

# **2019-20** **TRIMESTER 2** **REPORT**

September 1, 2019 to December 31, 2019



# Executive summary

This report covers the period from May 1, 2019 to December 31, 2019.

At the completion of the second trimester of 2019-20 Brock is projecting a fiscal year-end with a funding surplus of \$5.2 million versus the balanced 2019-20 budget that included a \$1.5 million identified savings and a \$3.2 million mitigation target to be found in-year. This performance represents an \$8.4 million positive swing when compared to the budget mitigation target of \$3.2 million. Certainly a true milestone achievement in the wake of significant financial constraints that were imposed on Brock, namely a 5 per cent budget reduction in one fiscal year due to a 10 per cent domestic tuition fee reduction and a \$1.0 million reduction in grant funding. Guided by the Institutional Strategic Plan and a community working in unity to provide our students with the Brock experience, an immersion in cutting-edge academic and research experiences coupled with nationally recognized student experiences with Brock voted top three of Canadian comprehensive universities for student satisfaction.

Salient to this 2019-20 Trimester 2 forecast is that our enrolment is forecast to achieve 102 per cent or 395 more students than the target established in the strategic plan for 2019-20. This has translated into a positive student fee revenue variance of \$4.3 million higher than budget.

As part of the regular Trimester 2 forecast, expenses are estimated to the end of the fiscal year with additional positive variance driven from timing of when new positions were budgeted vs. when they were filled, and due to close management of positions during the year supported by the Human Resources Workday system and the controls established around position management.

Construction of the 204,600 square foot Canada Summer Games facility as well as the new Residence 8 commenced during this period. The Canada Summer Games facility will include a twin pad arena, Brock Centre for Health and Well-Being, Canadian Sport Institute of Ontario, office and administrative space as well as a 400-meter outdoor track, grass sports field, beach volleyball courts and cycling areas. Brock will be the proud host site for the 2021 Canada Summer Games athletes village, sports competition and social and cultural activities with a projected economic impact of \$200 million during the games. Residence 8 is a six-floor student residence aimed at addressing current demand for first-year student housing. This exciting project is planned to be fully self-funded as well as contribute incremental \$0.4 million each year back to the university's general operating budget needs.

Our financial performance has exceeded expectations and while we celebrate in the successes to date, there is a recognition that our future fiscal environment remains challenging. With 60 per cent of university revenue subject to no rate inflation, balancing our operations require investments in new programs with new net positive contributions to maintain our existing operations. Furthermore, our future is subject to risks such as enrolment targets, pension liabilities and physical space for our Faculty, staff and students. The next few years will be challenging, that said, with the strategic plan as our lighthouse, our fiscal framework will endeavor to chart a sustainable path while remaining flexible to adapt to uncertainties.

Input and recommendations for future budget decisions are encouraged and may be emailed to [budgetreport@brocku.ca](mailto:budgetreport@brocku.ca)

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This report contains certain forward-looking information. In preparing the Trimester 2 Report, certain assumptions and estimates were necessary. They are based on information available to management at the time of preparing the forecast. Users are cautioned that actual results may vary.

Throughout the text in this report, financial values have been rounded to the nearest thousand unless otherwise stated.

### Photo collage on page 3

- **STUDENTS:** More than 550 Brock students took part in the annual Grape Stomp in Jubilee Court on Friday, Sept. 20.
- **COMMUNITY:** The federal government has committed \$5 million toward Brock University's new Validating, Prototyping and Manufacturing Institute which will enable area businesses to access the University's researchers, expertise and advanced technology. From left: Niagara Region Chair Jim Bradley, St. Catharines MP Chris Bittle, Brock President Gervan Fearon, Cool Climate Oenology and Viticulture Institute Director Debbie Inglis, Brock Vice-President, Research Tim Kenyon, Brock Chemistry Instructor Paul Zelisko and Niagara Centre MP Vance Badawey.
- **PATHWAYS:** Sexual Violence Support Certificate available to Brock community, aiming to raise awareness about sexual violence supports. In photo Larisa Fry and members of the University's Peer 2 Peer support team. Top row from left: Talia Ritondo, Katie Keays, Reuben Palance, Mackenzie Rockbrune and Julianna Todd. Bottom row: Aishah Awan, Fry, Jane Theriault-Norman and Teagan Foord.
- **PARTNERSHIPS:** Brock University and Niagara Region Public Health and Emergency Services signed a Memorandum of Understanding Friday, Sept. 13. From left: Brock Faculty of Applied Health Sciences Dean Peter Tiidus, Brock President Gervan Fearon, Acting Medical Officer of Health for Niagara Region Dr. M. Mustafa Hirji and Associate Medical Officer of Health Dr. Andrea Feller.

### Accessible pdf alerts

Please enable punctuation when using assistive technology. In the table parentheses are used to indicate a negative number; if the cell has a dash there are multiple numbers totalled to zero; and if the cell is a blank cell there are no numbers for that cell.



# Financial results

The following table illustrates the Trimester 2 forecast for the University compared to budget. The information is presented on a funding basis, which represents committed cash, and based on the audited financial statements prepared in accordance with accounting standards for not for-profit organizations (NFPS). A reconciliation of the two presentations, for the 2019-20 forecast, can be found starting on **page 22 – 23**. Please note that certain reclassifications were made to the 2019-20 budget as compared to the figures presented in the 2019-20 Budget Report, noting the changes did not impact the net budget. All reclassifications will be fully reconciled in the future 2020-21 Budget Report.

Figure 1: **Funding and NFPS budget and forecast** (\$ thousands)

Type		2019 to 20 Forecast	Funding 2019 to 20 Budget	Difference better/ (worse)	2019 to 20 Forecast	NFPS 2019 to 20 Budget	Difference better/ (worse)
Revenue	Student fees	185,860	181,566	4,294	185,860	181,566	4,294
	Grant revenue	97,943	97,936	7	96,478	96,175	303
	Internal chargebacks	8,566	8,528	38			-
	Inter-fund revenue	4,827	4,924	(97)			-
	Research revenue			-	12,359	11,261	1,098
	Other revenue	51,103	51,492	(389)	63,605	64,266	(661)
	<b>Total revenue</b>	<b>348,299</b>	<b>344,446</b>	<b>3,853</b>	<b>358,302</b>	<b>353,268</b>	<b>5,034</b>
Operating costs	Personnel costs	(222,680)	(229,302)	6,622	(226,143)	(231,042)	4,899
	Inter-fund expenses	(23,384)	(24,581)	1,197			-
	Other operating costs	(97,057)	(95,288)	(1,769)	(122,115)	(122,567)	452
	<b>Total operating costs</b>	<b>(343,121)</b>	<b>(349,171)</b>	<b>6,050</b>	<b>(348,258)</b>	<b>(353,609)</b>	<b>5,351</b>
Mitigation target – identified savings			1,476	(1,476)			-
Mitigation target – required from in-year savings			3,249	(3,249)			-
<b>Funding surplus/(deficit)</b>		<b>5,178</b>	<b>-</b>	<b>5,178</b>	<b>10,044</b>	<b>(341)</b>	<b>10,385</b>

## STUDENTS



## COMMUNITY



## PATHWAYS



## PARTNERSHIPS





SEPT. 4, 2019: Karen Dancy, Brock International Recruitment Officer, and Jabulani Chipembere from Costa Rica (left), were reunited during Brock International's Open House.



# Taking a closer look at some of the numbers

## Overview

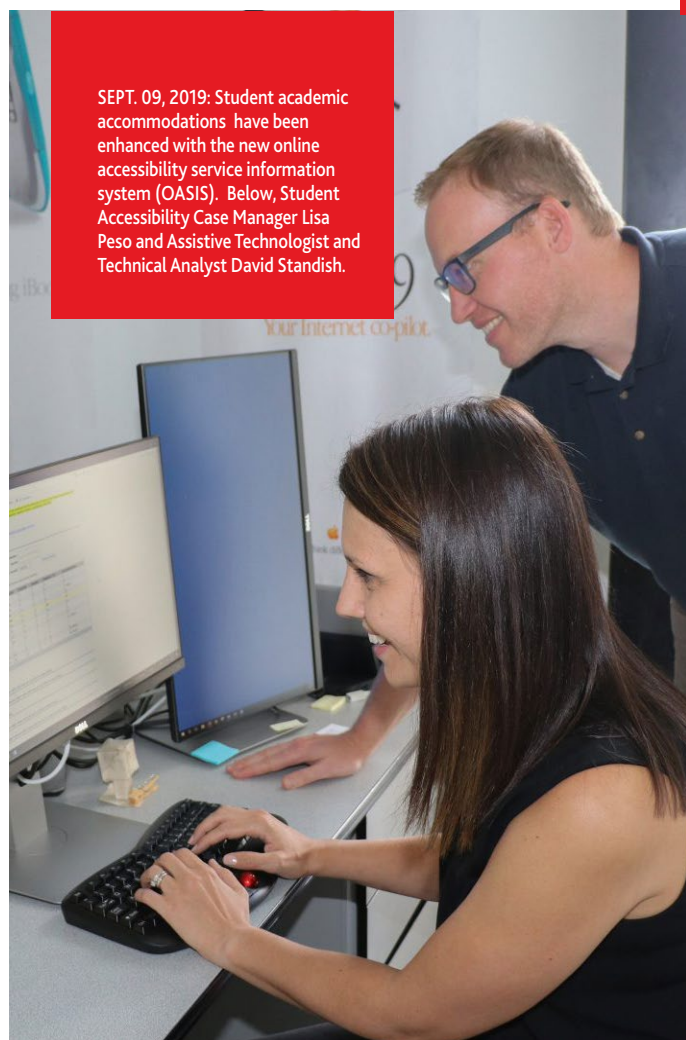
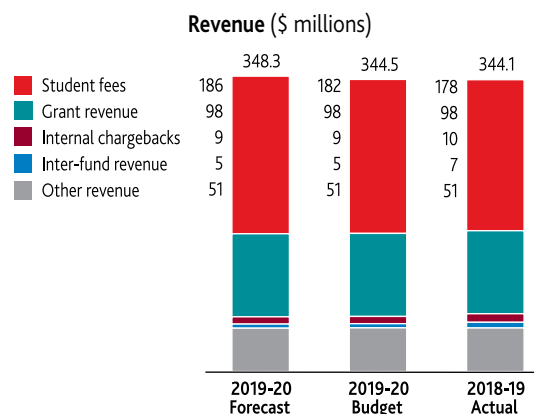
The 2019-20 Trimester 2 forecast shows a funding surplus of \$5.2 million versus the balanced 2019-20 budget, which was after the \$1.5 million identified savings and the \$3.2 million mitigation target to be found in-year. This surplus is driven by a revenue forecast of \$3.9 million exceeding expectations coupled with personnel costs forecasted at \$6.6 million below budget offset by operating costs, including inter-fund expenses, forecasted to be \$0.6 million over budget. These variances are more fully described in the following sections of this report.

