

Financial Statements of

BROCK UNIVERSITY

Year ended April 30, 2026

BROCK UNIVERSITY

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Year ended April 30, 2026

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STATEMENT OF ADMINISTRATIVE RESPONSIBILITY

The Administration of Brock 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. 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 the financial statements.

The Board of Trustees 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 Trustees 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, Licensed Public Accountants, the auditors appointed by the Board of Trustees. The auditor's report outlines the scope of their audit and their opinion on the financial statements.

A handwritten signature in black ink, appearing to read "Lesley Rigg".

Lesley Rigg, PhD
President and Vice-Chancellor

A handwritten signature in black ink, appearing to read "Joshua Tonnos".

Joshua Tonnos, MBA, CPA, CGA
Chief Financial Officer & Associate Vice-
President Financial Services



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INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees of Brock University

Opinion

We have audited the financial statements of Brock University (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.



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

Hamilton, Canada

June 26, 2026

BROCK UNIVERSITY

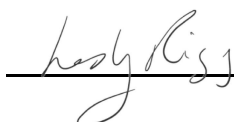
Statement of Financial Position

As at April 30, 2026, with comparative information for 2025
(in thousands of dollars)

	2026	2025
Assets		
Current assets:		
Cash and cash equivalents (note 2)	\$ 77,571	\$ 81,835
Accounts receivable (note 18)	16,952	15,956
Government grants receivable	6,234	10,513
Prepaid expenses and other assets	992	1,004
Inventories	462	975
	<u>102,211</u>	<u>110,283</u>
Restricted investments (note 3)	231,330	222,905
Capital assets (note 4)	453,870	471,857
Employee future benefits asset (note 9)	2,262	9,565
	<u>\$ 789,673</u>	<u>\$ 814,610</u>
Liabilities and Net Assets		
Current liabilities:		
Accounts payable and accrued liabilities (note 16)	\$ 37,598	\$ 40,573
Deferred revenue	20,895	21,984
Deferred contributions (note 5)	13,940	11,410
<u>Current portion of long-term debt (note 6)</u>	<u>4,234</u>	<u>4,117</u>
	76,667	78,084
Long-term debt (note 6)	32,939	37,173
Debentures payable (note 7)	215,240	215,160
Deferred capital contributions (note 8)	211,740	211,217
<u>Employee future benefits obligation (note 9)</u>	<u>32,855</u>	<u>32,840</u>
Total liabilities	569,441	574,474
Net assets:		
Endowments (note 10)	137,142	132,011
Invested in capital assets (note 11)	35,906	51,349
Internally restricted (note 12)	77,673	79,947
Employee future benefits	(30,593)	(23,275)
<u>Unrestricted</u>	<u>104</u>	<u>104</u>
	220,232	240,136
Commitments (note 13)		
Contingencies (notes 14 and 15)		
	<u>\$ 789,673</u>	<u>\$ 814,610</u>

The accompanying notes are an integral part of these financial statements.

On behalf of the Board:



Trustee



Trustee

BROCK UNIVERSITY

Statement of Operations

Year ended April 30, 2026, with comparative information for 2025
(in thousands of dollars)

	2026	2025
Revenues:		
Student fees	\$ 183,010	\$ 182,748
Government grants	118,848	112,325
Ancillary operations	41,623	45,607
Sales and services	22,034	21,161
Other revenues for restricted purposes	5,555	5,137
Investment income	8,505	9,859
Research grants for restricted purposes (note 17)	17,502	16,902
Amortization of deferred capital contributions (note 8)	12,240	11,397
	409,317	405,136
Expenses:		
Salaries and benefits	276,637	268,536
Operating expenses	50,621	50,664
Scholarships, fellowships and bursaries	26,945	28,411
Expendable equipment, repairs and maintenance	17,988	14,382
Utilities and taxes	9,606	10,062
Interest on long-term debt	10,363	10,300
Cost of sales	401	3,648
Amortization of capital assets	35,992	35,039
	428,553	421,042
Excess of expenses over revenues	(19,236)	(15,906)
Net transfers from internally restricted net assets	2,274	2,521
Net transfers from invested in capital assets	15,443	12,435
Net transfers from employee future benefits	1,519	950
Change in unrestricted net assets in the year	19,236	15,906
Unrestricted net assets, beginning of year	104	104
Unrestricted net assets, end of year	\$ 104	\$ 104

The accompanying notes are an integral part of these financial statements.

BROCK UNIVERSITY

Statement of Changes in Net Assets

Year ended April 30, 2026, with comparative information for 2025
(in thousands of dollars)

April 30, 2026	Employee future benefits	Endowments (note 10)	Invested in capital assets (note 11)	Internally restricted (note 12)	Unrestricted	Total
Net assets, beginning of year	\$ (23,275)	\$ 132,011	\$ 51,349	\$ 79,947	\$ 104	\$ 240,136
Excess of revenues over expenses (expenses over revenues)	-	-	(23,752)	-	4,516	(19,236)
Net change in internally restricted net assets	-	-	-	(2,274)	2,274	-
Net change in investment in capital assets (note 11(b))	-	-	8,309	-	(8,309)	-
Actuarial loss in employee future benefits	(5,799)	-	-	-	-	(5,799)
Net current service charge in employee future benefits	(1,519)	-	-	-	1,519	-
Change in endowment net assets (note 10(a))	-	5,131	-	-	-	5,131
Net assets, end of year	\$ (30,593)	\$ 137,142	\$ 35,906	\$ 77,673	\$ 104	\$ 220,232

