

# ANNUAL REPORT 2014-15



Including financial statements

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This report contains certain forward-looking information. In preparing the 2014-15 Annual Report, certain assumptions and estimates were necessary. They are based on information available to management at the time of preparing the budget. Users are cautioned that actual results may vary.

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

## President's message

Jack Lightstone,  
President and Vice-Chancellor,  
Brock University



Brock marked its 50th anniversary in 2014-15 with events that put us on a national stage but also strengthened bonds with our Niagara community.

In June 2014, Brock hosted the country's largest annual academic meeting as more than 8,500 participants came from across Canada and around the world for the Congress of the Humanities and Social Sciences. Over a week of glorious weather, delegates enjoyed Brock's escarpment setting while attending hundreds of workshops and listening to some of the country's best thinkers.

A few days later, Brock passed a different kind of milestone at Spring Convocation. We have now graduated more than 85,000 alumni in the University's history.

September launched an academic year of unprecedented demand for a Brock education, when we experienced record enrolment of more than 18,800 full- and part-time students.

September was also a crescendo for our 50th birthday party. More than 1,000 alumni and friends came back for Homecoming Weekend, which included the very successful Red Dinner out on the "front lawn." I was personally pleased when we were joined that weekend by former Brock presidents Alan Earp, Terry White and David Atkinson.

In January 2015, Brock was saddened by the death of David Howes, just weeks before the completion of a beautiful Sir Isaac Brock sculpture that he had commissioned for the University. When the artwork reached campus in March, borne on a large truck, it met an emotional reception from more than 1,000 students, faculty and staff.

In April, the year ended on a high note when the Ontario budget committed \$10 million to expand and update the home of Brock's Goodman School of Business, the provincial budget's only capital funding for any Ontario university.

## Financial Results

The following table illustrates the financial results of the University compared to budget and prior year actual. The information is presented on a funding basis which represents committed cash and in accordance with the audited financial statements prepared in accordance with accounting standards for not-for-profits (NFPS). A reconciliation of the two presentations can be found starting on [page 20](#). Commentary on the financial results found on [page 26](#).

(\$000s)	Funding 2014-15 Actual	Funding 2014-15 Budget	NFPS 2014-15 Actual	NFPS 2014-15 Budget	Funding 2013-14 Actual	NFPS 2013-14 Actual
Revenue						
Student fees	145,946	146,224	145,946	146,224	135,646	135,142
Grant revenue	94,594	95,535	93,701	94,962	95,324	94,750
Internal chargebacks	7,111	6,097	-	-	4,665	-
Other revenue	51,134	45,484	73,086	66,577	48,285	69,385
<b>Total revenues</b>	<b>298,785</b>	<b>293,340</b>	<b>312,733</b>	<b>307,763</b>	<b>283,920</b>	<b>299,277</b>
Operating costs						
Personnel costs	(193,865)	(197,185)	(193,041)	(196,991)	(195,160)	(193,048)
Other operating costs	(97,406)	(99,376)	(102,817)	(113,345)	(89,525)	(105,247)
<b>Total operating costs</b>	<b>(291,271)</b>	<b>(296,561)</b>	<b>(295,858)</b>	<b>(310,336)</b>	<b>(284,685)</b>	<b>(298,295)</b>
Mitigation target		3,221		3,221		
<b>Funding surplus (deficit)</b>	<b>7,514</b>	<b>-</b>	<b>16,875</b>	<b>648</b>	<b>(765)</b>	<b>982</b>

## Statement of operations metrics

The following metrics were developed to identify areas of strength as well as improvement. They detail key operating metrics on a per-student headcount basis of Brock versus the median and weighted-average of the 15 other Canadian comprehensive universities.

Dollars	Brock April 2015	Brock April 2014 <sup>1</sup>	Median <sup>2</sup> April 2014	Weighted average <sup>2</sup> April 2014
Student fees (primarily tuition)	7,753	7,231	8,320	7,080
Grant revenue	5,909	5,924	9,620	10,870
Personnel costs	10,255	10,330	12,430	12,110
Interest on long-term debt	398	388	300	270
Investment income	93	88	550	560

(1) 2014 figures have been adjusted as a result of Statement of Operations reclassifications.

(2) Calculated using financial information from 15 other Comprehensive Universities.

A few observations: Brock is slightly below median on student fees, which is mainly the result of lower ancillary fees; the grant revenue per-student metric dispels the commonly held assumption that all students are funded on an equal basis; although Brock has the lowest personnel costs per-student, it does not specifically speak to any one reason (i.e. productivity, employee levels, etc.); and the interest and investment income metrics are in line with the following financial health metrics.

## Financial health metrics

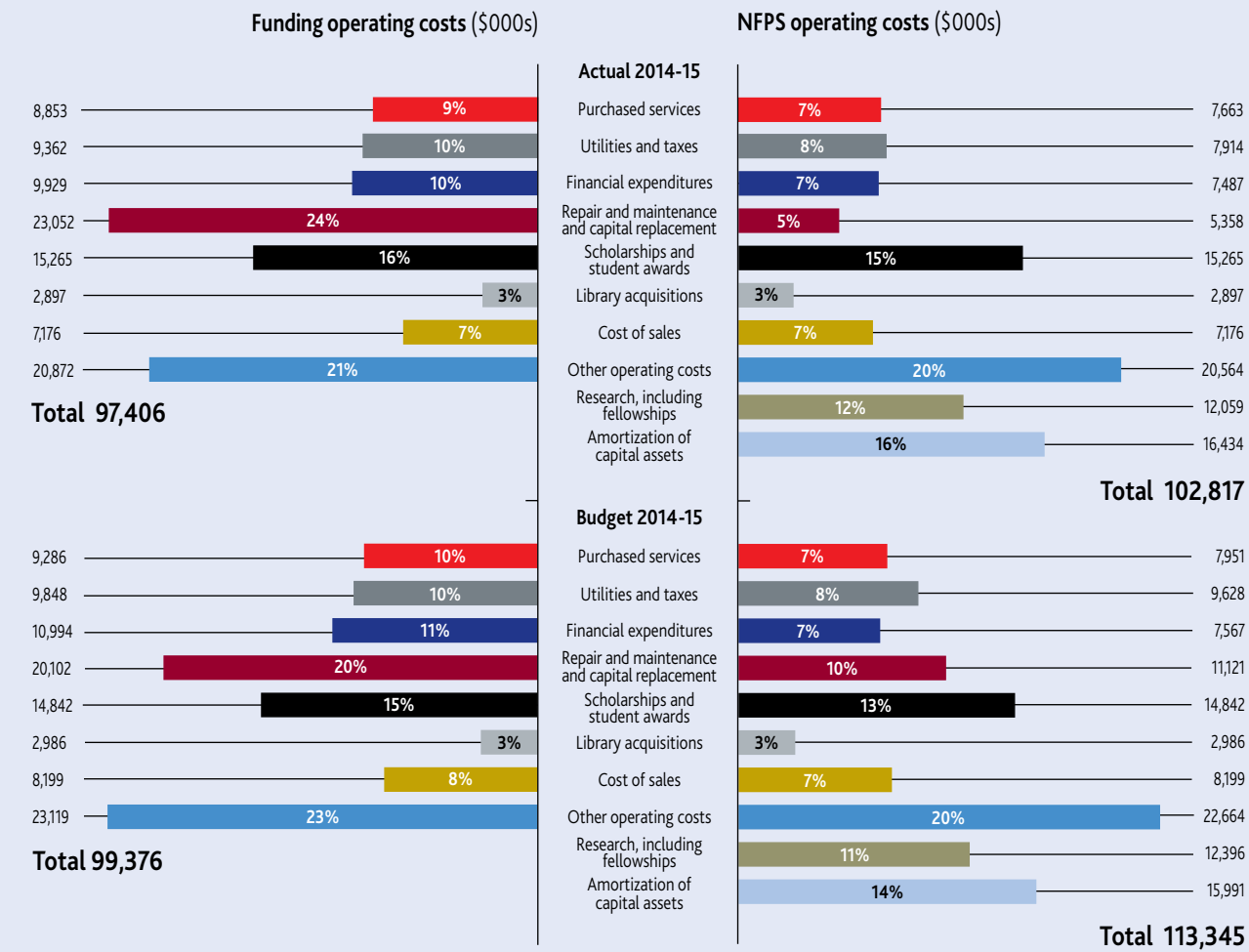
	Brock April 2015	Brock April 2014 <sup>1</sup>	Median <sup>2</sup> April 2014	Weighted average <sup>2</sup> April 2014
Primary reserve ratio	10.7%	3.4%	31.6%	35.3%
Debt burden ratio	3.2%	3.6%~	2.3%	3.4%
Interest burden %	2.7%	2.5%	1.9%	1.5%
Interest coverage	4.55	2.40	7.53	6.43
Viability ratio	19.8%	7.0%	111.5%	109.3%

(1) 2014 figures have been adjusted as a result of NFPS accounting adjustment for the presentation of changes in employee future benefit liabilities.

(2) Calculated using financial information from 15 other Comprehensive Universities.

~ 2014 figure was impacted by the one-time repayment of the commercial plaza mortgage.

Refer to [page 27](#) for explanations of the financial health metrics.



## Personnel costs by group

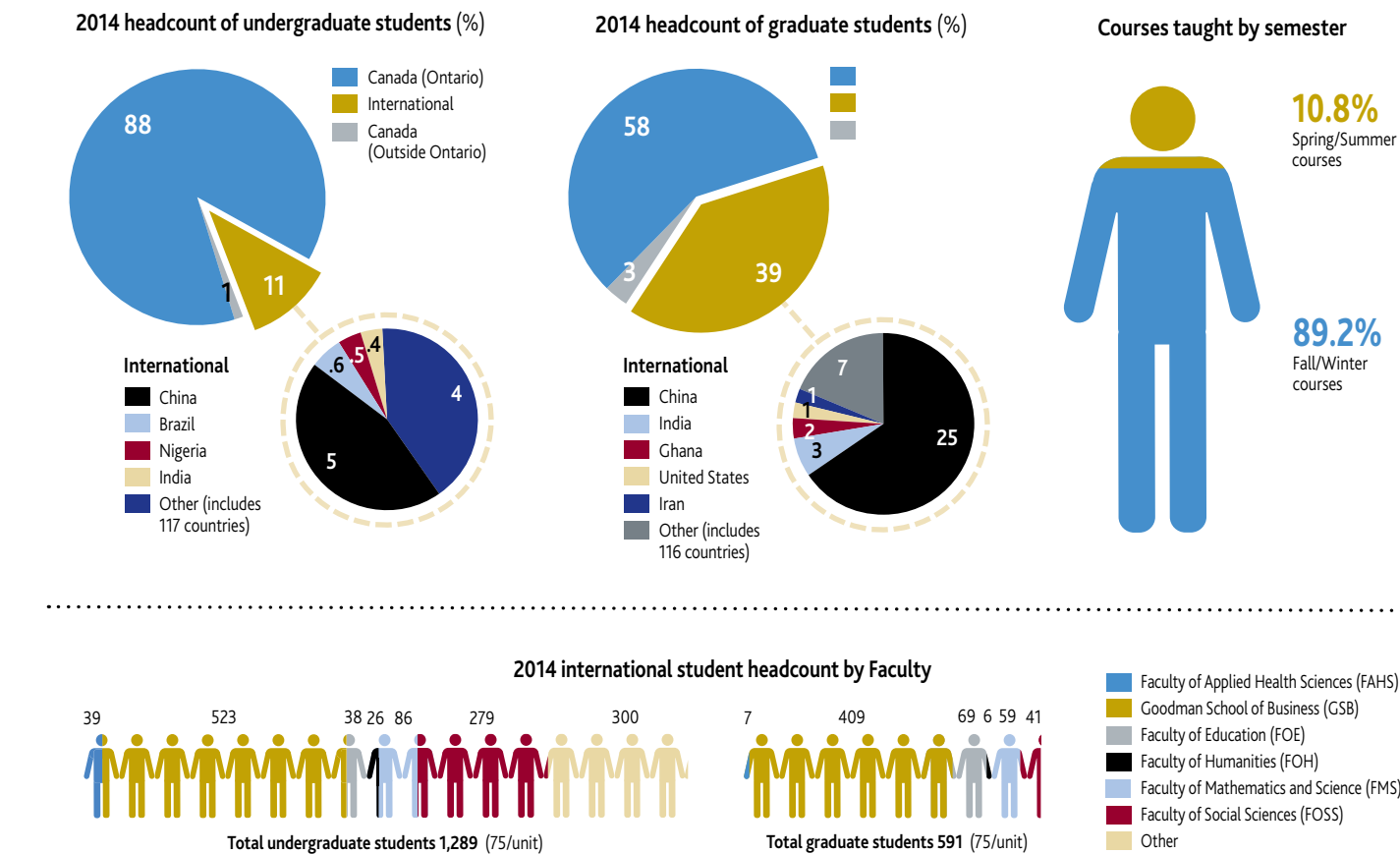
Personnel group¹ (\$000s)	Actual 2014-15 salary/wage	Actual 2014-15 benefits	Actual 2014-15 total personnel costs	Budget 2014-15 salary/wage	Budget 2014-15 benefits	Budget 2014-15 total personnel costs
<b>Funding Basis</b>						
Faculty and professional librarians	80,286	16,598	96,884	78,498	17,445	95,943
Admin/professional	35,998	8,631	44,629	36,801	9,163	45,964
CUPE 4207 – Unit 1	11,454	1,682	13,136	12,337	1,729	14,066
OSSTF	8,453	2,363	10,816	8,444	2,428	10,872
CUPE 1295 FT	6,354	1,956	8,310	6,339	1,981	8,320
SAC	3,947	771	4,718	4,006	863	4,869
Other	13,660	1,712	15,372	14,632	2,519	17,151
<b>Total – funding basis</b>	<b>160,152</b>	<b>33,713</b>	<b>193,865</b>	<b>161,057</b>	<b>36,128</b>	<b>197,185</b>
<b>Adjustments to NFPS</b>						
(See page 21 for discussion of adjustments)						
Employee future benefits adjustment²		376	376		(194)	(194)
Reserve transfer adjustment³		(1,200)	(1,200)			
<b>Total – NFPS basis</b>	<b>160,152</b>	<b>32,889</b>	<b>193,041</b>	<b>161,057</b>	<b>35,934</b>	<b>196,991</b>

(1) Faculty and Professional Librarians – BUFA members, Professional Librarians, Associate Deans, Associate Vice-Presidents of Research and Associate Librarian; 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, stipend transfers and vacation reduction.

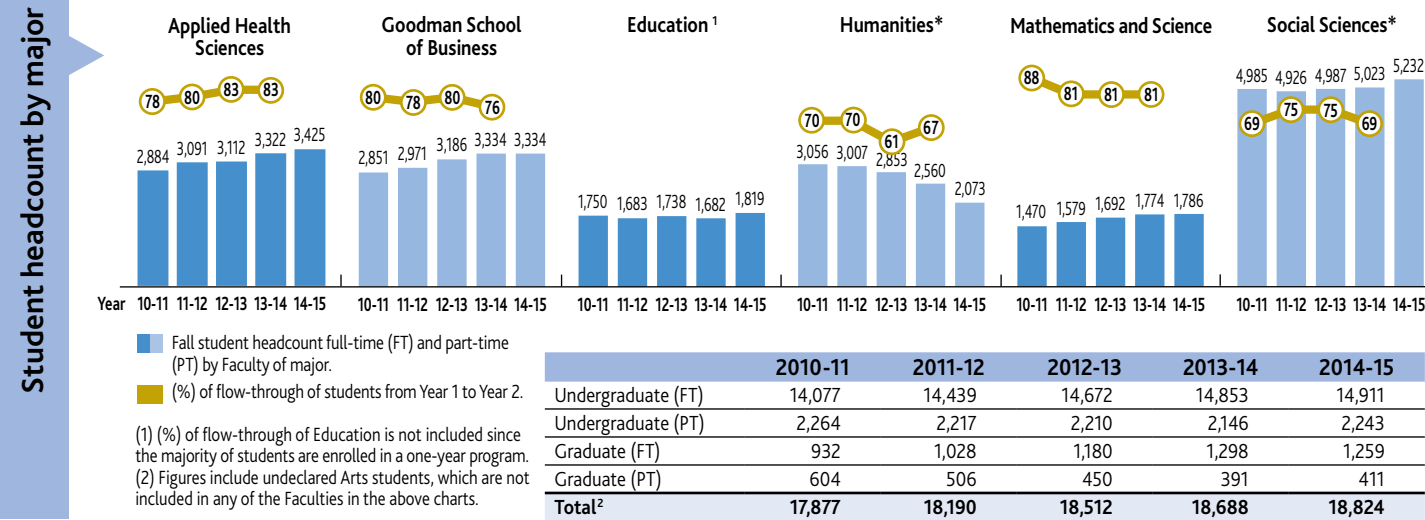
(2) The employee future benefits adjustment for actual 2014-15 of \$376,000 is the difference between payments made for employee future benefits and the net change in the obligation. The reserve transfer adjustment for actual 2014-15 of \$1,200,000 represents the \$900,000 reserve transfer to pay the employee future benefit liability, and \$300,000 transfer to the capital and infrastructure project reserve. The employee future benefits adjustment for budget 2014-15 actually nets two adjustments – \$1,106,000 offset by \$1,300,000. Refer to page 12 of the 2014-15 budget report for detailed descriptions of these adjustments.

Refer to **page 17** for commentary on the funding actual results and **page 26** for commentary on the NFPS actual results.

