

2014-15

# Budget Report

Including  
supplementary  
financial  
information



# Executive summary

This budget report has been prepared thanks to the collaboration of a significant number of individuals throughout Brock University. It represents a step in an ongoing and iterative process of making the financial operations of the University increasingly open, transparent and financially sustainable.

Input and recommendations for the budget are encouraged and can be emailed to **[budgetreport@brocku.ca](mailto:budgetreport@brocku.ca)**. Users of the report are also encouraged to review **[brocku.ca/outlook/budget](http://brocku.ca/outlook/budget)** and see some recommendations already submitted related to future financial sustainability. Input and recommendations for future budget reports and related information would also be appreciated and can also be emailed to **[budgetreport@brocku.ca](mailto:budgetreport@brocku.ca)**

This report highlights that the University continues to budget a funding deficit, although the funding deficit has been reduced from the \$14.5 million budgeted in 2013-14 to \$3.2 million in 2014-15. Mitigation measures will be introduced again in fiscal 2014-15 to reduce this deficit to balanced by fiscal year-end. This report seeks to document the path and process of establishing the budget amid the current fiscal budget environment. This report also discusses financial opportunities and challenges that lie ahead in a new section called "Looking Forward." Information with respect to revenues and operating costs by object and function, including planned capital expenses, has been provided.

"One Brock" – the University is the sum of its students, faculty, staff, volunteers, supporters and the external community. This report was designed to encourage discussion, thought and recommendations for future planning purposes. As noted, comments are encouraged and can be sent/reviewed as identified above.





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

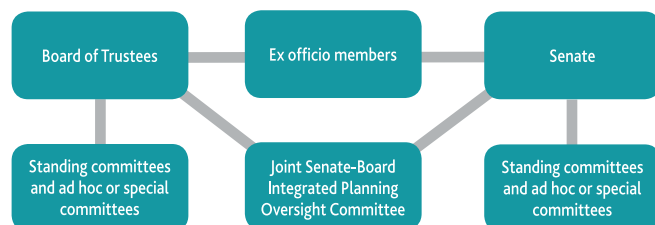
**Note:** Throughout the text in this budget report, financial values have been rounded to the nearest thousand.



# 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

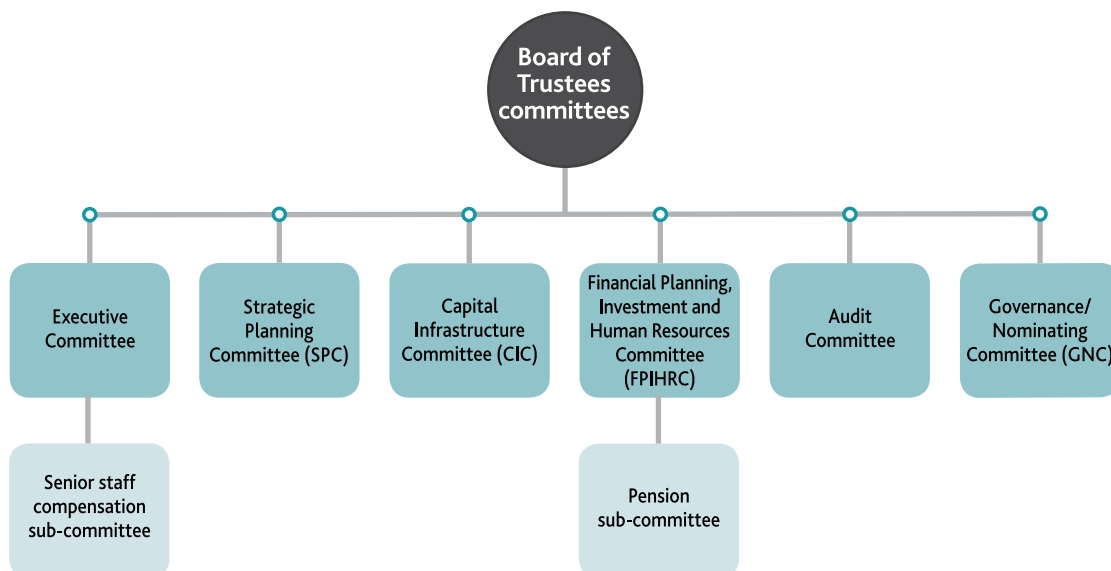


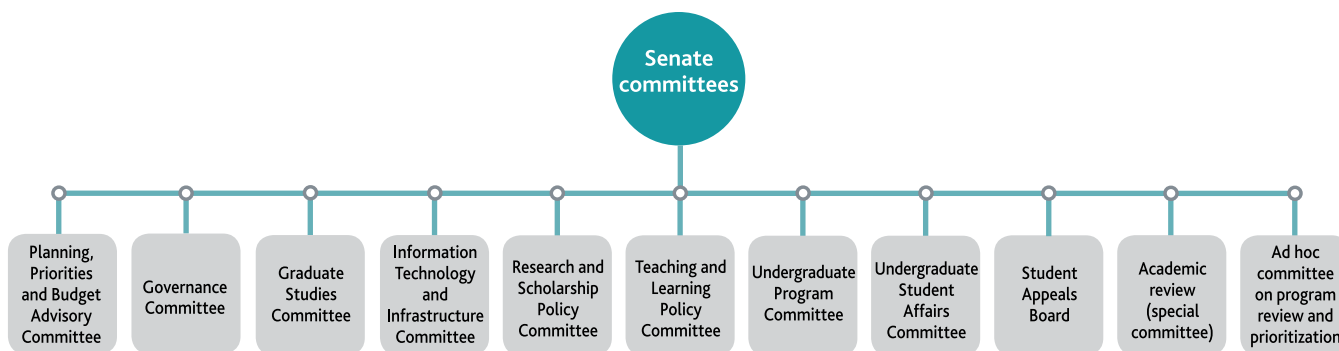
## 2013-14 Board of Trustees

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

- Lee Belding (student member – CIC)
- David Blackmore (lay member – CIC & FPIHRC)
- Jeffrey Cairns (lay member – CIC & FPIHRC)
- Allan Cole (Chair – FPIHRC, lay member – SPC)
- Aurora Di Fruscia (lay member – CIC & FPIHRC)
- Nick DiPietro (committee vice-chair – FPIHRC, lay member SPC)
- Roland Erman (student member – Executive Committee)
- Glen Fell (lay member – Audit Committee and CIC)
- Kristine Freudenthaler (lay member – CIC and SPC)
- Ned Goodman (Chancellor)
- Dennis Hewko (Chair-CIC, lay member – Audit Committee and SPC)
- Paul House (lay member – Audit Committee and GNC)
- Carolyn Hurst (lay member – CIC and SPC)
- Geraldine Jones (staff member – Executive Committee)
- Rudi Kroeker (immediate past chair of the Board, committee chair – GNC)
- Jack Lightstone (President and Vice-Chancellor)
- Kelly Lockwood (faculty member – SPC)
- Laura Menechella (lay member – FPIHRC and SPC)
- Philip Nardangeli (staff member – SPC)
- Joseph Robertson (Chair of the Board)
- Maureen Sabia (Chairman – Audit Committee, lay member – GNC)
- Mike Sawyer (staff member – CIC)
- Abe Schwartz (Chair-SPC, lay member – Audit Committee)
- Hugo Sorensen (committee vice-chair – SPC, lay member – FPIHRC and GNC)
- Betty-Lou Souter (lay member – FPIHRC and GNC)
- Leanne Standryk (lay member – GNC and SPC)
- Terry Suess (committee vice-chair – CIC, lay member – Audit Committee)
- John Suk (Chair-Elect of the Board)
- Susan Sydor (faculty member – Executive Committee)
- Mary-Louise Vanderlee (faculty member – CIC)
- Noel Vijeyakumar (student member – SPC)
- Helen Young (lay member – Audit Committee and SPC)





## Senate

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

### 2013-14 Senate members

#### Members ExOfficio

- 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)
- Ingrid Makus (Acting Dean – Faculty of Social Sciences)
- Douglas Kneale (Dean – Faculty of Humanities)
- James Mandigo (Interim Dean – Faculty of Applied Health Sciences)
- Michael Plyley (Dean – Faculty of Graduate Studies)
- Barb Davis (Registrar)
- Margaret Grove (University Librarian)
- Joe Robertson (Chair – Board of Trustees)
- Roland Erman (BUSU, Vice-President, University Affairs)
- Kim Meade (Vice-Provost and Associate Vice-President, Student Services)
- Gary Libben (Vice-President, Research)
- Thomas Winger (Acting Interim-President, Concordia Seminary)
- David Cullum (Associate Vice-President, Information Technology Services)

#### Elected Full-Time Teaching Staff/Professional Librarian Representatives

- |                        |                          |
|------------------------|--------------------------|
| • Tansu Barker         | • Roberto Nickel         |
| • Jeff Boggs           | • Beatrice Ombuki-Berman |
| • Dipanjan Chatterjee  | • Miriam Richards        |
| • Rick Cheel           | • Linda Rose-Krasnor     |
| • Bareket Falk         | • Barbara Sainty         |
| • Sandra Felton        | • Larry Savage           |
| • Catherine Hands      | • Erin Sharpe            |
| • Scott Henderson      | • John Sivell            |
| • Kamini Jaipal-Jamani | • Mark Spencer           |
| • Russell Johnston     | • Philip Sullivan        |
| • Nota Klentrou        | • Susan Sydor            |
| • Dan Malleck          | • Lucie Thibault         |
| • Francine McCarthy    | • Ron Thomson            |
| • Lynn McCleary        | • Mary-Louise Vanderlee  |
| • Jane McLeod          | • David Vivian           |
| • Carol Merriam        | • David J. Whitehead     |
| • Diane Miller         | • Sakoieta Widrick       |
| • Laurie Morrison      | • Barbra Zupan           |

#### Representatives of the Board of Trustees

- Abe Schwartz
- John Suk

#### Alumni Association Representative

- Jason Sykes

#### Undergraduate Student Representatives

- Jayne Crawley
- Kaitlin Gibson
- Avital Sternin
- Drew Ursaki
- Kevin Wilson
- Christopher Yendt

#### Graduate Student Representative

- Sofia Ramos
- Kshitij Verma





Consistent with the Brock Act, the Senate's Planning, Priorities and Budget Advisory Committee (PPBAC) undertakes the responsibility to advise Senate regarding advice to the Board of Trustees in respect to the consistency of these 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:

- a) the principles of allocation of the University budget and determination of strategic objectives and prioritization processes;
- b) the academic and fiscal priorities of the University;
- c) the academic and fiscal challenges of the University;
- d) the budget system and strategic planning processes, and any proposed changes in the budget system and strategic planning processes of the University;
- e) matters requiring institutional advocacy; and
- f) any other matters referred to it by the Senate or Senate Governance Committee.

