized based on the terms of the sale agreements.
Amortization of deferred capital contributions <i>(includes the amortization of grants and donations received for the acquisition of capital)</i>	10,782	9,464	1,318	The amount of revenue recorded is based on the grant and/or donations multiplied by an amortization rate that mirrors the amortization rate of the asset for which the grant and/or donation funded. In year, there were additions attributed to Facilities Renewal Program projects, VPML equipment, Zone expansion and Mackenzie Chown A-block renovations that were amortized. This is offset by other assets becoming fully amortized.

Expense

	April 30, 2024	April 30, 2023	Change Increase / (Decrease)	Comments
Salaries and benefits <i>(includes salary and benefits for all funds including research)</i>	\$ 260,264	\$ 242,912	\$ 17,352	Overall, the increase in salary costs are \$14,727 and benefits & pension are \$2,625 (7.1% increase). Of the total increase in salary costs, \$6,335 relates to Faculty/librarians, as a result of the collective agreement settlement as well as 2 additional faculty/librarians. Salary costs related to other ongoing employee groups increased \$6,515, due to an increase of 37 staff positions; as well as salary rate increases. The remaining increase of \$1,877 relates to temporary personnel groups mainly in part-time teaching (CUPE 4207 unit 1 and non-union instructors).
Operating expenses <i>(includes stationery, photocopying, postage, library acquisitions, printing, teaching supplies, technology operating costs, professional development, recruitment, memberships, advertising and promotion, consulting, legal, audit, insurance fees)</i>	47,780	45,303	2,477	Travel expenses increased by \$1,138 and conference fees and hospitality expenses increased by \$113 and \$291 respectively. Student recruitment commissions increased \$774, Foodservice increased \$880 mostly due to an increase in Conferences held on campus and snow removal contracted services increased \$127 compared to the prior year. Offsetting these increases was a decrease in bad debt expense of \$1,059 as well as \$237 lower materials and supplies. The remaining difference is

				due to a number of activities in small dollar values across the University.
Scholarships, fellowships and bursaries (includes graduate fellowships, undergraduate bursaries and scholarships for all funds including research.)	29,588	30,717	(1,129)	The decline in scholarships, fellowships and bursaries is driven by undergraduate scholarships, specifically the Brock Scholars program which saw a decline of \$2,443 as a result of two changes implemented in 2023-24 (a change in the top academic tier from 93 per cent and above to 95 per cent and above; and secondly a reduction in the monetary award of each tier by \$600). This decrease was offset by an increase in central graduate student funding of \$423 as well as additional scholarships related to the CEWIL Innovation hub grant.
Expendable equipment, repairs and maintenance (includes maintenance of devices, building and grounds, minor repairs, electronic software, cleaning costs for properties)	15,313	11,710	3,603	The increase in spending on expendable equipment, repairs and maintenance compared to 2022-23 was mainly because of increased building repairs, maintenance, equipment purchases and software licenses. The increase in building R&M was seen in custodial supplies, electrical, fire equipment and HVAC. Some of these repairs are due to less being spent on deferred maintenance in the capital budget resulting in more repairs needed. Increased costs for software licenses was associated mainly with payment systems in ancillary services and Professional and Continuing Studies as well as the Learning Management System.
Utilities and taxes (includes hydro, water, natural gas, property taxes)	8,590	7,855	735	Water and sewer expense was 23% (\$221) higher than the prior year due to higher usage on campus and a slightly higher rate. Natural gas expense was 15% (\$428) higher than the prior year due to a 17% increase in commodity costs and natural gas used in the cogen engines to generate electricity was relatively flat. Electricity costs increased by 11% (\$208) compared to the prior year due to an overall usage increase due to higher occupancy across campus. Carbon & GHG Federal taxes decreased \$168 due to a true-up from prior year estimates of carbon tax. Property taxes increased \$46 related to 3401 Schmon Parkway as the property was owned for a full year in 2023-24.
Interest on long-term debt	9,880	10,291	(411)	The change is attributable to repayment of long-term debt in accordance with borrowing agreements and the University debt repayment strategy.
Cost of sales (includes cost of purchasing items for resale by Ancillary operations)	4,020	4,235	(215)	The change is consistent with the decrease in Campus Store sales.

<p>Amortization of capital assets</p>	<p>34,927</p>	<p>32,434</p>	<p>2,493</p>	<p>The change is attributable to the completion of various capital projects now eligible to begin amortizing including Mackenzie Chown A-block renovation \$121, Village Residence Renewal \$249 and District Energy Water Supply Replacement \$109 and an increase in amortization for 3401 Schmon Parkway \$552, Inniskillin Hall renovation \$335 and VPMI equipment \$339 as 2023-24 was a full year of amortization.</p>
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