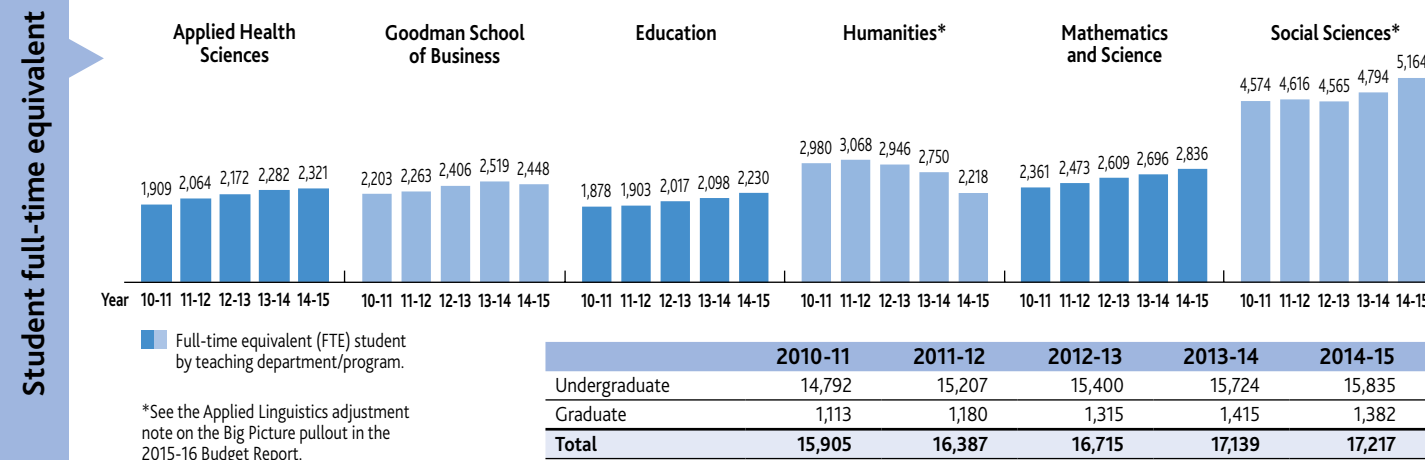
(Pullout 1: opens to left page 3)



## Student headcount by major



## Student full-time equivalent



\*See the Applied Linguistics adjustment note on the Big Picture pullout in the 2015-16 Budget Report.

(Pullout 1: opens to left page 4)

**90%** of Brock undergraduate students were employed within six months of graduation.

Source: MTCU Undergraduate 2011 Employment Survey.

**93%** of Brock undergraduate students were employed within two years of graduation.

Source: MTCU Undergraduate 2011 Employment Survey.

**84%** of fourth-year Brock undergraduate students rated the quality of their overall experience at Brock as very good or excellent (vs Ontario average of 77 per cent)

Source: 2014 National Survey of Student Engagement.

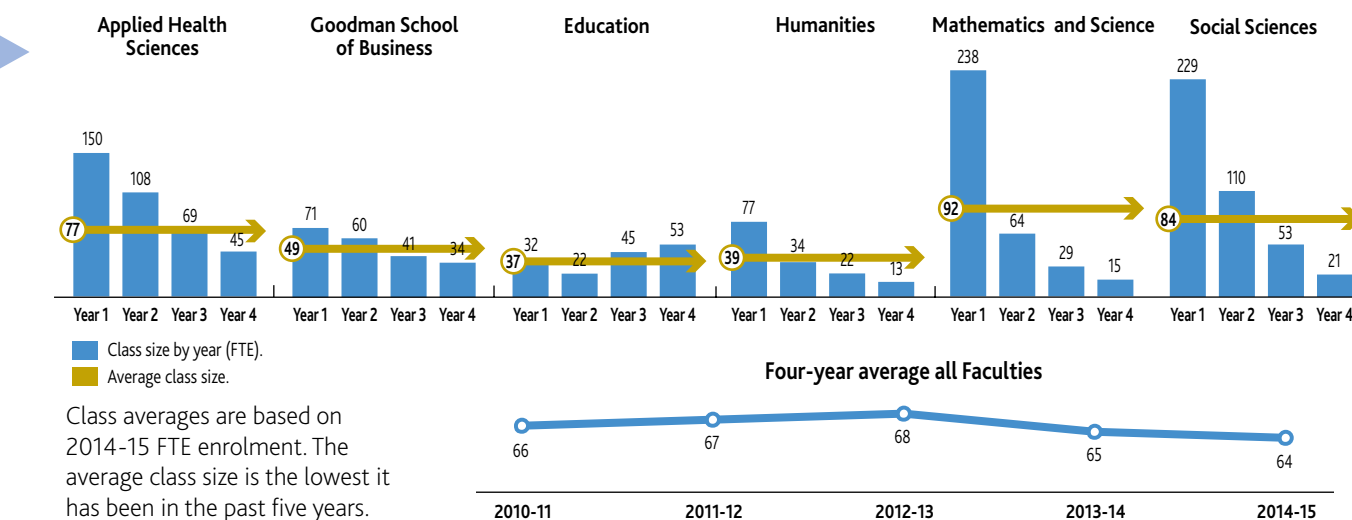
**58%** of Brock graduate students rated the quality of their overall experience at Brock as very good or excellent (vs Ontario average of 58 per cent)

Source: 2013 Canadian Graduate and Professional Student Survey

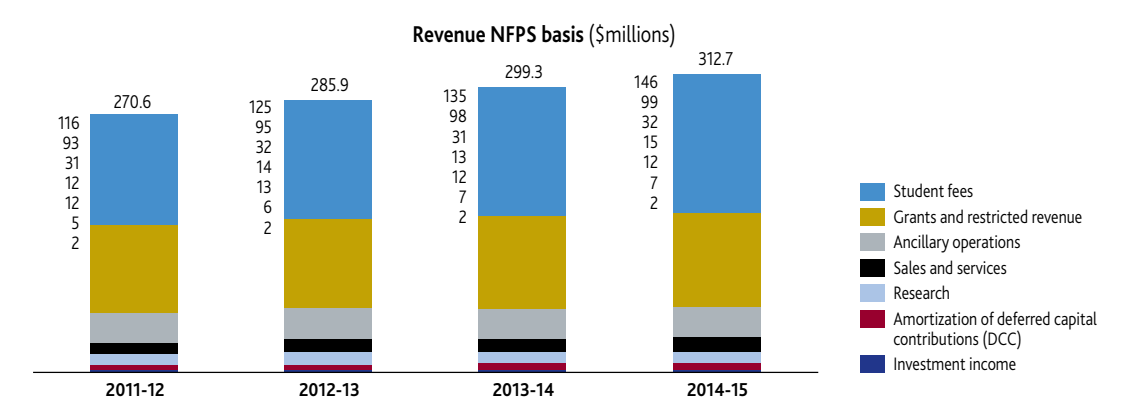
## Students that received OSAP in 2014-15

**Yes: 54%** **No: 46%**

## Class size

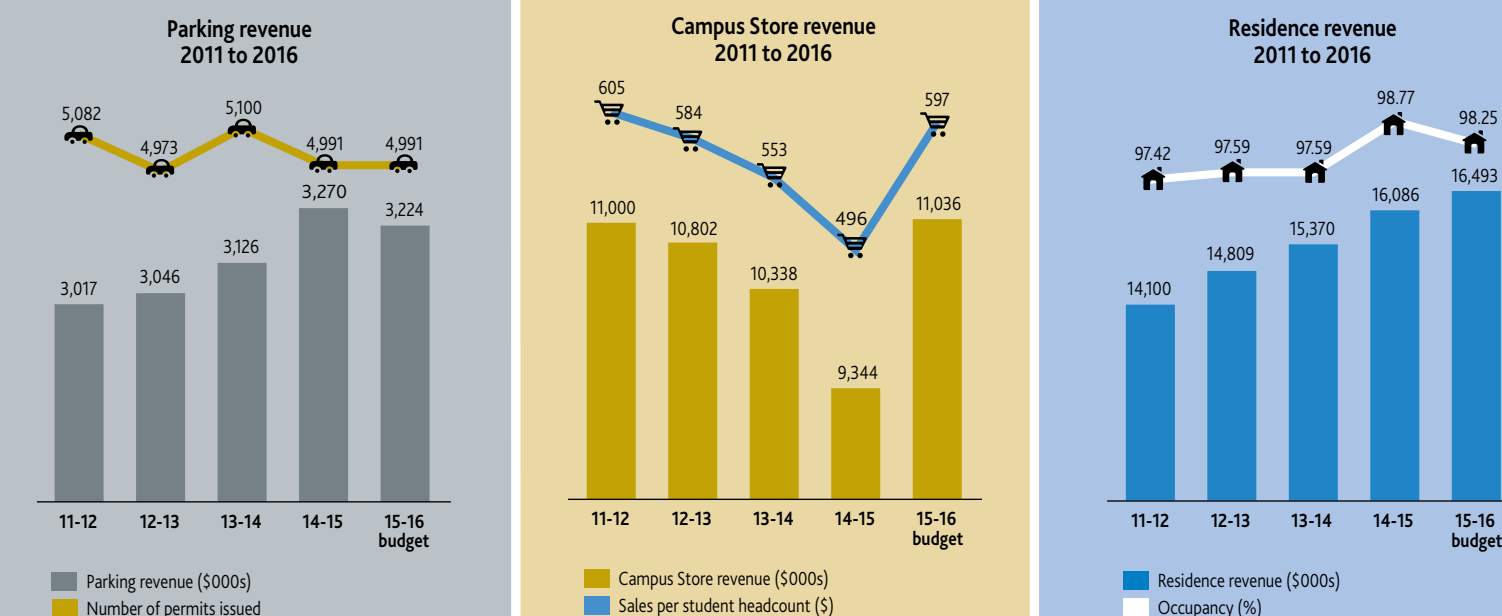


## Revenue breakdown

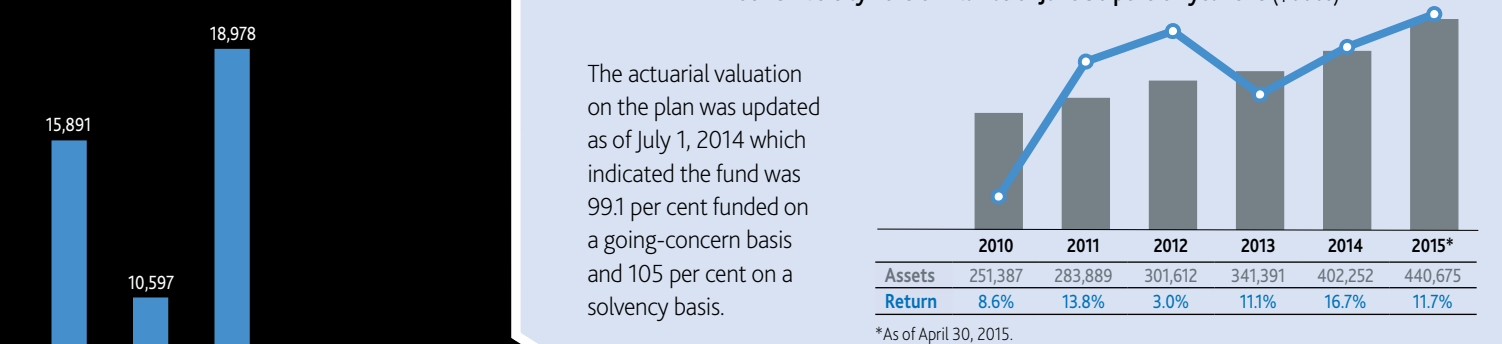


Note: The figures were obtained from the audited financial statements of Brock University, which were prepared in accordance with Canadian accounting standards for not-for-profit organizations.

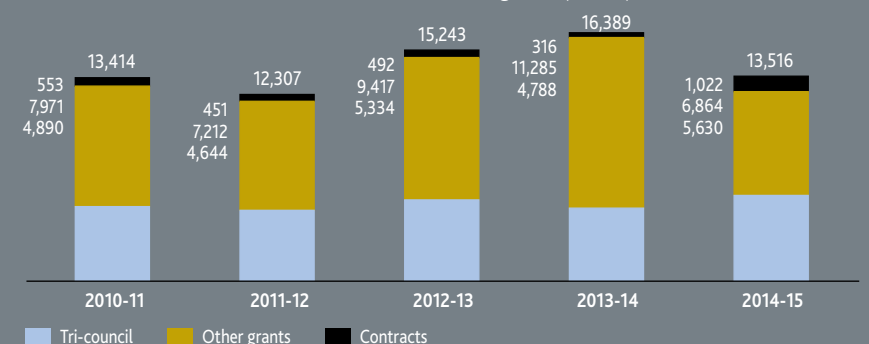
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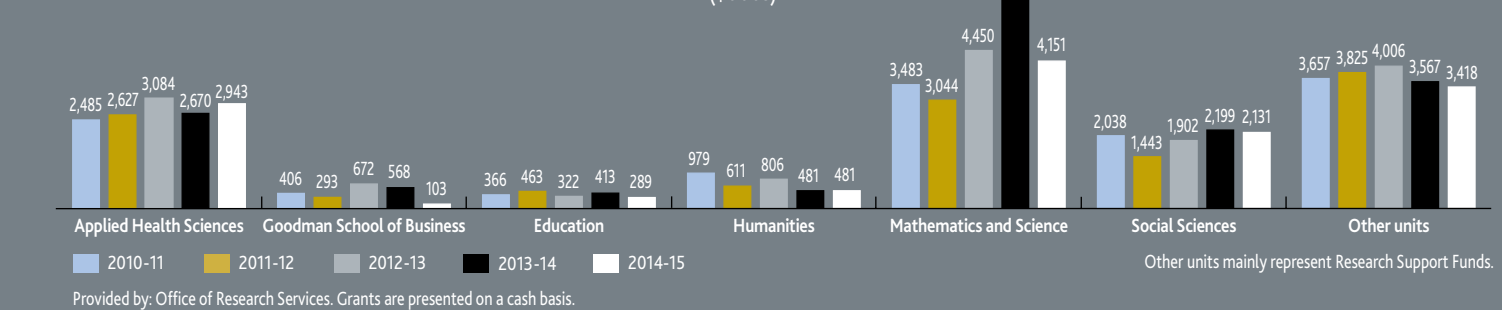
## Donations 2010 to 2015 (\$000s)



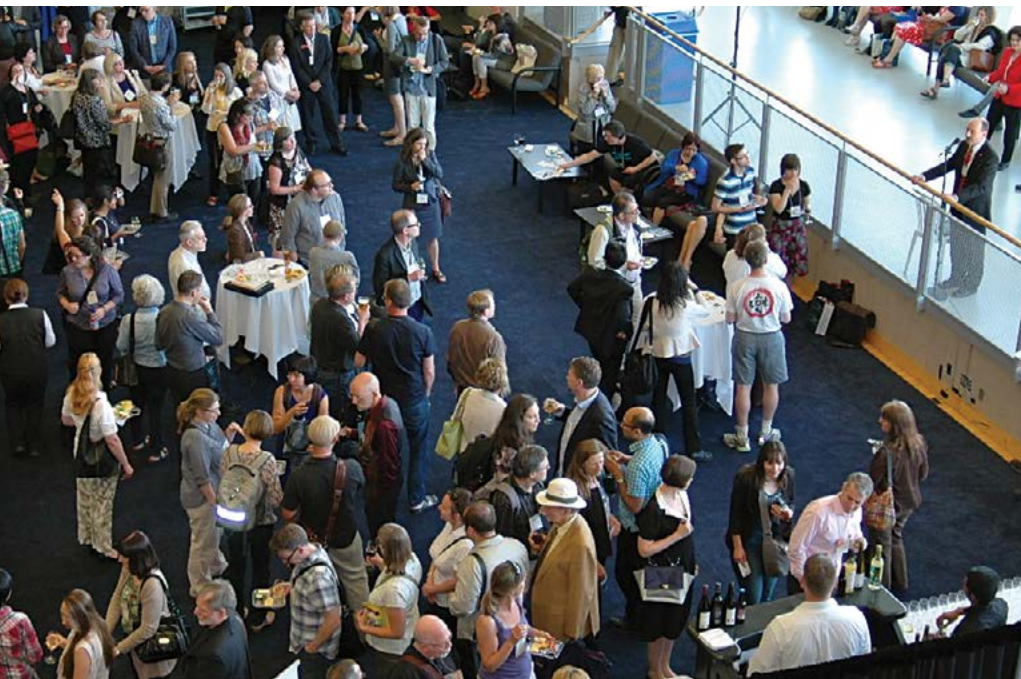
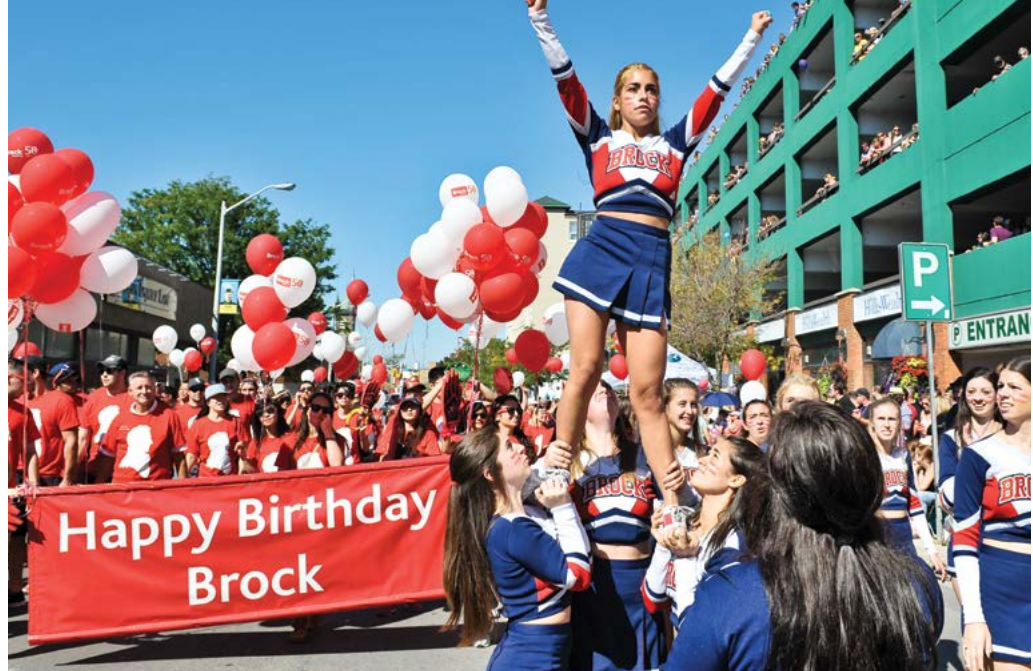
## 2010-15 external research grants (\$000s)



## 2010-15 external research grants by Faculty (\$000s)



(Pullout 1: opens to right page 6)



# Message from the Chair

John Suk, Chair of the Board,  
Brock University



Brock University celebrated its 50th year in 2014 and looks forward to the next 50 with high expectations and optimism. Brock continues to evolve in the areas of teaching, research and scholarship, and the Board of Trustees is committed to supporting the University through good governance, fiduciary oversight and planning. Following are some highlights from 2014-15.