The following are the 2013-14 PPBAC members:

### Elected members

- Scott Henderson (SS) – Chair
- Linda Rose-Krasner (SS) – Vice-Chair
- Carol Merriam (HUM) – Chair, Governance Committee
- Barbra Zupan (HUM) – Vice-Chair, Research and Scholarship Policy Committee
- Rick Cheel (M&S) – Chair, Teaching and Learning Policy Committee
- Philip Sullivan (AHS) – Vice-Chair, Undergraduate Student Affairs Committee
- Jeff Boggs – Undergraduate Program Committee

### Students

- Kiel Ormerod – Graduate student
- Christopher Yendt – Undergraduate student

### Ex Officio

- Susan Sydor – Senate Chair or Vice-Chair
- Jack Lightstone – President and Vice-Chancellor
- Neil McCartney – Vice-President, Academic and Provost
- Greg Finn – Vice-Provost and Associate Vice-President, Academic
- Douglas Kneale – Faculty Dean
- James Mandigo – Faculty Dean



# Leadership at Brock University



**Jack Lightstone**  
President and Vice-Chancellor

**Jack Lightstone** took office for a five-year term as President and Vice-Chancellor of Brock University on July 1, 2006. In June 2010, he was reappointed to a second five-year term, effective July 1, 2011. Before coming to Brock, Lightstone spent 30 years at Concordia University in Montreal. A longtime professor of Religion at Concordia, he served, from 1989 to 1992, as Associate Vice-Rector, Academic (Research). He was also Provost and Vice-Rector (Vice-President) from 1995 to 2004, and led an extensive academic planning process through a difficult period of budget restrictions and into a period of major renewal and expansion. Lightstone received his BA from Carleton University in 1972, and his MA (1974) and PhD (1977) at Brown University in Rhode Island. He has written and lectured extensively in his academic field, and remains an active scholar funded by external peer-reviewed grants. He is the author of six books and is widely published in scholarly and professional journals. He is fluent in English, French and Hebrew.



**Neil McCartney**  
VP, Academic and Provost

**Neil McCartney** became Brock's VP, Academic and Provost on Dec. 1, 2013. He had previously served as Dean of the Faculty of Applied Health Sciences, an appointment that first brought him to Brock in August 2011. Prior to that, McCartney, a renowned researcher with an international reputation for his work on human aging, cardiac rehabilitation and spinal cord injury, had been a chair of McMaster University's Department of Kinesiology and Director of McMaster's Centre for Health Promotion and Rehabilitation. McCartney was a founding member of the Canadian Association of Cardiac Rehabilitation and is a member of the editorial board of the *Journal of Cardiopulmonary Rehabilitation and Prevention*. In 2009, the provincial government appointed McCartney to the Transitional Council of College of the Kinesiologists of Ontario, where he was subsequently elected as its Vice-President. McCartney received his BED (1974) from Exeter University, UK and his PhD (1983) from McMaster University.



**Gary Libben**  
VP, Research

**Gary Libben** is a scholar and academic administrator who is a leader in advancing interdisciplinary research. Before coming to Brock, he served as Associate Vice-President (Research) at the University of Calgary. A psycholinguist who studies how words are represented and processed in the mind, Libben was named in 2008 as a Fellow of the Royal Society of Canada. He is a former president of the Canadian Linguistics Association, co-founder of *The Mental Lexicon Journal*, and was a founding director of the University of Alberta's Centre for Comparative Psycholinguistics. He has also been director of Words in the Mind, Words in the Brain, a project funded by the Social Sciences and Humanities Research Council of Canada. Before joining the University of Calgary in 2009, Libben (BA Psychology '76, Concordia University; MA Applied Linguistics '82, Concordia University; PhD Linguistics '87, McGill University) was at the University of Alberta from 1992 to 2008, where he was a professor of Linguistics.



**Brian Hutchings**  
VP, Finance & Administration

**Brian Hutchings** joined Brock as the Vice-President, Finance and Administration in November 2012. Before starting his position at Brock, Hutchings was a senior staff member at the Niagara Region where he was the Commissioner of Corporate Services as well as Regional Treasurer. Hutchings is a Certified General Accountant. He earned his Bachelor of Commerce degree from Saint Mary's University and completed his certification in human resource management from Canadore College and his Public Executive Program at Queen's University. His community involvement has included serving with the Ontario Trillium Foundation, Hamilton Tiger Cats Alumni, the St. Catharines and District United Way, and the West Lincoln Memorial Hospital Board. In 2003 he was named Citizen of the Year by the Grimsby Chamber of Commerce, in 2008 received the Niagara Award from Niagara College, in 2011 received the BEC Partnership award and in 2013 was awarded the Leadership Niagara Honorary Diploma.

# 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)):

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

Brock University's Strategic Mandate Agreement (SMA), which was prepared in response 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, 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 the three priority objectives described in the SMA, are as follows (The full Strategic Mandate Agreement submission can be viewed at [brocku.ca/webfm\\_send/29427](http://brocku.ca/webfm_send/29427)):

- Serving the 21-st century learner – putting students first, efficiencies, productivity and benefits.
- Establishing transdisciplinary research hubs and developing new graduate and undergraduate programs.
- Building a network of partnerships that promote prosperity through entrepreneurship, innovation and creativity.

## Budget development

The budget is an estimate, a plan to allocate resources in advance for the maximum benefit of stakeholders. It is a method to authorize spending authority and establish revenue targets of academic and non-academic units within Brock University.

The 2014-15 budget process was one of consultation with Senior Administrative Council (12 meetings), Committee of Academic Deans (four meetings), the Senate Planning, Priorities and Budget Advisory Committee (12 meetings) in addition to numerous unit specific meetings and two Town Halls. Every effort was made to ensure the budget was consistent with the academic mission of the University, to work towards the Integrated Strategic Plan and the Strategic Mandate Agreement.

Although every effort was made to build the feedback received during budget deliberations into the budget, difficult decisions still had to be recommended. It is fully acknowledged that each decision impacted someone or some people in different ways; however, inaction would also have impacted others and perhaps the same people, just at different times.

In order to highlight the change required, a new interactive budget tool was introduced this year at the start of the budget process to allow individuals the opportunity to see the impact of changing certain assumption on the University budget.

In approaching the 2014-15 budget, new budget templates were introduced to capture budgetary components at a level sufficient to engage dialogue to support planning, resource allocation decisions, and program review.

On Oct. 3, 2013 the Board passed the following motion:

That the President be given mandates to:

1. Manage the affairs of the University such that it will achieve, or do better than, the budgeted deficit of \$7 million for the fiscal year ended April 30, 2014.
2. Ensure that the budget prepared for the fiscal year ended April 30, 2015 will:
  - a. Incorporate any additional external financing requirements.
  - b. Include deferred maintenance spending of at least \$6 million.
  - c. Have a GAAP projected "Excess of revenue over expenses" of \$0 or better.
  - d. Ensure that the University achieves interest coverage ratio or greater than 2.0.
3. Manage the affairs of the University in order for it to achieve, or do better than, the budget for the fiscal year ended April 30, 2015.

The Board motion may have forced necessary decisions to be made and certain initiatives to start or continue. It did not influence the approach used to establish the budget. This approach incorporates the following objectives, which are fully discussed below:

1. Support the Integrated Strategic Plan and Strategic Mandate Agreement.
2. Invest where investment is most critical.
3. Simplify the budget to enhance accountability, understandability, and transparency.

### 1. Support the Integrated Strategic Plan and Strategic Mandate Agreement

This budget was developed to support the Integrated Strategic Plan and Strategic Mandate Agreement (as identified earlier in this budget report).

### 2. Invest where investment is most critical

The President's response to the Senate's resolution regarding the work of the Presidential Task Force on Program Review (September 30, 2013) noted "I am on record numerous times



now stating that the type of across-the-board cuts whereby everyone gets the same haircut is no longer either rational or equitable” became a reminder and a guide during the development of this budget. While only non-Faculties were provided guidance with respect to budget reduction and revenue generation, all Units applied professional judgment in determining final budgetary decisions.

In many cases this meant proposed budgetary reductions were accepted or extended while maintaining other key areas requiring investment. This said, in some cases Units were challenged to invest further. On the academic front, The Faculty of Mathematics and Science established a \$100,000 equipment budget, a BioLinc budget of \$145,000 was established by The Goodman School of Business, and the global recruitment, retention and startup funds have been increased from \$300,000 to \$940,000. On the non-academic front, Facilities Management’s budget for the annual maintenance, contracted services and materials costs of the Cairns Family Health and Bioscience Research Complex was increased by \$300,000. Another area on the non-academic front where investment was made was with Campus Security where an individual was added to the University’s Central Communications Monitoring Centre to ensure 24-hour monitoring of the campus. These investments are in addition to the increased investment of \$3,500,000 in deferred maintenance to ensure facilities are available to pursue Brock’s academic mission.