April 30, 2025	Employee future benefits	Endowments (note 10)	Invested in capital assets (note 11)	Internally restricted (note 12)	Unrestricted	Total
Net assets, beginning of year	\$ (21,082)	\$ 130,145	\$ 63,784	\$ 82,468	\$ 104	\$ 255,419
Excess of revenues over expenses (expenses over revenues)	-	-	(23,642)	-	7,736	(15,906)
Net change in internally restricted net assets	-	-	-	(2,521)	2,521	-
Net change in investment in capital assets (note 11(b))	-	-	11,207	-	(11,207)	-
Actuarial loss in employee future benefits	(1,243)	-	-	-	-	(1,243)
Net current service charge in employee future benefits	(950)	-	-	-	950	-
Change in endowment net assets (note 10(a))	-	1,866	-	-	-	1,866
Net assets, end of year	\$ (23,275)	\$ 132,011	\$ 51,349	\$ 79,947	\$ 104	\$ 240,136

The accompanying notes are an integral part of these financial statements.

BROCK UNIVERSITY

Statement of Cash Flows

Year ended April 30, 2026, with comparative information for 2025
(in thousands of dollars)

	2026	2025
Cash provided by (used in):		
Operating activities:		
Excess of expenses over revenues	\$ (19,236)	\$ (15,906)
Add (deduct) non-cash items:		
Amortization of capital assets	35,992	35,039
Amortization of deferred capital contributions	(12,240)	(11,397)
Amortization of deferred charges on debenture payable	80	76
	4,596	7,812
Net change in non-cash working capital balances related to operations:		
(Increase) decrease in accounts receivable	(996)	1,177
Decrease (increase) in government grants receivable	4,279	(4,111)
Decrease (increase) in prepaid expenses and other assets	12	(51)
Decrease in inventories	513	483
(Decrease) increase in accounts payable and accrued liabilities	(2,975)	1,000
(Decrease) increase in deferred revenue	(1,089)	505
Increase (decrease) in deferred contributions	2,530	(983)
Net current service charge in employee future benefits	1,519	950
	3,793	(1,030)
Cash provided by operating activities	8,389	6,782
Financing activities:		
Contributions restricted for capital purposes	12,763	11,827
Increase in long-term debt	-	10,600
Repayment of long-term debt	(4,117)	(3,842)
Cash provided by financing activities	8,646	18,585
Investing activities:		
Net change in restricted investments	(8,425)	(1,977)
Purchase of capital assets	(18,005)	(18,247)
Change in endowment net assets	5,131	1,866
Cash used in investing activities	(21,299)	(18,358)
(Decrease) increase in cash and cash equivalents	(4,264)	7,009
Cash and cash equivalents, beginning of year	81,835	74,826
Cash and cash equivalents, end of year	\$ 77,571	\$ 81,835

The accompanying notes are an integral part of these financial statements.

BROCK UNIVERSITY

Notes to Financial Statements

Year ended April 30, 2026
(in thousands of dollars)

Incorporated in 1964, Brock University (the “University” or “Brock”) flourishes through the scholarly, creative, and professional achievement of its students, faculty and staff. Offering a range of undergraduate and graduate programs, Brock fosters teaching and research of the highest quality. As a diverse and inclusive community, the University contributes positively to Canada and beyond through imagination, innovation and commitment.

These financial statements reflect the assets, liabilities, net assets, revenue, expenses and other transactions of all of the operations controlled by the University. Accordingly, these financial statements include the academic, administrative and other operating expenditures funded by fees, grants and other general revenue; restricted purpose funds, including endowment, research and trust; and the ancillary operations, such as residence and parking.

The University is a charitable organization and, as such, is exempt from income taxes under the Income Tax Act (Canada).

1. Significant accounting policies:

These financial statements have been prepared in accordance with Canadian Accounting Standards for Not-For-Profit Organizations in Part III of the CPA Canada Handbook. The financial statements include the financial results of the University and its investment in a joint venture (note 1(n) and note 19).

(a) Cash and cash equivalents:

Cash equivalents are held for the purpose of meeting short-term commitments and are readily convertible to a known amount of cash and are subject to an insignificant amount of risk of changes in value. Cash equivalents include money market funds and investments with maturities of three months or less from the date of acquisition. Cash and cash equivalents are valued at fair value.

(b) Inventories:

Inventories are stated at the lower of cost, which is determined using the weighted average cost approach, and net realizable value.

(c) Investments:

Investments are recorded at fair value.

BROCK UNIVERSITY

Notes to Financial Statements

Year ended April 30, 2026
(in thousands of dollars)

1. Significant accounting policies (continued):

(d) Capital assets:

Purchased capital assets are recorded at cost less accumulated amortization. Contributions of capital assets are capitalized at fair market value at the date of contribution. Capital assets are amortized on a straight-line basis using the following annual rates:

Asset	Rate
Buildings	2.5% to 10%
Furnishings and equipment	10% to 33 1/3%
Library books	20%

Construction costs are capitalized as work progresses and amortization commences as work is substantially completed. The carrying amount of capital assets is tested for recoverability whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized in the Statement of Operations when the asset's carrying amount is not recoverable and exceeds its fair value.

(e) Works of art:

Contributed works of art are recorded as revenue and expense, at fair market value, at the date of contribution. If the fair market value is not determinable, the contribution is recorded at a nominal amount. Artwork purchases are expensed as acquired.

