

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 2021-22 Annual Report for additional analysis.

Statement of Financial Position

Assets

	April 30, 2022	April 30, 2021	Change Increase / (Decrease)	Comments
Cash and cash equivalents	\$ 98,027	\$ 120,741	\$ (22,714)	Cash provided by operating activities and financing activities increased by \$8,665 and \$28,838 respectively. This was offset by \$60,217 cash used in investing activities. Refer to the cash flow statements in the financial statements for more detailed activity.
Accounts receivable <i>(includes student, external organizations and tax rebates)</i>	33,287	30,598	2,689	A portion of the change is attributable to a lower receivable balance related to the sale of the Hamilton Campus (\$1,000 received in 2021-22). This is offset with an increase of \$2,734 in student accounts receivable. The tax rebate receivable balance also increased \$1,345 from the prior year. The tax rebate change is due to the March 2022 return of \$1,128 (which included a Section 211 claim of \$565) being in a receivable position at year-end and timing of purchases at year-end. This was offset by a decrease in GIC interest receivable of \$764 and an increase in Customer Accounts receivable of \$168.
Government grants receivable <i>(includes nursing grant, government research grants)</i>	5,842	4,770	1,072	The change is attributable to a higher receivable for the FedDev VPMI equipment compared to the prior year. This increase was 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>	838	441	397	The change is attributable to a deposit of \$250 for the purchase of 3401 Schmon Parkway and a prepaid software license for Student Wellness & Accessibility.
Inventories <i>(includes bookstore, natural gas, science stores and various housekeeping and maintenance supplies)</i>	1,409	1,402	7	Overall, all inventory levels remained consistent with the prior year.
Restricted investments <i>(includes endowments, unspent capital grants, internal sinking fund, investments held for other restricted purposes)</i>	207,159	206,666	493	The decrease to endowments of \$4,785 is a result of \$2,242 in investment losses and spending of \$3,180 which was offset by \$637 in new donations. The increase to the sinking fund is the result of contributions of \$1,532 offset with an investment loss of \$406 and EFB reserve decrease of \$301 also a result of

				investment losses. Internally restricted net assets also increased by \$7,875. The main reason for the increase in internally restricted net assets is due to the increase in the Strategic Initiative Fund of \$1,789, the Debt Repayment Reserve of \$1,269 and the Capital and Infrastructure projects reserve of \$451. Unspent donations and government grants for capital contributions decreased by \$1,011 due to ongoing major capital project payments.
Capital assets	511,205	481,711	29,494	Capital assets increases were \$56,371, which includes \$24,400 of contributed assets related to Canada Games Park. Capital asset purchases were mainly the result of construction related to the Decew Residence Renewal and construction of Residence 8 projects, offset by amortization of \$26,877.
Employee future benefits asset <i>(includes the accrued benefit asset for the pension plan)</i>	-	801	(801)	This change resulted from a \$3,041 decrease in the discounted obligations (0.47% decrease). Plan asset also decreased by \$11,630 (1.83% decrease). The decrease in plan assets is a result of the return on plan assets being negative, (\$33,472), compared to a positive return of \$42,925 in the prior year. Also, benefit payments to plan members decreased compared to the prior year. Benefit payments consisted of payments to plan members of \$18,635 (\$16,512 in 2020-21) and transfers out of the plan of \$17,460 (\$21,971 in 2020-21). The latest actuarial funding valuation was performed as at January 1, 2020.