### 3. Simplify the budget to enhance accountability, understandability, and transparency

This budget process probably looked significantly different to those previously involved in developing the University budget. This year the budget process was split up into three sections. The first comprised most of the University’s revenue components (proposed and approved in February); the second – a capital and related projects budget (proposed and approved in April); and the third – operating budgets (finalized in June with the final approval of the budget). The goal of breaking the budget up into components was to allow for greater discussion over each component at the Senior Administrative Council, the Committee of Academic Deans, the Senate through its Planning, Priorities, and Budget Advisory Committee, the Financial Planning, Investment and Human Resources Committee, and the Board of Trustees.

In addition to splitting the budget up into three sections, Finance introduced a new budget data-capture tool that combined many of the supplementary budget documents already provided by Finance into one Excel document for each unit (i.e. cost centre). This document allowed everyone to have enhanced conversations with Units during budget deliberation. Ultimately the information captured within these data workbooks made it possible to provide the reporting incorporated into this 2014-15 Budget Report document.

One additional key change in the development of this budget was the elimination of the Experience Works program. Upon

review of the program it was noted the University could administer the allocation of tuition set-aside to student positions at the University through the budget and hiring process without requiring another layer of approvals.

It is hoped that the efforts made throughout the development of this budget have enhanced the accountability, understandability, and transparency of the budget. Feedback is always encouraged and welcomed and can be directed to

[budgetreport@brocku.ca](mailto:budgetreport@brocku.ca)

## Fiscal budget environment

The fiscal budget environment for the University continues to be dominated by government policy, infrastructure and employee future benefits (pension funding obligations and post-retirement obligations). This statement should not detract from the emphasis put on the Strategic Mandate Agreement or Integrated Strategic Plan. It serves to highlight three areas that significantly impact budget development.

### Government policy

The University has a strong and positive relationship with the Province of Ontario (the Province) and acknowledges the necessity of many of the decisions the Province has had to make given current fiscal constraints. The Province continues to be an exceptional supporter of the University as demonstrated through its financial contributions to recent infrastructure projects, including the Cairns Family Health and Bioscience Research Complex and the 198 St. Paul Street project.

Nevertheless, recent decisions by the Province have had a significant impact on the University’s funding budget. In 2013-14 the impact was approximately \$2.5 million (for more information on the components of the impact, please reference the 2013-14 Budget Report). In 2014-15 the impact is also approximately \$2.5 million, incremental to the 2013-14 impact.

In March 2013, the Province established a new tuition framework. The framework established that the University’s average tuition increase for domestic students who are enrolled in government-funded programs can be no greater than three per cent. Previously the allowable average increase was five per cent to which the University’s average increase was around 4.5 per cent. Moreover, the tuition framework continues to require 10 per cent of the tuition increase to be set aside for student financial aid, resulting in a net increase to tuition of only 2.7 per cent (3 per cent x (100 per cent - 10 per cent)). This new tuition framework is estimated to have reduced University revenues by \$1.1 million ongoing in 2013-14, which has a compounding impact in 2014-15 moving forward. This compounding impact is not included in the \$2.5 million impact noted above. Tuition regulations for international students remains unregulated. More information on tuition revenue can be found starting on page 14.

The University is supportive of initiatives that provide affordable education for its students. This budget includes \$13.6 million in student awards, \$1.2 million in employment opportunities funded from tuition set-aside, and the University endowments contribute approximately \$1.4 million. This totals to \$16.2 million in student support, which equates to 12 per cent of tuition. (Note: This figure does not include the number of students employed throughout the University that were not paid through tuition set-aside.)

Recent decisions by the Province have also had a significant impact on the University budget by way of its MTCU grants. In 2014-15, government grants represent 33 per cent of total operating revenues compared to 42 per cent in 2004-2005 (10 years ago). In 2013-14, the Province cut the University's core government funding by one per cent. An additional one per cent cut is being realized in 2014-15 with an estimated impact of \$732,000. More information on grants can be found starting on page 16.

In addition to tuition increases being impacted by the tuition framework policy of the Province, other revenue items were also impacted as follows: investment income was reduced by \$275,000 because students will pay fees by term instead of all up front, which will impact cash flows and thus interest income; flat fee tuition revenue was reduced by \$400,000 and deferral fees were eliminated, impacting other revenue by \$600,000.

The impact of these cuts was compounded by the Province's introduction of the International Student Recovery in 2013-14, which further reduces the Basic Operating Grant by \$750 per international student. The University decided not to pass this fee on to international students by way of a direct ancillary fee. This fee is therefore paid from the University budget costing approximately \$948,000 (up from \$474,000 in the prior year as this cost is being brought into the budget over approximately four years as per the Province's policy).

**Going forward, 60 per cent  
of the University's revenue will be  
limited to a one per cent increase.**

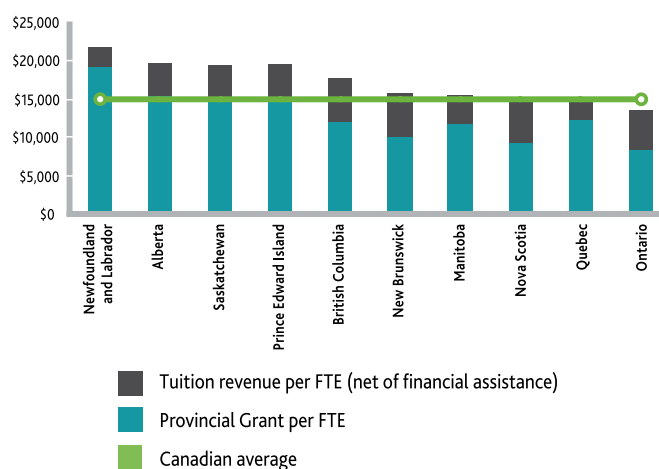
(Note: MTCU regulated tuition is limited to a three per cent increase, less 10 per cent for tuition set aside (so 2.7 per cent) and represents 34.2 per cent of revenue. There is no proposed rate increase for MTCU basic operating or enrolment-based grants which represent 28.6 per cent of revenue.)

To illustrate the state of per-student funding (combined tuition and government grant), Chart 1 from the Council of Ontario Universities illustrates that Ontario universities are the lowest of all provinces.

In addition to the impact of the Province's tuition framework policy, starting in September 2015 "Ontario is modernizing



Chart 1: Interprovincial revenue comparison



Source: Council of Ontario Universities 2014 Provincial Pre-budget Submission.

teacher education to help new teachers get jobs and provide students with the best possible education.” (Source: [news.ontario.ca/edu/en/2013.06/giving-new-teachers-the-tools-for-success](http://news.ontario.ca/edu/en/2013.06/giving-new-teachers-the-tools-for-success)). As part of this change, learning time for future teachers will be expanded from two semesters to four semesters, classroom placements increased from a minimum of 40 days to a minimum of 80 days, and admissions will be reduced by 50 per cent starting in September 2015. The negative impact of these changes on Brock’s tuition and grants is expected to be approximately \$3.8 million in 2015-16.

## Infrastructure

### i. New infrastructure

At the time of writing this budget report, there are no new approved major infrastructure initiatives other than the approval to move forward with a Goodman School of Business building subject to provincial funding being received.

This budget does support \$980,000 (\$317,000 included in the 2013-14 budget and \$663,000 incremental in 2014-15 budget) of principal and interest payments for 198 St. Paul Street, which will house the Marilyn I. Walker School of Fine and Performing Arts (MIWSFPA). The ongoing principal and interest payment was budgeted based on \$18 million of debt to be issued on June 2, 2014 with an interest rate of 2.6 per cent with a five-year term and a 25-year amortization. The debt was actually issued as planned but at an interest rate of 2.45 per cent. Presently, the school is scheduled to host approximately 500 students. It is important to note that starting in 2015-16, annual ongoing operating costs estimated at \$1.675 million will be required. These costs will be incremental to the University’s current budget. At the time of preparing this budget, the University is finalizing space considerations with respect to moves and potential moves and is having and/or planning those discussions with appropriate committees.

### ii. Deferred maintenance

Through the Council of Ontario Universities (COU), a capital asset management database (software owned and administered by VFA Inc.) was selected to provide a common reporting tool across Ontario Universities for deferred maintenance. The comprehensive facilities condition assessment performed by VFA Inc. in May 2013 determined the University has \$117.4 million in deferred maintenance requirements (including Residences) that have accumulated over a number of years of under-investing. This balance is estimated to grow by another \$27.5 million by 2020 for an anticipated total of \$144.9 million, if left unaddressed. Although this level of maintenance is not obviously apparent when walking the halls of the University, the reality is that much of the deferred maintenance is related to roofs, HVAC, electrical, plumbing and accessibility. An important observation is that this deferred maintenance figure does not include information technology or roads and parking space. The specific classifications of areas of deferred maintenance are included in Table 1.

Table 1

(\$000's)	Academic and related infrastructure	Residences	Total
Electrical systems	29,403	3,986	33,389
HVAC system	30,220	1,544	31,764
Site	20,120	-	20,120
Exterior enclosure	9,024	1,489	10,513
Other	17,469	4,170	21,639
<b>Total</b>	<b>106,236</b>	<b>11,189</b>	<b>117,425</b>

Source: VFA Facility Asset Condition Database

The Facility Condition Index (FCI) metric provides a methodology to determine the relative condition of a single building, group of buildings or total facilities and is calculated by dividing the deferred maintenance backlog by the current replacement value. The lower the FCI, the better the condition. Brock’s backlog of deferred maintenance items as described above, results in the FCI for Brock of 0.188, which translates to “Poor” (an FCI > 0.15). This study suggested that spending of between \$6.1 million and \$7.3 million per year was required to maintain this “Poor” rating.

The deferred maintenance budget for 2014-15 is \$6 million (up from \$2.5 million in 2013-14), based on the directive of the Board of Trustees on Oct. 3, 2014. This spending addresses deferred maintenance renewals of buildings, building systems, infrastructure and site as well as deferred adaptations needed to comply with accessibility requirements. The specific items included in the deferred maintenance budget are detailed as part of the capital and related projects budget as outlined on page 42.