(f) Endowments:

Contributions restricted for endowments consist of restricted donations received by the University and donations internally designated by the Board of Trustees, in the exercise of its discretion. The endowment principal is required to be maintained intact. The investment income generated from endowments must be used in accordance with the various purposes established by donors or the Board of Trustees. The University ensures, as part of its fiduciary responsibilities, that all funds received with a restricted purpose are expended for the purpose for which they were provided.

Investment income on endowments that is available for spending at the discretion of the University or is available for spending as the conditions established by the donor have been met has been recorded in the Statement of Operations. University policy has been established with the objective of protecting the real value of the endowments by having an overall investment objective for endowments to earn, over time, a rate of return at least equal to the total of inflation plus spending and the costs of administering the funds. The spending rate is reviewed annually. Investment income in excess of administration costs and spending allocations will be added to capital. In the case of endowments where the original donation adjusted for inflation is higher than the market value of the fund, spending may be temporarily suspended in order to preserve donor capital.

BROCK UNIVERSITY

Notes to Financial Statements

Year ended April 30, 2026

(in thousands of dollars)

1. Significant accounting policies (continued):

(g) Internally restricted net assets:

The University internally restricts the use of portions of its unrestricted net assets for specific future use. Transfers to internally restricted net assets only occur once authorized by the Board of Trustees. When expenses are incurred, expenses are charged to the Statement of Operations and the balance of internally restricted net assets is reduced accordingly.

(h) Revenue recognition:

The University follows the deferral method of accounting for contributions. 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. Pledged donations are recognized on a cash basis since pledges are not legally enforceable claims. Contributions externally restricted for purposes other than endowments 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 amortized into revenue on a straight-line basis at a rate corresponding with the amortization rate for the related capital asset. Endowment contributions are recognized as direct increases in net assets in the year in which they are received. Student fees are recognized as revenue when courses and seminars are held. Sales and services and ancillary revenue is recognized at the point of sale or when the service has been provided.

(i) Employee future benefits:

The University provides pension benefits to employees primarily through a hybrid pension plan. Under this arrangement, the University and employees are required to make contributions based on a specific percentage of the employee's earnings. The amount of pension benefits provided to employees is based on the accumulation of contributions and investment earnings thereon, when the employee retires, subject to a guaranteed minimum benefit amount. Certain faculty are also members of the Teacher's Superannuation Fund, a multi-employer defined benefit plan.

The University provides other non-pension benefits to most of its employees, including retiree medical and dental benefits until the age of 65, accumulating sick leave benefits, pre-retirement leave benefits, and for specific employees, a health-care spending account.

The University accrues its benefit obligations for these employee future benefits as the employees render the services necessary to earn them. The actuarial determination of the accrued benefit obligations for these employee future benefits uses the projected benefit method prorated on service. For purposes of measuring the benefit obligations, the funding valuation is used for the pension and the accounting valuation is used for the non-pension benefits.

BROCK UNIVERSITY

Notes to Financial Statements

Year ended April 30, 2026
(in thousands of dollars)

1. Significant accounting policies (continued):

(i) Employee future benefits (continued):

The University recognizes the amount of benefit obligations net of the fair value of plan assets in the Statement of Financial Position. Current service and finance costs are expensed during the year, while remeasurement and other items, representing the total of the difference between actual and expected return on plan assets, actuarial gains and losses, and past service costs, are recognized as a direct increase or decrease in net assets within the employee future benefits fund. In years between valuations, a roll-forward technique is used to estimate the accrued benefit obligations.

The most recent actuarial valuation of the pension plan for funding purposes was as of July 1, 2025 and the next required valuation will be as of July 1, 2028.

The most recent actuarial valuation of the non-pension benefits for accounting purposes was as of April 30, 2026.

(j) Derivative financial instruments and hedge accounting:

The University is party to interest rate swap agreements used to manage the exposure to market risks from changing interest rates. The University applies hedge accounting for its interest rate swaps. Payments and receipts under the interest rate swaps are recognized as adjustments to interest expense on long-term debt.

The University's policy is not to utilize derivative financial instruments for trading or speculative purposes.

(k) Pledges:

Pledges are recorded as revenue on a cash basis and accordingly are not recognized as an asset in the Statement of Financial Position. The total amount of pledges outstanding is \$20,357 (2025 - \$19,148) and is expected to be received as follows:

	2026	2025
2026	\$ -	\$ 1,073
2027	982	921
2028	859	805
2029	897	836
2030	793	734
2031	873	-
Thereafter	15,953	14,779
	<u>\$ 20,357</u>	<u>\$ 19,148</u>

BROCK UNIVERSITY

Notes to Financial Statements

Year ended April 30, 2026
(in thousands of dollars)

1. Significant accounting policies (continued):

(l) Contributed services and materials:

Volunteers contribute an indeterminable number of hours per year as well as various materials used by the University in carrying out the provision of services. Because of the difficulty of determining their fair value, contributed services and materials are not recognized in these financial statements.

(m) Financial instruments:

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

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

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

(n) Joint venture:

The joint venture (note 19) is accounted for using the proportionate consolidation method. The University recognizes its proportionate share of assets, liabilities, revenue and expenses in the financial statements and eliminates any intercompany transactions and balances. Accounting policies of the joint venture are conformed to those of the University prior to inclusion in the financial statements.