## Review of overall revenue

The higher than budgeted revenue is driven mainly by increased student fee revenue, accounting for \$4.3 million of the variance. Grant revenue and internal chargebacks were flat to budget, inter-fund revenue was lower than budget by \$0.1 million and other revenue was lower by \$0.4 million. Student fee revenues and grant revenues are discussed in the tuition and enrolment section and the operating grant section on the following pages. The lower than budgeted other revenue was driven by Ancillary Services, with Parking Services forecasting \$0.5 million less revenue than budgeted, due to the temporary shortage of parking spaces during the Canada Summer Games Park construction. Investment income, which is forecasted to achieve budget, is more fully described in the Treasury section of this report.

Sales and service revenue is forecast to beat budget by \$0.1 million, driven by higher than budgeted Ontario University Application Centre Revenue reflective of Brock's strong application numbers, with 5,200 new students starting the Fall 2019 Term, marking a 5.6 per cent increase over last year's incoming class and the largest new student intake in the University's history. Inter-fund revenue is forecasted at \$4.8 million, \$0.1 million lower than budget. This revenue represents the utilization of strategic reserves by investing in priorities outlined in the strategic plan.

Figure 2





## Tuition and enrolment

As detailed in Figure 3, Brock posted strong enrolment overall resulting in student fees exceeding the budget by \$4.3 million.

Figure 3: Tuition by reporting unit (\$ thousands)

Type	2019 to 20 Forecast	2019 to 20 Budget	Difference better/(worse)	Listed below
<b>Total tuition revenue in University Global</b>	<b>155,859</b>	<b>152,408</b>	<b>3,451</b>	[1]
Professional Masters Preparation Certificate (Business) (PMPC)	601	795	(194)	[2]
International Masters Business Administration (IMBA)	10,600	9,436	1,164	[2]
International Master of Professional Accounting (IMPAcc)	1,394	2,050	(656)	[2]
Masters Preparation Certificate in Education (MPCE)	294	462	(168)	[3]
International Masters of Education (MEd)	1,582	1,706	(124)	[3]
International Master of Science in Materials Physics (MSc)	280	265	15	[5]
<b>Total international student programs (ISP)s</b>	<b>14,751</b>	<b>14,714</b>	<b>37</b>	
Continuing Teacher Education – Additional Qualifications (AQ)	670	689	(19)	[3]
Adult Education	775	867	(92)	[3]
Indigenous Education Programs	137	189	(52)	[3]
Intensive English Language Program (IELP)	3,672	4,027	(355)	[4]
Short-term English Language Program (SELP)	762	500	262	[4]
<b>Total other self-funded programs</b>	<b>6,016</b>	<b>6,272</b>	<b>(256)</b>	
<b>Tuition revenue in respective departments</b>	<b>20,767</b>	<b>20,986</b>	<b>(219)</b>	
<b>Total tuition revenue</b>	<b>176,626</b>	<b>173,394</b>	<b>3,232</b>	
<b>Fee revenue</b>	<b>9,234</b>	<b>8,172</b>	<b>1,062</b>	
<b>Total student fees</b>	<b>185,860</b>	<b>181,566</b>	<b>4,294</b>	

Departments the tuition revenue is reported in: [1] University Global; [2] Goodman School of Business; [3] Faculty of Education; [4] Student Services; [5] Faculty of Mathematics and Science.

Tuition revenue budgeted in respective departments

Fee revenue represents \$1.1 million of the variance driven by international student fees, as a result of the increased international enrolment as well as high Short-term English Language Program ancillary fees and higher co-op fees. International student program (ISP) tuition was flat to budget, with a strong forecast from the Goodman School of Business IMBA program offset by lower than budgeted tuition related to IMPAcc and PMPC programs and the Faculty of Education's MPCE and MEd programs. Goodman School of Business recently announced an expansion of its CPA accreditation to the International Master of Professional Accounting (IMPAcc), which is a significant achievement and will result in greater demand for the IMPAcc to address budgeted shortfalls in the future. Forecasted other self-funded program revenue was lower than budget by \$0.3 million, driven by lower ESL and Adult Education revenue.

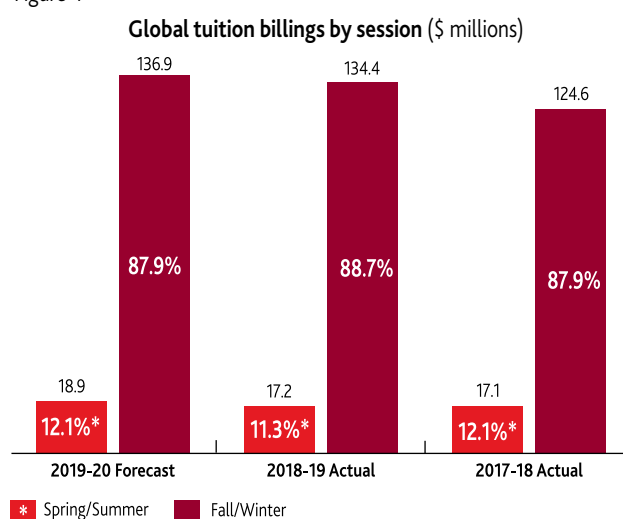


OCT. 08, 2019: Brock reinforced as No. 1 for mental health services in Maclean's ranking. Left, Brock Psychology student Jolena Singh holding Maggie during a visit to the puppy room held earlier this year at Pond Inlet. Brock students, staff and faculty took a brief break in the day to visit with nine dogs from Therapeutic Paws of Canada, petting the pooches and enjoying a bit of stress relief.

Global tuition is forecasted to be higher than budget by \$3.5 million (see Figure 5). This favourable forecast is mainly a result of a successful international student recruitment plan exceeding target. As detailed in Figure 5, international tuition is forecast to exceed budget by \$5.7 million (including the additional winter intake, related to undergraduate international students, budgeted in 2019-20); offset by lower than budgeted domestic tuition of \$2.0 million. Recognizing enrolment has exceeded the strategic plan enrolment plan by 395 students (see Figure 6) and that the budgeted enrolment level was set as mitigation to address government actions, such as a 10 per cent reduction in tuition rates and a \$15.4 million loss in planned revenue, these enrolment outcomes and financial results demonstrate a significant success for Brock within a constrained fiscal operating environment.

Note: Although Figure 5 details global tuition by Faculty of major, the revenue and expense allocation model reports tuition based on where students take their courses (i.e. teaching Faculty). The revenue and expense allocation model is presented for year-end results within the Annual Report.

Figure 4



Expanded description for Figure 4

Figure 4 above, details global tuition by session – spring/summer and fall/winter for the forecast and the past two years.

Figure 5: Tuition revenue budgeted in University Global<sup>[1]</sup> (\$ thousands)

Items	2019 to 20 Actuals as of Jan. 13, 2020	2019 to 20 Budget	Difference better/ (worse)
Undergraduate – domestic	Faculty of Applied Health Sciences	23,379	24,872 (1,493)
	Goodman School of Business	19,759	19,979 (220)
	Faculty of Education	6,530	6,572 (42)
	Faculty of Humanities	10,239	9,903 336
	Faculty of Mathematics and Science	12,438	12,104 334
	Faculty of Social Sciences	27,593	28,180 (587)
	Other <sup>[2]</sup>	169	268 (99)
	<b>Total undergraduate – domestic</b>	<b>100,107</b>	<b>101,878 (1,771)</b>
Graduate – domestic	Faculty of Applied Health Sciences	1,822	1,606 216
	Goodman School of Business	1,146	1,270 (124)
	Faculty of Education	1,192	1,197 (5)
	Faculty of Humanities	374	548 (174)
	Faculty of Mathematics and Science	772	806 (34)
	Faculty of Social Sciences	2,815	2,929 (114)
	<b>Total graduate – domestic</b>	<b>8,121</b>	<b>8,356 (235)</b>
<b>Total domestic</b>		<b>108,228</b>	<b>110,234 (2,006)</b>
Undergraduate – international	Faculty of Applied Health Sciences	3,642	2,969 673
	Goodman School of Business	13,712	13,034 678
	Faculty of Education	123	77 46
	Faculty of Humanities	1,643	1,276 367
	Faculty of Mathematics and Science	9,511	7,718 1,793
	Faculty of Social Sciences	14,497	11,929 2,568
	Other <sup>[2]</sup>	61	61 -
	<b>Total undergraduate – international</b>	<b>43,189</b>	<b>37,064 6,125</b>
Graduate – international	Faculty of Applied Health Sciences	244	272 (28)
	Goodman School of Business	2,118	836 1,282
	Faculty of Education	144	87 57
	Faculty of Humanities	196	322 (126)
	Faculty of Mathematics and Science	1,262	1,182 80
	Faculty of Social Sciences	733	861 (128)
	<b>Total graduate – international</b>	<b>4,697</b>	<b>3,560 1,137</b>
<b>Total international</b>		<b>47,886</b>	<b>40,624 7,262</b>
Additional winter intake (international)		-	1,550 (1,550)
<b>Total tuition revenue in University Global</b>		<b>156,114</b>	<b>152,408 3,706</b>
Forecasted change to April 30, 2020		(255)	(255)
<b>Total 2018-19 Forecast</b>		<b>155,859</b>	<b>152,408 3,451</b>

[1] Figures based on Faculty of major.