To put the total spending into perspective – the replacement cost of Brock’s building and site infrastructure (not including roads and parking lots) is \$624.9 million. The \$6 million in deferred maintenance spending is less than one per cent of this value. Taking another perspective – consider a house with a leaking roof. Maybe the roof repair can be put off for one year, or maybe two. At some



point the cost of the repair expands from just replacing the shingles to replacing the roof sheeting and maybe the roof trusses or the drywall in the rooms beneath the roof. In the end it is much cheaper to repair the roof when the issues are first identified. Presently we have a “poor” facility condition index. The absence of investment in deferred maintenance will only create a higher cost in the future.

## Employee future benefits

Employee future benefits comprise the University's pension and retirement benefits received by employees post-retirement. The unaudited financial statements at April 30, 2014 indicated the combined liability of these two balances was \$41.7 million (\$23.8 million related to the pension obligation and \$17.9 million related to post-retirement benefits). (Note: the audit was in progress at the time of writing this report). Some might question if it matters that there is a liability. The answer to this question is “yes” since the liability shown on the financial statements represents the unfunded portion of future commitments. Simply put, employees have earned benefits today and the University has not set aside enough money to pay these benefits in the future. Addressing both these liabilities is critical to the long-term financial health of the University.

### i. Pension plan

When reviewing the pension plan, it is important to note that the plan does not have a solvency issue but it has a going concern shortfall. This shortfall was determined to be \$35 million in the most recent actuarial funding valuation as of July 1, 2011. The greatest impact on the plan's funding shortfall is increasing salary and wage costs and actuarial assumptions regarding such things as life expectancies as well as market conditions (including interest rates). The unaudited financial statements at April 30, 2014 reported a liability balance of \$23.8 million, which suggests the pension is 94 per cent funded. It is important to note that the financial statement calculation and payment calculation are different. A reduction in the financial statement liability may not mean a future reduction in the pension obligation payment as the financial statement calculation only considers changes in investment returns to actuary assumptions; it does not consider any other assumption and/or experience changes.

The actuarial valuation increased the annual payments to \$5.8 million in 2012-13 from \$1.1 million previously. Originally they were expected to remain at this level; however, in 2013-14 the University found they increased to \$6.1 million primarily as a result of increasing headcount. As a result, this budget has an additional \$300,000 in pension obligation payments budgeted versus the 2013-14 budget. At this time, this new \$6.1 million balance is expected to remain the same until a new valuation is performed as of July 1, 2014.

The new valuation will determine if the annual payment will remain stable or if it will increase or decrease. The recent investment performance of the plan and interest rate changes are expected to have a positive impact on the obligation. This said, while the valuation date is July 1, 2014, the valuation will not be completed until late fall/early winter and the University's payments to the plan cannot be adjusted until then. In the

event the payment was to decrease after the next valuation, the University will look to utilize these funds to support post-retirement benefits as discussed below.

For more information on the Brock University Pension Plan, visit [brocku.ca/hr-ehs/pension-new](http://brocku.ca/hr-ehs/pension-new)

### ii. Post-retirement benefits

The unaudited financial statements at April 30, 2014 reported a liability balance of \$17.9 million. The University has never set aside any funds to pay these post-retirement benefits although the benefits would have been earned previously by the retirees while they were working. As noted above, the University will look to utilize any savings that might result from a potentially reduced pension obligation payment to support future post-retirement benefit payments going forward. By setting aside funds today to pay for these benefits currently being earned, it will ensure funds are there to pay the benefits to retirees and it ensures future stakeholders are not burdened with liabilities being generated today.

For more information on the Brock University post-retirement benefits, visit [brocku.ca/hr-ehs/benefits](http://brocku.ca/hr-ehs/benefits)

## Financial snapshot

After multiple years of deficits, the University experienced a financial surplus in fiscal 2013-14 as reported in accordance with Canadian accounting standards for not-for-profit organizations; however, on a funding basis fiscal 2013-14 still ended in a deficit of \$765,000. The question for many might be, what is the difference? The funding basis is best described as the structural cash flow budget. Some key differences between the funding basis and the financial statements reported in accordance with Canadian accounting standards for not-for-profit organization is the funding basis directly expenses capital assets and principal debt payments whereas the financial statements reported in accordance with Canadian accounting standards for not-for-profit organizations does not. These bases are reconciled on pages 12 and 13.

Knowing that last year's budget forecasted a \$14.5 million deficit one might ask – why did we come in with a deficit of \$765,000? No one decision or action is responsible; however, the mitigation measures and endorsement of those throughout the University to embrace them and adhere to them was a significant driver. We should all be encouraged by these results but cautioned that the performance may not be repeatable. Two significant considerations are as follows:

1. We experienced an under spend in certain research accounts (i.e. transdisciplinary hubs) and professional expense accounts of approximately \$1 million that will ultimately be spent at a later date.
2. We experienced salary and benefit costs approximately \$6 million under budget driven primarily by temporary mitigation efforts. Most would likely agree it is desirable for the University to move towards a sustainable budget where mitigation efforts are not the norm.

Those partaking in second- and third-quarter update discussions will identify that mitigation efforts were noted as supporting the achievement of the Board of Trustees motion to have a funding deficit no more than \$7 million. In the third-quarter update, it was noted that the \$7 million target would likely be reached, as the forecast was approximately \$7 million. It is reasonable to question “how did we go from a forecasted funding deficit of approximately \$7 million to an actual funding deficit of \$765,000?” The answer here is primarily related to payroll that came in approximately \$6 million less than forecast. This possibility was highlighted in the third-quarter reporting where it was noted, “personnel costs are tracking 71 per cent to forecast”, when by the third quarter they should be tracking closer to 75 per cent. The fiscal 2013-14 forecasting process has since been debriefed and the following observations have been noted:

1. This was the first time budget developers did this level of forecasting;
2. It appears that budget developers forecasted personnel costs close to budget for purposes of being conservative. This appears to be especially true when it comes to part-time teaching budgets;
3. It appears that in some cases budget developers continued to forecast personnel costs related to positions that were subject to the mitigation measures (i.e. six – month hiring delay) even though those positions were delayed.

Going forward, additional training will be provided to the budget developers with respect to forecasting and we should note that the 2014-15 budget has removed approximately \$5.5 million in personnel costs from the budget related to the 86 positions communicated at the April Town Hall. In this respect the approximate three per cent swing in forecast to actual is not expected going forward.

We should all be proud of the co-operation and engagement of so many in achieving the results of 2013-14 and in the development of this budget. This being said, **many of the decisions required to balance the budget in fiscal 2014-15 were not easy and \$3.2 million in mitigation measures are still required.** Additional consultation is being planned to gain insight, input and recommendations of students, faculty and staff to help support ongoing and going-forward decision-making.

**The 2014-15 budget was established with certain key assumptions as follows:**

- **It does not include incremental costs associated with collective bargaining in 2014.**
- **0.8 per cent domestic and 3.5 per cent international student enrolment growth rate. The growth rates are supported by the Spring/Summer enrolments figures being experienced at the time of writing this report.**
- **No further change in the Province’s tuition policy.**

Going forward, the University still has an accumulated deficit, which at April 30, 2014 is \$43.1 million. The University will need to establish plans to address this balance. Users of this report are encouraged to read the final section of this report before the appendices called “Looking Forward.”

## 2014-15 budget

### Funding budget

Table 2 details the funding budget for 2014-15 in comparison to the 2013-14 budget. Some reclassifications were made to the 2013-14 budget for comparison purposes when the funding deficit was not impacted. See appendix C for reconciliation of these reclassifications.

Table 2

(\$000's)	Budget 2014-15	Budget 2013-14
Revenue		
Student fees	144,848	135,661
Grant revenue	95,544	92,276
Other revenue	49,812	48,495
<b>Total revenues</b>	<b>290,204</b>	<b>276,432</b>
Operating costs		
Personnel costs	(196,980)	(200,269)
Other operating costs	(96,445)	(90,668)
<b>Total operating costs</b>	<b>(293,425)</b>	<b>(290,937)</b>
Mitigation target	3,221	7,505
<b>Funding deficit</b>	<b>-</b>	<b>(7,000)</b>



## Reconciliation of funding budget to financial statements

The University's funding budget also was prepared in accordance with Canadian accounting standards for not-for-profit organizations (NFPS). In order to accomplish this task, certain accounting entries and reclassifications are required. Tables 3 and 4 detail these entries and compare the 2014-15 NFPS budget to the 2013-14 unaudited financial statements (Note: the audit was in progress at the time of writing this budget report). The reconciliation in Tables 3 and 4 have been updated from the budget topic sheet '2014-15 Budget, June 26, 2014' to reflect more current information available to management. Explanations of these adjustments and reclassifications are shown on page 13.

Table 3

(\$000s)	Funding budget 2014-15	NFPS adjustments	Notes	Re-class.	NFPS budget 2014-15	NFPS actual 2013-14
Revenue						
Student fees	144,848				144,848	133,525
Grant revenue	95,544	(573)	1		94,971	94,589
Other revenue	49,812	21,093	2-5	(4,305)	66,600	69,573
<b>Total revenue</b>	<b>290,204</b>	<b>20,520</b>		<b>(4,305)</b>	<b>306,419</b>	<b>297,687</b>
Operating costs						
Personnel costs	(196,980)	194	9-10		(196,786)	(191,442)
Other operating costs	(96,445)	(20,066)	2-8	4,305	(112,206)	(102,306)
<b>Total operating costs</b>	<b>(293,425)</b>	<b>(19,872)</b>		<b>4,305</b>	<b>(308,992)</b>	<b>(293,748)</b>
Mitigation target	3,221				3,221	
<b>Funding deficit</b>	<b>-</b>	<b>648</b>		<b>-</b>	<b>648</b>	<b>3,939</b>

Table 4

Notes	Reconciliation of NFPS adjustments (\$000s)
1	Capital grants (573)
2	Amortization of deferred capital contributions 6,897
3	Research, including fellowships 12,396
4	Endowment Spending 1,500
5	Sinking Fund 300
	<b>Total revenue adjustments 20,520</b>
2	Amortization of capital assets (15,991)
3	Research, including fellowships (12,396)
4	Endowment Spending (1,500)
6	Internal financing 1,542
6	Principal payments 1,885
7	Capital purchases 4,394
8	Deferred maintenance reserves 2,000
9	Employee future benefits (1,106)
10	Pension 1,300
	<b>Total costs adjustments (19,872)</b>

When reviewing the above tables, it should be noted that there can be a number of timing differences between years (i.e. deferred capital contributions). In order to compare the 2013-14 unaudited NFPS financial statements to the 2014-15 funding budget on a more detailed basis, as is performed throughout the remainder of this report, the following table adjusts the 2013-14 unaudited NFPS financial statement figures to a funding basis. Explanations of these adjustments and reclassifications are shown on page 13.