BROCK UNIVERSITY

Notes to Financial Statements

Year ended April 30, 2026

(in thousands of dollars)

1. Significant accounting policies (continued):

(o) Use of estimates:

The preparation of financial statements in conformity with Canadian Accounting Standards for Not-For-Profit Organizations requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses for the period reported. Items subject to such estimates and assumptions include the carrying amount of capital assets, valuation allowances for receivables, valuation of derivative financial instruments, accrued liabilities and obligations related to employee future benefits. Actual results could differ from those estimates. These estimates are reviewed periodically, and, as adjustments become necessary, they are reported in income in the year in which they become known.

2. Cash and cash equivalents:

The fair values of the cash and cash equivalents are comprised of:

	2026	2025
Cash and cash equivalents	\$ 73,814	\$ 73,116
Held for future capital projects:		
Cash and cash equivalents	3,757	8,719
	\$ 77,571	\$ 81,835

BROCK UNIVERSITY

Notes to Financial Statements

Year ended April 30, 2026

(in thousands of dollars)

3. Restricted investments:

The fair value of investments are as follows:

	2026	2025
Invested for endowments:		
Cash and cash equivalents	\$ 120	\$ 102
Walter Scott & Partners Global Equity Fund	43,627	40,691
Mawer Global Equity Pooled Fund	39,339	39,177
Barings Global High Yield Credit Strategies Fund	27,862	26,677
PH&N Core Plus Fixed Income	26,194	25,364
	137,142	132,011
Invested for unspent capital projects:		
Cash and cash equivalents (note 8)	7,218	2,991
Invested for future debt repayments		
Mawer Balanced Fund	23,943	18,938
Invested for employee future benefits:		
Mawer Balanced Fund	9,540	8,607
Invested for other restricted purposes:		
Cash and cash equivalents	51,790	59,127
Canada Games Park capital reserve	1,697	1,231
	53,487	60,358
	\$ 231,330	\$ 222,905

Investments are comprised as follows:

	2026	2025
Cash and guaranteed investment certificates	\$ 43,628	\$ 41,720
Guaranteed investment certificates (maturing after April 30, 2027)	15,500	20,500
Pooled endowment fund	137,022	131,909
Pooled investment fund	33,483	27,545
Other	1,697	1,231
	\$ 231,330	\$ 222,905

BROCK UNIVERSITY

Notes to Financial Statements

Year ended April 30, 2026
(in thousands of dollars)

4. Capital assets:

April 30, 2026	Cost	Accumulated amortization	Net book value
Land	\$ 56,487	\$ -	\$ 56,487
Buildings	750,673	389,312	361,361
Furnishings and equipment	120,601	87,442	33,159
Library books	50,936	48,073	2,863
	<u>\$ 978,697</u>	<u>\$ 524,827</u>	<u>\$ 453,870</u>

April 30, 2025	Cost	Accumulated amortization	Net book value
Land	\$ 56,487	\$ -	\$ 56,487
Buildings	742,433	363,095	379,338
Furnishings and equipment	112,825	79,426	33,399
Library books	49,854	47,221	2,633
	<u>\$ 961,599</u>	<u>\$ 489,742</u>	<u>\$ 471,857</u>

Included in buildings and furnishings and equipment is \$4,219 (2025 - \$6,111) of construction in progress that was not amortized during the year.

BROCK UNIVERSITY

Notes to Financial Statements

Year ended April 30, 2026

(in thousands of dollars)

4. Capital assets (continued):

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

	2026	2025
Balance, beginning of year	\$ 471,857	\$ 488,649
Capital assets funded by deferred capital contributions	8,536	10,422
Capital assets internally financed	4,769	7,925
Capital assets financed by proceeds of long term debt	4,700	(100)
Amortization of capital assets	(35,992)	(35,039)
Balance, end of year	\$ 453,870	\$ 471,857

5. Deferred contributions:

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

	2026	2025
Balance, beginning of year	\$ 11,410	\$ 12,393
Grants, donations and other expendable funds received	19,495	15,701
Amounts recorded as revenue during the year	(16,965)	(16,684)
Balance, end of year	\$ 13,940	\$ 11,410

BROCK UNIVERSITY

Notes to Financial Statements

Year ended April 30, 2026

(in thousands of dollars)

6. Long-term debt:

	2026	2025
Fixed rate instruments:		
Earp student residence:		
7.2% loan with certain residences and investments pledged as security, with monthly blended payments of principal and interest of \$91, due on October 1, 2028	\$ 2,480	\$ 3,353
Lowenberger student residence:		
7.2% loan with certain residences and investments pledged as security, with monthly blended payments of principal and interest of \$72, due on October 1, 2028	1,968	2,662
Major capital projects:		
Serial mortgage with fixed monthly principal payments of \$83 and interest at 4.815%, due on June 3, 2029	23,167	24,167
3401 Schmon Parkway:		
Serial mortgage with fixed monthly principal payments of \$129 and interest at 3.91%, due on June 28, 2027	9,558	11,108
	37,173	41,290
Less current portion	(4,234)	(4,117)
	\$ 32,939	\$ 37,173

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

2027	\$ 4,234
2028	10,818
2029	1,955
2030	20,166
2031	-
Thereafter	-
	\$ 37,173

BROCK UNIVERSITY

Notes to Financial Statements

Year ended April 30, 2026
(in thousands of dollars)

6. Long-term debt (continued):

(a) Bank credit facility:

The University has available an operating line of credit of \$20,000 that was not utilized at April 30, 2026. The interest rate on the operating line of credit, when drawn, is the Bank's Prime lending rate from time to time minus 0.75% (the prime rate at April 30, 2026 was 4.45%). Amounts are due on demand.