[2] Includes letters of permission, non-degree students and auditors.



SEPT. 24, 2019: More than 250 Brock University faculty, staff and students were on hand at the Ontario Universities' Fair held at the Metro Toronto Convention Centre.

Figures 6 and 7 detail all-in headcount enrolment. All-in enrolment represents degree-seeking students, non-degree students, auditors, and those pursuing additional qualifications and certificates, including ISP programs, not budgeted in Global. Brock's enrolment forecast has exceeded the enrolment plan as defined in the Institutional Strategic Plan by 395 students. With the 19,797 forecasted level of enrolment, this represents a 3.6 per cent increase as compared to prior year 2018-19 enrolment. By way of comparison, all-in enrolment last year over the 2017-18 enrolment levels increased by 1.5 per cent. This is a marked increase in enrolment thanks to our dedicated faculty and staff.

Figure 6: All in student headcount by type<sup>[1]</sup>

Type	2019 to 20 Forecast	2019 to 20 Budget	Difference – better/(worse)		2019 to 20 Strategic Plan	Difference – better/(worse)		2018 to 19 Actual
			Number	Per cent		Number	Per cent	
Undergraduate – domestic	15,967	16,567	(600)	(3.62%)	17,529	257	1.47%	15,715
Undergraduate – international	1,819	1,796	23	1.28%				1,571
Graduate – domestic	1,238	1,310	(72)	(5.50%)	1,873	138	7.37%	1,167
Graduate – international	773	726	47	6.47%				659
<b>Total</b>	<b>19,797</b>	<b>20,399</b>	<b>(602)</b>	<b>(2.95%)</b>	<b>19,402</b>	<b>395</b>	<b>2.04%</b>	<b>19,112</b>

Figure 7: All in student headcount by Faculty<sup>[1]</sup>

Faculty	2019 to 20 Forecast			2019 to 20 Budget			2019 to 20 Forecast vs. budget	2019 to 20 Strategic Plan	2019 to 20 Forecast vs. Strategic Plan
	Domestic	International	Total	Domestic	International	Total			
Faculty of Applied Health Sciences	4,017	151	4,168	4,303	132	4,435	(267)	4,240	(72)
Goodman School of Business	2,500	1,097	3,597	2,628	1,053	3,681	(84)	3,538	59
Faculty of Education	1,675	94	1,769	1,682	105	1,787	(18)	1,698	71
Faculty of Humanities	1,804	75	1,879	1,821	69	1,890	(11)	1,802	77
Faculty of Mathematics and Science	2,028	446	2,474	1,999	378	2,377	97	2,228	246
Faculty of Social Science	5,100	727	5,827	5,339	658	5,997	(170)	5,788	39
No Faculty	81	2	83	105	3	108	(25)	108	(25)
<b>Total headcount (excluding additional winter intake)</b>	<b>17,205</b>	<b>2,592</b>	<b>19,797</b>	<b>17,877</b>	<b>2,398</b>	<b>20,275</b>	<b>(478)</b>	<b>19,402</b>	<b>395</b>
<b>Additional winter intake</b>					<b>124</b>	<b>124</b>	<b>(124)</b>		
<b>Total headcount</b>	<b>17,205</b>	<b>2,592</b>	<b>19,797</b>	<b>17,877</b>	<b>2,522</b>	<b>20,399</b>	<b>(602)</b>	<b>19,402</b>	<b>395</b>

[1] Represents student headcount full-time (FT) and part-time (PT). For a definition refer to pg 87 of the 2019-20 Budget Report. The enrolment forecast used for the 2019-20 budget and forecast is 'all-in' and includes letter of permissions, non-degree students, auditors, additional qualifications, and certificates. These are excluded in the 'degree-seeking only' enrolment as presented by the Office of the Registrar



## Operating grants

Figure 8: General operating grants (\$ thousands)

Type		2019 to 20 Forecast	2019 to 20 Budget	2018 to 19 Actual
Operating Grants	Core Operating Grant	81,743	82,000	81,743
	Differentiation Grant Envelope	7,259	6,421	6,398
	International Student Recovery	(1,400)	(1,400)	(1,452)
	Nursing Grant	2,733	2,733	2,770
	Total operating grants	90,335	89,754	89,459
Specific purpose grants		7,608	8,182	8,468
Total grant revenue		97,943	97,936	97,927

Figure 8 above details grant revenue. As part of the Differentiation Grant Envelope, the Ministry of Colleges and Universities has capped funding related to graduate enrolment, with funding allocations for master's degrees and PhDs. The increase in the forecast for the Differentiation Grant Envelope is a result of growth in eligible master's and PhDs over 2018-19.

The decline in the specific purpose grant revenue is due to the elimination of the Graduate Enrolment Capital Expansion Grant of \$0.75 million and the Facilities Renewal Program funds grant cut estimated at \$0.30 million versus the budget. Both of these grant reductions were announced after the 2019-20 budget had been finalized. These declines were offset by a number of special purpose grants which were not included in the budget due to a delay in communications from government on the status of future funding, including the Credit Transfer Institutional Grant, the Ontario First Generation Bursary grant and the Bursary for Students with Disabilities grant, all of which are now included in the 2019-20 forecast.



SEPT. 7, 2019: Brock Cares volunteers helped out at the Clean City Advisory Committee's Clean Up event.



OCT. 24, 2019: Above, Camille Rutherford was announced as the University's new Vice-Provost, Strategic Partnerships and International.

SEPT. 27, 2019 : GAME students got an inside look at future of virtual reality at Oculus Connect 6, a conference in San Jose, California. Below, Kyle Jones, Robbie Jolley, Mervin Hocson, Gábor CSeh, Adam Henderson, Mehran Mansour Feizi.

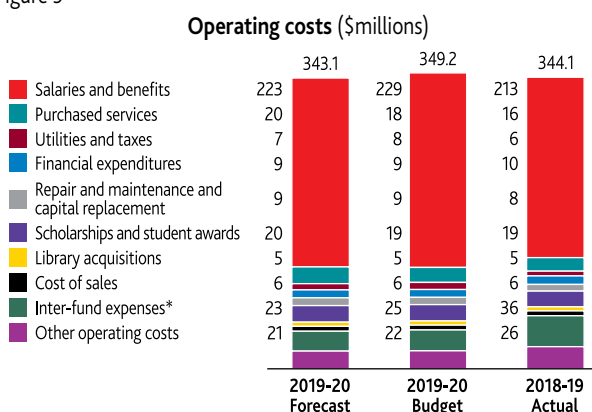


## Review of operating costs

Personnel costs are forecast \$6.6 million below budget, which is discussed in the following “Our People” section of this report. Inter-fund expenses are forecasted to be \$1.2 million lower than budget. As part of inter-fund expenses, the 2019-20 budget included a \$4.0 million contingency related to the forecast risk on certain items in the overall plan, including government grants and enrolment. The use of this contingency was not included in the forecast as both risks have been mitigated through operations. Offsetting this decrease is an increase in the transfers to the capital and related project fund, including support of the FedDev Brock-Niagara Validating, Prototyping and Manufacturing Institute (VPMI). At cycle two (Dec. 2019) a funding plan was proposed for this project, including \$0.72 million of funding in 2019-20. Given the favorable financial results forecasted for 2019-20, the amount proposed to be funded out of the 2021-22 capital budget of \$2.14 million has been included in the 2019-20 forecast, for a total of \$2.86 million. This will provide greater flexibility for next year’s capital project planning, as well as establish greater financial contingency for the FedDev project.

Other operating costs forecast are \$1.8 million higher than budget, with the majority of the increase related to consulting and professional fees, including international student recruitment commissions and professional fees related to Human Rights and Equity Services.

Figure 9



\*2018-19 Actual inter-fund expenses include discretionary appropriations in the amount of \$6,475.

## Our people

Our people are what make everything possible at our University. Figure 10 below illustrates the cost of personnel costs in aggregate by personnel group.