Liabilities

	April 30, 2022	April 30, 2021	Change Increase / (Decrease)	Comments
Accounts payable and accrued liabilities <i>(includes to be paid general operating, payroll and construction (i.e. Residence 8, Decew Residence Renewal, etc.) related expenses)</i>	\$ 38,568	\$ 44,364	\$ (5,796)	This decrease is primarily due to a decrease in accruals for construction projects of \$7,306 which was offset by an increase of \$355 in the payroll accrual. The remaining portion is attributed to the timing of 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>	43,766	45,735	(1,969)	The change is primarily attributable to the deferred gain from the sale of the Hamilton Campus of \$1,026 (\$4,080 in the prior year) and offset by an increase in spring deferred tuition and student fees of \$911. Additionally, a decrease of \$270 in deferred donations for student awards. Offset by general deferred revenue decreasing 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>	13,128	12,244	884	The change is primarily attributable to the awarding and utilization of externally restricted research grants.
Current portion of long-term debt	21,978	2,085	19,893	The change is attributable to planned repayment of long-term debt in accordance with borrowing agreements and the University's debt repayment strategy which includes the repayment of the loan for the Roy and Lois Cairns Health and Bioscience Research Complex of \$20,558,508 on its renewal date the end of June 2022.
Long-term debt <i>(includes loans for Earp, Lowenberger, Cairns Family Health and Bioscience Research and Student Experience Projects)</i>	23,232	45,210	(21,978)	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>	214,940	214,872	68	The change represents the amortization of deferred charges related to the 2005 Series A bond and the 2020 Series B bond. Deferred charges represented \$3,060 at April 30, 2022.
Deferred capital contributions <i>(represents the unamortized portion of donations and grants received specifically for the acquisition of capital)</i>	216,335	194,224	22,111	Additions include a grant of \$2,953 for the Facilities Renewal Program funds, \$24,400 for Canada Games Park contributed assets and \$3,570 in other grants and donations, offset by amortization of \$8,812
Employee future benefits obligations <i>(represents pension and non-pension future benefits which includes retiree medical, dental and health care spending accounts)</i>	33,719	30,501	3,218	Non-pension employee future benefit obligation decreased by \$4,570 and the Pension benefit plan obligation increased by \$8,589. The decrease in non-pension obligation is the result of decreased current service costs of \$117 compared to the prior year and an actuarial gain of \$5,704 and interest costs of \$1,017. Benefit payments also decreased \$211 compared to the prior year.

Net Assets

	April 30, 2022	April 30, 2022	Change Increase / (Decrease)	Comments
Endowment	\$ 119,025	\$ 123,810	\$ (4,785)	The decrease is primarily attributable to investment losses of \$2,242. Spending from the endowment totaled \$3,180. The balance of the change was new donations of \$637.
Invested in capital assets	82,670	86,920	(4,250)	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

				\$15,960, which was offset by net amortization of \$18,065 and the sale of land of \$2,145. Refer to financial statement note 11 for more detailed activity.
Internally restricted	84,022	76,763	7,259	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	(33,719)	(29,700)	(4,019)	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	103	102	1	Unrestricted represents the surplus/deficit of the University adjusted for transactions between other net asset accounts. As of April 30, 2022, there is a small uncommitted surplus, which represents uncommitted cash.

Statement of Operations

Revenue

	April 30, 2022	April 30, 2021	Change Increase / (Decrease)	Comments
Student fees <i>(includes domestic and international tuition plus University specific ancillary fees)</i>	\$ 187,773	\$ 186,657	\$ 1,116	The change is attributable to an increase in international enrolment and tuition rates. While all in domestic enrolment headcount experienced a decrease of 1.4% vs. 2020-21, international enrolment increased by 1.2% resulting from reduced travel-related restrictions as compared to the prior year.
Government grants <i>(includes the base operating grants and all other grants for general purposes)</i>	\$ 97,338	\$ 103,943	(6,605)	The change is driven by the MCU COVID grant funding of \$7.9M received in the prior year, Co-operative Education and Work-Integrated Learning Innovation Hub funding decrease of \$348, Student Work Placement Program funding decrease of \$159, an increase in Virtual Learning Strategy MCU grants of \$399 and additional funding of \$133 for the MCU Disabilities Grant.
Ancillary operations <i>(includes revenue from the bookstore, parking, residence, hospitality services, conference services)</i>	\$ 31,192	\$ 9,274	21,918	The change is attributable to an increase in Residence revenue of \$15,760, an increase in Parking revenue of \$3,077, an increase in Dining Services of \$2,443, an increase in Campus Store sales of \$625 due to lifted COVID-19 restrictions and more staff and students on campus.
Sales and services <i>(includes interest earned on student accounts, deferral</i>	14,018	11,338	2,680	The change is due to an increase in program fee revenue of \$536 compared to the prior year. The main increase is

<i>fees, facility rentals, membership fees, application fees and athletic fees)</i>				from Sports and Recreation programs, including Aquatics, having more activities in the current year due to lifted COVID-19 restrictions. The remaining portion 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>	4,938	3,987	951	The change is a result of an increase in endowment revenue recognized from increased spending of endowment accounts of \$89, an increase in spending of donated expendable student award trusts of \$699 and an increase in operating fundraising and donation revenue of \$163.
Investment income	1,479	4,676	(3,197)	The change is a result of a \$310 decrease in operating investment income. Operating investment income was \$2,159 (\$2,469 2020-21). The Mawer Balanced Fund had a loss of \$707 or (4.58%) compared to a return of \$2,155 or 16.25% 2020-21. The Mawer Balanced Fund is used for investing the University's sinking fund and non-pension employee future benefits reserve.
Research grants for restricted purposes <i>(includes direct research funding and activity)</i>	13,173	11,778	1,395	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	3,297	1,889	1,408	The gain on sale is related to the sale of the Hamilton Campus and Rodman Hall 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>	8,812	7,902	910	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 and Canada Games Park that were amortized. This is offset by other assets becoming fully amortized.