**Governance:** We approved changes to the size and composition of the Board in order to be more responsive and accountable. To this end we have reduced the number of Board members from 32 to 26, changed representation from the student body to be the respective presidents of the Student associations, added the president of the Alumni Association, and established a new Human Resources Committee to put greater focus on HR Strategy and the importance of culture. These changes will be phased in over the next three years.

We also held a first-ever reunion of a large set of Board Alumni and made enhancements to the communications and participation of past Board members and to the Board Trustee Emeriti program.

**Planning:** A key priority of the Board has been long-term planning. This year the University started developing a strategic enrolment plan and an update to the long-term campus plans. The Board has also had a role in the President's Five

Point Action Plan to optimize all efforts for maintaining our enrolment in the face of demographic pressure.

These plans will support recent initiatives to strengthen long-term financial, cash flow and capital planning. In addition, we continue to support Senate's Academic review process, which follows a program review of non-academic departments.

**Investing:** The approved 2015-16 budget supports many initiatives that invest in Brock, including 12 per cent of tuition being invested in our students through scholarships, bursaries and student awards, as well as an investment of more than \$6 million to improve facility conditions through deferred maintenance.

2014-15 saw the completion of the Marilyn I. Walker School of Fine and Performing Arts on time and within budget – we thank management for their diligent oversight of this project – and the dedication of the Sir Isaac Brock statue, a gift from the late Dr. David Howes and an important symbol for generations to come that adds greatly to the campus. We also approved plans for the Goodman School of Business building to support the student learning environment and approved a debt reduction and employee future benefit funding strategy to support the long-term financial sustainability of the University.

**Monitoring:** Enhancements were made to financial and related capital reporting, included the expanded budget report, the introduction of which is a testament to the enhancements made in this regard. This year significant discussions on metrics also continued and we look forward to working with the Senate on the task recently undertaken to establish overall academic organizational metrics.

**Financial outcomes:** The 2014-15 budget was passed with a mitigation measure of \$3.2 million required to balance the funding budget – we are pleased to see that the University met and surpassed that goal. A mitigation measure of \$3.9 million has been set for fiscal 2015-16 and we continue to support the University in achieving this goal. To ensure the long-term fiscal health of the University, this year the Board approved a motion requiring balanced or better operational budgets for the foreseeable future.

**Succession planning:** The University is seeking a new President and Vice-Chancellor to succeed Dr. Lightstone at the end of his term on June 30, 2016. The search committee has begun its work and used an exhaustive consultation process to guide its deliberations.

In summary, 2014-15 was a very positive year, with positive outcomes on many of our initiatives. The Board looks forward to the upcoming year and the continued success of Brock University.

# Messages from the leadership at Brock



Neil McCartney, Provost and Vice-President, Academic

## By Neil McCartney

2014-15 was another excellent year for Brock's academic endeavors. More than 3,400 undergraduates and 700 graduate students received degrees, and there were 173 certificates awarded in the Spring and Fall Convocations. New programs approved by the Ministry of Training, Colleges and Universities included the Master of Sustainability, and Master of Sustainability, Co-op, the BA in Game Design and the BSc in Game Programming. The latter two programs will be offered for the first time in September 2016, in partnership with Niagara College. The Dual Degree Business Administration program offered in the Goodman School of Business has been expanded to include Dublin City University and NEOMA Business School of France in addition to the European Business School in Germany. Several additional exciting programs are in various stages of internal assessment, or are being reviewed by the Quality Council.

## By Gary Libben

This year marked the beginning of our implementation of Vision 2020 – The Brock Research Plan and we are well on the road to being recognized as



Gary Libben, Vice-President, Research

one of Canada's most innovative comprehensive universities. In 2014, Research InfoSource ranked Brock among the Top 10 Canadian Universities by Growth. Our new Cairns Family Health and Bioscience Research Complex is now in full operation and we have taken great strides in the development of transdisciplinary research. In line with our Vision 2020 Research Plan, we have almost doubled the number of Post-Doctoral Fellows at Brock. We substantially increased our levels of research funding in 2014 and we have seen a substantial increase in the impact of our research. Brock researchers are highly cited authors who continue to find new ways to advance knowledge and to benefit their communities.

## By Brian Hutchings

In 2014-15 Brock set its trajectory fiscally, structurally and administratively. It completed plans to address future fiscal liabilities, infrastructure needs and campus planning, including a long-term cash flow forecast, capital plan and information technology implementation.



Brian Hutchings, Vice-President, Finance and Administration

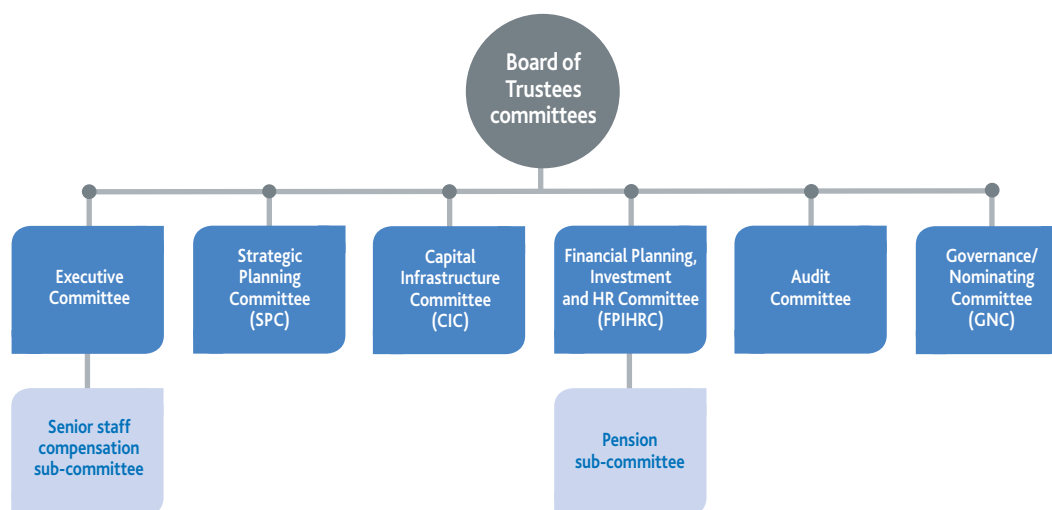
The Dominion Bond Rating Service continued to rate Brock "A stable," with a positive outlook.

In May 2015, the Board of Trustees approved a balanced 2015-16 budget.

In March, financial commitments by the Brock University Students' Union and an anonymous donor meant an artificial turf field with lighting would be installed beside the Walker Complex. In April, after the Ontario government pledged \$10 million toward expanding and renovating the Goodman School of Business, the Brock Board of Trustees voted to proceed with a \$24 million retrofit on the facility.

Construction of the Marilyn I. Walker School of Fine and Performing Arts was completed on time and on budget, and Brock took possession on May 15. A new 86-bed residence is nearing completion and will be open for renting to upper-year students for Fall term.

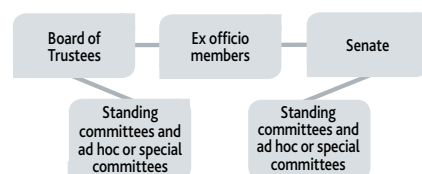
In summary, Brock is on the right path, financially and administratively. There are a few challenges to be resolved, but the University's established plans will allow it to achieve its targets.



## Governance at Brock University

The University was incorporated in 1964 through The Brock University Act (the Act), a Statute of the Province of Ontario. The University is governed by the Act and its bylaws (the Bylaws). The Act provides that except as otherwise specifically assigned to the Senate, the government, conduct, management and control of the University's property and the conduct of its business and affairs is vested in the Board of Trustees (the Board). The Senate is responsible for the education policy of the University. This bicameral system of governance, consisting of two governing bodies – the Board and the Senate – is shown below.

### The bicameral system of governance

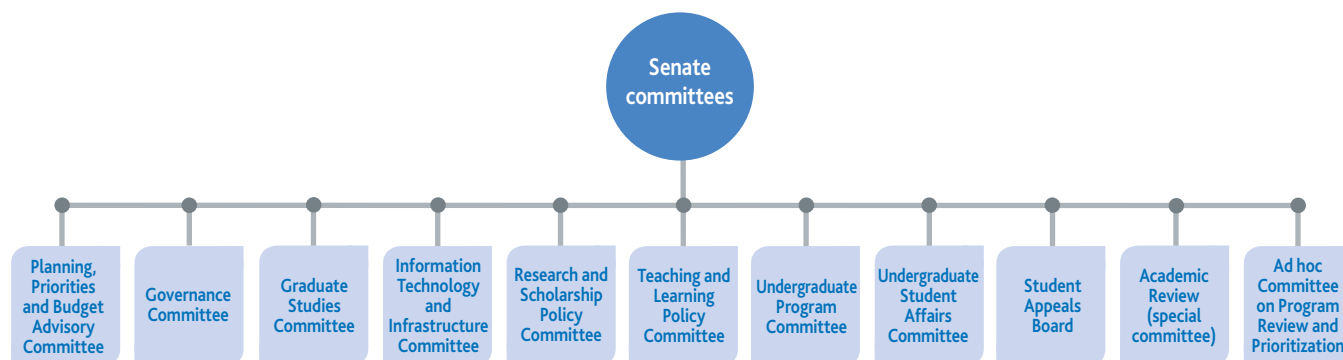


## 2014-15 Board of Trustees

The Board consists of 32 members, including 21 community members elected by the Board, as well as three Brock students, three faculty members and three staff members elected by their respective constituencies. The Chancellor and the President and Vice-Chancellor are ex officio members of the Board.

### Board of Trustee members

- Harish Aggarwal (student member – SPC)
- David Blackmore (lay member – CIC & FPIHRC)
- Joshua Bowslaugh (student member – CIC)
- Jeffrey Cairns (committee vice-chair – CIC; lay member – GNC)
- Allan Cole (lay member – FPIHRC and SPC)
- Gary Comerford (lay member – Audit Committee and CIC)
- Mario De Divitiis (lay member – Audit Committee and GNC)
- Aurora Di Fruscia (committee vice-chair – Audit Committee; lay member – CIC)
- Nick DiPietro (Chair – FPIHRC; lay member – SPC)
- Glen Fell (lay member – Audit Committee and SPC)
- Kristine Freudenthaler (Chair – CIC; lay member – SPC)
- Gloria Gallagher (staff member – CIC)
- Ned Goodman (Chancellor)
- Dennis Hewko (Chair-Audit Committee; lay member – SPC)
- Carolyn Hurst (Chair – SPC; lay member – CIC)
- Jack Lightstone (President and Vice-Chancellor)
- Kelly Lockwood (faculty member – CIC)
- Marco Marrone (lay member – CIC and FPIHRC)
- Laura Menechella (lay member – CIC and SPC)
- Beverley Morden (lay member – FPIHRC and GNC)
- Philip Nardangeli (staff member – SPC)
- Joseph Robertson (Past Board Chair; Chair – GNC)
- Deborah Rosati (lay member – Audit Committee and SPC)
- Mike Sawyer (staff member – Executive Committee)
- Hugo Sorensen (committee vice-chair – SPC, lay member – FPIHRC)
- Leanne Standryk (committee vice-chair – FPIHRC; lay member – GNC)
- John Suk (Chair of the Board)
- Susan Sydor (faculty member – Executive Committee)
- Mary-Louise Vanderlee (faculty member – SPC)
- Noel Vijeyakumar (student member – Executive Committee)
- Robin Williams (lay member – Audit Committee and GNC)
- Lawrence Zimmering (lay member – FPIHRC and SPC)



## Senate

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The Senate currently consists of 67 members, including 36 elected full-time teaching staff and professional librarians, two members of the Board, and six undergraduate, two graduate students and one Alumni Association representative elected by their respective constituencies. There are also 20 ex officio members of the Senate.

### 2014-15 Senate members

#### Members ex officio

20

- Ned Goodman (Chancellor)
- Jack Lightstone (President and Vice-Chancellor)
- Neil McCartney (Provost and Vice-President, Academic)
- Greg Finn (Vice-Provost and Associate Vice-President, Academic)
- Anna Lathrop (Vice-Provost, Teaching and Learning)
- Ejaz Ahmed (Dean, Faculty of Mathematics and Science)
- Fiona Blaikie (Dean, Faculty of Education)
- Don Cyr (Dean, Goodman School of Business)
- Thomas Dunk (Dean, Faculty of Social Sciences)
- Carol Merriam (Interim Dean, Faculty of Humanities)
- James Mandigo (Interim Dean, Faculty of Applied Health Sciences)
- Michael Plyley (Dean, Faculty of Graduate Studies)
- Barb Davis (Registrar)

- Barbara McDonald (Interim, University Librarian)
- John Suk (Chair – Board of Trustees)
- Kyle Rose (BUSU, Vice-President, Finance and Administration)
- Kim Meade (Vice-Provost and Associate Vice-President, Student Services)
- Gary Libben (Vice-President, Research)
- Thomas Winger (President, Concordia Seminary)
- David Cullum (Associate Vice-President, Information Technology Services)

### Full-time teaching staff/ professional librarian representatives

36

- Jeff Boggs (FOSS)
- Poling Bork (FMS)
- Dipanjan Chatterjee (GSB)
- Rick Cheel (FMS)
- Maureen Connolly (AHS)
- Christine Daigle (FOH)
- Bareket Falk (AHS)
- Heather Gordon (FMS)
- Paul Hamilton (FOSS)
- Catherine Hands (FOE)
- Scott Henderson (FOSS)
- Jennifer Li (GSB)
- Dan Malleck (AHS)
- Tanya Martini (FOSS)
- Daniel McCarthy (FMS)
- Jane McLeod (FOH)
- Diane Miller (GSB)
- Laurie Morrison (Library)
- Joe Norris (FOH)
- Lynn Rempel (AHS)
- Linda Rose-Krasnor (FOSS)

- Barbara Sainty (GSB)
- Larry Savage (FOSS)
- Erin Sharpe (AHS)
- Sid Segalowitz (FOSS)
- John Sivell (FOSS)
- Hans Skott-Myhre (FOSS)
- Susan Sydor (FOE)
- Nancy Taber (FOE)
- Lucie Thibault (AHS)
- Francine Vachon (GSB)
- Terrance Wade (AHS)
- Heather Whipple (Library)
- David J. Whitehead (GSB)
- Sakoieta Widrick (FOE)
- Barbra Zupan (FOSS)

### Representatives of the Board of Trustees

2

- Jeffrey Cairns
- Kristine Freudenthaler

### Alumni Association representative

1

- James O'Brien

### Undergraduate student representatives

6

- Spencer Dawson
- Carlin Jessop
- Sam Piccolo
- Antonio Sergi
- Jeremy Steinhausen
- Christopher Yendt

### Graduate student representatives

2

- Julia Polyck O'Neil
- Christopher Ventura



## Planning Priorities and Budget Advisory Committee

15

The Senate's Planning, Priorities and Budget Advisory Committee (PPBAC) defines its terms as follows: it undertakes the responsibility to advise Senate regarding advice to the Board of Trustees in respect to the consistency of the budgets, policies, plans, and prioritization processes with academic policy, as well as their consonance with the goals of the University. The PPBAC advises Senate regarding the following:

- The principles of allocation of the University budget and determination of strategic objectives and prioritization processes.
- The academic and fiscal priorities of the University.
- The academic and fiscal challenges of the University.
- The budget system and strategic planning processes, and any proposed changes in the budget system and strategic planning processes of the University.
- Matters requiring institutional advocacy.
- Any other matters referred to it by the Senate or Senate Governance Committee.