Figure 10: Personnel costs by group

Personnel Group <sup>[1]</sup> (\$000s)	2019 to 20 Forecast			2019 to 20 Budget	Difference better/ (worse)	2018 to 19 Actual
	Salary/Wage	Benefits	Total personnel costs			
Faculty and Professional Librarians	92,015	20,011	112,026	114,891	2,865	107,496
Admin/Professional	42,900	11,438	54,338	57,675	3,337	51,502
CUPE 4207 – Unit 1	14,397	1,578	15,975	15,810	(165)	14,627
OSSTF	7,686	2,443	10,129	10,221	92	9,800
CUPE 1295 FT	7,160	2,452	9,612	9,208	(404)	9,255
SAC	5,483	1,197	6,680	6,475	(205)	6,393
Other	12,390	1,530	13,920	15,022	1,102	14,474
<b>Total</b>	<b>182,031</b>	<b>40,649</b>	<b>222,680</b>	<b>229,302</b>	<b>6,622</b>	<b>213,547</b>
Transfer to employee future benefits reserve (EFB)			-		-	(900)
<b>Total personnel</b>	<b>182,031</b>	<b>40,649</b>	<b>222,680</b>	<b>229,302</b>	<b>6,622</b>	<b>212,647</b>

[1] **Faculty & Professional Librarians** – BUFA members, Associate Deans, Associate Vice-Presidents of Research and Associate University Librarians; **Admin/Professional** – administrative/professional and exempt staff; **CUPE 4207 – Unit 1** – instructors, teaching assistants, lab demonstrators, course co-ordinators and marker/graders; **OSSTF** – support and technical staff; **CUPE 1295 FT** – full-time maintenance, trades and custodial staff; **SAC** – Senior Administrative Council; **Other** – all other union groups, part-time teaching and non-teaching positions and stipend transfers.

Overall personnel costs are expected to be under budget by \$6.6 million, mainly as a result of savings realized from positions that are budgeted but not yet filled and as a result of enhanced hiring and position administration controls utilizing the new Workday HR system.



## Unit and budget forecasts

Figure 11 on the following pages detail the funding by responsibility centre for the forecast and budget, grouped into one of the following categories: Teaching Faculties, Academic Support, Student Specific, Shared Services, Ancillary, Space and Global.

Please note that Figure 11 includes certain reclassifications to the 2019-20 budget as compared to the figures presented in the 2019-20 Budget Report. All reclassifications will be fully reconciled in the future 2020- 21 Budget Report, noting the changes did not impact the net reported budget.



DEC. 14, 2019: From left, Former Mayor of Toronto and Chair, Canadian Disability Hall of Fame Selection Board, Honourable David Crombie; Senior Vice President, Chief Compliance Officer and Global Regulatory Affairs CIBC Risk Management Andrea Nalyzty; Retired Senator and Chair, Canadian Foundation for Physically Disabled Persons Honourable Vim Kochhar; and Tracy Schmitt (BRLS '95) who was inducted into the Canadian Disability Hall of Fame. Photo by Steve Blackburn, courtesy of the Canadian Foundation for Physically Disabled Persons.



SEPT. 5, 2019: Education students help local kids master reading and math in Brock's Learning Lab. Above from left, the staff includes Paul Ferrara, Administrative Coordinator; Tiffany Gallagher, Director; Sharon Moukperian, School Site Supervisor; Katrina Jegg, Supervisor; Jennifer Turner, School Site Supervisor; Rebecca Johnston, School Site Supervisor; and Rachel St. Hilaire, Supervisor.

## Funding budget by responsibility centre

Figure 11 details the funding budget by responsibility centre, where all personnel costs, operating costs and revenue have been grouped by their responsibility centre, which in turn are grouped into one of the following categories: Teaching Faculties, Academic Support, Student Specific, Shared Services, Ancillary, Space and Global. Treasury.

Figure 11: **Funding budget by responsibility centre** (\$ thousands)

Type		2019 to 20 Forecast				2019 to 20 Budget				Difference of "Net" amounts
		Revenue	Personnel costs	Non-personnel costs	Net	Revenue	Personnel costs	Non-personnel costs	Net	
Teaching Faculties	Faculty of Applied Health Sciences	305	(22,171)	(872)	(22,738)	485	(23,393)	(881)	(23,789)	1,051
	Goodman School of Business	13,615	(28,459)	(4,309)	(19,153)	13,588	(29,182)	(4,340)	(19,934)	781
	Faculty of Education	3,939	(16,625)	(1,403)	(14,089)	4,493	(17,939)	(1,522)	(14,968)	879
	Faculty of Humanities	531	(21,536)	(757)	(21,762)	508	(21,783)	(788)	(22,063)	301
	Faculty of Mathematics and Science	749	(21,620)	(900)	(21,771)	647	(21,975)	(785)	(22,113)	342
	Faculty of Social Sciences	351	(37,580)	(1,148)	(38,377)	349	(37,983)	(1,184)	(38,818)	441
	<b>Total Teaching Faculties</b>	<b>19,490</b>	<b>(147,991)</b>	<b>(9,389)</b>	<b>(137,890)</b>	<b>20,070</b>	<b>(152,255)</b>	<b>(9,500)</b>	<b>(141,685)</b>	<b>3,795</b>
Academic Support	Faculty of Graduate Studies	449	(1,339)	(194)	(1,084)	365	(1,354)	(162)	(1,151)	67
	Library	137	(5,170)	(5,432)	(10,465)	212	(5,586)	(5,453)	(10,827)	362
	Research Services	2,552	(1,653)	(3,213)	(2,314)	2,537	(1,670)	(3,167)	(2,300)	(14)
	Centre for Pedagogical Innovation	156	(752)	(271)	(867)	110	(744)	(232)	(866)	(1)
	<b>Total Academic Support</b>	<b>3,294</b>	<b>(8,914)</b>	<b>(9,110)</b>	<b>(14,730)</b>	<b>3,224</b>	<b>(9,354)</b>	<b>(9,014)</b>	<b>(15,144)</b>	<b>414</b>
Student Specific	The Office of the Registrar	2,584	(4,718)	(1,172)	(3,306)	2,015	(4,552)	(1,047)	(3,584)	278
	Student Life and Community Experience	115	(748)	(173)	(806)	179	(719)	(206)	(746)	(60)
	Student Wellness and Accessibility	3,030	(3,300)	(1,435)	(1,705)	2,876	(3,258)	(1,312)	(1,694)	(11)
	Student Success Centre	817	(1,139)	(145)	(467)	806	(1,291)	(125)	(610)	143
	Brock International	5,832	(4,581)	(2,545)	(1,294)	5,654	(4,825)	(2,183)	(1,354)	60
	Co-op, Career and Experiential Education	2,668	(3,431)	(417)	(1,180)	2,445	(3,463)	(409)	(1,427)	247
	Brock Sports and Recreation	7,758	(5,131)	(3,839)	(1,212)	7,831	(5,385)	(3,784)	(1,338)	126
	<b>Total Student Specific</b>	<b>22,804</b>	<b>(23,048)</b>	<b>(9,726)</b>	<b>(9,970)</b>	<b>21,806</b>	<b>(23,493)</b>	<b>(9,066)</b>	<b>(10,753)</b>	<b>783</b>



Figure 11 continued

Type		2019 to 20 Forecast				2019 to 20 Budget				Difference of "Net" amounts
		Revenue	Personnel costs	Non-personnel costs	Net	Revenue	Personnel costs	Non-personnel costs	Net	
Shared Services	Senior Academic and Administrative Team <sup>[1]</sup>	194	(3,852)	(815)	(4,473)		(4,318)	(614)	(4,932)	459
	Information Technology Services	438	(5,698)	(2,041)	(7,301)	454	(6,023)	(2,123)	(7,692)	391
	Financial Services	451	(2,900)	(561)	(3,010)	359	(3,035)	(630)	(3,306)	296
	Human Resources	186	(3,358)	(666)	(3,838)	194	(3,564)	(566)	(3,936)	98
	Marketing and Communications	1,439	(1,534)	(1,859)	(1,954)	1,450	(1,486)	(1,929)	(1,965)	11
	Development and Alumni Relations	694	(1,417)	(414)	(1,137)	694	(1,699)	(470)	(1,475)	338
	Shared Services Support <sup>[2]</sup>	500	(2,610)	(1,335)	(3,445)	335	(2,755)	(871)	(3,291)	(154)
	<b>Total Shared Services</b>	<b>3,902</b>	<b>(21,369)</b>	<b>(7,691)</b>	<b>(25,158)</b>	<b>3,486</b>	<b>(22,880)</b>	<b>(7,203)</b>	<b>(26,597)</b>	<b>1,439</b>
Ancillary	Ancillary Operations	14,613	(2,713)	(8,528)	3,372	15,310	(2,792)	(8,554)	3,964	(592)
	Department of Residence	20,488	(3,545)	(14,637)	2,306	20,552	(3,784)	(14,605)	2,163	143
	<b>Total Ancillary</b>	<b>35,101</b>	<b>(6,258)</b>	<b>(23,165)</b>	<b>5,678</b>	<b>35,862</b>	<b>(6,576)</b>	<b>(23,159)</b>	<b>6,127</b>	<b>(449)</b>
Space	Facilities Management	745	(12,272)	(3,770)	(15,297)	806	(12,501)	(3,725)	(15,420)	123
	Campus Security Services	159	(1,511)	(1,213)	(2,565)	139	(1,511)	(1,196)	(2,568)	3
	Campus Development Services and Community Agreements	423	(501)	(1,627)	(1,705)	466	(284)	(1,623)	(1,441)	(264)
	Utilities, Taxes and Insurance	2,672	(34)	(10,309)	(7,671)	2,742	(77)	(10,338)	(7,673)	2
	Financing	332		(6,041)	(5,709)	332		(6,039)	(5,707)	(2)
	<b>Total Space</b>	<b>4,331</b>	<b>(14,318)</b>	<b>(22,960)</b>	<b>(32,947)</b>	<b>4,485</b>	<b>(14,373)</b>	<b>(22,921)</b>	<b>(32,809)</b>	<b>(138)</b>
Global	Scholarships, Bursaries and Student Awards	3,066		(21,394)	(18,328)	2,951		(21,076)	(18,125)	(203)
	Capital	4,632		(14,104)	(9,472)	4,495		(11,124)	(6,629)	(2,843)
	University Global	251,679	(782)	(2,902)	247,995	248,067	(371)	(6,806)	240,890	7,105
	<b>Total Global</b>	<b>259,377</b>	<b>(782)</b>	<b>(38,400)</b>	<b>220,195</b>	<b>255,513</b>	<b>(371)</b>	<b>(39,006)</b>	<b>216,136</b>	<b>4,059</b>
<b>Total University</b>		<b>348,299</b>	<b>(222,680)</b>	<b>(120,441)</b>	<b>5,178</b>	<b>344,446</b>	<b>(229,302)</b>	<b>(119,869)</b>	<b>(4,725)</b>	<b>9,903</b>
<b>Mitigation target</b>						<b>24</b>	<b>1,074</b>	<b>378</b>	<b>1,476</b>	<b>(1,476)</b>
<b>Total University after identified savings</b>		<b>348,299</b>	<b>(222,680)</b>	<b>(120,441)</b>	<b>5,178</b>	<b>344,470</b>	<b>(228,228)</b>	<b>(119,491)</b>	<b>(3,249)</b>	<b>8,427</b>