(b) Interest rate swap:

The University has entered into interest rate swap agreements to manage the volatility of interest rates.

The University converted a net notional of \$25,000 of floating rate long-term debt relating to Major capital projects. The fixed rate paid under the interest rate swap is 4.815%. The maturity date of the interest rate swap is the same as the maturity date of the associated long-term debt of June 3, 2029.

The University converted a net notional of \$15,500 of floating rate long-term debt relating to the acquisition of 3401 Schmon Parkway. The fixed rate paid under the interest rate swap is 3.91%. The maturity date of the interest rate swap is the same as the maturity date of the associated long-term debt of June 28, 2027.

The notional and fair values of the interest rate swap agreements is as follows:

	2026		2025	
	Notional value	Fair value	Notional value	Fair value
Major capital projects	\$ 23,167	\$ 23,879	\$ 24,167	\$ 25,585
3401 Schmon Parkway	9,558	9,611	11,108	11,280
	<u>\$ 32,725</u>	<u>\$ 33,490</u>	<u>\$ 35,275</u>	<u>\$ 36,865</u>

The fair value of the swaps are determined using the benchmark valuation methodology without consideration for non-performance or counterparty risk.

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Notes to Financial Statements

Year ended April 30, 2026
(in thousands of dollars)

7. Debentures payable:

	2026	2025
Series A debenture payable, bearing interest at 4.967%, \$2,309 payable interest only semi-annually, due December 14, 2045	\$ 93,000	\$ 93,000
Deferred refinancing expenses	(2,314)	(2,381)
Series B debenture payable, bearing interest at 3.033%, \$1,896 payable interest only semi-annually, due May 17, 2060	125,000	125,000
Deferred refinancing expenses	(446)	(459)
	<u>\$ 215,240</u>	<u>\$ 215,160</u>

The fair value of the debenture payable due December 14, 2045 (Series A) is \$91,444 (2025 - \$95,319). Fair value has been determined using the market quote of the debenture which as at April 30, 2026 was \$98.33 (2025 - \$102.49).

The fair value of the debenture payable due May 17, 2060 (Series B) is \$84,007 (2025 - \$86,245). Fair value has been determined using the market quote of the debenture which as at April 30, 2026 was \$67.20 (2025 - \$69.00).

The University has established two internal sinking funds for each of the Series A and Series B debentures and purchased units in the Mawer Balanced Fund with a market value of \$12,779 (2025 - \$11,107) and \$11,164 (2025 - \$7,831) respectively. It is the University's policy to annually review the sinking fund investment structure and required contributions so that the ultimate proceeds of the investments will be applied against the Series A and B debentures payable.

8. Deferred capital contributions:

Deferred capital contributions represent the unamortized amount of donations and grants received for the purchase of capital assets. The amortization of deferred capital contributions is recorded as revenue in the Statement of Operations. The changes in the deferred capital contributions balance are as follows:

	2026	2025
Balance, beginning of year	\$ 211,217	\$ 210,787
Less amortization of deferred capital contributions	(12,240)	(11,397)
Add contributions restricted for capital purposes	12,763	11,827
Balance, end of year	<u>\$ 211,740</u>	<u>\$ 211,217</u>

BROCK UNIVERSITY

Notes to Financial Statements

Year ended April 30, 2026

(in thousands of dollars)

8. Deferred capital contributions (continued):

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

	2026	2025
Unamortized capital contributions used to purchase assets	\$ 204,522	\$ 208,226
Unspent capital contributions	7,218	2,991
	<u>\$ 211,740</u>	<u>\$ 211,217</u>

9. Employee future benefits obligation:

(a) Pension benefit plan:

The University sponsors a hybrid pension plan, which contains both a defined contribution component and a defined benefit component. The defined contribution component of the plan is funded by University and member contributions and provides a benefit to members based on their accumulated account balance. The defined benefit component of the plan is funded by University contributions and provides for a guaranteed minimum benefit. The latest actuarial funding valuation was performed as at July 1, 2025. The next required actuarial funding valuation will be completed on or before July 1, 2028.

The University measured its accrued benefit obligation and fair value of plan assets for accounting purposes as at April 30, 2026. A summary of the financial status of the plan is as follows:

	2026	2025
Accrued benefit obligation	\$ 728,021	\$ 696,050
Fair value of plan assets	730,283	705,615
Accrued benefit asset	<u>\$ 2,262</u>	<u>\$ 9,565</u>

The significant actuarial assumptions adopted in measuring the University's employee future benefits obligation are as follows:

	2026	2025
Discount rate on defined benefit costs	5.90%	5.85%
Rate of compensation increases	3.50%	2.80% - 3.25%
Expected long-term rate of return on plan assets	6.00%	6.00%

BROCK UNIVERSITY

Notes to Financial Statements

Year ended April 30, 2026
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9. Employee future benefits obligation (continued):

(a) Pension benefit plan (continued):

The contribution and the amount expensed for the University's pension benefit plans are as follows:

	2026	2025
Current service cost (defined contribution)	\$ 15,386	\$ 14,807
Current service cost (defined benefit)	1,170	1,093
Unfunded liability (going concern)	45	534
Total	\$ 16,601	\$ 16,434

(b) Other benefit plans:

The University has a number of non-pension future benefits that are available to most of its employees. These non-pension benefits include retiree medical and dental benefits until the age of 65, accumulating sick leave benefits and pre-retirement leave benefits and, for specific employees, a health-care spending account. The latest actuarial accounting valuation was performed as at April 30, 2026.