The following are the 2014-15 PPBAC members:

### Members

- Linda Rose-Krasner (FOSS) – Chair
- Barbra Zupan (FOH) – Vice-Chair
- John Sivell (FOSS) – Chair, Governance Committee
- Sid Segalowitz (FOSS) – Chair, Information Technology and Infrastructure Committee
- David Whitehead (GSB) – Chair, Teaching and Learning Policy Committee
- TBD (FOSS) – Undergraduate Program Committee
- Larry Savage (FOSS) – Chair, Undergraduate Student Affairs Committee

### Students

- Amy Pham – Graduate student
- Kyle Rose – Undergraduate student

### Ex officio

- Scott Henderson – Senate Vice-Chair
- Jack Lightstone – President and Vice-Chancellor
- Neil McCartney – Provost and Vice-President, Academic
- Greg Finn – Vice-Provost and Associate Vice-President, Academic
- James Mandigo – Faculty Dean
- Thomas Dunk – Faculty Dean

7

2

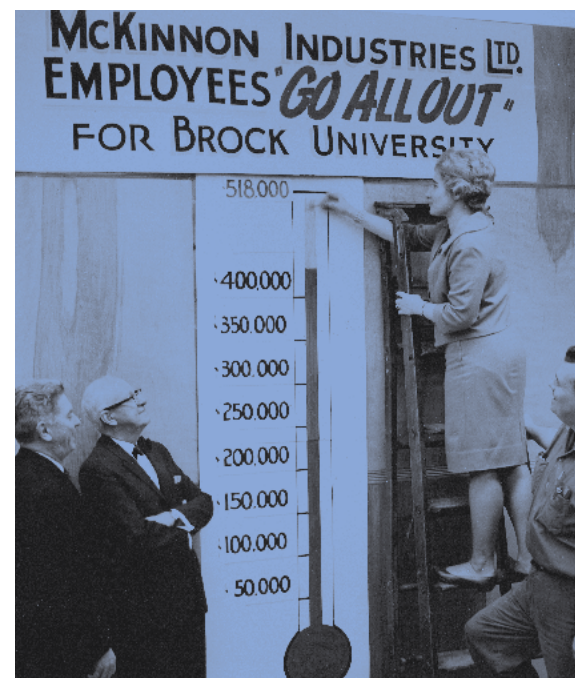
6



At the formal dinner to launch Brock University June 4, 1963, Ontario Premier John Roberts (left) met with Flora Egerter (second from left) Emma Bearss (second from right) and Arthur Schmon.



1964: Brock's first-ever faculty in front of the original Administration Office at 15 Welland Ave.



5 presidents, who served Brock from 1963 to 2005.



# Brock's Mission Statement

Brock University flourishes through the scholarly, creative, and professional achievements 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, we contribute positively to Canada and beyond through our imagination, innovation and commitment.

## Brock's values

Brock is committed to seven core values that inform and strengthen our actions.

1. Integrity and respect
2. Freedom of thought and expression coupled with academic responsibility
3. Unique student experience
4. Innovation
5. Accountability and stewardship
6. Sustainability
7. Generation and mobilization of knowledge

## Integrated Strategic Plan and Strategic Mandate Agreement

**Brock University's Integrated Strategic Plan**, which has been endorsed by both the Board and the Senate, sets out the University's strategic priorities, representing the principles of allocation of the University, as follows (the full Integrated Strategic Plan can be viewed at [brocku.ca/webfm\\_send/18651](http://brocku.ca/webfm_send/18651))

### Strategic priorities

- 1 Ensure Brock is a preferred place to work and study.
- 2 Support Brock's undergraduate student-centred focus while maintaining excellence in graduate education.
- 3 Foster excellence in research, scholarship and creativity.
- 4 Serve the social, cultural and economic well-being of the University, as well as the local, national and global communities.
- 5 Encourage transdisciplinary initiatives.
- 6 Promote internationalization
- 7 Practise accountability, fiscal responsibility and stewardship.

Brock University's Strategic Mandate Agreement (SMA), responds to the Ministry of Training, Colleges and Universities' (MTCU) request that every college and university in Ontario prepare a document that would articulate the mandate and vision of each institution. Brock's SMA was the culmination of a sustained process of integrated strategic planning and was informed by the Integrated Strategic Plan. The academic policy and goals of the University, as detailed in Brock's Vision/Mandate described in the SMA, are as follows (The 2014-17 Strategic Mandate Agreement can be viewed at [brocku.ca/webfm\\_send/32300](http://brocku.ca/webfm_send/32300)):

The SMA identifies the following:

### Academic policy and goals

- 1 Makes a difference in the lives of individuals in our Brock community, the Niagara region, Canada, and the world.
- 2 Demonstrates leadership and innovation in teaching and learning across disciplines.
- 3 Extends knowledge through excellence in research, scholarship, and creativity.

This is Brock's first annual report, and we thought it fitting to celebrate our people. We can talk about revenue and expenses, but it is really our people and their accomplishments that makes Brock University – BU.





## Excellence in students

### Governor General's Medals

The Governor General's Gold Medal recognizes excellence in academic studies at the graduate level and is presented to the student with the highest overall average in a graduate program. The Governor General's Silver Medals are awarded to the students completing their first four-year bachelors degree with the highest and second highest cumulative averages.

- Gold Medal: Yin Xu, Master of Science in Mathematics and Statistics
- Silver Medal: Kristina Wamboldt, Bachelor of Science (Honours) in Mathematics
- Silver Medal: Jordan Menchella, Bachelor of Business Administration (Honours) concentration in Finance

### Brock Leaders Citizenship Award

Brock Student Leaders awards recognize a combination of high academic achievement with personal leadership abilities. Students who receive the Brock Leaders Award will be eligible for entry into the Brock Leaders Citizenship Society. These students have demonstrated excellence in fine arts, writing, debating, science, extracurricular activities and/or significant citizenship contributions to the community.

- Jillien L Lortie – Humanities
- Nicholas James Burke Lepore –

Goodman School Of Business

- Emily Suzanne Schaefer – Mathematics And Science
- Craig Anderson Maltais – Humanities
- Meagan Carol Gloor – Goodman School Of Business
- Aynsley Victoria Maves – Social Sciences
- Olivia Suzanne Poulin – Goodman School Of Business
- Mackenzie Ceci – Social Sciences

### Board of Trustees Spirit of Brock Medal

The Brock University Board of Trustees provides the Board of Trustees Spirit of Brock medal for graduating students who best exemplify Sir Isaac Brock's spirit. These students have exemplified one or more of the following qualities: leadership, courage, innovation, inspiration and community involvement.

- Amanda Bolger – Social Sciences
- Kristin Schaven – Mathematics And Science
- Hayley Morrison – Applied Health Sciences
- Shaunna Hubert – Humanities
- Brittany Rea – Education
- Andrew Male – Applied Health Sciences
- Kristina Wamboldt – Mathematics And Science
- Olivia Grace Meriano – Humanities
- Erik Robert Christian Gunn – Goodman School Of Business

- Shalini Dass – Education

- Shirin Makhkamova – Social Sciences
- Shuoqian Gao – Goodman School Of Business

### President's Surgite Award

The President's Surgite Award recognizes those students who have been outstanding in one or more of the following areas:

- Demonstrated exemplary leadership in a student club, organization, association or team.
- Did something exceptional that helped to advance Brock's academic reputation.
- Made a significant contribution to student life at Brock.
- Provided a valuable service to Brock or the broader community.
- Julian Petrachenko – Graduate Studies
- Scott Behie – Graduate Studies
- Anthony Nicholas Marotta – Goodman School of Business
- Brittany Laura April Agius – Applied Health Sciences
- Liam Campbell – Humanities
- Kerri Ann R Podwinski – Applied Health Sciences
- Jason Allan Albert Ribeiro – Graduate Studies
- David Dac-toan Nguyen – Mathematics and Science
- Alyssa Marie Berardocco – Education
- Andrii Vorontsov – Applied Health Sciences

# Graduate Studies Awards

## 2015 Graduate Mentorship Awards

Established in 2011 by the Faculty of Graduate Studies, this award honours and recognizes the essential role of faculty supervisors in the mentorship of graduate students.

Master's students only:

**Professor Nancy Francis, Faculty of Applied Health Sciences** (1)

Master's and doctoral students: **Associate Professor Thad Harroun, Physics, Faculty of Mathematics and Science** (2)

## 2015 Marilyn Rose Graduate Leadership Award

Established in 2014 by the Faculty of Graduate Studies, this award recognizes faculty, staff and students for their work and leadership in enhancing the graduate studies experience at Brock University. The first award was presented in 2015.

**Professor John McNamara, Child and Youth Studies, Faculty of Social Sciences** (3)

### Student testimonials:

*"(Nancy) makes it a point to identify the strengths of each of her students, and then creates a distinct plan of action with high standards for all of us."*

*"Dr. Harroun is an inspiration to all students, constantly supporting them to be the best that they can."*

*"John encourages all of his students to take on leadership roles within the community."*

# Teaching Awards

## Brock Award for Distinguished Teaching

**Marilyn Cottrell, Economics** (4)

2014 – Presented annually to a faculty member who has made an outstanding contribution to teaching and learning.

## Clarke Thomson Award for Excellence in Sessional Teaching

**Amy Friend, Visual Arts** (5)

2015 – Recognizes the contributions of its part time/ sessional teaching staff who contribute significantly to student learning.

## Don Ursino Award for Excellence in the Teaching of Large Classes

**Lydia Chen, Chemistry** (6)

2014 – Is awarded to an outstanding teacher who demonstrates commitment to the improvement of student learning in a large class.

## Brock University Award for Excellence in Teaching for Early Career Faculty

**Paula Gardner, Health Sciences** (7)

2014 – Recognizes the contributions to teaching undertaken by a new faculty member who is in the first five years of a tenure-track position.

# Teaching Assistant (TA) Awards

**TA Award** (sponsored by the Centre for Pedagogical Innovation – CPI)

**Andrew C.P. Kemble, Psychology** (8)

2015 – Presented to an individual TA in recognition of an outstanding contribution to teaching and learning at Brock.

**Graduate TA Award** (Sponsored by the Faculty of Graduate Studies)

**Eleftherios (Terry) Kyprianos Soleas, Education** (9)

2015 – Presented to a graduate student TA (with one or more years of teaching experience) who shows promise in the field of teaching.

**Novice TA Award** (sponsored by the CPI)

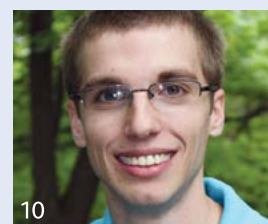
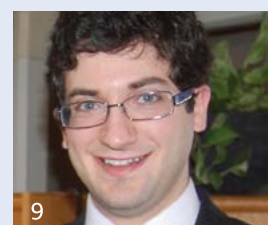
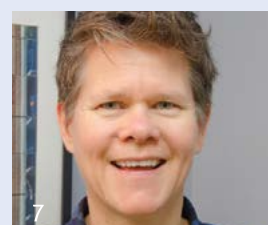
**Brodie Terence Hague, Geography** (10)

2015 – Presented to an individual TA who shows promise in the field of teaching.

**International TA Award** (co-sponsored by the CPI and the Faculty of Graduate Studies)

**Oksana Pichugina, Mathematics** (11)

2015 – Presented to an individual TA in recognition of the important contribution International Graduate Students make to the teaching and learning culture.



# Brock Research Recognition Awards

## Award for Distinguished Research and Creative Activity

**Anthony Bogaert, Faculty of Applied Health Sciences (1)**

This award recognizes faculty whose distinguished research or creative activity demonstrates outstanding research achievements, contributions to the training of future researchers, and consistency in creative performance. Anthony Bogaert is the 2014 recipient in recognition of his innovative research into human sexuality.

## Chancellor's Chair for Research Excellence

**Gregory Betts, Faculty of Humanities (2)**

This award recognizes scholars who have demonstrated excellence and who will continue to make significant contributions to the advancement of their field. Over the three-year term of the Chair, Gregory Betts will focus on the writings and impact of Canadian poet bp Nichol.

## International Behavioural Neuroscience Society Outstanding Achievement Award

**Stefan Brudzynski, Faculty of Social Sciences (3)**

This award periodically bestows an Outstanding Achievement Award in recognition of scientific contributions to the field of behavioural neuroscience. In 2014, Stefan Brudzynski was presented with this prestigious award in recognition of his groundbreaking work on vocalizations and behaviour in rats.

## Canada Research Chair (CRC)

**Ping Liang, Faculty of Mathematics and Science (4)**

During his second term as the CRC in Genomics and Bioinformatics (Tier II), Ping Liang will continue to study structural variations in our genomes and how they impact diversity, biological traits, and disease.

## Royal Society of Canada Fellowship (RSC)

**Elizabeth Sauer, Faculty of Humanities (5)**

The RSC is the senior Canadian collegium of distinguished scholars, artists, and scientists. Fellows of the RSC are elected by their peers in recognition of remarkable contributions in the arts, the humanities, and the sciences, as well as in Canadian public life. Elizabeth Sauer is one of Canada's foremost scholars of John Milton and 17th-century literature and was elected as an RSC Fellow in 2014.

## Royal Society of Canada College of New Scholars, Artists and Scientists

**Jennifer Rowsell, Faculty of Education (6)**

In 2014, the RSC established the College of New Scholars, Artists and Scientists to recognize Canada's emerging intellectual leaders across all disciplines. Members of the College are researchers and scholars at an early stage of their career who have demonstrated a high level of achievement. Jennifer Rowsell is a leader in literacy studies, multimodality, and multiliteracies and in 2014 was elected to the inaugural cohort of the College.

# Building Bridges: Research at Brock

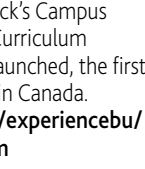
Research and scholarship are seldom done in isolation; they are very much a communal effort. We build upon ideas and discoveries of those who came before us. We get fresh inspirations from the world around us. Our communities inform our investigations and make use of the resulting discoveries and innovations. The next generation picks up where we left off.

The Brock University community places a high priority on creating and sustaining these bridges that connect us all. Our transdisciplinary hubs gather together the expertise of several disciplines, resulting in an entirely new way of addressing an issue as it arises. Our scholars explore what it means to be human, from ancient times to the present, enabling us and our community to be passionate, engaged members of society. Our centres provide services to the community while seeking its input. Fundamental research forms the bedrock upon which applied research can draw. When researchers partner with industry, innovations come to market, bettering the lives of many.

(Pullout 2: opens to left page 3)

## 2014

## September



**33**  
Brock is named among  
the Top 10 universities  
in Canada with the  
greatest increase in  
research funding.  
[brocku.ca/brock-  
news/?p=30276](http://brocku.ca/brock-news/?p=30276)

and Opening of the  
ara Centre for Health  
eing (BNCHWB).  
brock-news/?p=30423



**4 1**  
Youth University celebrates 10 years. 64,846 youth have been mentored by Brock students in a variety of activities. [brocku.ca/brock-news/?p=29170](http://brocku.ca/brock-news/?p=29170)

**53** Ontario's Lt.-Gov. Elizabeth Dowdeswell meets students and researchers to discuss environmental sustainability.  
[brocku.ca/brock-news/?p=31228](http://brocku.ca/brock-news/?p=31228)

**4 1**  
Youth University celebrates 10 years. 64,846 youth have been mentored by Brock students in a variety of activities. [brocku.ca/brock-news/?p=29170](http://brocku.ca/brock-news/?p=29170)

**4 1**  
Youth University celebrates 10 years. 64,846 youth have been mentored by Brock students in a variety of activities. [brocku.ca/brock-news/?p=29170](http://brocku.ca/brock-news/?p=29170)





## New graduate program

In 2014-15 Brock started one new graduate program.

### Master of Sustainability: Science and Society

New in 2014, the graduate program in Sustainability Science and Society (SSAS) responds to environmentally related challenges and is aligned with the emerging transdisciplinary approach of sustainability science. It aims to facilitate society's transition towards sustainability by offering high-quality graduate education, enriching research and applied experiences, and engagement in problem-solving through innovative pedagogy.

The SSAS graduate program offers students two paths to study environmental sustainability. Students can tailor their program to specific career and research interests through enriching classroom learning with practical experience through a paid co-op placement (Scheme A) or intensive research experience (Scheme B).

[brocku.ca/social-sciences/departments-and-centres/ssas](http://brocku.ca/social-sciences/departments-and-centres/ssas)

### Message from the dean

Thomas Dunk, Dean, Faculty of Social Sciences  
[tdunk@brocku.ca](mailto:tdunk@brocku.ca)

The scale and complexity of the environmental and social challenges that we face in the 21st century demand insights from across disciplines and recognition that the environment and society are inextricably interwoven. Located on our campus in a UNESCO Biosphere Reserve in the beautiful Niagara Peninsula, Brock University's masters program in Sustainability Science and Society offers students the opportunity to work with nationally and internationally recognized faculty to become leaders in understanding the problems and developing solutions necessary for a vibrant future for the entire planet.

### Message from the director

Ryan Plummer, Graduate Program Director, Sustainability Science and Society  
[rplummer@brocku.ca](mailto:rplummer@brocku.ca)

Our graduate program offers a dynamic learning situation where students and faculty cross conventional disciplinary boundaries to study environmental sustainability and engage in cutting-edge research. Students are prepared for professional careers as well as further education through a combination of classroom learning, problem solving, practical application and intensive research experiences. Enriching opportunities abound as the Sustainability Science and Society program is housed within the vibrant Environmental Sustainability Research Centre (ESRC).

## Distinguished Alumni Awards

Left to right: Sukhdeep Kaur Chohan (MEd '06): 2014 Faculty of Education Distinguished Alumni Award, Gary Schrobilgen (MSc '71): 2014 Faculty of Mathematics and Science Distinguished Alumni Award, Wendy Ingram (BA '67): 2014 Faculty of Humanities Distinguished Alumni Award, Mary Ann Edwards (BPhEd '76, BEd '77): Brock University Alumni Association 2014 Distinguished Alumna; Not pictured: Anne-Marie Robinson (BSc '87, BBA '90): 2014 Goodman School of Business Distinguished Alumni Award, Martine Foronoville (BEd '04, MEd '12): 2014 Faculty of Education Distinguished Alumni Award



## Excellence in alumni and staff

### Distinguished Alumni Award

The Distinguished Alumni Award program identifies and honours Brock University graduates who have earned prominence as a result of their exceptional professional achievements and/or service to society. The recognition of accomplished alumni promotes the excellence of the university, its graduates and the Alumni Association. See above for award recipients.

### President's Distinguished Staff Award

The President's Distinguished Staff award recognizes individuals who have consistently provided outstanding contributions to the working environment at Brock University at a level significantly beyond normal expectations.