[1] Includes the following: the offices of the President; the Vice-President, Administration; the Provost and Vice-President, Academic; the Vice-President, Research; the Vice-Provost and Associate Vice President, Academic; Vice-Provost, Teaching, Learning and Student Success; the Vice-Provost, Enrolment Management and International; the Vice-Provost, Indigenous Engagement; the Associate Vice-President Advancement and External Relations and the Special Advisor on Strategic Engineering as well as the operating costs of the Board of Trustees and Senate.

[2] Includes the following: the University Secretariat, the Office of Government Relations, Institutional Analysis, Internal Audit and Human Rights and Equity Services.

## Operating fund investment scorecard

Government of Canada ten-year bond yield was 1.7 per cent at Dec. 31, 2019 (1.97 per cent at Dec. 31, 2018). This compares to the yield on the operating investment portfolio of 2.46 per cent with an average duration of 8 months (2.42 per cent yield and 11-month average duration at the same time last year). Scotiabank prime rate was 3.95 per cent on Dec. 31, 2019 (3.95 per cent at the same time last year). Yield on cash balances and short-term investments is linked to the prime rate, prime minus 165 basis points on cash, and prime minus 150 basis points on the 30 day hold investment account. The guaranteed investment certificate (GIC) ladder strategy<sup>[1]</sup> was put in place to enhance yields; however, we are beginning to shorten the ladder to account for upcoming cash flow needs for projects that will be internally financed (i.e. Zone expansion). Yields have also dropped significantly on GICs where the rate on a 5-year GIC now compares to the rates we are receiving on the 30 day hold investment account; therefore, some proceeds of matured GICs are currently being held in the 30 day hold account until rates improve. A summary of investment holdings as of Dec.

31, 2019 is shown in Figure 15. Figure 13 outlines monthly investment income performance compared to 2018-19. As detailed in Figure 12, operating investments have achieved 104 per cent of budget as we reach 67 per cent of the way through the fiscal year. The current forecast has operating investment income, not including the sinking fund, exceeding budget.

The sinking fund outperformed during the first eight months of fiscal 2019-20 generating an annualized 8.28 per cent gain (0.96 per cent loss at the same time last year). Short-term volatility is common and expected with this fund. We continue to support this fund as a long-term investment strategy to fund the 2045 payout of the University's \$93 million debenture and the employee future benefits reserve. The fund requires a 5 per cent annual rate of return to achieve its goal and this rate of return is aligned with the asset mix and skill of the fund manager.

[1] An investment strategy in which GICs that have different maturities are assembled into a portfolio.

Figure 12: Summary investment income – Operating Funds (In thousands of dollars unless otherwise stated)

Type	2019 to 20 Actuals to Dec. 31	2019 to 20 Budget	2018 to 19 Actual	% of Budget achieved
Operating investment income	1,555	1,500	2,199	104%
Sinking fund	407	332	674	123%
Employee future benefits reserve	303		462	NA
<b>Investment income</b>	<b>2,265</b>	<b>1,832</b>	<b>3,335</b>	<b>124%</b>

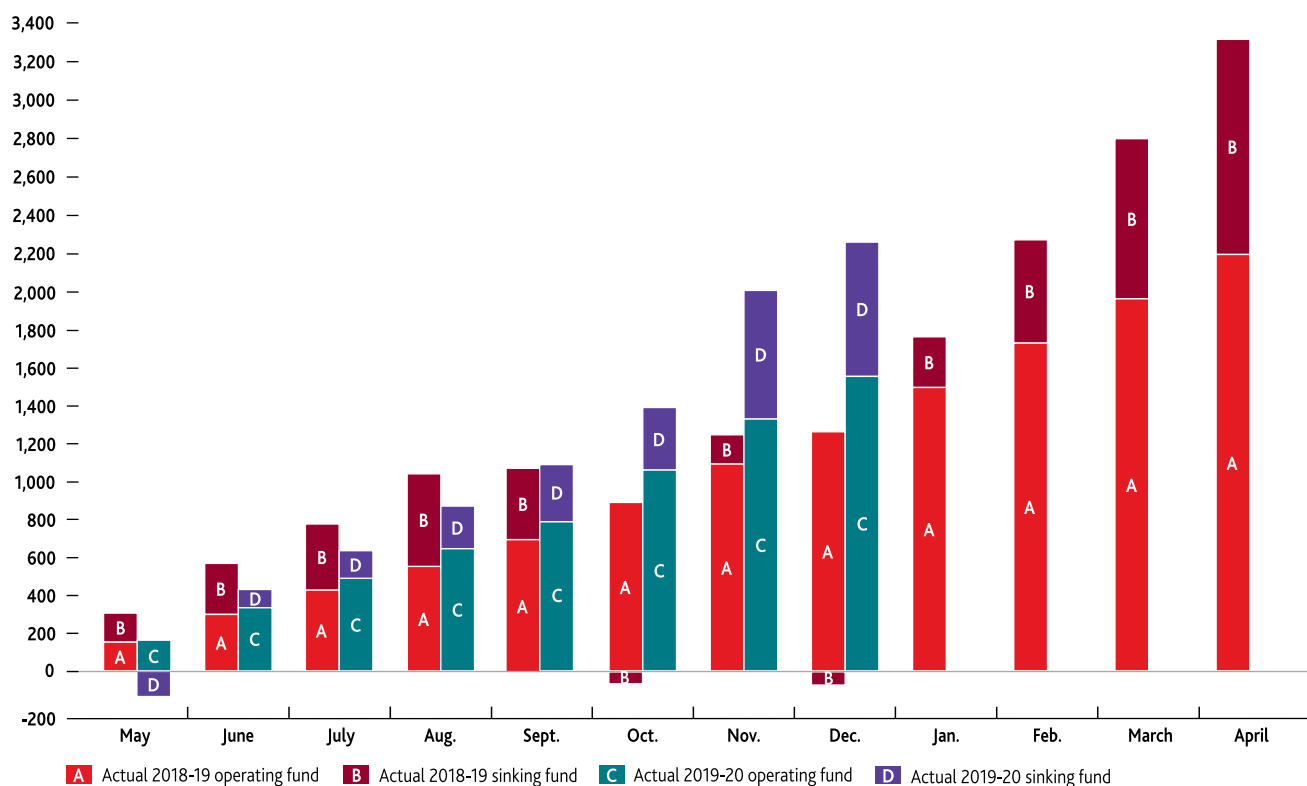


NOV. 14, 2019: A group of 19 graduate and undergraduate Brock students, along with two faculty members and one staff member, travelled to Guatemala this October, as part of a Faculty of Education course on global education.