A summary of the financial status of the plans is as follows:

	2026	2025
Accrued benefit obligation	\$ 32,855	\$ 32,840
Fair value of plan assets	-	-
Accrued benefit liability	\$ 32,855	\$ 32,840

The University established an internally restricted reserve (note 12) for employee future benefits of \$10,460 (2025 – \$9,552).

The significant actuarial assumptions adopted in measuring the University's employee future benefits obligation are as follows:

	2026	2025
Discount rate	4.99%	4.80%
Prescription drug costs	6.21% decreasing to 4.00% in and after 2040	6.36% decreasing to 4.00% in and after 2040
Other benefits costs	4.00%	4.00%
Health care spending account	2.00%	2.00%

BROCK UNIVERSITY

Notes to Financial Statements

Year ended April 30, 2026

(in thousands of dollars)

9. Employee future benefits obligation (continued):

(b) Other benefit plans (continued):

The expense for the University's other benefit plans is as follows:

	2026	2025
Non-pension defined benefit plans	\$ 5,294	\$ 5,278
Non-pension benefit plans	667	642
Total	\$ 5,961	\$ 5,920

10. Endowments:

(a) Change in endowment net assets:

The following were recorded directly to endowment net assets:

	2026	2025
Contributions restricted for endowments	\$ 599	\$ 893
Investment income	13,072	17,023
Internally allocated for endowment spending	(3,592)	(3,675)
Unrealized loss	(4,948)	(12,375)
	\$ 5,131	\$ 1,866

It is the University's policy to endow any amounts not made available for spending during the fiscal year. These amounts are recorded as a direct increase to endowments as preservation of capital.

(b) Contributions restricted for endowments consist of the following:

	2026	2025
Externally endowed	\$ 127,785	\$ 122,993
Internally endowed	9,357	9,018
	\$ 137,142	\$ 132,011

(c) Ontario Student Opportunity Trust Fund, Phase One:

Externally restricted endowments include grants provided by the Government of Ontario from the Ontario Student Opportunity Trust Fund ("OSOTF") matching program, Phase One to award student aid as a result of raising an equal amount of endowed donations. The OSOTF represents a portion of the endowment fund.

BROCK UNIVERSITY

Notes to Financial Statements

Year ended April 30, 2026
(in thousands of dollars)

10. Endowments (continued):

(c) Ontario Student Opportunity Trust Fund, Phase One (continued):

Schedule of Changes in Expendable Funds Available for Awards:

		2026		2025
Expendable funds available for awards, beginning of year	\$	3,253	\$	1,780
Investment income eligible for expenditures		1,759		1,944
Bursaries awarded		(477)		(471)
Expendable funds available for awards, end of year	\$	4,535	\$	3,253
Total OSOTF, Phase One, end of year	\$	17,981	\$	15,332
Number of bursaries awarded		130		130

Schedule of Changes in Endowment Balance based on book and market value:

	2026		2025	
	Market	Book	Market	Book
Endowment balance, beginning of year	\$ 16,743	\$ 12,080	\$ 16,611	\$ 10,526
Unrealized loss for the year	(667)	-	(1,423)	-
Investment income less bursaries awarded	1,367	1,367	1,555	1,554
Endowment balance, end of year	\$ 17,443	\$ 13,447	\$ 16,743	\$ 12,080

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Notes to Financial Statements

Year ended April 30, 2026
(in thousands of dollars)

10. Endowments (continued):

(d) Ontario Student Opportunity Trust Fund, Phase Two:

Externally restricted endowments include grants provided by the Government of Ontario from the OSOTF matching program, Phase Two to award student aid as a result of raising an equal amount of endowed donations. The OSOTF represents a portion of the endowment fund.

Schedule of Changes in Expendable Funds Available for Awards:

	2026	2025
Expendable funds available for awards, beginning of year	\$ 1,695	\$ 1,090
Investment income eligible for expenditures	592	748
Bursaries awarded	(144)	(143)
Expendable funds available for awards, end of year	\$ 2,143	\$ 1,695
Total OSOTF, Phase Two, end of year	\$ 7,191	\$ 6,311
Number of bursaries awarded	31	31

Schedule of Changes in Endowment Balance based on book and market value:

	2026		2025	
	Market	Book	Market	Book
Endowment balance, beginning of year	\$ 6,359	\$ 4,616	\$ 6,315	\$ 4,027
Unrealized loss for the year	(225)	-	(545)	-
Investment income less bursaries awarded	432	432	589	589
Endowment balance, end of year	\$ 6,566	\$ 5,048	\$ 6,359	\$ 4,616

BROCK UNIVERSITY

Notes to Financial Statements

Year ended April 30, 2026
(in thousands of dollars)

10. Endowments (continued):

(e) Ontario Trust for Student Support:

Externally restricted endowments include grants provided by the Government of Ontario from the Ontario Trust for Student Scholarship ("OTSS") matching program to award student aid as a result of raising an equal amount of endowment donations to an allocated ceiling. The OTSS represents a portion of the endowment fund.