Table 5

(\$000s)	NFPS actual 2013-14	Funding adjustments	Notes	Reclass.	Funding actual 2013-14	Funding budget 2014-15
Revenue						
Student fees	133,525				133,525	144,848
Grant revenue	94,589	573	1		95,162	95,544
Other revenue	69,573	(21,150)	2-5	4,305	52,728	49,812
<b>Total revenue</b>	<b>297,687</b>	<b>(20,577)</b>		<b>4,305</b>	<b>281,415</b>	<b>290,204</b>
Operating costs						
Personnel costs	(191,442)	(3,101)	9		(194,543)	(196,980)
Other operating costs	(102,306)	18,974	2-7	(4,305)	(87,637)	(96,445)
<b>Total operating costs</b>	<b>(293,748)</b>	<b>15,873</b>		<b>(4,305)</b>	<b>(282,180)</b>	<b>(293,425)</b>
Mitigation target						3,221
<b>Funding deficit</b>	<b>3,939</b>	<b>(4,704)</b>		<b>-</b>	<b>(765)</b>	<b>-</b>

Table 6

Notes	Reconciliation of funding adjustments (\$000s)
1	Capital grants 573
2	Amortization of deferred capital contributions (6,897)
3	Research, including fellowships (12,347)
4	Endowments (1,111)
5	Sinking Fund (795)
	<b>Total revenue adjustments (20,577)</b>
2	Amortization of capital assets 15,991
3	Research, including fellowships 12,347
4	Endowments 1,111
6	Internal Financing (1,438)
6	Principal payments (3,629)
7	Capital purchases (5,408)
9	Employee future benefits (3,101)
	<b>Total operating costs adjustments 15,873</b>



## Explanation of adjustments

1. Grants received by the University to be used for future capital purchases are included as part of deferred capital contributions in the NFPS financial statements and later amortized over the useful life of the capital item it funded. The **NFPS adjustment** represents the elimination of facilities renewal program funds included in the 2014-15 budget. The **funding adjustment** represents the inclusion of the facilities renewal program funds actually received in 2013-14.
2. Amortization of deferred capital contributions and capital assets, while not cash inflows or outflows, are required for NFPS financial statements. The actual amortization figures per the NFPS financial statements are included/eliminated as part of the **NFPS adjustments** and **funding adjustments**, respectively.
3. Research grants for restricted purposes and the offsetting research expenses, including fellowships, have not been included as part of the funding budget 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 NFPS financial statements. An estimate has been included as part of the **NFPS adjustments**, based on the average of the prior three year actual figures. The actual revenue and operating costs per the NFPS financial statements has been eliminated as part of the **funding adjustments**.
4. Endowment spending (mainly in the form of scholarships) is included as an expense, with an offsetting revenue as part of the NFPS financial statements, but is not recorded as part of the funding budget. The estimate of endowment spending for 2014-15 has been included as part of the **NFPS adjustments**, along with the offsetting revenue. The actual endowment spending per the NFPS financial statements, along with the offsetting expense, has been eliminated as part of the **funding adjustments**.
5. Investment income on the sinking fund is recorded as a net zero in the funding budget as the funds are restricted and not for operating purposes; however the investment income is reflected in the NFPS financial statements. The 2014-15 budgeted investment income related to the sinking fund is included as part of the **NFPS adjustments** and the actual 2013-14 investment income related to the sinking fund is eliminated as part of the **funding adjustments**.
6. Principal payments of the internally financed projects are not included in the operating statement of the NFPS financial statements, but are included in the funding budget as an expense to account for the repayment of working capital. The 2014-15 budgeted principal payments related to internally financed projects have been eliminated in the **NFPS adjustments**. The actual principal payments related to internally financed projects in 2013-14 have been included as part of the **funding adjustments**. The interest revenue and offsetting interest expense are netted on the operating costs line of the funding budget, and therefore no adjustment is required. Principal debt payments, while they represent a cash outflow, are not considered an expense for the operating statement of the NFPS financial statements as they reduce a liability. The 2014-15 budgeted principal debt payments have been eliminated in the **NFPS adjustments**. The actual principal debt payments in 2013-14 have been included as part of the **funding adjustments**.
7. The funding budget includes the impact of both operating and capital purchases as both impact cash flow; however for NFPS financial statement purposes, capital purchases are recorded as an asset in the Statement of Financial Position. In 2014-15, the University expects \$4.394 million in in-year budgeted capital purchases, which have been eliminated as part of the **NFPS adjustments**. The 2013-14 actual capital purchases have been included as part of the **funding adjustments**. (Note: the 2013-14 capital purchases adjusted here do not include CAIRNS, 198 St. Paul Street or the aquatic centre as each had a separate funding strategy).
8. As part of the capital and related project budget (see page 42), the 2014-15 funding budget includes \$2.0 million of reserves. These reserves are eliminated as part of the **NFPS adjustments** as they would not be recorded as an expense for NFPS financial statement purposes.
9. Employee future benefits represent health, dental and in some cases health-care spending accounts paid to faculty and staff in retirement. While the liability exists, the University has not budgeted nor set aside funds for future cash flow impact of the this liability. The \$1.106 million is the net actuarially calculated benefit that current faculty and staff are expected to earn in 2014-15 and therefore is included as part of the **NFPS adjustments**. The **funding adjustment** eliminates the actual employee future benefits recorded in the 2013-14 NFPS financial statements.
10. The annual pension liability payment of \$6.1 million calculated by the University's actuary is recorded as an expense in the funding budget as it represents a cash outflow. However, \$1.3 million of the \$6.1 million represents the estimated "paydown" of the pension liability if the actuarial assumptions are met. The NFPS financial statements require only \$4.8 million to be expensed and the remaining \$1.3 million is shown as reduction to the pension liability in the **NFPS adjustments**.

## Explanation of reclassifications

Included as part of total 2014-15 budgeted revenues is \$4.305 million of internal charges between departments within the University. The **NFPS reclassification** removes these charges, and the **funding reclassification** includes these charges, as they are not included as part of the NFPS financial statements.



## Revenue assumptions

### Student fees

Student fees include both tuition and fee revenue and represent 50 per cent of total revenue. Student fees are budgeted to be \$145 million for 2014-15, which is detailed in Table 7. Student fees are projected to increase \$9.2 million over the 2013-14 budget and \$11.3 million as compared to actual 2013-14.

Table 7

(\$000's)	Budget 2014-15	Actual 2013-14	Budget 2013-14
Tuition	139,154	127,993	130,270
Fee revenue	5,694	5,532	5,391
<b>Total student fees</b>	<b>144,848</b>	<b>133,525</b>	<b>135,661</b>

Table 8

(\$000's)	Budget 2014-15	Actual 2013-14	Budget 2013-14	
<b>Tuition revenue budgeted in Global</b>				
Domestic (undergraduate & graduate)	97,355	92,264	91,729	
VISA (undergraduate & graduate)	22,741	19,775	19,993	
<b>Total tuition revenue budgeted in Global</b>	<b>120,096</b>	<b>112,039</b>	<b>111,722</b>	(1)
<b>Tuition revenue budgeted in respective department</b>				
Professional Masters Preparation Certificate Program (Business) (PMPCP)	594	725	480	(2)
International Master Business Administration (IMBA)	5,768	3,266	4,502	(2)
International Master of Accountancy (IMAcc)	1,359	1,138	1,972	(2)
Professional Masters Preparation Certificate Program (Education) (PMPCP)	490	443	525	(3)
International Master of Education (MED)	1,094	1,223	1,089	(3)
Master of Arts Applied Linguistics (MA LING)	138	139	182	(4)
<b>Total international student programs (ISPs)</b>	<b>9,443</b>	<b>6,934</b>	<b>8,750</b>	
Continuing Teacher Education – Additional Qualifications (AQ)	785	778	1,091	(3)
Centre for Adult Education and Community Outreach (CAECO) *	930	1,121	1,484	(3)
Other Education Programs	242	134	227	(3)
Intensive English Language Program (IELP)	5,000	4,675	4,919	(5)
Summer English Language Program (SELP)	308	429	416	(5)
Center for Applied Disability Studies (CADS)	1,094	998	953	(4)
Non-credit programs (e.g. Continuing Education & Youth University)	1,256	885	708	(6)
<b>Total other self-funded programs</b>	<b>9,615</b>	<b>9,020</b>	<b>9,798</b>	
<b>Tuition revenue budgeted in respective department</b>	<b>19,058</b>	<b>15,954</b>	<b>18,548</b>	
<b>Total tuition revenue</b>	<b>139,154</b>	<b>127,993</b>	<b>130,270</b>	

\* Includes Aboriginal Adult Education

**Departments the tuition revenue is reported in:** (1) Global; (2) Goodman School of Business; (3) Faculty of Education; (4) Faculty of Social Sciences; (5) Student Services; (6) University Services (Note: in 2014-15 \$310,000 is reported in Student Services and \$25,000 in Research Services and in 2013-14 \$91,000 is reported in Student Services).