Figure 13

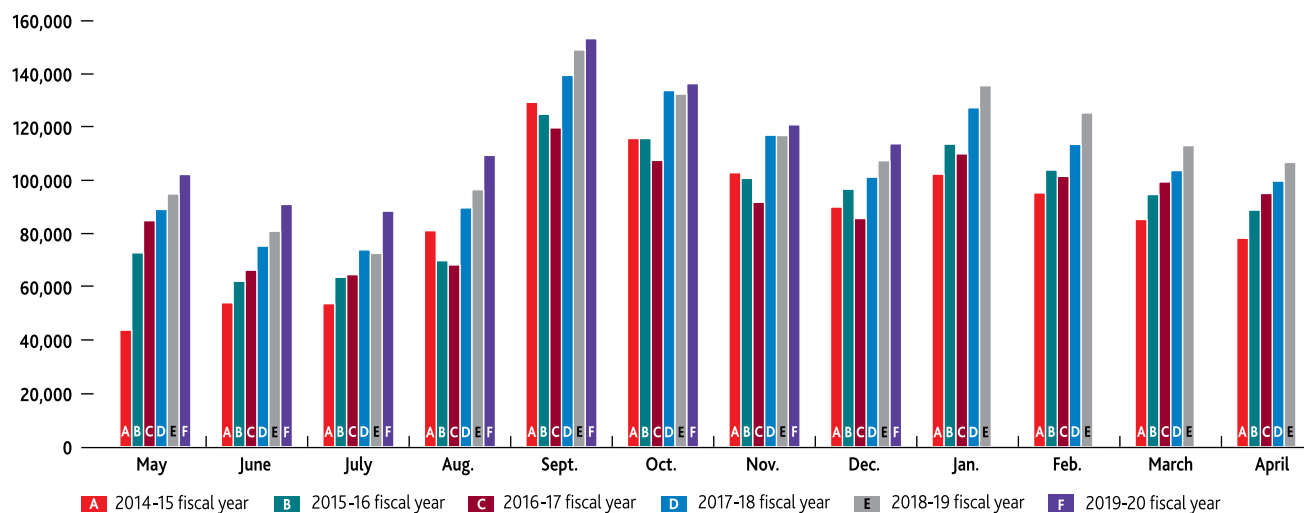
### Cumulative monthly investment income performance 2018-19 vs. 2019-20 (\$000s)



For Figure 13 Data Table

Figure 14

### Monthly cash flow – historical trend month-end balances (\$000s)



For Figure 14 Data Table

NOV. 18-19, 2019: About 300 faculty and staff attended Town Hall meetings in Pond Inlet or logged on to watch the livestream on Nov. 18 and 19, as members of Brock's senior administration offered an economic update on the University.



Figure 15: **Summary of investment holdings** (In thousands of dollars unless otherwise stated)

Type		Market Value as at Dec. 31, 2019	Annualized rate of return	Fees	Net annualized rate of return
Scotiabank	General account (\$20 million average minimum balance)	25,661	2.30%	0.00%	2.30%
	30 day GIC	50,000	2.45%	0.00%	2.45%
	3 Year GIC	5,000	3.08%	0.00%	3.08%
	3 Year GIC	2,500	2.65%	0.00%	2.65%
	3 Year GIC	2,500	2.15%	0.00%	2.15%
	3 Year GIC	2,500	2.20%	0.00%	2.20%
	<b>Total for Account</b>	<b>88,161</b>	<b>2.43%</b>	<b>0.00%</b>	<b>2.43%</b>
BMO Nesbitt Burns	Savings Account	17	1.60%	0.05%	1.55%
	1 Year GIC	1,000	2.60%	0.05%	2.75%
	2 Year GIC	2,650	3.21%	0.05%	3.16%
	<b>Total for Account</b>	<b>3,667</b>	<b>3.04%</b>	<b>0.05%</b>	<b>2.99%</b>
TD Waterhouse	HISA		0.00%	0.00%	0.00%
	2 Year GIC	5,712	2.47%	0.00%	2.47%
	<b>Total for account</b>	<b>5,712</b>	<b>2.47%</b>	<b>0.00%</b>	<b>2.47%</b>
Mawer – balanced fund	Sinking fund	7,776			
	Employee future benefits reserve	5,788			
	<b>Total for account</b>	<b>13,564</b>	<b>5.27%</b>	<b>0.25%</b>	<b>5.02%</b>
<b>Portfolio consolidated total</b>		<b>111,104</b>	<b>2.80%</b>	<b>0.03%</b>	<b>2.77%</b>



## Our debt

Figure 16 details the current and projected external debt of the University including new external debt financing estimated over the coming fiscal years for student experience project investments.

Figure 16: **Outstanding debt** (In thousands of dollars unless otherwise stated)

Item	Actual			Budget April 30, 2020	Forecast				
	April 30, 2017	April 30, 2018	April 30, 2019		April 30, 2021	April 30, 2022	April 30, 2023	April 30, 2024	April 30, 2025
Bond	93,000	93,000	93,000	<b>93,000</b>	93,000	93,000	93,000	93,000	93,000
Cairns Building	24,863	24,109	23,319	<b>22,491</b>	21,623	20,714	14,627	11,954	9,148
Residence	15,215	14,333	13,385	<b>12,366</b>	11,271	10,095	8,831	7,473	6,014
Marilyn I. Walker School of Fine and Performing Arts (MIWSFPA)	15,960	15,240	14,520						
Ancillary student experience projects				<b>14,400</b>	100,000	100,000	100,000	100,000	99,620
<b>Total debt</b>	<b>149,038</b>	<b>146,682</b>	<b>144,224</b>	<b>142,257</b>	<b>225,894</b>	<b>223,809</b>	<b>216,458</b>	<b>212,427</b>	<b>207,782</b>
<b>Total student FFTE<sup>[1]</sup></b>	<b>20,086</b>	<b>20,303</b>	<b>20,548</b>	<b>21,441</b>	<b>22,270</b>	<b>22,659</b>	<b>23,173</b>	<b>23,602</b>	<b>23,752</b>
<b>Total debt/FFTE (in dollars)<sup>[1]</sup></b>	<b>\$7,420</b>	<b>\$7,225</b>	<b>\$7,019</b>	<b>\$6,635</b>	<b>\$10,143</b>	<b>\$9,877</b>	<b>\$9,341</b>	<b>\$9,000</b>	<b>\$8,748</b>
<b>Debt reduction strategy</b>	Sinking fund	6,413	6,696	7,370	<b>6,971</b>	7,319	7,685	8,069	8,473
	Sinking fund – Ancillary				583	996	1,409	1,822	3,625
	Debt repayment reserve	2,895	4,457	6,753	<b>384</b>	1,884	3,384		
	M. Walker donation – MIWSFPA	5,326	5,470	5,617					
	Other donations – MIWSFPA	717	851	932					
	<b>Total assets for debt reduction</b>	<b>15,351</b>	<b>17,474</b>	<b>20,672</b>	<b>7,355</b>	<b>9,786</b>	<b>12,065</b>	<b>9,478</b>	<b>10,295</b>
<b>Net debt</b>	<b>133,687</b>	<b>129,208</b>	<b>123,552</b>	<b>134,902</b>	<b>216,108</b>	<b>211,744</b>	<b>206,980</b>	<b>202,132</b>	<b>194,856</b>
<b>Net debt/FFTE (in dollars)<sup>[1]</sup></b>	<b>\$6,656</b>	<b>\$6,364</b>	<b>\$6,013</b>	<b>\$6,292</b>	<b>\$9,704</b>	<b>\$9,345</b>	<b>\$8,932</b>	<b>\$8,564</b>	<b>\$8,204</b>

[1] Fiscal full-time enrolment (FFTE) – used for tuition & grant forecasting. For a definition refer to page 87 of the 2019-20 Budget Report.

The Marilyn I. Walker School of Fine and Performing Arts (MIWSFPA) loan was repaid in its entirety on its renewal date in June 2019 utilizing the debt repayment reserve funds set aside in the fiscal framework specifically for this purpose. The funding plan for the \$93 million bullet bond includes a sinking fund with an annualized rate of return target of five per cent plus additional payments of \$0.4 million commencing in 2024-25, followed by the repurposing of the \$1.9 million debt payments on the

residence loans in 2028-29 when the mortgage is fully repaid. Other future debt maturities can be found in the audited financial statements of the University. This debt forecast is within financial metric ranges of the University's current credit rating. On Jan. 20, 2020, Brock University presented its financial results, strategic plan updates and financial and debt forecast to DBRS Morningstar. On Feb. 4, 2020, DBRS Morningstar reconfirmed Brock's credit rating of "A (high)" with Stable trends.

Figure 17: Long-term debt

Item	Interest rate	Payment terms	Date to be paid in full	Annual payment (\$ thousands)
Earp/Lowenberger – Residence	7.200%	Monthly blended payments of principal and interest of \$162,443.70.	October 2028	1,949
Cairns Building	4.690%	Monthly blended payments of principal and interest of \$158,668.10. Interest rate swap on \$28 million. Payment based on 25 year amortization.	July 2037	1,904
Student experience projects	2.490%	Interest only payments until June 2024.	June 2024	359
Student experience projects – line of credit	Bankers Acceptance +45bps	Due on Demand	N/A	N/A
Debenture payable (bullet)	4.967%	Interest payable semi-annually \$2,309,655.	December 2045	4,619

## Debt retirement assets

Item	Required rate of return	Payment terms	Date to be paid in full	Annual payment (\$ thousands)
Sinking fund investment	5.000%	Policy requires Brock to annually review sinking fund investment performance and required contributions. Interest rate reduced to 5% through Fiscal Framework.	December 2045	Determined annually
Debt reduction reserve	N/A	Annual contribution (\$1.487 million in 2019-20 and \$1.500 million going forward as per fiscal framework) to an internally restricted reserve for debt repayment initially approved by the Board of Trustees on March 12, 2015.	N/A	1,487

Figure 18: Debt metrics

Item	Published range current credit rating	2018 to 19 Fiscal year	2017 to 18 Fiscal year
Fiscal full-time equivalent (FFTE)		20,548	20,303
Total long-term debt/FFTE (\$)	10.000 – 15.000	7,019	7,225
Interest coverage ratio	1.3 times to 2.5 times	4.97 times	4.23 times
Surplus-to-revenue	0% to 1% (5 year average)	4.5%	2.8%



NOV. 28, 2019: Niagara Adapts, that formally launched Nov. 27 at the Film House at the FirstOntario Performing Arts Centre, was formed to seek innovative strategies that address how climate change is impacting the region.



SEPT. 19, 2019: Brock University is set to launch a new Master of Applied Gerontology program aimed at students wanting to work with Canada's aging population.