Schedule of Changes in Expendable Funds Available for Awards:

	2026		2025	
Expendable funds available for awards, beginning of year	\$	9,689	\$	6,342
Investment income eligible for expenditures		3,258		4,090
Bursaries awarded		(754)		(743)
Expendable funds available for awards, end of year	\$	12,193	\$	9,689
Total OTSS, end of year	\$	39,991		35,107
Number of bursaries awarded		363		370

Schedule of Changes in Endowment Balance based on book and market value:

	2026		2025	
	Market	Book	Market	Book
Endowment balance, beginning of year	\$ 35,320	\$ 25,418	\$ 35,063	\$ 22,196
Unrealized loss for the year	(1,231)	-	(2,964)	-
Investment income less bursaries awarded	2,379	2,379	3,221	3,222
Endowment balance, end of year	\$ 36,468	\$ 27,797	\$ 35,320	\$ 25,418

BROCK UNIVERSITY

Notes to Financial Statements

Year ended April 30, 2026

(in thousands of dollars)

11. Net assets invested in capital assets:

(a) Net assets invested in capital assets consist of the following:

	2026	2025
Capital assets, net (note 4)	\$ 453,870	\$ 471,857
Less amounts financed by:		
Long-term debt	(22,808)	(25,066)
Deferred capital contributions (note 8)	(204,522)	(208,226)
Debentures payable	(194,391)	(195,935)
Cash and cash equivalents held for future capital projects (note 2)	3,757	8,719
Balance, end of year	\$ 35,906	\$ 51,349

(b) The change in net assets invested in capital assets is calculated as follows:

	2026	2025
Repayment of long-term debt	\$ 3,540	\$ 3,282
Purchase of capital assets internally financed (note 4)	4,769	7,925
Increase in invested in capital assets	8,309	11,207
Amortization expense	(35,992)	(35,039)
Less amortization of deferred capital contributions	12,240	11,397
Decrease in invested in capital assets	(23,752)	(23,642)
Net change in invested in capital assets	\$ (15,443)	\$ (12,435)

BROCK UNIVERSITY

Notes to Financial Statements

Year ended April 30, 2026
(in thousands of dollars)

12. Internally restricted net assets:

Internally restricted net assets for allocation and spending in subsequent years consist of the following:

	2026	2025
Capital and infrastructure projects and reserves	\$ 14,514	\$ 14,904
Operating project accounts	4,823	5,008
Research funds with no external obligations	4,064	4,063
Start-up funds	3,366	3,617
Professional expense reimbursement accounts	4,530	4,635
Sinking fund	16,412	12,951
Employee future benefits reserve (note 9)	10,460	9,552
Contingency reserve	6,698	7,003
Canada Games Park capital reserve	1,697	1,231
Strategic initiative fund	11,109	16,983
	<u>\$ 77,673</u>	<u>\$ 79,947</u>

13. Commitments:

- As at April 30, 2026, the estimated costs to complete approved capital and renovation projects are approximately \$14,200 (2025 - \$16,235), which will be funded by government grants, donations, debt and operations.
- The following are the future minimum annual capital and operating lease payments due over the next five fiscal years and thereafter:

	Capital leases	Operating leases
2027	\$ -	\$ 2,629
2028	-	2,453
2029	4,318	2,335
2030	7,106	2,029
2031	7,820	1,876
Thereafter	178,380	19,611
	<u>\$ 197,624</u>	<u>\$ 30,933</u>

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Notes to Financial Statements

Year ended April 30, 2026
(in thousands of dollars)

13. Commitments (continued):

The University entered into an Energy-as-a-Service (“EaaS”) agreement on August 15, 2025. Sustainability, Performance, Adaptation, Renewal, Knowledge (“SPARK”) is a campus-wide infrastructure renewal initiative designed to reduce carbon emissions, enhance energy efficiency, and modernize the University’s physical systems.

SPARK is delivered through a unique partnership with Enbridge Sustain and the Canada Infrastructure Bank leveraging the Low Carbon Economy Fund and Enbridge’s technical expertise.

The improvements include:

- Modernize air handling units in five buildings
- Replace chilled water piping in tunnels
- Upgrade fume hoods in MacKenzie Chown H block
- Modernize the District Energy System to a low-temperature design
- Lighting retrofits
- Removal of pneumatic controls
- Use of artificial intelligence for building automation system

Enbridge is contracted to implement an approved construction package where they are universally responsible for procurements necessary to complete the work. During the implementation period Enbridge is considered a contracted service provider. During that time the fee is considered an expense in the Statement of Operations for their contracted services to manage the implementation of the project. The total implementation costs are estimated to be \$8,271, of which \$1,033 was expensed in 2025-26. The completion of the implementation period is anticipated by August 2028.

Beginning September 2028 for a term of 24 years, the University will pay a fee to Enbridge which will be recognized as a capital lease. The estimated present value of the assets is \$101,338 with an implicit interest rate in the lease of 6.18%. The assets will be amortized based on the University’s capital asset policy for other similar fixed assets.

14. Canadian Universities Reciprocal Insurance Exchange:

The University is a member of the Canadian Universities Reciprocal Insurance Exchange (CURIE). CURIE is a pooling of the property damage and public liability insurance risks of its members. All members pay annual deposit premiums that are actuarially determined and are subject to further assessment in the event members’ premiums are insufficient to cover losses and expenses. No assessment has been made for the year ended April 30, 2026.

BROCK UNIVERSITY

Notes to Financial Statements

Year ended April 30, 2026
(in thousands of dollars)

15. Contingencies:

The nature of the University's activities are such that there may be litigation pending or in the prospect at any time. With respect to claims at April 30, 2026, the Administration believes that the University has valid defenses and appropriate insurance coverage in place. In the event any claims are successful, Administration believes that such claims are not expected to have a material effect on the University's financial position. No provision has been accrued in these financial statements.