### Tuition revenue

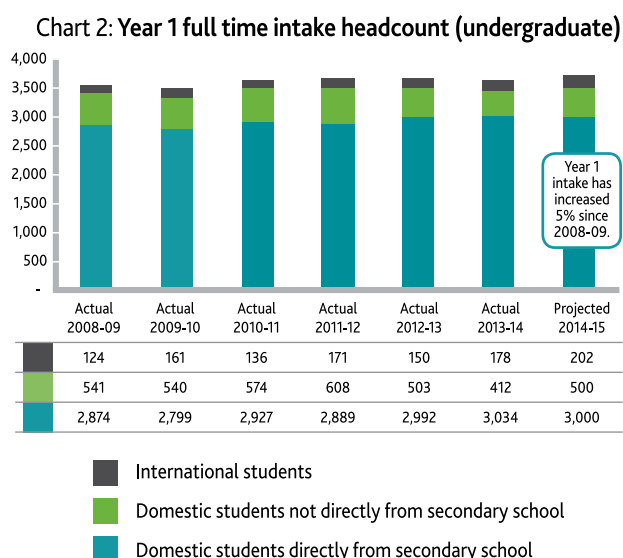
Tuition revenue, defined as a fee charged for educational instruction, is budgeted to be \$8.9 million over the 2013-14 budget and \$11.2 million over actual 2013-14 due to additional enrolment and increased fees. The process for budgeting tuition revenue takes into consideration these two key assumptions (enrolment and increased fees). Table 8 details the tuition revenue by program type, separated by where the tuition is reported.

## i. Enrolment projections

There are two key assumptions in projecting enrolment: intake targets for Year 1 and retention behaviour of current students.

Students are classified on the basis of their admission status. Based on observation, each group behaves differently in terms of their retention status: (1) domestic students directly from secondary school, (2) domestic students not directly from secondary school and (3) international students.

A. Year 1 intake: Chart 2 displays the headcount projections for undergraduate Year 1 (full time) intake as compared to prior years.



B. The Year 1 intake figures are then combined with retention and progression rates, as well as movement to and from full-time and part-time status (retention behaviour), to determine a total returning undergraduate headcount. This retention behaviour is determined by reviewing historical enrolment patterns. As an example, Table 9 shows the return or retention rates of students who entered the University directly from secondary school in 2012 into the 2013-14 year.

Table 9

2013 domestic directly from secondary school cohort	# students	% students
Entered in 2012 as Year 1	3,013	
Activity in 2013-14		
Returned full time as a Year 1 student	858	28%
Returned full time as a Year 2 student	1,683	56%
Returned as part-time Year 1 student	36	1%
Returned as part-time Year 2 student	18	1%
Not registered	418	14%
<b>Total</b>	<b>3,013</b>	<b>100%</b>

C. These enrolment figures are then translated into full-time equivalents (FTE) based on average course load, which is then used to calculate tuition. The eligible (for government funding) FTEs are then converted to basic income units (BIU), which are used to calculate grant revenue. See Appendix A for definitions of measures of enrolment.

Overall, the total budgeted enrolment increase for 2014-15 over the actual enrolment experienced in 2013-14, which was used to determine the budgeted tuition as well as enrolment-based grants, was 0.8 per cent for domestic students and 3.5 per cent for international students. These projected increases took into consideration the Spring/Summer enrolment increase actually experienced at the time of writing this report.

We are fully committed to an enhanced Spring/Summer session as one of the key components of the Strategic Mandate Agreement with the MTCU; however, additional financial analysis is required to assess the impact of the Spring/Summer session on the Fall/Winter session. This analysis is expected in late 2014 (after the Nov. 1, 2014 MTCU student enrolment count date) to help inform the 2015-16 budget development.

## ii. Fee and rate setting

Universities, through their individual acts of incorporation, have full authority to establish their own fee levels. However, the MTCU issues tuition fee policy guidelines for government-funded programs. According to the guidelines, an institution will be penalized through a grant reduction for fees charged above the permitted levels. Universities have full discretion over tuition fee increases for non-government funded courses.

A proposed list of the upcoming academic year tuition fees was brought forward to the Financial Planning, Investment and Human Resources Committee and to the Board of Trustees. Approved tuition fees for 2014-15 can be found on the Brock University website at [brocku.ca/finance/students](http://brocku.ca/finance/students). See Appendix B for an explanation of the tuition fee policies for both government-funded programs and non-government funded programs as well as the approved tuition fee increases.

## Tuition set-aside

Since 1996-97, the Ontario government has required a percentage of revenue derived from tuition increases to be set aside for student financial assistance, to help ensure institutions have sufficient funds to meet their Student Access Guarantee (SAG) obligations. See the Scholarships and student awards discussion as part of the Operating costs section of this report on page 22 for discussion of the SAG. As of 2010-11, the set-aside requirement is 10 per cent of the tuition increase (based on the actual increase in enrolment in the prior year at the current year's average tuition fee). Total tuition set-aside included in the 2014-15 budget is \$5,867,000, an increase of \$797,000 over the 2013-14 budget representing \$4,630,000 for scholarships and bursaries (\$4,480,000 – undergraduate and \$150,000 graduate) and \$1,237,000 for funding of student employment. The majority of the set-aside funds related to scholarships and bursaries are included in the Student Services Department operating costs and the student employment costs are included in the respective department personnel costs where students are planned to be employed.



## Fee revenue

Fee revenue is budgeted to be \$5.7 million, which is \$0.3 million over the 2013-14 budget and \$0.2 million over actual 2013-14. Student fee revenue includes both ancillary fees and certain program specific fees.

Ancillary fees are established by student referendum according to the ancillary fee protocol and agreed to with the Brock University Students' Union (BUSU). Some existing fees can increase automatically (i.e. only after the CPI has accumulated to five per cent since the last fee increase) or fees are system-wide and applicable to all Ontario university students. Ancillary fees are all assessed and collected by the University and are either administered by the University, BUSU or the GSA (Graduate Students' Association). The Board of Trustees approved the 2014-15 ancillary fees retained by the University on Feb. 13, 2014. It may be interesting to note that Brock has among the lowest ancillary fees of any Ontario University.

Ancillary fees are budgeted to be \$3.7 million in 2014-15, which is consistent with the 2013-14 budget. The largest portion of the ancillary fees is the Brock University Student Life Fee. This fee was established in 2013-14 as part of the student referendum held in March 2013 and is used to support Brock Student Health Services, Recreation Services, and Athletics. This fee is budgeted to generate \$1.6 million in 2014-15 (\$1.6 million in 2013-14), with \$1.2 million reported as part of the Recreation Services and Athletics departments and \$0.4 million in the Student Services Department. Also included as part of the total ancillary fees is the athletic, intramural and recreational program fee (separate from the Student Life Fee) representing \$1.3 million in the 2014-15 budget, (\$1.3 million in 2013-14) which is reported in the Recreation Services and Athletics departments. The health-services fee is \$0.5 million for 2014-15, an increase of \$0.1 million over the 2013-14 budget as a result of the rate increase and is reported in the Student Services Department.

Program-specific fees of \$2.0 million were included as part of fee revenue in the 2014-15 budget (\$1.7 million in 2013-14). Program-specific fees are charged by the program in which a student is enrolled. Included in this figure are \$1,087,000 (\$866,000 in 2013-14) of co-op fees (reported in the Co-op Programs Office), and \$765,000 (\$700,000 in 2013-14) of ESL ancillary fees for international students (reported in the Student Services Department).

## Grant revenue

Grant revenue includes operating grants and specific purpose grants and represents 33 per cent of total revenue, and is budgeted to be \$96 million for 2014-15, which is detailed in Table 10. Grant revenue increased \$3.3 million over the 2013-14 budget and \$0.4 million over actual 2013-14.

### Operating grants

- Operating grants represent 30 per cent of the total revenue (31 per cent in 2013-14). They are typically general purpose and largely impacted by enrolment shifts. Each university's grant is usually funded in direct proportion to its enrolment share of the provincial student enrolment system. Calculation

of grants can often be predicted with relative accuracy, but some are not known until the MTCU announces them throughout the year. The following section summarizes grant estimates based on the University's best assumptions available at the time of preparing the budget.

Table 10

(\$000's)	Budget 2014-15	Actual 2013-14	Budget 2013-14
<b>Operating grants</b>			
Basic Operating Grant	71,541	72,772	72,685
Enrolment based grants	11,352	10,274	8,142
General Access And Quality Grant	3,782	3,766	3,782
Performance Fund	700	701	817
<b>Total operating grants</b>	<b>87,375</b>	<b>87,513</b>	<b>85,426</b>
<b>Specific purpose grants</b>	<b>8,169</b>	<b>7,649</b>	<b>6,850</b>
<b>Total grant revenue</b>	<b>95,544</b>	<b>95,162</b>	<b>92,276</b>

### Basic Operating Grant

- The core of the government funding comes from the Basic Operating Grant, combined with enrolment-based grants. This funding is distributed to universities based on enrolment levels, using basic income units (BIU).
- In general, the Basic Operating Grant represents the base grant that the University receives based on historical enrolment levels. Further growth enrolment past these base amounts are captured in the enrolment based grants, as discussed below.
- As outlined in the 2012 Ontario budget, beginning in 2013-14, funding to post-secondary institutions will reflect a range of saving measures, including a reduction to college and university operating grants using Policy Lever Savings and the International Student Recovery. In April 2013, the MTCU outlined the specifics of these reductions to the operating grants.
- The Policy Lever Savings include a reduction of \$81 million in 2014-15 to college and university operating grants with each sector's share of the total saving target determined based on the sector's proportional share of the enrolment-based grants. The effect on Brock University is a \$732,000 permanent base reduction in 2014-15 (\$826,000 in 2013-14), with \$684,000 reduction to the Basic Operating Grant, \$40,000 to the Undergraduate Accessibility Grant and \$8,000 to the Graduate Expansion Grant.
- The International Student Recovery further reduces the Basic Operating Grant by \$750 for every undergraduate and master's level international student, and commenced with new student admissions in 2013-14. This reduces Brock's Basic Operating Grant by an additional \$474,000 (\$474,000 in 2013-14).
- Overall, the Basic Operating Grant decreased \$1,231,000 compared to the actual grant received in 2013-14 (\$1,144,000 less than the 2013-14 budget), which is on top of the decrease of \$1,246,000 that was experienced in 2013-14. The Basic Operating Grant is reported as part of "University Global".