- Caroline Barrow – Biological Sciences
- Grant Myers – Custodial and Ground Services
- Carol Penner – Child and Youth Studies
- Margaret Thompson – Office of the University Secretary
- Philip Thomas – Office of Research Services

### 35 years of service to Brock

- Ed Blasinski – Director: Project and Administrative Support Office
- Richard Brown – Associate Professor: Philosophy
- Barry Grant – Professor: Communications
- Donna Grant – Manager: Librarian's Office
- David Siegel – Professor: Political Science

### 25 years of service to Brock

- Anne Adams – Library Assistant
- Barbara Alexander – Administrative Assistant: Tourism Management
- Tom Arkell – Associate Vice-President, University Services
- Pamela Barkwell – Co-ordinator Reading
- Marisa Battista – Administrative Assistant: Accounting
- Charles Burton – Associate Professor: Political Science
- Susan Drake – Professor: Faculty of Education
- Nancy Francis – Professor: Kinesiology
- Frank Fueten – Professor: Earth Sciences
- Gloria Gallagher – Associate Registrar
- Eugene Kaciak – Professor: Finance
- Jozef Kamendy – Custodial and Ground Services
- Peter Landey – Associate Professor: Music
- Anna Lathrop – Vice-Provost, Teaching and Learning
- Dave MacIntyre – Custodial and Ground Services
- Lesa Mansfield – Administrative Co-ordinator: Teacher Education
- Sharon Mason – Associate Professor: Organizational Behaviour, Human Resources, Entrepreneurship and Ethics
- Ken McClelland – Trades Helper: Maintenance and Utility Services
- Joffre Mercier – Associate Vice-President, Research
- Rico Natale – Director: Student Awards and Financial Aid
- Linda Pidduck – Administrative Assistant: Psychology
- Sandra Regier – Administrative Director: Concurrent Education Programs
- John Sainsbury – Professor: History Department
- Chris Tatarnic – Microcomputer Analyst: Client Services
- Norm Witteveen – Custodial and Ground Services

Thank you,  
for your many years  
of contribution and  
continuing to make  
Brock a great place  
to work!



## Donations (above \$5,000)

Thank you to our donors, alumni, employees and community members for supporting Brock University. Your generosity has contributed to advanced research, an enhanced student learning experience, the expansion of our facilities, and the creation of new student awards and bursaries.

Note: The listing below includes donations received during the 2014 calendar year.

### Organizations

- Andrew Peller Ltd.
- Beatties Basics Office Products
- Blue Marble Music Fund
- Brock University Faculty Association
- Brock University Graduate Students' Association
- CIBC
- CPA Ontario
- Diamond Lake Investments Inc
- Durward Jones Barkwell & Company LLP
- Edward J. Freeland Foundation
- Estate of Les Thomas
- Estate of Louisa Marjorie Thompson
- Estate of Margarette Pummell
- Estate of Robert Royde Brooks
- FirstOntario Credit Union Limited
- Fleming Foundation
- Fulcrum Investment Co. Ltd

- General Motors of Canada Limited
- Green Shield Canada
- Knowledge First Foundation
- Lancaster, Brooks & Welch
- McCall MacBain Foundation
- Niagara Employment Agency
- Ontario Paper Thorold Foundation
- Pepsico Beverages Canada
- RBC Foundation
- Salit Steel
- Scotiabank
- Sizzling Solutions Inc.
- St. Andrew's Lodge No. 661 AF & AM GRC
- TD Bank Group
- The Goodman Family Foundation
- The Grand Lodge of Canada in the Province of Ontario
- The Wesley and Mary Nicol Charitable Foundation
- The Wilson Foundation
- United Association Local Union 67

### Individuals

- David Appel
- Carol Appel
- Arthur Bicknell
- David Civiero
- Trevor Cooper
- Aurora Di Fruscia
- Grant Dow
- Arthur Fleming (late)
- K. Valerie Fleming

- David L. Goicoechea
- Thomas Goldspink
- Linda Goldspink
- Jacob Hildebrand
- Katherine Hildebrand
- David S. Howes (late)
- Marilyn Hoxie
- Tomas Hudlicky
- Jack Lightstone
- Dorothy Markiewicz
- Daniel McGrath
- Richard Parker
- Peter Partington
- Elizabeth Partington
- Peter W. Partridge Jr.
- Milan Plentai
- Julieann Plentai
- Joe Robertson
- Anita Robertson
- Deborah E. Rosati
- Dorothy Rungeling
- James A. Ryan
- Arthur Schmon II
- Betty Vallee
- Norris Walker
- Marilyn I. Walker
- John Zoccoli
- Michele Zoccoli

## Reviewing the numbers

It's exciting to see the engagement of the University, the excellence in students, alumni, faculty and staff, and their accomplishments. These activities are supported by the resource allocations of the University. The following sections provide a closer look at the financial health and activity of the University.

Table 1 below illustrates the financial results of the University compared to budget and prior year actual. The information is presented on a funding basis which represents the commitment of cash and the audited financial statements prepared in accordance with accounting standards for not-for-profits (NFPS). A reconciliation of the two presentations can be found starting on [page 20](#) with commentary on the financial results on a NFPS basis can found on [page 26](#).



Table 1

(\$000s)	Funding 2014-15 actual	Funding 2014-15 budget	NFPS 2014-15 actual	NFPS 2014-15 budget	Funding 2013-14 actual	NFPS 2013-14 actual
Revenue						
Student fees	145,946	146,224	145,946	146,224	135,646	135,142
Grant revenue	94,594	95,535	93,701	94,962	95,324	94,750
Internal chargebacks	7,111	6,097	-	-	4,665	-
Other revenue	51,134	45,484	73,086	66,577	48,285	69,385
<b>Total revenues</b>	<b>298,785</b>	<b>293,340</b>	<b>312,733</b>	<b>307,763</b>	<b>283,920</b>	<b>299,277</b>
Operating costs						
Personnel costs	(193,865)	(197,185)	(193,041)	(196,991)	(195,160)	(193,048)
Other operating costs	(97,406)	(99,376)	(102,817)	(113,345)	(89,525)	(105,247)
<b>Total operating costs</b>	<b>(291,271)</b>	<b>(296,561)</b>	<b>(295,858)</b>	<b>(310,336)</b>	<b>(284,685)</b>	<b>(298,295)</b>
Mitigation target		3,221		3,221		
<b>Funding surplus (deficit)</b>	<b>7,514</b>	<b>-</b>	<b>16,875</b>	<b>648</b>	<b>(765)</b>	<b>982</b>

Refer to [page 17](#) for commentary on the funding actual results and [page 26](#) for commentary on the NFPS actual results.



## Financial results – funding basis

The funding basis in essence represents committed cash. A positive balance, or funding surplus, represents uncommitted cash, and a negative balance, or funding deficit, represents over committed cash. The actual funding surplus for 2014-15 of \$7.514 million is before year-end discretionary appropriations for reinvestment in the University to cover off historical deficits, potential unplanned costs with previous capital projects, or one-time funding supporting academic priorities. When the 2014-15 funding budget was originally established, we estimated a funding deficit of \$3.221 million. To the whole University community, congratulations and thank you for your commitment to eliminating the deficit. This said, we know going forward we still have our fiscal challenges. As highlighted in the 2015-16 Budget Report, enrolment remains a key concern, and our financial framework remains with expense growth of 3.01 per cent and revenue growth at 1.97 per cent.

Recognizing these challenges and the fact we just finished the year with a surplus which was slightly greater than two per cent of the total budget, the logical question is – are we at least moving forward with a head start on the structural financial framework deficit? Unfortunately the answer is likely not as much of a head start as we might like to think. While there is no one reason for the funding surplus in 2014-15, the following are some of the specific drivers of the surplus on a budget to actual basis:

1. One-time adjustment to recognize revenue of \$1.7 million previously deferred several years ago in error.
2. One-time lawsuit settlement revenue of \$0.6 million.
3. Lower pension payment requirements of \$3.5 million following an updated actuarial pension valuation that was completed with an effective date of July 1, 2014, which put the plan as almost fully funded.
4. Unwinding of internal financing resulting in \$1.4 million less expense.
5. Filing of an HST (Section 211) claim resulting in \$0.4 million of revenue.
6. Lower than budgeted spending on part-time teaching of \$0.9 million across all Teaching Faculties.
7. Lower than budgeted repair and maintenance spending, especially by the Department of Residence of \$0.6 million.

It is important to note that we started the 2015-16 budget process with a projected deficit of \$17.9 million. Many of the items identified above are either one-time or have already been adjusted and worked into the fiscal 2015-16 budget which, when approved, still required \$3.9 million in mitigation. As we move through fiscal 2015-16, budget developers across the University will continue with their second-quarter reporting at the end of October and third-quarter at the end of January to provide updates on the University's financial health which will be informative to the 2016-17 budget preparation.

## Responsibility centre results

Table 2 details the 2014-15 funding financial results versus the 2014-15 budget on a more detailed basis by responsibility centre. As part of this table, an additional difference column has been added to adjust for the lower-than-budgeted pension payment, as described in the previous section, as this difference affects most units.

Table 2: Funding results by responsibility centre

((\$000s))	Actual 2014-15 revenue	Actual 2014-15 personnel costs	Actual 2014-15 non-personnel costs	Actual 2014-15 net	Budget 2014-15 revenue	Budget 2014-15 Personnel costs	Budget 2014-15 non-personnel costs	Budget 2014-15 net	Difference of "net" amounts [(increase) / decrease]	Difference adjusted for pension savings
<b>Teaching Faculties</b>										
Faculty of Applied Health Sciences	86	(16,030)	(699)	(16,643)	49	(16,251)	(823)	(17,025)	382	120
Goodman School of Business	8,921	(23,014)	(3,008)	(17,101)	8,943	(22,856)	(3,062)	(16,975)	(126)	(555)
Faculty of Education	4,814	(16,970)	(1,396)	(13,552)	4,906	(17,299)	(2,689)	(15,082)	1,530	1,329
Faculty of Humanities	566	(20,077)	(1,072)	(20,583)	618	(20,554)	(1,141)	(21,077)	494	18
Faculty of Mathematics and Science	237	(18,774)	(760)	(19,297)	234	(19,476)	(922)	(20,164)	867	419
Faculty of Social Sciences	341	(32,503)	(1,209)	(33,371)	285	(33,500)	(1,507)	(34,722)	1,351	513
<b>Total Teaching Faculties</b>	<b>14,965</b>	<b>(127,368)</b>	<b>(8,144)</b>	<b>(120,547)</b>	<b>15,035</b>	<b>(129,936)</b>	<b>(10,144)</b>	<b>(125,045)</b>	<b>4,498</b>	<b>1,844</b>
<b>Academic Support</b>										
Faculty of Graduate Studies	204	(1,186)	(259)	(1,241)	210	(1,216)	(259)	(1,265)	24	10
Library	457	(4,726)	(3,284)	(7,553)	450	(5,016)	(3,425)	(7,991)	438	275
Research Services	1,342	(2,039)	(1,795)	(2,492)	1,538	(2,239)	(1,801)	(2,502)	10	(41)
Centre for Pedagogical Innovation	14	(815)	(112)	(913)	32	(885)	(310)	(1,163)	250	231
Centre for the Arts	1,635	(967)	(1,176)	(508)	1,287	(1,039)	(969)	(721)	213	190
<b>Total Academic Support</b>	<b>3,652</b>	<b>(9,733)</b>	<b>(6,626)</b>	<b>(12,707)</b>	<b>3,517</b>	<b>(10,395)</b>	<b>(6,764)</b>	<b>(13,642)</b>	<b>935</b>	<b>665</b>
<b>Student Specific</b>										
Student Services	11,837	(12,135)	(4,186)	(4,484)	12,764	(12,923)	(4,818)	(4,977)	493	337
Co-op and Career Services	1,376	(1,627)	(174)	(425)	1,232	(1,797)	(203)	(768)	343	324
Athletics and Recreation	5,014	(3,391)	(2,385)	(762)	4,743	(3,459)	(2,240)	(956)	194	161
<b>Total Student Specific</b>	<b>18,227</b>	<b>(17,153)</b>	<b>(6,745)</b>	<b>(5,671)</b>	<b>18,739</b>	<b>(18,179)</b>	<b>(7,261)</b>	<b>(6,701)</b>	<b>1,030</b>	<b>822</b>

Table 2 continued

(\$000s)	Actual 2014-15 revenue	Actual 2014-15 personnel costs	Actual 2014-15 non-personnel costs	Actual 2014-15 net	Budget 2014-15 revenue	Budget 2014-15 personnel costs	Budget 2014-15 non-personnel costs	Budget 2014-15 net	Difference of "net" amounts [(increase) / decrease]	Difference adjusted for pension savings
<b>Shared Services</b>										
Leadership	120	(2,809)	(506)	(3,195)	16	(2,909)	(531)	(3,424)	229	183
Information Technology Services	866	(5,817)	(1,715)	(6,666)	972	(6,249)	(1,594)	(6,871)	205	110
Financial Services	208	(1,896)	(784)	(2,472)	71	(1,889)	(486)	(2,304)	(168)	(189)
Human Resources	101	(2,459)	(567)	(2,925)	98	(2,790)	(482)	(3,174)	249	206
Marketing and Communications	7	(884)	(656)	(1,533)	15	(871)	(718)	(1,574)	41	32
Development and Alumni Relations	851	(1,390)	(774)	(1,313)	744	(1,724)	(996)	(1,976)	663	657
University Services	2,664	(1,371)	(1,555)	(262)	2,994	(1,428)	(1,922)	(356)	94	92
Shared Services Support		(1,176)	(234)	(1,410)		(1,203)	(145)	(1,348)	(62)	(72)
<b>Total Shared Services</b>	<b>4,817</b>	<b>(17,802)</b>	<b>(6,791)</b>	<b>(19,776)</b>	<b>4,910</b>	<b>(19,063)</b>	<b>(6,874)</b>	<b>(21,027)</b>	<b>1,251</b>	<b>1,019</b>
<b>Ancillary</b>										
Ancillary Operations	15,776	(2,518)	(8,905)	4,353	17,444	(2,734)	(10,211)	4,499	(146)	(179)
Department of Residence	16,086	(2,310)	(11,579)	2,197	15,734	(2,459)	(12,612)	663	1,534	1,522
<b>Total Ancillary</b>	<b>31,862</b>	<b>(4,828)</b>	<b>(20,484)</b>	<b>6,550</b>	<b>33,178</b>	<b>(5,193)</b>	<b>(22,823)</b>	<b>5,162</b>	<b>1,388</b>	<b>1,343</b>
<b>Space</b>										
Facilities Management	981	(11,091)	(3,295)	(13,405)	1,072	(11,312)	(3,469)	(13,709)	304	210
Campus Security Services	18	(1,230)	(553)	(1,765)	14	(1,311)	(557)	(1,854)	89	77
Hybrid Space	375		(134)	241	347		(279)	68	173	173
Utilities, Taxes and Insurance	2,771		(9,149)	(6,378)	1,443		(8,960)	(7,517)	1,139	1,139
Financing	102		(5,548)	(5,446)	80		(6,563)	(6,483)	1,037	1,037
<b>Total Space</b>	<b>4,247</b>	<b>(12,321)</b>	<b>(18,679)</b>	<b>(26,753)</b>	<b>2,956</b>	<b>(12,623)</b>	<b>(19,828)</b>	<b>(29,495)</b>	<b>2,742</b>	<b>2,636</b>
<b>Global</b>										
Scholarships, Bursaries and Student Awards	(606)		(12,870)	(13,476)	560		(14,380)	(13,820)	344	344
Capital	3,844	(300)	(11,711)	(8,167)	2,732	(300)	(8,734)	(6,302)	(1,865)	(1,865)
University Global	215,829	(4,358)	(3,410)	208,061	211,713	(1,496)	(2,568)	207,649	412	412
<b>Total Global</b>	<b>219,067</b>	<b>(4,658)</b>	<b>(27,991)</b>	<b>186,418</b>	<b>215,005</b>	<b>(1,796)</b>	<b>(25,682)</b>	<b>187,527</b>	<b>(1,109)</b>	<b>(1,109)</b>
<b>Total University</b>	<b>296,837</b>	<b>(193,863)</b>	<b>(95,460)</b>	<b>7,514</b>	<b>293,340</b>	<b>(197,185)</b>	<b>(99,376)</b>	<b>(3,221)</b>	<b>10,735</b>	<b>7,220</b>



## Funding basis reconciled to the financial statements

In fiscal 2014-15, Financial Services held three educational sessions with the support of the Senate Planning, Priorities, and Budget Advisory Committee.

These sessions explained some of the differences between the audited NFPS basis of accounting and the funding basis of accounting. A full reconciliation of the differences will follow; however, as the sessions illustrated, there are two key observations:

- The funding basis accounts are a subset of the audited NFPS accounts;
- The largest difference between the funding basis and the NFPS basis is the treatment of capital transactions. On a funding basis, all principal and interest payments on debt and all fund transfers into separate capital funds to purchase capital and related costs are considered expenses. The function of transferring the funds into separate capital fund accounts is a mechanism to ensure cash is actually set aside to purchase capital and related costs. Therefore, when the cash is transferred to separate capital funds the funding basis treats the transfer as an expense. On a NFPS basis, capital purchases are not expensed as they result in an

Table 3

(\$000s)	Funding basis	Adjustments	Notes	Re-class.	NFPS basis
Revenue					
Student fees	145,946				145,946
Grant revenue	94,594	1,857	[A]		96,451
Internal chargebacks	7,111			(7,111)	-
Other revenue	51,134	19,202	[B]		70,336
<b>Total revenue</b>	<b>298,785</b>	<b>21,059</b>		<b>(7,111)</b>	<b>312,733</b>
Personnel costs	(193,865)	824	[C]		(193,041)
Other operating costs	(97,406)	(12,522)	[D]	7,111	(102,817)
<b>Total operating costs</b>	<b>(291,271)</b>	<b>(11,698)</b>		<b>7,111</b>	<b>(295,858)</b>
<b>Surplus</b>	<b>7,514</b>	<b>9,361</b>		<b>-</b>	<b>16,875</b>

asset and are included on the Statement of Financial Position. This is similar to an individual who might purchase a home; the home becomes part of an individual's net worth statement.