16. Accounts payable and accrued liabilities:

Included in accounts payable and accrued liabilities are government remittances payable of \$5,433 (2025 - \$5,442), which includes amounts payable for payroll-related taxes.

17. Research revenue and expenses:

The Statement of Operations consolidates all the revenue and expense activity of the University. The schedule below separates externally restricted research revenue and expense by financial statement line item for increased transparency of research grant activity.

	2026	2025
Revenues:		
Grant revenue	\$ 16,965	\$ 16,684
Grant revenue – central overhead	537	218
	17,502	16,902
Expenses:		
Salaries and benefits	4,538	4,050
Operating expenses	7,515	7,232
Scholarships, fellowships and bursaries	4,041	4,111
Expendable equipment, repairs and maintenance	1,408	1,509
	17,502	16,902
Excess of revenue over expenses	\$ -	\$ -

BROCK UNIVERSITY

Notes to Financial Statements

Year ended April 30, 2026
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18. Financial risks:

Financial risks have not changed significantly as compared to the prior year.

(a) Credit risk:

Credit risk refers to the risk that a counterparty may default on its contractual obligations resulting in a financial loss. The University deals with creditworthy counterparties to mitigate the risk of financial loss from defaults.

The carrying amount of accounts receivable is valued with consideration for an allowance for doubtful accounts. The amount of any related impairment loss is recognized in the Statement of Operations. Subsequent recoveries of impairment losses related to accounts receivable are credited to the Statement of Operations. The balance of the allowance for doubtful accounts at April 30, 2026 is \$5,723 (2025 - \$5,958).

(b) Interest rate risk:

The University is exposed to interest rate risk on its fixed and floating interest rate financial instruments. Fixed-interest instruments subject the University to a fair value risk while the floating-rate instruments subject it to a cash flow risk.

The University mitigates interest rate risk on its term debt through derivative financial instruments (interest rate swaps) that exchange the variable rate inherent in the term debt for a fixed rate (see note 6). Therefore, fluctuations in market interest rates would not impact future cash flows and operations relating to the term debt. There have been no changes in interest rate risk exposure as compared to the prior year.

(c) Currency risk:

The University is exposed to foreign currency risk with respect to its investments denominated in foreign currencies, including underlying investments in pooled funds denominated in foreign currencies because the fair value and future cash flows will fluctuate due to the changes in the relative value of the foreign currencies against the Canadian dollar. The University manages currency risk through monitoring activities and adherence to the investment policy. The University currently holds forward contracts to hedge 50% of its exposure to US dollar equity investments held in the endowment fund. At year end, the University had forward foreign exchange contracts to sell currency with an aggregated value of \$17,412 USD (2025 - \$17,573 USD). At April 30, 2026, there is a \$92 (2025 - \$185) unrealized foreign exchange loss resulting from the mark to market of foreign exchange contracts.

(d) Liquidity risk:

Liquidity risk is the risk of being unable to meet cash requirements or to fund obligations as they become due. Accounts payable and accrued liabilities are generally paid shortly after year end. For long-term debt, the University has established investments to provide for cash flow requirements (notes 6 and 7).

BROCK UNIVERSITY

Notes to Financial Statements

Year ended April 30, 2026
(in thousands of dollars)

18. Financial risks (continued):

(e) Market risk:

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate as a result of market factors. The University's investment policies detail the objectives, management and guidelines of investment, as well as providing for an appropriate risk tolerance strategy.

19. Canada Games Park:

The University entered into a Consortium agreement with the Niagara Region, City of St. Catharines and City of Thorold (together with the University, the "Consortium") for the construction of Canada Games Park, which was substantially complete on February 11, 2022. The facility is located on lands owned by the University and leased to the Consortium for a nominal fee until February 2060. A decision to either renew the land lease or transfer facility ownership to the University is scheduled for year 30 of the agreement in 2052. The University has a 25% ownership in the Canada Games Park facility and is a one-third operating partner of the facility. The financial results of Canada Games Park are proportionately consolidated with those of the University.

The amounts included in these financial statements, including the impact of eliminating entries, are as follows:

Statement of Financial Position

	2026	2025
Assets:		
Cash and cash equivalents	\$ 242	\$ 171
Accounts receivable	15	27
Prepaid expenses	34	9
Inventory	2	2
Capital assets	21,629	22,677
	21,922	22,886
Liabilities and Net Assets:		
Accounts payable	107	64
Deferred revenue	24	24
Deferred capital contributions	21,721	22,706
Net assets	70	92
	\$ 21,922	\$ 22,886

BROCK UNIVERSITY

Notes to Financial Statements

Year ended April 30, 2026

(in thousands of dollars)

19. Canada Games Park (continued):

Statement of Operations

	2026	2025
Revenues:		
Sales and services	\$ 656	\$ 636
Amortization of deferred capital contributions	985	978
	1,641	1,614
Expenses:		
Salaries, benefits and other expenses	614	553
Amortization of capital assets	1,049	1,051
	1,663	1,604
Excess of (expenses over revenue) revenue over expenses	\$ (22)	\$ 10

The University will contribute annually its proportionate share of an amount equal to 1.5% of the initial hard costs of constructing the facility into a capital reserve fund held by the Niagara Region for future capital repairs and improvements. The balance of the capital reserve as of April 30, 2026 is \$1,697 (note 3).