### Enrolment-based grants

- As detailed in Table 11, the 2014-15 enrolment-based grants include the Undergraduate Accessibility Fund, the Graduate Expansion Grant and the Nursing Grant. These are estimated at \$11.4 million, which is higher by \$3.2 million than the 2013-14 budget and \$1.1 million higher than actual 2013-14. The certainty of funding for these grants is dependent on achieving enrolment results and on the government funding provided not only to Brock but the entire Ontario university system.
- All the grant revenue related to enrolment-based grants is shown as part of "University Global".

Table 11

(\$000's)	Budget 2014-15	Actual 2013-14	Budget 2013-14
Undergraduate Accessibility Fund	6,496	5,440	3,567
Graduate Expansion Grant	1,927	1,879	1,854
Nursing Grant	2,929	2,955	2,721
<b>Total enrolment-based grants</b>	<b>11,352</b>	<b>10,274</b>	<b>8,142</b>

- Undergraduate Accessibility Fund:** The MTCU introduced the Undergraduate Accessibility Fund in 2001-02 to ensure universities were able to cope with the expected enrolment growth. The University receives this grant if there is positive domestic undergraduate BIU growth over the base year, which is currently 2010-11. The following formula is used by the MTCU to calculate the grant amount: Change in BOI [increase in BIU x BIU value] – change in formula fees [increase in FTEs x formula fee]. Since Brock's undergraduate enrolment will continue to increase in 2014-15, assuming full funding, Brock's total Undergraduate Accessibility Fund in 2014-15 will be the amount received in 2013-14 (\$5,440,000), plus the amount due to additional growth in domestic undergraduate enrolment (\$1,096,000), which is budgeted at 0.8 per cent.
- In addition, as described above, as part of the 2012 Ontario budget the Undergraduate Accessibility Fund has had a permanent base reduction of \$40,000 in 2014-15 (\$45,000 in 2013-14), resulting in a net increase of \$1,056,000 over the grant actually received in 2013-14.
- Graduate Expansion Grant:** The Ontario government provides funding to universities for master's and PhD FTE growth over a base year, currently 2007-08, up to a maximum number of FTEs. In early 2014, as part of the SMA process, the MTCU adjusted Brock's 2014-15 regular graduate enrolment allotment to 607.89 master's FTEs and 98.95 PhD FTEs (vs. 596.35 master's students and 98.8 PhD students funded in 2013-14). Also as part of this process, 28.88 (25 master's and 3.88 PhDs) additional allotment FTEs were added for program specific targets in transdisciplinary institutes.
- Based on enrolment targets, in 2014-15, Brock is expected to exceed its master's FTE regular allotment by 7.21 (unfunded amount of \$74,000) and to have 95.1 PhD FTEs, resulting in \$1,863,000 of funding. In addition, as a result of the additional allotment for transdisciplinary FTEs, Brock is expected to receive \$72,000 (7.0 master's FTEs), for a total of \$1,935,000.
- In addition, as described above, as part of the 2012 Ontario budget the Graduate Expansion Grant has had a permanent base reduction of \$8,000 in 2014-15 (\$9,000 in 2013-14), resulting in a net increase to the budget of \$73,000 over the 2013-14 budget and \$48,000 over 2013-14 actual.
- Nursing Collaborative and Completion Grant:** The Nursing Grant is funded separately through the college system envelope. Brock receives its grant through Loyalist College and is paid on a slip-year basis (based on enrolment in the prior year). The grant revenue is calculated by multiplying the most recent year's (2010-11) funding rate by 2013-14 FTEs. Using this method, the grant is expected to be \$2,929,000, an increase \$208,000 over the amount budgeted in 2013-14 and \$26,000 less than the grant actually received in 2013-14.



## General Access and Quality Grant

- The MTCU provides funds to universities to increase access to high-quality post-secondary education across the province. There is a requirement for each university to sign multi-year accountability agreements (MYAA) that will monitor the use of the funds against the goals of access, quality and accountability. These quality funds are not guaranteed to become base funding. For Brock University's 2012-13 MYAA, visit [brocku.ca/vp-academic/public-accountability](http://brocku.ca/vp-academic/public-accountability)
- In preparing the 2014-15 grant estimates, it was estimated that the General Access and Quality Grant will continue at the same level as budgeted in 2013-14, \$3,782,000 and is reported as part of "University Global."

## Performance Fund

- Since 2000-01, the MTCU has provided Performance Funding. Universities are measured on three indicators: the employment rate of graduates six months after graduation; employment rates two years after graduation; and a cohort-based graduation (degree completion) rate. A benchmark is established for each of the three indicators and universities performing within 10 per cent of the benchmark receive funding based on their share of total BIU and to what extent they are above or under their benchmark. For Brock University's Performance Funding indicators, visit [brocku.ca/finance/faculty-and-staff/institutional-analysis/pfi](http://brocku.ca/finance/faculty-and-staff/institutional-analysis/pfi)
- The 2014-15 funding is budgeted at \$700,000 based on the same level as was received in 2013-14 (\$117,000 less than the 2013-14 budget) and is reported as part of "University Global."

## Grant revenue – specific purpose grants

The University receives a number of grants, mainly funded by the provincial or federal governments, for specific expenditures of the same amount which are detailed in Table 12. Budget amounts, in both revenues and offsetting operating costs, have been adjusted to reflect expected funding levels.

Table 12

(\$000's)	Budget 2014-15	Actual 2013-14	Budget 2013-14
Specific purpose grants			
Federal Indirect Costs Program	1,760	1,857	1,826
Grant in Lieu of Municipal Taxation	1,080	1,087	1,036
Teacher Education Transition Funding	866		
Graduate Enrolment Capital Expansion Grant	800	750	750
Facilities Renewal Program Funds	573	573	609
First Generation Project Grant	440	440	440
Access Fund for Students with Disabilities	417	417	423
Other grants	2,233	2,525	1,766
<b>Total specific purpose grants</b>	<b>8,169</b>	<b>7,649</b>	<b>6,850</b>

## Federal Indirect Costs Program

- The Federal Indirect Costs Program is a Government of Canada funding program to assist Canadian post-secondary institutions in offsetting the cost of administering research awards from the three federal granting councils (Natural Sciences and Engineering Research Council, Social Sciences and Humanities Research Council, and the Canadian Institute of Health Research). Brock receives funding to support the indirect costs incurred on Tri-Council-funded research through the program. These costs can include maintenance and utilities of libraries and laboratories, salaries for staff or students who provide research administration support, training costs for workplace health and safety, or the administrative costs associated with getting a patent.
- The amount is determined based on a formula that incorporates a base amount and the average of the last three years of research funding from the three agencies. Brock's funding is estimated to be \$1,760,000 for 2014-15, which is \$97,000 less than was received in 2013-14. A portion of the grant revenue related to the Federal Indirect Costs Program is reported as part of the Office of Research Services (\$907,000), with the remaining budgeted grant being allocated to the following areas: the Library (\$270,000), Facilities Management (\$240,000), the Faculties (\$268,000), and the Human Resources Department (\$75,000).
- Note: the funding budget does not include research grants for restricted purposes or the offsetting research expenses; they are, however, included in the NFPS financial statements. An adjustment was made to the funding budget as part of the reconciliation to NFPS financial statements on page 12 of this report.

## Grant in Lieu of Municipal Taxation

- The MTCU provides subsidies to universities to pay their municipal taxes. The municipal tax (payment in lieu of property taxes) is based on a charge of \$75/domestic FTE; however, the grant increases have not been keeping up with the cost increases. The 2014-15 payment is budgeted to be \$1,225,000 (2013-14 actual payment was \$1,192,000) and the grant is budgeted to be \$1,080,000 (2013-14 actual grant received was \$1,087,000); therefore, \$145,000 is budgeted to be unfunded (\$105,000 in 2013-14).
- Both the grant revenue related to the Grant in Lieu of Municipal Taxation and the offsetting payment in lieu of property taxes, is reported as part of "University Global".

## Teacher Education Transition Funding

- As part of the Province's modernization of teacher education, as described in the Government Policy section of this report, the MTCU is providing funding to Universities to support the implementation of programs that meet the new initial teacher education requirements. Eligible expenditures include curriculum, program and services redesign, staff and faculty training, accreditation of the new programs, etc. The funding budgeted for 2014-15 is \$866,000 and is reported as part of the Faculty of Education. Note: This is limited term funding only.



### Graduate Enrolment Capital Expansion Grant

- The MTCU provides capital funding to support the expansion of graduate education. The value of the grant is determined based on the graduate enrolment growth (two-year slip) up to a maximum number of master's and PhD FTEs. In 2014-15, the grant is expected to be \$800,000 based on FTEs projected in 2014-15.
- The grant revenue related to the Graduate Enrolment Capital Expansion Grant is shown as part of the "University Global."