It was communicated to Financial Services that those attending the educational sessions last year found them informative. It is anticipated that the Senate Planning, Priorities, and Budget Advisory Committee will support additional sessions in fiscal 2015-16. If you are interested and would like to be notified of future dates when they are set, please email [budgetreport@brocku.ca](mailto:budgetreport@brocku.ca)

Table 3 reconciles the 2014-15 financial results from a funding basis to the NFPS basis. The adjustments are primarily for non-cash transactions and timing differences. Each of the adjustments and reclassifications are described in more detail in the following section. The letter reference in the Notes column of Table 3 corresponds to the letter reference in each of the adjustment descriptions. There may be multiple adjustments for each letter as well as multiple letters for each adjustment. For example, the grant revenue net adjustment of \$1,857 [A] represents a combination of a capital grants adjustment of (\$573) and a reserve transfer adjustment of \$2,340.



## Adjustments (000s):

- **Capital grants and donations – (\$573) [A] and (\$96) [B]** – Grants and donations received by the University to be used for future capital purchases are included as part of deferred capital contributions in the financial statements, and later amortized over the useful life of the capital item it funded. These grants and donations, however, are reported as revenue on a funding basis.
- **Internally restricted investment income – \$679 [B]** – Represents investment income on the sinking fund and other internally restricted investments. This investment income is included as net zero on a funding basis as the funds are restricted and not for operating purposes; however, the investment income is reflected in the financial statements as it first needs to be recognized as surplus (deficit) before being transferred to reserves.
- **Employee future benefits – (\$376) [C]** – This amount is actuarially determined and represents the actuarial adjustment to employee future benefits related to current service. An adjustment is required because while the liability exists, the University has not budgeted nor set aside sufficient funds for the future cash flow impact of this liability.

- **Principal payments – \$1,967 [D]** – Represents principal payments on long-term debt. These payments are recorded as an operating cost on a funding basis as they represent a cash flow impact; however, for financial statement purposes they are recorded as a reduction of the debt liability.
- **Capital purchases – \$2,270 [D]** – In addition to the capital budget for Facilities Management and Information Technology Services, this represents spending in unit budgets for minor capital. For financial statement purposes, capital purchases are recorded as an asset in the Statement of Financial Position instead of an expense in the Statement of Operations.
- **Amortization, net – \$6,740 [B] and (\$16,434) [D]** – Amortization is a non-cash expense and is therefore not included in the funding budget. For financial statement purposes, the capital asset amortization of \$16,434 is recorded to reflect the usage of capital assets and amortization of deferred capital contributions of \$6,740 is being amortized over the useful life of the assets they have funded.
- **Reserve transfers – \$2,430 [A], (\$180) [B], \$1,200 [C] and \$11,734 [D]** – (Total = \$15,184) Reserved funds represent non-externally committed funds that are unspent at year end which have been transferred to holding accounts for specific purposes to be used in future years. Included in these figures are unspent portions of the Facilities Management and Information Technology Services capital and related projects budgets, as well as some new transfers which include \$900 for employee future benefits, \$2,800 for the new financial system and \$475 for debt retirement. Since the funding basis represents committed cash flow and these funds are set aside for specific purposes, the funding basis reflects these transfers as expenses. For financial statement purposes, no expense is required because there are no external commitments.
- **Research, including fellowships – \$12,059 [B] and (\$12,059) [D]** – Research grants for restricted purposes and the offsetting research expenses, including fellowships, have not been included on a funding basis due to the limited line of sight regarding spending patterns on the funds to which they are related; however, they are included as part of the financial statements.

## Reclassification (000s)

- **Internal chargebacks** – 2014-15 actual revenue on a funding basis includes \$7,111 of internal charges between departments within the University. The reclassification removes this revenue and the offsetting charges, as they are not included as part of the financial statements.



## Reconciliation of net assets

The reconciliation of the audited NFPS surplus and the funding surplus on **pages 24 and 25** is perhaps less of a reconciliation and more of a different way of looking at the accounts. It is included because it acknowledges the University is really split into a number of different funds which is important for users of these financial reports to understand. The funds and a related description are as follows:

- **Unrestricted** – On a funding basis, activity runs through the unrestricted fund. In fact, the balance of this fund represents the sum of historical surpluses and deficits of the funding budget which also represents the uncommitted cash balance of the University. This means if the balance is positive the University has uncommitted cash, and if it is negative it has over-extended by spending or committing more cash to projects than it actually has. It is interesting to note that after 50 years of operations the net uncommitted cash of the University is \$11,000.
- **Internally restricted** – This fund represents funds set aside and committed for future use and is really the sum of a number of smaller funds as follows:
  - *Capital and infrastructure projects and reserves* – This fund was established to transfer funds from the unrestricted fund and other funds into the capital and related expense program. As items are capitalized, they are transferred to the invested in capital asset fund.
  - *Operating project accounts* – The goal of this fund is to identify small but important ongoing initiatives such as conferences, ongoing programs (i.e. The Positive Active Living for Students Program), etc. and ensure these funds can be made available in future years if unspent. The fund essentially tries to recognize that, for certain types of activities, we need to take into consideration timing issues with respect to when cash is actually collected and expenses actually incurred, as many activities at the University do not align perfectly to the fiscal year.
  - *Research funds* – For the most part, unspent research funds are captured under deferred revenue on the Statement of Financial Position in the NFPS statements. This occurs when there is an external restriction to spend the funds on specific activities or items. This fund was established to recognize that some research funding has no external restrictions. Examples include the funding of the five transdisciplinary units and The Match of Minds program.
  - *Start-up funds* – This fund includes all unspent start-up funds awarded to faculty.
  - *Professional expense reimbursement (PER) accounts* – This fund includes all unspent PER amounts provided to faculty and senior administration.
  - *Sinking fund* – This fund recognizes the funds set aside to repay the \$93 million bond debenture due Dec. 14, 2045.
  - *Employee future benefit reserve* – This fund was established to set aside funds to pay our employee future benefit liability. The liability on our Statement of Financial Position is \$19.646 million as of April 30, 2015.
  - *Debt repayment reserve* – This fund was established to work towards repaying the outstanding debt of the University. Our financial metrics as illustrated on page 27 are weaker than other comprehensive Universities. The goal of this reserve is to set funds aside to repay outstanding debt when it comes up for renewal. The next maturity date is June 3, 2019.
  - *Contingency reserve* – This fund was established as a capital and litigation reserve.
  - *Strategic initiative fund* – This fund was established to support academic priorities with one-time funding. This funding will be made available in September 2015 should it be anticipated that enrolment projections will be met.
  - *Encumbrance reserve* – This fund was established to accommodate situations where the budgeted funding is available for purchases but the service had not yet



been provided or the goods had not yet been received by year end. This fund allows the budgeted funding to be reserved and utilized in the following year.

– *Student support grants, bursaries and fellowships* – This fund was utilized in fiscal 2014-15. Going forward, student support grants, bursaries and fellowships have been incorporated into the funding budget. This reserve will be closed.

- **Invested in capital assets** – This fund represents the balance of capital assets net of long-term debt, deferred capital contributions, debt payments, and accounts payable. The balance in this fund can reasonably be compared to an individual's house value, less the mortgage outstanding. In year, the activity in the fund relates to funding, for example debt or deferred capital contributions and capital assets purchases. The Sir Isaac Brock statue and MIWSFPA building were directly recorded to this fund during the year. Other capital assets were also purchased, but they were transacted through either the funding budget recorded in the unrestricted fund discussed above or the capital and infrastructure projects and reserve which is included in the internally restricted fund, also discussed above.

- **Endowments** – The endowment fund represents the activity and balance of our endowments.
- **Employee future benefits** – This fund is the sum of the pension asset and post-retirement obligation. Unlike the other reserve funds, this fund remains unfunded. The Board of Trustees has approved a plan to put aside \$0.9 million annually to begin setting aside funds to ensure these obligations will be funded in the future.

Table 4, on the following pages, details the activity of the net assets during the year, including transfers between funds.

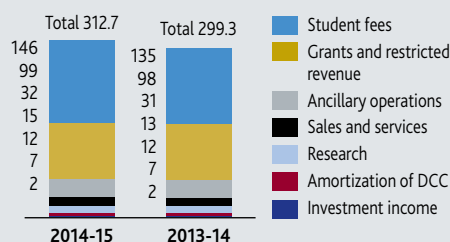
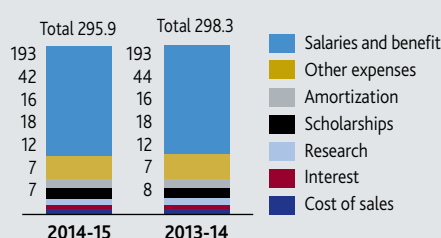
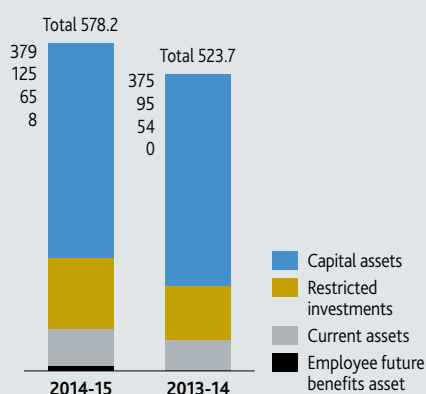
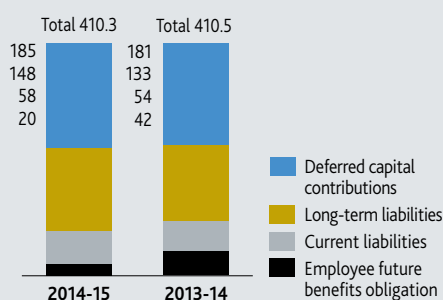
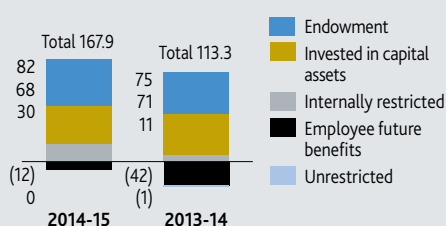


Table 4: Total net assets reconciliation

(\$000s)	Unrestricted	Internally restricted capital and infrastructure projects and reserves	Internally restricted operating project accounts	Internally restricted research funds	Internally restricted start-up funds	Internally restricted professional expense reimbursement accounts	Internally restricted sinking fund	Internally restricted employee future benefit reserve
<b>Opening balances (April 30, 2014)</b>	(1,328)	1,050	1,328	916	809	1,590	4,770	-
Excess of revenue over expenses per NFPS statements	16,875	-	-	-	-	-	-	-
<b>Capital and debt financing transactions</b>								
Purchase of capital assets	(2,270)	(3,955)	-	-	-	-	-	-
Amortization of capital assets	16,434	-	-	-	-	-	-	-
Amortization of deferred capital contributions	(6,740)	-	-	-	-	-	-	-
Issuance of long-term debt	-	-	-	-	-	-	-	-
Increase in unspent long-term debt	-	-	-	-	-	-	-	-
Increase in capital assets financed through accounts payable	82	-	-	-	-	-	-	-
Deferred capital contributions allocated and spent	862	-	-	-	-	-	-	-
Repayment of long-term debt	(1,967)	-	-	-	-	-	-	-
<b>Internally restricted reserves</b>								
Transfer funding to reserves as budgeted or approved from operating	(19,716)	13,170	1,185	1,175	483	2,328	-	900
Reconcile transfer to reserves as budgeted or approved from deferred contributions	669	6	-	-	-	-	-	-
Transfer spending from reserves, unless shown elsewhere in this reconciliation	3,177	-	(771)	(553)	(379)	(1,474)	-	-
Transfer between funds	411	68	(68)	-	-	-	-	-
Impact of investment returns on internally restricted reserves, if applicable	(679)	-	-	-	-	-	692	(13)
<b>Employee future benefits</b>								
Actuarial gain recorded through net assets	-	-	-	-	-	-	-	-
Current service change in employee future benefits, net	376	-	-	-	-	-	-	-
<b>Endowments</b>								
Contributions	-	-	-	-	-	-	-	-
Internally allocated for endowment spending	-	-	-	-	-	-	-	-
Transfer to deferred capital contributions	-	-	-	-	-	-	-	-
Impact of investment returns	-	-	-	-	-	-	-	-
<b>Net Activity (before discretionary appropriations)</b>	<b>7,514</b>	<b>9,289</b>	<b>346</b>	<b>622</b>	<b>104</b>	<b>854</b>	<b>692</b>	<b>887</b>
Transfer to the contingency reserve	(4,500)	-	-	-	-	-	-	-
Transfer to the strategic initiative fund	(1,000)	-	-	-	-	-	-	-
Transfer to the encumbrance reserve	(675)	-	-	-	-	-	-	-
<b>Net Activity</b>	<b>1,339</b>	<b>9,289</b>	<b>346</b>	<b>622</b>	<b>104</b>	<b>854</b>	<b>692</b>	<b>887</b>
<b>Closing balance (April 30, 2015)</b>	<b>11</b>	<b>10,339</b>	<b>1,674</b>	<b>1,538</b>	<b>913</b>	<b>2,444</b>	<b>5,462</b>	<b>887</b>

Note: As mentioned previously, the \$7,514 million is before year-end discretionary appropriations for reinvestment in the University to cover off historical deficits, potential unplanned costs with previous capital projects, and one-time funding supporting academic priorities. These three internally restricted transfers fund the \$4.5 million contingency reserve, the \$1.0 million strategic initiative fund, and the \$0.675 million encumbrance reserve, all of which were discussed previously on [pages 22 and 23](#). After these transfers, the net funding surplus is \$1.339 million which after 50 years of operations brings the net uncommitted cash of the University to \$11,000.

Internally restricted debt repayment reserve	Internally restricted contingency reserve	Internally restricted strategic initiative fund	Internally restricted encumbrance reserve	Internally restricted student support grants, bursaries and fellowships	Invested in capital assets	Endowments	Employee future benefits	Total
-	-	-	-	411	70,937	74,527	(41,728)	113,282
-	-	-	-	-	-	-	-	16,875
-	-	-	-	-	20,912	-	-	14,687
-	-	-	-	-	(16,434)	-	-	-
-	-	-	-	-	6,740	-	-	-
-	-	-	-	-	(18,000)	-	-	(18,000)
-	-	-	-	-	12,968	-	-	12,968
-	-	-	-	-	(82)	-	-	-
-	-	-	-	-	(11,192)	-	-	(10,330)
-	-	-	-	-	1,967	-	-	-
475	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	675
-	-	-	-		-	-	-	-
				(411)				-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	30,589	30,589
-	-	-	-	-	-	-	(376)	-
-	-	-	-	-	-	4,150	-	4,150
-	-	-	-	-	-	(1,915)	-	(1,915)
-	-	-	-	-	-	(5,000)	-	(5,000)
-	-	-	-	-	-	9,933	-	9,933
475	-	-	-	(411)	(3,121)	7,168	30,213	54,632
-	4,500	-	-	-	-	-	-	-
-	-	1,000	-	-	-	-	-	-
-	-	-	675	-	-	-	-	-
475	4,500	1,000	675	(411)	(3,121)	7,168	30,213	54,632
475	4,500	1,000	675	-	67,816	81,695	(11,515)	167,914

**Revenue (\$millions)****Expense (\$millions)****Assets (\$millions)****Liabilities (\$millions)****Net assets (\$millions)**

## Financial review of the audited financial statements

### Revenue

Revenues increased to \$313 million or 4.5 per cent over last year, driven primarily by student fees as a result of a student headcount increase of 136 and rate increases. A notable observation is that government grants decreased \$1.175 million resulting from the Province's efficiency target reductions and the \$750 fee per international student.

### Expense

Expenses decreased to \$296 million or 0.8 per cent over last year, driven by a reduction in expendable equipment, and repairs and maintenance. The push to completion of the MIWSFPA and the transition to a new capital and related project program introduced in fiscal 2014-15 found this expense line unspent in year. The unspent funds have been set aside in an internally restricted reserve for capital infrastructure and related projects. At year end the balance is \$10.339 million. The other notable contributing factor allowing expenses to decrease was that salaries and benefits were almost flat. Although 2014-15 saw salary rates rising, the actuarial valuation performed as of July 1, 2014 found the pension fund to be almost fully funded, which resulted in an in-year reduction in additional pension payments of \$3.5 million; as well as the in-year reduction of staffing as previously announced during the 2014-15 budget process.

### Assets

Assets increased by \$54.5 million or 10.4 per cent over last year, supported by the following:

- Results of revenue over expense.
- Purchase of capital assets totaling \$20.91 million, offset by \$16.43 million in amortization of capital assets.
- The market returns of the past year and a higher discount rate produced a pension asset of \$8.13 million compared to a liability of \$23.84 million in the prior year.
- An increase in unspent debt financing of \$12.97 million due to greater than expected capital donations and delayed substantial completion of the MIWSFPA building which was originally expected before the fiscal year end April 30, 2015.
- An increase in endowments of \$7.17 million, primarily the result of market gains.

### Liabilities

Liabilities decreased by \$0.2 million over last year, primarily because of the change in the pension liability to an asset, offset by an increase in deferred capital contributions of \$3.33 million, an increase in current liabilities of \$3.30 million, and an increase in debt of \$16.03 million resulting mainly from the new MIWSFPA debt of \$18 million, less in-year and planned debt repayments.