Expense

	April 30, 2022	April 30, 2021	Change Increase / (Decrease)	Comments
Salaries and benefits <i>(includes salary and benefits for all funds including research)</i>	\$ 229,489	\$ 220,557	\$ 8,932	Overall, the increase in salary costs are \$6,063 and benefits & pension are \$2,869 (4.0% increase). Of the total increase in salary costs, \$3,985 relates to temporary personnel groups which were significantly affected by the pandemic in 2020-21, including temporary non-teaching, Don Stipends (limited Residence occupancy) and non-

				union instructors. Faculty/librarians account for \$2,235 of the salary increase, as a result of 4 additional faculty/librarians as well as collective agreement settlements. Salary costs related to other ongoing employee groups actually decreased \$157, net of salary rate increases due to a decrease of 24 staff positions as compared to 2020-21.
<p>Operating expenses (includes stationery, photocopying, postage, library acquisitions, printing, teaching supplies, technology operating costs, professional development, recruitment, memberships, advertising and promotion, consulting, legal, audit, insurance fees)</p>	39,776	33,476	6,300	As a result of lifted COVID-19 travel restrictions, travel expenses increased by \$620 and conference fees and hospitality expenses increase by \$152 and \$330 respectively. Contracted services, specifically Food Service, Custodial Services and Waste Removal increased by \$468, Student Recruitment commissions increased by \$408 and lab supplies increased by \$503 compared to the prior year. The increase is also a result of \$688 paid to the Rodman Art Institute of Niagara. More events were held in 2021-22 due to relaxed COVID-19 restrictions and this increased a number of activities in smaller dollar values across the University.
<p>Scholarships, fellowships and bursaries (includes graduate fellowships, undergraduate bursaries and scholarships for all funds including research.</p>	30,230	27,562	2,668	The increase in scholarships, fellowships and bursaries is related to a significant increase in the Undergraduate Brock Scholars entrance award program due to a significant increase in students being eligible for the entrance award and a significant increase in students attaining the higher value tiers due to grade inflation from secondary schools resulting from accommodative grading practices during the Pandemic.
<p>Expendable equipment, repairs and maintenance (includes maintenance of devices, building and grounds, minor repairs, electronic software, cleaning costs for properties)</p>	11,587	10,066	1,521	The change is primarily due to an increase in software purchases of \$934. Spending on other expendable equipment, repairs and maintenance remains stable in most categories as minor repairs and equipment purchases vary from year to year. Some of the larger decreases from the prior year include laboratory and computer and computing equipment.
<p>Utilities and taxes (includes hydro, water, natural gas, property taxes)</p>	6,393	5,880	513	Water & Sewer expense was 19% (\$119) higher than the prior year due to higher usage on campus specifically, Residence 8 and Decew. Chilled and hot water capital projects completed during the year also required draining and refilling of piping. Natural gas expense was 10% (\$214) higher than the prior year due to higher commodity costs and demand for heating in the winter. Electricity costs increased by \$122 due to increased occupancy on campus, specifically Decew and Residence 8. Carbon & GHG Federal taxes increased \$105 due to an

				increased rate per tonne. Taxes remained stable year over year.
Interest on long-term debt	10,543	10,477	66	The change is attributable to repayment of long-term debt in accordance with borrowing agreements and the University debt repayment strategy.
Cost of sales <i>(includes cost of purchasing items for resale by Ancillary operations)</i>	4,366	4,520	(154)	The change is due to a one-time adjustment in the prior year. Current year cost of sales is in line with previous years.
Amortization of capital assets	26,877	21,861	5,016	The change is attributable to the completion of various capital projects now eligible to begin amortizing including Residence 8 \$2,056, Decew Residence Renewal \$1,421 and Canada Games Park \$605.