## Pension

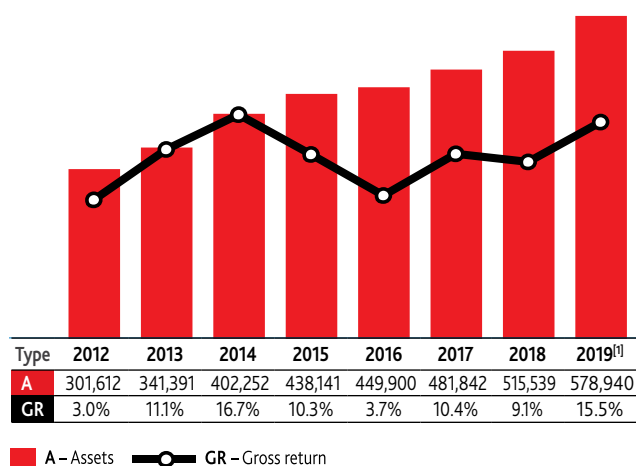
The actuarial valuation on the pension plan was last completed as at July 1, 2017, indicating the plan was 96 per cent funded on a going-concern basis (99 per cent as at July 2014) and 105 per cent on a solvency basis (105 per cent as at July 2014). The main contributor to the going concern deficit was a reduction in the pension plan discount rate of 5.45 per cent (6.0 per cent as at July 2014). The actuary sets the expected rates of returns based on industry best practices guided by the Canadian Institute of Actuaries. The University has no control or influence over these assumptions used by the actuary. The going concern deficit of \$17.88 million (\$3.56 million as at July 2014) increased the required special payments into the plan by \$1.53 million and the current service cost payments for the defined benefit component of the plan by \$0.44 million for a total increase in University contributions of \$1.97 million annually. Overall, employee annual contributions into the pension plan represent \$7.4 million and Brock's annual contributions represent \$16.0 million. Brock currently funds the pension at a 2.2:1.0 ratio employer to employee.

Administration performed a test valuation with Mercer (Plan Actuary) to consider the implications of performing an off cycle pension valuation early (July 1, 2019 rather than waiting until July 1, 2020). Prior to the last valuation in 2017, Mercer prepared two test valuations a year in advance of the required valuation. These test valuations informed the Board of an expected need to increase the planned budget for the upcoming year by \$2 million, which in hindsight accurately predicted the actual \$1.97 million increase in pension costs. Legislation has also changed since the last valuation, namely the requirement to amortize any deficit over 10 years rather than 15 years, as well as the establishment of a provision for adverse deviation (PfAD) added to the funding requirements. Two scenarios were modelled by Mercer. Scenario one was modelled under normal circumstances and suggests the going-concern deficit would be roughly \$5 million higher with special payments increasing by \$0.7 million for 2021-22 (the special payments would still be \$1.9 million in 2020-2021). Scenario two was modelled with the impact of market downturn of 10 to 15 per cent. In total market value of assets, then all else being equal, Mercer estimated the going-concern deficit would be roughly



Figure 19

Pension Plan as of June 30 pension year end (\$'000s)



[1] Represents the 12 month period ended Dec. 31, 2019.

\$35-\$55 million higher. In this scenario special payments would be roughly \$5.5 million – \$8.5 million higher starting in plan year 2021-22.

The Board of Trustees established a pension stabilization reserve following the last valuation which included \$1.6 million savings from budgeting an increase in pension payments a year earlier than required. This funding could be drawn on to smooth increases in pension obligations; however, as demonstrated by the analysis previously described, increases in pension funding requirements could exceed the resources in reserve depending on market outcomes.

The investment returns and investment balance for the last eight years are detailed in Figure 19. Additional information on the pension plan may be found at [t brocku.ca/about/university-financials/#auditedpension-statements](https://brocku.ca/about/university-financials/#auditedpension-statements)



OCT. 28, 2019: Brock University broke ground on a new 300-room residence building on its main campus. Below, pictured from left are: Graduate Students' Associate President Christopher Yendt; Brock University Students' Union President Bilal Khan; Senior Associate Vice-President, Operations and Infrastructure Scott Johnstone; Director of Residences Jamie Fleming; Board of Trustees Chair Gary Comerford and President Gervan Fearon. An artist rendering of Residence 8, which will be built beside the existing Alan Earp Residence and is scheduled to open in Summer 2021.





## Capital and related projects

University infrastructure investment is ongoing as we invest in new and current space and technology to support and improve the academic and research experience. Figure 20 illustrates the number of open capital and related projects. These projects include all 2019-20 projects as well as uncompleted prior year projects. Note: the majority of the 2019-20 projects were opened prior to May 1, 2019.

Figure 21 illustrates the activity to Dec. 31, 2019 with respect to the type and dollar amount of projects. The capital project budget is separated for Trimester 2 reporting purposes into Facilities Management (FM), Residence and Ancillary and Information Technology Services projects. Please note: all residence and ancillary projects were included as part of the FM capital budget in the 2019-20 Budget Report.

Figure 20: Status of Capital Projects as of Dec. 31, 2019

Type	Facilities Management	Residence and ancillary services	Information Technology Services
Open projects as of April 30, 2019	70	25	46
Projects opened to Dec. 31, 2019	3		7
Projects closed/completed to Dec. 31, 2019	(23)	(2)	(14)
<b>Remaining projects open Dec. 31, 2019</b>	<b>50</b>	<b>23</b>	<b>39</b>

Figure 21: Capital and related project summary (\$ thousands)

Project type	Revenue/funding <sup>[1]</sup>	Spending to Dec. 31, 2019	Remaining to spend	
Facilities Management (FM)	Above surface/sub surface utilities, drainage, roads, parking lots and sidewalks	1,365	(367)	998
	Adaptations/renovations and major renewal projects	2,477	(1,036)	1,441
	AODA* projects	315	(88)	227
	Audits and studies	398	(116)	282
	Buildings	1,133	(993)	140
	Energy conservation and demand management	989	(179)	810
	Major capital projects	28,080	(19,795)	8,285
	New construction and replacement (under \$1 million)	250	(232)	18
	Vehicles and wheeled equipment	323	(31)	292
	FM – surplus/(deficit)	572		572
	<b>Total Facilities Management projects</b>	<b>35,902</b>	<b>(22,837)</b>	<b>13,065</b>
Residence and ancillary	Above surface/sub surface utilities, drainage, roads, parking lots and sidewalks	5,809	(3,603)	2,206
	Adaptations/renovations and major renewal projects	14,278	(2,817)	11,461
	Buildings	83,358	(11,927)	71,431
	Residence and ancillary – surplus/(deficit)	344		344
	<b>Total residence and ancillary</b>	<b>103,789</b>	<b>(18,347)</b>	<b>85,442</b>
Information Technology Services (IT)	Enterprise software projects	7,185	(5,688)	1,497
	Hardware evergreening projects	1,736	(1,270)	466
	Hardware growth projects	515	(291)	224
	IT infrastructure projects	508	(13)	495
	ITS – surplus/(deficit)	26		26
	<b>Total Information Technology Services projects</b>	<b>9,970</b>	<b>(7,262)</b>	<b>2,708</b>
<b>Total capital and related projects</b>	<b>149,661</b>	<b>(48,446)</b>	<b>101,215</b>	

\* AODA – Accessibility for Ontarians with Disabilities.

[1] Funding revenue represents total expected funding and cash received. This amount is not reflective of all funding received to date.

## Trimester 2 and remaining year activity

Brock University uses trimester reporting to match financial reporting with the inherent timing of the operations of Brock. Figure 22 details the in-year activity and forecast on a funding basis for Trimester 2.

Figure 22: **Funding in-year activity and forecast** (\$ thousands)

Item		2018 to 19 Funding actual	2019 to 20 Funding budget	Activity from May 1 to Dec. 31	Forecast for Jan. 1 to April 30	2019 to 20 Funding Forecast at Dec. 31
Revenue	Student fees	178,067	181,566	183,157	2,703	185,860
	Grant revenue	97,927	97,936	58,754	39,189	97,943
	Internal chargebacks	10,055	8,528	5,674	2,892	8,566
	Inter-fund revenue	6,712	4,924	1,035	3,792	4,827
	Other revenue	51,333	51,492	39,888	11,215	51,103
	Total revenues	344,094	344,446	288,508	59,791	348,299
Operating costs	Personnel costs	(212,647)	(229,302)	(140,421)	(82,259)	(222,680)
	Inter-fund expenses	(29,950)	(24,581)	(16,090)	(7,294)	(23,384)
	Other operating costs	(94,993)	(95,288)	(63,564)	(33,493)	(97,057)
	Total operating costs	(337,590)	(349,171)	(220,075)	(123,046)	(343,121)
Mitigation target– identified savings			1,476			
Mitigation target – required from in-year savings			3,249			
Funding surplus/(deficit) before discretionary appropriations		6,504	-	68,433	(63,255)	5,178
Discretionary appropriations		(6,475)				
Funding surplus/(deficit) after discretionary appropriations		29	-	68,433	(63,255)	5,178

## Funding forecast presented in accordance with NFPS

Throughout this report financial information has been reported on a funding basis (sometimes referred to as committed cash basis). Figures 23 and 24 detail the entries and reclassifications required to convert the funding budget to be in accordance with the Canadian accounting standards for not-for-profit organizations (NFPS).