### Net Assets

Net assets increased in line with the change in assets.

- The funds included in the endowment, invested in capital assets, and internally restricted and unrestricted reserves, are all supported by cash or restricted investments.
- A plan has been put in place to fund the unfunded balance identified in the employee future benefits reserve. The plan includes paying all in-year costs, related to employee future benefit costs plus setting aside \$0.9 million annually in a reserve to pay the unfunded liability.

## Taking a closer look at some of the numbers

The previous section of this report illustrates the change year over year of the audited financial statements. The following section now digs a little deeper into our financial health.

### Financial reserve and debt metrics

This year, financial reserve and debt metrics were introduced that compared our debt to other universities in the comprehensive category as detailed in Table 5.

The metrics can be explained as follows:

1. The primary reserve ratio refers to the amount of cash available to cover operations. At April 2015 Brock has approximately 39 days of expendable reserves.
2. The next two ratios describe how Brock utilizes a greater proportion of its annual operating expense to fund debt obligations.

Table 5

	Brock April 2015	Brock April 2014 <sup>1</sup>	Median <sup>2</sup> April 2014	Weighted average <sup>2</sup> April 2014
Primary reserve ratio	10.7%	3.4%	31.6%	35.3%
Debt burden ratio	3.2%	3.6%~	2.3%	3.4%
Interest burden %	2.7%	2.5%	1.9%	1.5%
Interest coverage	4.55	2.40	7.53	6.43
Viability ratio	19.8%	7.0%	111.5%	109.3%

(1) 2014 figures have been adjusted as a result of NFPS accounting adjustment for the presentation of changes in employee future benefit liabilities.  
 (2) Calculated using financial information from 15 other Comprehensive Universities.  
 ~ 2014 rate was impacted by the one-time repayment of the commercial plaza mortgage.

3. The interest coverage ratio measures the ability to fund interest charges from cash generated through operations. This measure has been improving; however, we trail behind our peers.
4. The viability ratio is essentially how much of the institution's debt could be paid off with expendable resources. The average institution in our category could pay off all its debt with expendable resources, whereas Brock can only pay off 20 per cent and therefore is vulnerable to unplanned events.

Our metrics have improved year over year, which is a positive sign and the result of a lot of hard work by everyone in the University community. The comparative April 2015 figures of the other universities in the comprehensive category were not available at the time of writing this annual report.

A notable metric that continues to run high is the debt burden ratio. As a means to lower the debt burden, the Board of Trustees has approved a debt reduction strategy that includes setting aside \$475,000 annually to put towards the loan that supported the building of the MIWSFPA when it comes up for renewal in the fiscal year ending in 2020. This strategy, coupled with other donor-related initiatives, forecasts our current and future debt position as detailed in Table 6.

Table 6: Fiscal year-end balance sheet values

(\$000s) (unless otherwise noted)	Actual April 30, 2012	Actual April 30, 2013	Actual April 30, 2014	Actual April 30, 2015	Budget April 30, 2016	Forecast April 30, 2017	Forecast April 30, 2018	Forecast April 30, 2019	Forecast April 30, 2020
Bond	93,000	93,000	93,000	93,000	93,000	93,000	93,000	93,000	93,000
Cairns	32,696	27,550	26,925	26,269	25,583	24,863	24,109	23,319	22,491
Residence	18,792	18,175	17,513	16,802	16,037	15,215	14,333	13,385	12,366
460 St. David's Road	2,496	2,341	-	-	-	-	-	-	-
MIWSFPA building			-	17,400	16,680	15,960	15,240	14,520	5,240
<b>Total debt</b>	<b>146,984</b>	<b>141,066</b>	<b>137,438</b>	<b>153,471</b>	<b>151,300</b>	<b>149,038</b>	<b>146,682</b>	<b>144,224</b>	<b>133,097</b>
Total student FFTE	18,675	19,287	19,882	20,052	19,526	19,456	19,269	19,172	19,025
Debt/FFTE (in dollars)	\$7,871	\$7,314	\$6,913	\$7,654	\$7,748	\$7,660	\$7,612	\$7,523	\$6,996
<b>Debt reduction strategy</b>									
Sinking fund*			4,770	5,462	5,817	6,195	6,598	7,027	7,483
Debt repayment reserve			-	475	950	1,425	1,900	2,375	475
M. I. Walker donation for building			-	5,050	5,181	5,321	5,465	5,612	-
Other donations MIWSFPA building			-	1,680	324	399	473	548	74
<b>Total assets for debt reduction</b>			<b>4,770</b>	<b>12,667</b>	<b>12,272</b>	<b>13,340</b>	<b>14,436</b>	<b>15,562</b>	<b>8,032</b>
Total net debt			132,668	140,804	139,028	135,698	132,246	128,662	125,065
Net debt/FFTE (in dollars)			\$6,673	\$7,022	\$7,120	\$6,975	\$6,863	\$6,711	\$6,574

\*Sinking Fund forecast assumes a 6.5% annualized rate of return. The balance as at April 30, 2015 is 2.25 years ahead of schedule on the sinking fund investment requirement.

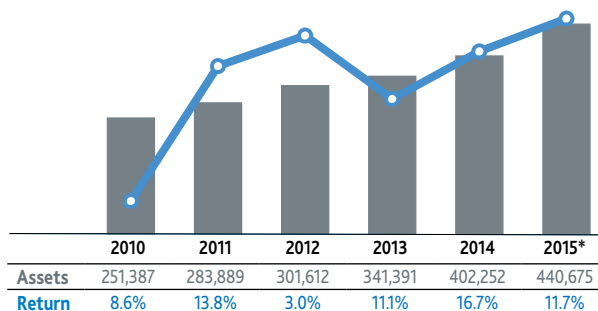
## Pension plan

Our pension plan is slightly complicated as it is a hybrid. This means it is a defined contribution plan with the guarantee of a minimum pension, which is commonly referred to as a defined benefit. The actuarial valuation on the plan last updated as of July 1, 2014 indicated the fund was 99.1 per cent funded on a going-concern basis and 105 per cent on a solvency basis. Key to the valuation is that it assumed a rate of return and discount factor of six per cent. Since the last actuarial valuation the investment returns have continued to exceed the actuarial assumption. The fiscal investment returns of the last six years are detailed in Chart 1.

The financial statements at April 30, 2015 reflect a pension fund net asset of \$8.1 million, which suggests the fund is now fully funded. This change is a result of the new actuarial valuation which increased the discount rate by 0.75 per cent and the recent market returns, since the previous actuarial valuation on July 1, 2011. It is important to note that the accounting standards and actuarial method used to calculate this asset only reflects in-year market returns. It does not adjust the discount rate on the defined benefit costs. Recognizing the discount rate on the defined benefit costs is a function of the expected future market return, and current market returns have exceeded expectations, it is anticipated that

Chart 1

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



\*As of April 30, 2015.

future market returns may be tempered. This could reduce the discount rate, increase the defined benefit costs and reduce the net asset value in the future. Additional information on the pension plan can be found at [brocku.ca/hr-ehs/pension-new](http://brocku.ca/hr-ehs/pension-new)

## Endowment Summary

The endowments of the University continue to grow. Table 7 summarizes the activity of the last four years.

Table 7

(\$000s)	Actual 2011-12	Actual 2012-13	Actual 2013-14	Actual 2014-15
Opening endowment	49,968	54,573	63,803	<b>74,527</b>
Spending	(1,185)	(1,387)	(1,509)	<b>(6,915)</b>
Spending re-endowment	727	310	398	
Investment income	1,411	7,350	8,960	<b>9,933</b>
New endowments	3,652	2,957	2,875	<b>4,150</b>
<b>Ending endowment</b>	<b>54,573</b>	<b>63,803</b>	<b>74,527</b>	<b>81,695</b>

Salient to the activity of fiscal 2014-15 was that \$5.0 million of the \$6.9 million in spending from the endowment represented a one-time transfer of the Marilyn I. Walker SFPF Fund to pay for a portion of the building. As noted in the forecasted debt in Table 6, these funds have been set aside to apply towards the loan that supported

Table 8: Top 10 endowments (2014-15 actual)

Amount (\$000s)	Name	Purpose
14,796	Marilyn I. Walker SFPA Fund	supports the MIWSFPA building
6,624	The Harrison-Thompson Bursary Trust	supports undergraduate awards
2,147	Ontario Graduate Fellowship Program	supports graduate awards
1,997	Brock University Advancement Fund/J. Miller	supports research
1,616	Bluma Appel Entrance Scholarships For Excellence	supports graduate awards
1,604	Dr. and Mrs. Moriyama Grad Fellowship Fund	supports graduate awards
1,265	Luigi and Amalia Setacci Award	supports undergraduate awards
1,181	Ruth Evelyn Williamson Estate	supports undergraduate awards
990	Harrison scholarship	supports undergraduate awards
986	Bluma Appel Bursaries – Excellence in Humanities	supports undergraduate awards

the building of the MIWSFPA when it comes up for renewal in the fiscal year ending in 2020. Currently the funds are invested at 2.75 per cent when the interest being paid on the loan is 2.45 per cent.

Table 8 details the top 10 endowments as of April 30, 2015.

### Capital investments

In total, the University purchased \$20.9 million in capital during 2014-15. This amount can be broken into three components. The first is \$14.7 million that was invested in the MIWSFPA building and the Sir Isaac Brock Statue projects which were funded by external donations and debt. The second is \$2.3 million that was invested in such items as library collections and other smaller capital items such as computers and printers which were funded from Units funding budgets. The third is \$3.9 million that was invested in facilities and information technology projects.

Important to note is that in fiscal 2014-15, we introduced a new capital program for Facilities Management and Information Technology Services. It specifically included \$9 million in capital and related project funding (including \$6 million for deferred maintenance). Notably, in-year there was an additional \$4.2 million in

approved funding added to the program. Key to the capital program's new design is that funding transferred to the program is held in restricted investment and reserved at year end for spending in the following year. This recognizes that capital and related projects can often span one or more years.

Table 9 illustrates the activity of the capital and infrastructure projects and reserves fund which makes up a component of the internally restricted net asset balance in the audited NFPS financial statement.

Table 9

(\$000s)	Facilities Management projects	Information Technology Services projects	Total capital and infrastructure projects and reserves
<b>Opening Balance (May 1, 2014)</b>	<b>1,050</b>	<b>-</b>	<b>1,050</b>
Transfer per the funding budget	7,594	1,440	9,034
In-year approved adjustments	1,305	2,905	4,210
In-year spending	(3,103)	(852)	(3,955)
<b>Ending Balance (April 30, 2015)</b>	<b>6,846</b>	<b>3,493</b>	<b>10,339</b>

Table 10 illustrates the components of the capital and infrastructure projects and reserves balance as at April 30, 2015:

Table 10

(\$000s)	Facilities Management projects	Information Technology Services projects	Total capital and infrastructure projects and reserves
<b>Components</b>			
Work in progress	3,680	3,493	7,173
Contingency reserve	116	-	116
Deferred maintenance reserve	3,050	-	3,050
<b>Total (April 30, 2015)</b>	<b>6,846</b>	<b>3,493</b>	<b>10,339</b>



# Financial Statements of BROCK UNIVERSITY

## Year ended April 30, 2015

### 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, 2015 and the results of its operations for the year then ended.


In fulfilling its responsibilities and recognizing the limits inherent in all systems, the Administration has developed and maintains a system of internal control designed to provide reasonable assurance that University assets are safeguarded from loss and that the accounting records are a reliable basis for the preparation of financial statements.

The Board of 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, 2015 have been reported on by KPMG LLP, Chartered Professional Accountants, Licensed Public Accountants the auditors appointed by the Board of Trustees. The auditors' report outlines the scope of their audit and their opinion on the financial statements.



**Dr. Jack Lightstone**  
President and Vice-Chancellor



**Brian Hutchings**  
Vice-President, Finance and Administration



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## INDEPENDENT AUDITORS' REPORT

To Trustees of Brock University

We have audited the accompanying financial statements of Brock University (the "University"), which comprise the statement of financial position as at April 30, 2015, the statements of operations, changes in net assets and cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

*Management's Responsibility for the Financial Statements*

Management is responsible for the preparation and fair presentation of these 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.

*Auditors' Responsibility*

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

*Opinion*

In our opinion, the financial statements present fairly, in all material respects, the financial position of Brock University as at April 30, 2015, 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.

Chartered Professional Accountants, Licensed Public Accountants

St. Catharines, Canada  
June 25, 2015

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# BROCK UNIVERSITY

## Statement of Financial Position

April 30, 2015 with comparative information for 2014  
(in thousands of dollars)

	2015	2014
<b>Assets</b>		
Current assets:		
Cash and cash equivalents (note 2)	\$ 44,422	\$ 34,024
Accounts receivable	13,116	11,366
Government grants receivable	6,081	6,668
Prepaid expenses and other assets	59	191
Inventories	1,499	1,952
	65,177	54,201
Restricted investments (note 3)	125,520	94,657
Capital assets (note 4)	379,349	374,871
Employee future benefits asset (note 9)	8,131	-
	\$ 578,177	\$ 523,729
<b>Liabilities and Net Assets</b>		
Current liabilities:		
Accounts payable and accrued liabilities (note 16)	\$ 23,123	\$ 17,513
Deferred revenue	25,582	27,019
Deferred contributions (note 5)	6,823	8,501
Current portion of long-term debt (note 6)	2,171	1,367
	57,699	54,400
Long-term debt (note 6)	58,300	43,071
Debenture payable (note 7)	90,109	90,071
Deferred capital contributions (note 8)	184,509	181,177
Employee future benefits obligation (note 9)	19,646	41,728
Net assets:		
Endowment (note 10)	81,695	74,527
Invested in capital assets (note 11)	67,816	70,937
Internally restricted (note 12)	29,907	10,874
Employee future benefits	(11,515)	(41,728)
Unrestricted	11	(1,328)
	167,914	113,282
Commitments (note 13)		
Contingencies (notes 14 and 15)		
	\$ 578,177	\$ 523,729

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, 2015 with comparative information for 2014 (in thousands of dollars)

	2015	2014
<b>Revenues</b>		
Student fees	\$ 145,946	\$ 135,142
Government grants for general operations	90,783	91,966
Ancillary operations	31,576	31,393
Sales and services	15,472	13,489
Grants and other revenues for restricted purposes	8,398	6,396
Investment income	1,759	1,647
Research grants for restricted purposes	12,059	12,347
Amortization of deferred capital contributions (note 8)	6,740	6,897
	312,733	299,277
<b>Expenses</b>		
Salaries and benefits	193,041	193,048
Operating expenses	25,797	25,227
Scholarships, fellowships and bursaries	17,695	17,912
Expendable equipment, repairs and maintenance	8,255	10,513
Utilities and taxes	7,914	8,090
Interest on long-term debt	7,487	7,246
Cost of sales	7,176	7,921
Research, including fellowships	12,059	12,347
Amortization of capital assets	16,434	15,991
	295,858	298,295
Excess of revenues over expenses	16,875	982
Net transfers (to) / from internally restricted net assets	(19,033)	7,978
Net transfers from / (to) invested in capital assets	3,121	(2,786)
Net transfers from / (to) employee future benefits	376	(144)
Change in unrestricted net assets in the year	(15,536)	5,048
Unrestricted net assets, beginning of year	(1,328)	(7,358)
Unrestricted net assets, end of year	\$ 11	\$ (1,328)

# Statement of Changes in Net Assets

Year ended April 30, 2015 with  
comparative information for 2014  
(in thousands of dollars)

April 30, 2015	Employee future benefits	Endowments (note 10)	Invested in capital assets (note 11)	Internally restricted (note 12)	Unrestricted	April 30, 2015 Total
Net assets, beginning of year	\$ (41,728)	\$ 74,527	\$ 70,937	\$ 10,874	\$ (1,328)	\$ 113,282
Excess of revenues over expenses (expenses over revenues)	-	-	(9,694)	-	26,569	16,875
Change in internally restricted net assets	-	-	-	19,033	(19,033)	-
Net change in investment in capital assets (note 11 (b))	-	-	6,573	-	(6,573)	-
Actuarial gain in employee future benefits	30,589	-	-	-	-	30,589
Net current service change in employee future benefits	(376)	-	-	-	376	-
Change in endowment net assets (note 10(a))	-	7,168	-	-	-	7,168
Net assets, end of year	\$ (11,515)	\$ 81,695	\$ 67,816	\$ 29,907	\$ 11	\$ 167,914

April 30, 2014	Employee future benefits	Endowments (note 10)	Invested in capital assets (note 11)	Internally restricted (note 12)	Unrestricted	April 30, 2014 Total
Net assets, beginning of year	\$ (47,440)	\$ 63,803	\$ 68,151	\$ 18,852	\$ (7,358)	\$ 96,008
Excess of revenues over expenses (expenses over revenues)	-	-	(9,403)	-	10,385	982
Change in internally restricted net assets	-	-	-	(7,978)	7,978	-
Net change in investment in capital assets (note 11 (b))	-	-	12,189	-	(12,189)	-
Actuarial gain in employee future benefits	5,568	-	-	-	-	5,568
Net current service change in employee future benefits	144	-	-	-	(144)	-
Change in endowment net assets (note 10(a))	-	10,724	-	-	-	10,724
Net assets, end of year	\$ (41,728)	\$ 74,527	\$ 70,937	\$ 10,874	\$ (1,328)	\$ 113,282

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

# BROCK UNIVERSITY

## Statement of Cash Flows

Year ended April 30, 2015 with  
comparative information for 2014  
(in thousands of dollars)

	2015	2014
Cash provided by (used in):		
Operating activities:		
Excess of revenues over expenses	\$ 16,875	\$ 982
Add (deduct) non-cash items:		
Amortization of capital assets	16,434	15,991
Amortization of deferred capital contributions	(6,740)	(6,897)
Amortization of deferred charges	38	36
	26,607	10,112
Net change in non-cash working capital balances related to operations:		
Increase in accounts receivable	(1,750)	(557)
Decrease (increase) in government grants receivable	587	(2,607)
Decrease in prepaid expenses and other assets	132	53
Decrease in inventories	453	1,581
Increase (decrease) in accounts payable and accrued liabilities	5,610	(2,134)
Decrease (increase) in deferred revenue	(1,437)	4,896
Decrease (increase) in deferred contributions	(1,678)	669
Net current service change in employee future benefits	376	(144)
	2,293	1,757
Cash provided by operating activities	28,900	11,869
Financing activities:		
Contributions restricted for capital purchases	10,072	17,810
Increase in long-term debt	18,000	-
Repayment of long-term debt	(1,967)	(3,629)
Cash provided by financing activities	26,105	14,181
Investing activities:		
Purchase of investments, net	(30,863)	(10,100)
Purchase of capital assets	(20,912)	(28,302)
Change in endowment net assets	7,168	10,724
Cash used in investing activities	(44,607)	(27,678)
Increase (decrease) in cash	10,398	(1,628)
Cash and cash equivalents, beginning of year	34,024	35,652
Cash and cash equivalents, end of year	\$ 44,422	\$ 34,024

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

## Notes to Financial Statements

Year ended April 30, 2015

Incorporated in 1964, Brock University has continually developed rigorous undergraduate, graduate and doctoral programs, including experiential learning opportunities and one of Canada's largest co-op programs. Our cross-disciplinary and interdisciplinary programs offer multi-faceted degrees that help students build careers and get jobs. Our culture allows students to develop intellectually and build the kind of social maturity and personal character that today's economy and employers demand.

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:

On May 1, 2011, the University adopted Canadian Accounting Standards for Not-For-Profit Standards in Part III of the CPA Canada Handbook.

(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 (weighted average cost) and net realizable value.

(c) Investments:

Investments are recorded at fair value.

(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.

## 1. Significant accounting policies (continued):

### (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.

### (g) Internally imposed restrictions on net assets:

The University internally restricts the use of portions of its unrestricted net assets for specific future use. When incurred, expenses are charged to 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 endowment are deferred and recognized as revenue in the year in which the related expenses are recognized. 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.

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. 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, 2014 and the next required valuation will be as of July 1, 2017.

The most recent actuarial valuation of the non-pension benefits for accounting purposes was as of April 30, 2014 and the next scheduled valuation will be as of April 30, 2017.

(j) Derivative financial instrument 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's policy is not to utilize derivative financial instruments for trading or speculative purposes.

Payments and receipts under the interest rate swaps are recognized as adjustments to interest expense on long-term debt.

**1. Significant accounting policies (continued):****(k) Pledges:**

Pledges are recorded as revenue on a cash basis and accordingly are not set up as assets in the financial statements. The total amount of pledges outstanding is approximately \$9,925,553 (2014 - \$14,279,447) and is expected to be received as follows:

<b>(000's)</b>	<b>2015</b>	<b>2014</b>
2015	\$ -	\$ 3,694
2016	2,074	3,487
2017	1,533	1,393
2018	1,432	1,295
2019	1,323	1,238
2020	173	-
Thereafter	3,391	3,172
	<b>\$ 9,926</b>	<b>\$ 14,279</b>

**(l) 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. The University has not elected to carry any such financial 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 carrying value.

**(m) Contributed services and materials:**

Volunteers contribute an indeterminable number of hours per year. Because of the difficulty of determining their fair value, contributed services and materials are not recognized in these financial statements.

## (n) 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. Significant 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 market values of the cash and cash equivalents are comprised of:

(000's)	2015	2014
Cash and cash equivalents	\$ 31,004	\$ 33,574
Held for future capital projects		
Cash and cash equivalents	13,418	450
	\$ 44,422	\$ 34,024

**3. Restricted investments:**

The fair value of investments are as follows:

(000's)	2015	2014
Invested for endowments		
Cash and cash equivalents	\$ 396	\$ 637
Walter Scott & Partners Global Fund	38,743	32,741
Mawer Canadian Equity Pooled Fund	11,290	11,658
AllianceBernstein Core Plus Bond Fund	31,266	29,491
	81,695	74,527
Invested for unspent capital projects		
Cash and cash equivalents	8,707	9,845
	8,707	9,845
Invested for future loan repayments		
Mawer Balanced Fund	5,462	4,770
	5,462	4,770
Invested for employee future benefit reserve		
Mawer Balanced Fund	887	-
	887	-
Invested for other restricted purposes		
Cash and cash equivalents	28,210	5,049
Sunlife Global Investments	559	466
	28,769	5,515
	\$ 125,520	\$ 94,657

#### 4. Capital assets:

April 30, 2015 (000's)	Cost	Accumulated amortization	Net book value
Land	\$ 58,805	\$ -	\$ 58,805
Buildings	488,280	178,129	310,151
Furnishings and equipment	48,385	39,162	9,223
Library books	41,112	39,942	1,170
	\$ 636,582	\$ 257,233	\$ 379,349

April 30, 2014 (000's)	Cost	Accumulated amortization	Net book value
Land	\$ 58,805	\$ -	\$ 58,805
Buildings	470,406	165,113	305,293
Furnishings and equipment	48,232	38,734	9,498
Library books	40,713	39,438	1,275
	\$ 618,156	\$ 243,285	\$ 374,871

Included in buildings is \$45,152,417 (2014 – \$33,678,384) of construction in progress that was not amortized during the year.

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

(000's)	2015	2014
Balance, beginning of year	\$ 374,871	\$ 362,560
Purchase of capital assets funded by deferred capital contributions	10,329	16,846
Purchase of capital assets internally financed	833	7,130
Purchase of capital assets financed by proceeds of long term debt	5,033	-
Purchase of capital assets financed by accounts payable	4,717	4,635
Sale of land	-	(309)
Amortization of capital assets	(16,434)	(15,991)
Balance, end of year	\$ 379,349	\$ 374,871

#### 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:

(000's)	2015	2014
Balance, beginning of year	\$ 8,501	\$ 7,832
Grants, donations and other expendable funds	10,381	13,016
Amounts recorded as revenue during the year	(12,059)	(12,347)
Balance, end of year	\$ 6,823	\$ 8,501

## 6. Long-term debt:

(000's)	2015	2014
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 October 1, 2028	\$ 9,360	\$ 9,757
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 October 1, 2028	7,442	7,756
Cairns Family Health and Bioscience Research Complex:		
4.69% mortgage loan with monthly blended payments of principal and interest of \$159, due June 29, 2022	26,269	26,925
Marilyn I. Walker School of Fine and Performing Arts Building:		
2.45% serial mortgage loan with fixed monthly principal payments of \$60 plus interest, due June 3, 2019	17,400	-
	60,471	44,438
Less current portion	2,171	1,367
	\$ 58,300	\$ 43,071

### Debt maturities:

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

(000's)	
2016	\$ 2,171
2017	2,261
2018	2,357
2019	2,458
2020	2,567
Thereafter	48,657
	\$ 60,471

### (a) Bank credit facility:

The University has available operating lines of credit of \$20,000,000 and \$5,000,000 which were not utilized at April 30, 2015. The interest rate on the operating lines of credit, when drawn, are the Bank's Prime lending rate from time to time minus 0.55% and the Bank's Prime lending rate from time to time, respectively (the prime rate at April 30, 2015 was 2.85%). Amounts are due on demand.

## 6. Long-term debt (continued):

### (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 \$28,000,000 of floating rate long-term debt relating to the Cairns Family Health and Bioscience Research Complex. The fixed rate received under the interest rate swap is 4.69%. The maturity date of the interest rate swap is the same as the maturity date of the associated long-term debt of June 29, 2022.

The University converted a net notional of \$18,000,000 of floating rate long-term debt relating to the Marilyn I. Walker School of Fine and Performing Arts Building. The fixed rate received under the interest rate swap is 2.45%. The maturity date of the interest rate swap is the same as the maturity date of the associated long-term debt of June 3, 2019.

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

(000's)	2015 Notional value	2015 Fair value	2014 Notional value	2014 Fair value
Cairns Family Health and Bioscience Research Complex	\$ 26,269	\$ 29,613	\$ 26,925	\$ 29,233
Marilyn I. Walker School of Fine and Performing Arts Building	17,400	17,906	-	-
	\$ 43,669	\$ 47,519	\$ 26,925	\$ 29,233

## 7. Debenture payable:

(000's)	2015	2014
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	(2,891)	(2,929)
	\$ 90,109	\$ 90,071

The fair value of the debenture payable is \$111,972,000 (2014 – \$95,594,700). Fair value has been determined using the market price of the debenture \$120.40 (2014 – \$102.79).

The University has established an internal sinking fund and purchased units in the Mawer Balanced Fund with a market value of \$5,461,553 (2014 - \$4,770,295). 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 debenture payable, due December 14, 2045 (note 3).

## 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:

(000's)	2015	2014
Balance, beginning of year	\$ 181,177	\$ 170,264
Less amortization of deferred capital contributions	(6,740)	(6,897)
Add contributions restricted for capital purposes	10,072	17,810
Balance, end of year	\$ 184,509	\$ 181,177

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

(000's)	2015	2014
Unamortized capital contributions used to purchase assets	\$ 175,802	\$ 171,350
Unspent capital contributions	8,707	9,827
	\$ 184,509	\$ 181,177

## 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, 2014. The next required actuarial funding valuation will be July 1, 2017.

The University measured its accrued benefit obligation and fair value of plan assets for accounting purposes as at April 30, 2015. A summary of the financial status of the plan is as follows:

(000's)	2015	2014
Accrued benefit obligation	\$ 432,544	\$ 419,287
Fair value of plan assets	440,675	395,450
Accrued benefit asset (liability)	\$ 8,131	\$ (23,837)

## 9. Employee future benefits obligation (continued):

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

	2015	2014
Discount rate on defined benefit costs	6.00%	5.25%
Rate of compensation increases	3.75%	3.75%
Expected long-term rate of return on plan assets	6.00%	5.25%

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

(000's)	2015	2014
Pension benefit plan	\$ 13,165	\$ 17,033
Multi-employer teachers plan	24	62

### (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 funding valuation was performed as at April 30, 2015.

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

(000's)	2015	2014
Accrued benefit obligation	\$ 19,646	\$ 17,891
Fair value of plan assets	-	-
Accrued benefit liability	\$ 19,646	\$ 17,891

The University established an internally restricted reserve (note 12) for employee future benefits of \$887,227 (2014 – nil)

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

	2015	2014
Discount rate	3.7% – 4.45%	3.70% – 4.45%
Health-care costs	8.46% (2014 – 8.46%) decreasing over 15 years to 4.5%	
Other benefits costs	4.50%	4.50%

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

(000's)	2015	2014
Non-pension defined benefit plans	\$ 2,805	\$ 3,397
Non-pension benefit plans	559	485

## 10. Endowments:

### (a) Change in endowment net assets:

The following were recorded directly to endowment net assets:

(000's)	2015	2014
Contributions restricted for endowments	\$ 4,150	\$ 2,875
Investment income	2,620	4,302
Internally allocated for endowment spending	(6,915)	(1,111)
Unrealized gain	7,313	4,658
	\$ 7,168	\$ 10,724

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:

(000's)	2015	2014
Externally endowed	\$ 76,328	\$ 69,660
Internally endowed	5,367	4,867
	\$ 81,695	\$ 74,527

### (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.

Schedule of Changes in Expendable Funds Available for Awards:

(000's)	2015	2014
Expendable funds available for awards, beginning of year	\$ 793	\$ 362
Investment income eligible for expenditures	175	660
Bursaries awarded	(285)	(229)
Expendable funds available for awards, end of year	\$ 683	\$ 793
Total OSOTF, Phase One, end of year	\$ 9,416	\$ 9,614
Number of bursaries awarded	130	130

**10. Endowments (continued):**

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

(000's)	2015 Market	2015 Book	2014 Market	2014 Book
Endowment balance, beginning of year	\$ 11,051	\$ 8,822	\$ 9,800	\$ 8,272
Unrealized gain for the year	1,032	-	701	-
Investment (loss) income less bursaries awarded	(88)	(88)	550	550
Endowment balance, end of year	\$ 11,995	\$ 8,734	\$ 11,051	\$ 8,822

**(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:

(000's)	2015	2014
Expendable funds available for awards, beginning of year	\$ 417	\$ 265
Investment income eligible for expenditures	140	246
Bursaries awarded	(112)	(94)
Expendable funds available for awards, end of year	\$ 445	\$ 417
Total OSOTF, Phase Two, end of year	\$ 3,792	\$ 3,733
Number of bursaries awarded	32	32

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

(000's)	2015 Market	2015 Book	2014 Market	2014 Book
Endowment balance, beginning of year	\$ 4,163	\$ 3,316	\$ 3,717	\$ 3,135
Unrealized gain for the year	390	-	265	-
Investment income less bursaries awarded	31	31	181	181
Endowment balance, end of year	\$ 4,584	\$ 3,347	\$ 4,163	\$ 3,316

**(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:

(000's)	2015	2014
Expendable funds available for awards, beginning of year	\$ 2,208	\$ 1,180
Investment income eligible for expenditures	777	1,446
Bursaries awarded	(556)	(418)
Expendable funds available for awards, end of year	\$ 2,429	\$ 2,208
Total OTSS, end of year	\$ 20,799	\$ 20,413
Number of bursaries awarded	369	341

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

(000's)	2015 Market	2015 Book	2014 Market	2014 Book
Endowment balance, beginning of year	\$ 23,070	\$ 18,204	\$ 20,597	\$ 17,185
Cash donations received	-	-	-	-
Funds received from the Ministry	-	-	-	-
Unrealized gain in the current year	2,150	-	1,454	-
Investment income less bursaries awarded	166	166	1,019	1,019
Endowment balance, end of year	\$ 25,386	\$ 18,370	\$ 23,070	\$ 18,204

## 11. Net assets invested in capital assets:

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

(000's)	2015	2014
Capital assets, net (note 4)	\$ 379,349	\$ 374,871
Less amounts financed by:		
Long-term debt (note 6)	(60,471)	(44,438)
Deferred capital contributions (note 8)	(175,802)	(171,350)
Debenture payable	(83,961)	(83,961)
Accounts payable (note 4)	(4,717)	(4,635)
Cash and cash equivalents held for future capital projects (note 2)	13,418	450
Balance, end of year	\$ 67,816	\$ 70,937

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

(000's)	2015	2014
Repayment of long-term debt	\$ 1,967	\$ 3,629
Purchase of capital assets internally financed	833	7,130
Payment of accounts payable related to capital assets	3,773	1,430
Increase in invested in capital assets	6,573	12,189
Amortization expense	(16,434)	(15,991)
Less amortization of deferred capital contributions	6,740	6,897
Disposal of land	-	(309)
Decrease in invested in capital assets	(9,694)	(9,403)
Net change in invested in capital assets	\$ 3,121	\$ 2,786

## 12. Internally restricted net assets:

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

(000's)	2015	2014
Student support grants, bursaries and fellowships	\$ -	\$ 411
Capital and infrastructure projects and reserves	10,339	1,050
Operating project accounts	1,674	1,328
Research funds with no external obligations	1,538	916
Start-up funds	913	809
Professional expense reimbursement accounts	2,444	1,590
Sinking fund (note 7)	5,462	4,770
Employee future benefits reserve	887	-
Debt repayment reserve	475	-
Contingency reserve	4,500	-
Strategic initiative fund	1,000	-
Encumbrance reserve	675	-
	<b>\$ 29,907</b>	<b>\$ 10,874</b>

## 13. Commitments:

- (a) As at April 30, 2015, the estimated costs to complete approved capital and renovation projects are approximately \$2,891,503 (2014 – \$15,578,071), which will be funded by government grants, donations, operations and long-term debt proceeds.
- (b) The following are the future minimum annual operating lease payments due over the next five fiscal years and thereafter:

(000's)	
2016	\$ 1,328
2017	1,442
2018	1,432
2019	1,424
2020	1,424
Thereafter	6,839
	<b>\$ 13,889</b>

## 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, 2015.

## 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, 2015, 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 in respect of the above litigation.

## 16. Accounts payable and accrued liabilities:

Included in accounts payable and accrued liabilities are government remittances payable of \$4,707,000 (2014 – \$4,737,000), which includes amounts payable for payroll-related taxes.

## 17. Financial risks:

### (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. Grants are received shortly after the fiscal year end.

### (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.

### (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.

### (d) Liquidity risk:

Liquidity risk is the risk of being unable to meet cash requirements or to fund obligations as they become due. Trade 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 (note 6).

## **18. Adoption of reporting employee future benefits by not-for-profit organizations:**

Effective May 1, 2014, the University adopted Section 3463, "Reporting Employee Future Benefits by Not-for-Profit Organizations", of the CPA Handbook – Accounting, on a retrospective basis. Section 3463.01 provides that a not-for-profit organization applies Section 3462 except as otherwise provided for in Section 3463.

In accordance with Section 3463, remeasurements and other items are recognized directly in net assets on the statement of financial position, rather than in the statement of operations, and presented as a separately identified item in the statement of changes in net assets.

The University continues to measure the pension obligation using the funding method and the non-pension benefits using the accounting method.

There was no net change in net assets but the excess of revenue over expenses on the statement of operations did decrease for the year ended April 30, 2014 from \$6,550,000 to \$982,000 with a difference of \$5,568,000 recorded in salaries and benefits on the statement of operations.

## **19. Comparative figures:**

The comparative financial statements have been reclassified to conform to the presentation of the 2015 financial statements.



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