Please refer to page 90 and 91 of the 2019-20 Budget Report for detailed explanations of all the adjustments, reclassifications and eliminations. Overall these adjustments, reclassifications and eliminations for the 2019-20 forecast were consistently applied with those of the

2019-20 budget. The following details the changes made to each adjustment (see Figure 24): #1 was updated to the 2019-20 forecast for the Facilities Renewal Program funds; the funding to and from reserve adjustments in #2 and #9 were updated to the 2019-20 forecast; forecasts were updated for amortization in #3 and endowment and trust spending in #5; research spending was updated in #4 to include 2018-19 actuals as part of the three-year average and also the adjustment was split between personnel and operating costs; the forecast for capital and non-capital spending was updated in #7 and #8; and the estimate for the post-retirement benefits was updated based on 2018-19 actuals in #11. All remaining adjustments were consistent with the budget.

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Figure 23: Reconciliation of NFPS forecast (\$ thousands)

Item	2019 to 20 NFPS budget	2019 to 20 Funding forecast	NFPS adjustments	Notes	Reclass of inter-fund transfers	Eliminate Internal chargebacks	2019 to 20 NFPS forecast
Revenue	Student fees	181,566	185,860				185,860
	Grant revenue	96,175	97,943	(1,465)	1		96,478
	Internal Chargebacks		8,566			(8,566)	
	Inter-fund revenue		4,827	(1,168)	2	(3,659)	
	Research revenue	11,261		12,359	4		12,359
	Other revenue	64,266	51,103	8,843	3,5	3,659	63,605
	Total revenue	353,268	348,299	18,569		-	(8,566)
Personnel costs	(231,042)	(222,680)	(3,463)	4,8,11,12			(226,143)
Inter-fund expenses		(23,384)	16,580	9-10	6,804		
Operating costs	(122,567)	(97,057)	(26,820)	3-7	(6,804)	8,566	(122,115)
Total costs	(353,609)	(343,121)	(13,703)		-	8,566	(348,258)
Funding surplus/ (deficit)	(341)	5,178	4,866		-	-	10,044

Figure 24: Adjustments

Note	Reconciliation of NFPS adjustments (\$ thousands)
1	Capital grants (1,465)
2	Funding from reserves (1,168)
3	Amortization of deferred capital contributions 8,056
4	Research, including fellowships 12,359
5	Endowment & trust spending 787
	<b>Total revenue adjustments 18,569</b>
3	Amortization of capital assets (20,893)
4	Research, including fellowships (personnel) (3,473)
4	Research, including fellowships (operating costs) (8,886)
5	Endowment & trust spending (787)
6	Principal payments 1,967
7	Capital purchases made in operating (operating costs) 1,779
8	Non-capital purchases in capital and infrastructure project reserves (personnel) (1,330)
9	Funding of capital and reserves 16,248
10	Sinking fund 332
11	Post-retirement benefits (610)
12	Pension 1,950
	<b>Total costs adjustments (13,703)</b>

## Reserves and strategic funds

Figure 25 outlines reserves that have been established for research, faculty professional development and strategic initiatives with internal funding. In total, Brock has \$17.5 million in research, professional development and strategic initiative support dollars for faculty and other units, including the President, Provost and Vice-President, Academic and Vice-President, Research as at Dec. 31, 2019.

Figure 25: Balances by Faculty as of Dec. 31, 2019 (\$ thousands)

Type	Operating project accounts	Research funds with no external obligations	Start-up funds	PER and accountable allowance accounts	Strategic Fund <sup>(1)</sup>	Total
Faculty of Applied Health Sciences	295	974	545	484	629	2,927
Goodman School of Business	711	32		581	642	1,966
Faculty of Education	98	94	20	379	196	787
Faculty of Humanities	199	73	17	391	168	848
Faculty of Mathematics and Science	501	336	177	619	770	2,403
Faculty of Social Sciences	462	745	621	892	991	3,711
Library		1		46		47
Other Units	559	65		128	4,135	4,887
<b>Total</b>	<b>2,825</b>	<b>2,320</b>	<b>1,380</b>	<b>3,520</b>	<b>7,531</b>	<b>17,576</b>

(1) Allocated through the Revenue and Expense Allocation model.

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# Appendix 1

## Multi-year financial results on a funding basis

Figure 26 (\$ thousands)

Item		2019 to 20 Forecast	2019 to 20 Budget	2018 to 19 Actual	2017 to 18 Actual	2016 to 17 Actual
Revenue	Student fees	185,860	181,566	178,067	167,446	158,341
	Grant revenue	97,943	97,936	97,927	97,371	95,009
	Internal chargebacks	8,566	8,528	10,055	9,426	9,703
	Inter-fund revenue	4,827	4,924	6,712	3,239	4,859
	Other revenue	51,103	51,492	51,333	48,600	46,182
	<b>Total revenue</b>	<b>348,299</b>	<b>344,446</b>	<b>344,094</b>	<b>326,082</b>	<b>314,094</b>
Operating costs	Personnel costs	(222,680)	(229,302)	(212,647)	(205,233)	(196,994)
	Inter-fund expenses	(23,384)	(24,581)	(29,950)	(23,288)	(20,965)
	Other operating costs	(97,057)	(95,288)	(94,993)	(92,419)	(90,611)
	<b>Total operating costs</b>	<b>(343,121)</b>	<b>(349,171)</b>	<b>(337,590)</b>	<b>(320,940)</b>	<b>(308,570)</b>
Mitigation target – identified savings			1,476			
Mitigation target – required from in-year savings			3,249			
Funding surplus/(deficit) before discretionary appropriations		5,178	-	6,504	5,142	5,524
Discretionary appropriations				(6,475)	(5,132)	(5,500)
Funding surplus/(deficit) after discretionary appropriations		5,178	-	29	10	24

DECEMBER 03, 2019: Adjunct Professor of Biological Sciences Sudarsana Poojari and Professor of Biochemistry Debbie Inglis work with some of the new equipment being used as part of Brock University's new Cannabis Research and Development license from Health Canada.





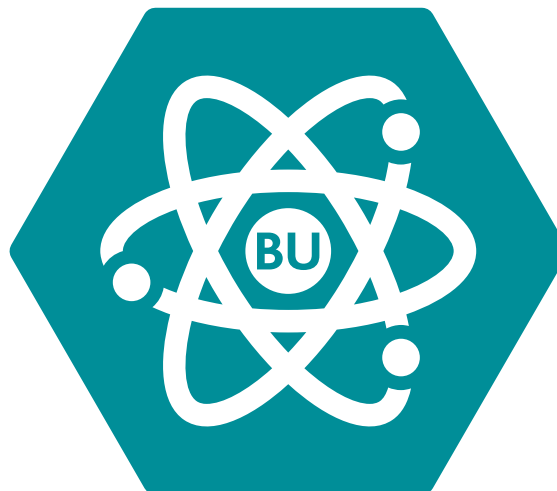


More than 550 Brock students took part in the annual Grape Stomp in Jubilee Court on Friday, Sept. 20, 2019.

## Institutional Strategic Priorities



Student Experience



Research



Community Engagement



Inclusivity

# Expanded descriptions

## Cover

The dominantly maroon cover includes a page turning revealing part of a Canadian flag. The cover illustrates that Brock is turning over an new leaf or page in Brock's history and symbolizes that Brock is making many changes for the betterment of the University. Brock is moving forward by following the guidelines set out by last year's newly instated Institutional Strategic Priorities. The Canadian flag defines that Brock is a strong Canadian University as it is leaving its mark globally in many ways but currently by approving the use of its land for the future Canada Games.

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## Page 7

A bar graph in percentages and millions of dollars as follows:

2019 to 20 Forecast for Spring/Summer 12.1% totalling 18.9 million. Fall/Winter 87.9%, totalling 136.9 million.

2018 to 19 Actual for Spring/Summer 11.3% totalling 17.2, Fall/Winter 88.7%, totalling 134.4 million.

2017 to 18 Actual for Spring/Summer 12.1% totalling 17.1. Fall/Winter 87.9%, totalling 124.6 million.

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**Figure 13**

Fund	May	June	July	August	September	October	November	December	January	February	March	April
Actual 2018-19 operating fund	151,514	297,793	426,432	551,991	697,779	889,387	1092,170	1,262,581	1,496,720	1,730,850	1,964,980	2,199,120
Actual 2018-19 sinking fund	153,396	269,120	350,962	489,738	376,496	62,360	154,437	69,523	267,482	545,556	845,616	1,136,216
Actual 2019-20 operating fund	161,852	333,471	488,845	644,909	787,026	10,604,487	1,329,916	1,555,090				
Actual 2019-20 sinking fund	135,253	96,416	148,679	225,721	302,133	330,337	679,326	709,170				

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**Figure 14**

Fund	May	June	July	August	September	October	November	December	January	February	March	April
2014-15 fiscal year	43,757	54,025	53,693	81,086	129,268	115,695	102,837	89,961	102,316	95,271	85,302	78,268
2015-16 fiscal year	72,774	62,106	63,603	69,817	124,767	115,679	100,731	96,676	113,580	103,851	94,652	88,826
2016-17 fiscal year	84,841	66,277	64,578	68,229	119,676	107,480	91,734	85,662	109,919	101,477	99,373	95,064
2017-18 fiscal year	89,072	75,281	73,885	89,642	139,384	133,683	116,942	101,170	127,218	113,489	103,644	99,715
2018-19 fiscal year	94,863	80,893	72,571	96,465	148,908	132,367	116,803	107,348	135,515	125,271	113,036	106,722
2019-20 fiscal year	102,187	90,951	88,424	109,361	153,170	136,275	120,828	113,697				

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