### Facilities Renewal Program Funds

- The provincial Facilities Renewal Program (FRP) funds are meant to help ensure academic space and supporting infrastructure is maintained in good repair to provide a safe environment for work and study. The total grant for both colleges and universities is \$26 million (reduced from \$40 million in the 2010 provincial budget). The distribution of the university sector FRP funds is determined based on the basis of a university's share of the theoretical space entitlement calculated in accordance with the Council of Ontario Universities' space standards. The data used in the formula is taken from the Inventory of Physical Facilities of Ontario Universities, which is updated every three years. The formula also includes a floor so that no institution receives less than 0.5 percent of the total university sector allocation. Brock's expected funding level for 2014-15 is \$573,000, which is consistent with the amount received in 2013-14 but is \$36,000 less the amount budgeted in 2013-14.
- In the 2014-15 budget, the FRP funds were allocated as part of the total \$6 million in deferred maintenance. The specific items included in the deferred maintenance budget are detailed as part of the capital and related project budget on page 42.
- The grant revenue related to the Facilities Renewal Program Funds is reported in the Facilities Management Department.

### First Generation Project Grant

- The MTCU provides funding for the First Generation Project (FGP) through the First Generation Project Grant. The purpose of the FGP is to provide service and support to enrolled first-generation students (parents/guardians who have not attended a post-secondary institution) through orientation, peer support, mentoring, academic workshops and other unique academic services tailored for first-generation students. The funding level is budgeted to remain unchanged at \$440,000.
- The revenue related to the FGP Grant is shown as part of the Student Services Department.

### Access Fund for Students with Disabilities

- The MTCU provides funding to support a wide range of services provided to students with disabilities, through the Access Fund for Students with Disabilities. These services include providing access to adaptive computer and software learning technology; arranging note-taking for students who are visually impaired and interpreter services for students who are deaf, deafened and hard of hearing. The funding for 2014-15 is expected to be \$417,000.
- The grant revenue related to the Access Fund for Students with Disabilities is shown as part of the Student Services Department.

### Other specific purpose grants

- Included in other specific purpose grants are a number of annual special grants including the following:
  - The Aboriginal Student Success Funding from the MTCU supports Aboriginal students through funding for student support initiatives, academic enrichment and partnership initiatives. The 2014-15 budget for this funding is \$336,000, of which \$123,000 is reported in the Faculty of Education and \$213,000 in Student Services.
  - The Credit Transfer Institutional Grant, also funded by the MTCU, funds support for post-secondary education transfer mobility initiatives. The 2014-15 budget for this funding is \$284,000, which is reported in Student Services.
  - The MTCU provides two-thirds funding for the Ontario Trillium Scholarships offered to international full-time doctoral students (the remaining one-third is funded by Brock). The 2014-15 budget of \$213,000 (an increase of \$53,000 over 2013-14) is included in "University Global" (with the offsetting scholarship expense as part of Student Services).
  - The Provincial Research Overheads Infrastructure Envelope, funded by the MTCU, is budgeted to be \$189,000 and is reported as part of Research Services.
  - Niagara Post-Secondary Holistic Wellness Initiative is an MTCU-funded project, under the Mental Health Innovation Fund, involving a partnership between Brock and Niagara College to develop an online portal and facilitate face-to-face information sessions focused on mental health. The 2014-15 budget of \$171,000 (an increase of \$22,000 over the 2013-14 budget) is reported as part of Student Services.
  - The Queen Elizabeth II Aiming for The Top scholarship funding, provided by the MTCU, is being phased out over three years starting in 2013-14, reducing the budget in 2014-15 to \$150,000, a decrease of \$50,000 from 2013-14. The funding (as well as the offsetting scholarship expense) as reported as part of Student Services.



- Also included in other specific purpose grants are the following: provincial student bursaries, Summer Transition Program grant (MTCU), funding from two Chinese Government agencies, Canadian Heritage Funding, Canada Council and Ontario Arts Council funding, Women's Campus Safety grant (MTCU) and other smaller special grants. The revenue related to these grants are shown as part of a number of departments, including Student Services, Faculty of Humanities, Centre for the Arts, and Human Resources.
- Included as part of the 2013-14 budget in other grants is a contingency of \$174,000 (offsetting grant revenue). This contingency was established to help mitigate the risk that the grants may not be fully funded to the budgeted levels. There is no grant contingency included as part of the 2014-15 budget.

## Other revenue

Other revenue includes revenue from ancillary operations, residence fees, internal chargebacks, investment income and sales and services and represents 17 per cent of total revenue. As detailed in Table 13, other revenue is budgeted to be \$49.8 million and increased \$1.3 million over the 2013-14 budget and decreased \$2.9 million over actual 2013-14. Revenue from residence fees and ancillary operations will be discussed in the snapshot section of this report on pages 37 and 40, respectively.

Table 13

(\$000's)	Budget 2014-15	Actual 2013-14	Budget 2013-14
Ancillary revenue	17,393	16,591	17,208
Residence fees	15,457	15,079	14,951
Internal chargebacks	4,305	4,305	4,999
Investment income	555	853	800
Sales and services	12,102	15,900	10,537
<b>Total other revenue</b>	<b>49,812</b>	<b>52,728</b>	<b>48,495</b>

## Internal chargebacks

Internal chargebacks represent revenue received by units within the University for services those units have performed for other units within the University. The offsetting expenses are within operating costs (a portion of the offsetting expenses are within personnel costs in the 2013-14 budget) of those units that received the service. As part of the reconciliation to NFPS financial statements, a reclassification of these revenues was performed on page 12 of this report. Included in the 2014-15 budgeted internal chargebacks are charges for Printing and Digital Services (\$1,750,000), Information Technology Services (\$1,205,000), Facilities Management (\$925,000), Central Receiving and Mail Services (\$285,000), Parking Services (\$50,000), Health Services (\$40,000), Marketing and Communications (\$15,000) and Faculty of Mathematics and Science charges for Machine and Electronic Shop (\$35,000).

## Investment income

Investment income represents the interest that the University receives on short-term investments. The reduction of the budget for 2014-15 from 2013-14 is due mainly to the change in collecting student fees each term, rather than all up front,

as required by the Province, as well as lower cash balances resulting from previous deficits. These funds are invested in accordance with the University's investment policies.

## Sales and services

Income generated from sales and services represents a wide variety of sources, including the following: administrative "fees-for-service," including transcript printing fees, applications to graduate to cover gown rentals and letters of permission; fees charged on student accounts, including interest and in 2013-14 deferral fees, which were eliminated in 2014-15 (see page 8); Centre for the Arts season tickets; Ontario University Application Centre revenue; health service charges; affinity revenue; rental income (e.g. Heritage Place Plaza); aquatic centre revenue, including instructional fees; spending allocations from the Marilyn I. Walker School of Fine and Performing Arts Endowment Fund and Ned Goodman's donation; as well as other donation revenue.

## Operating cost assumptions

Budget developers prepared expenditure budgets as defined by their functional area of responsibility. The responsibility centres are generally defined by the organization structure. Starting on page 27 of this report, each of the responsibility centres is defined and the corresponding revenue, operating costs and personnel costs are reported.

## Personnel costs

Personnel costs include both salaries/wages and benefits and represent 67 per cent of the total budgeted costs. Personnel costs are budgeted to be \$197.0 million and decreased \$3.3 million from 2013-14 budget and increased \$2.4 million from actual 2013-14.

Personnel costs included in the 2014-15 funding budget are comprised of the following:

Table 14

Personnel Group <sup>1</sup>	Salary/ Wage (\$000s)	Benefits (\$000s)	Pension Obligation Payment (\$000s) <sup>2</sup>	Total Personnel Costs (\$000s)
BUFA	78,498	13,148	4,297	95,943
Admin/Professional	35,034	7,707	1,067	43,808
CUPE 4207 - Unit 1	12,349	1,729	2	14,080
OSSTF	8,444	2,195	233	10,872
CUPE 1295 FT	6,339	1,838	143	8,320
SAC	4,006	601	262	4,869
Other	16,318	2,674	96	19,088
<b>Total 2014-15 Budget</b>	<b>160,988</b>	<b>29,892</b>	<b>6,100</b>	<b>196,980</b>
<b>Actual 2013-14</b>	-	-	-	<b>194,543</b>
<b>Budget 2013-14</b>	-	-	-	<b>200,269</b>

(1) BUFA – Faculty, Professional Librarians, Associate Deans, Associate Vice-Presidents of Research and Associate Librarian; SAC – Senior Administrative Council; OSSTF – support and technical staff; Admin/Professional-administrative/professional and exempt staff; CUPE 1295 FT – full-time maintenance, trades and custodial staff; CUPE 4207 – Unit 1 instructors, teaching assistants, lab demonstrators, course co-ordinators and marker/graders.

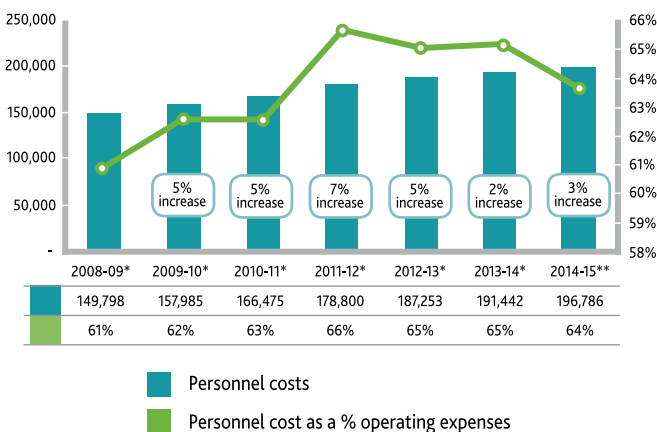
(2) Represents a high-level allocation based on pensionable salaries.

The \$3.3 million decline in budgeted personnel costs versus the 2013-14 budget is the result of estimated savings of \$1.2 million from the previous early faculty retirement program and \$5.5 million from staff reductions. Offsetting these declines is \$1.9 million in known compensation increases – \$1.2 million in salary/wages and \$0.7 million in benefits (including the additional pension plan obligation payment, as described below), as well as an estimated increase in teaching costs of \$1.5 million. Note: the 2014-15 budget does not include incremental costs associated with collective bargaining in 2014.

Benefit costs include employer contributions to the Brock University Pension Plan, dental, medical and statutory taxes (CPP, EI, EHT and WSIB). These benefit costs have been increasing as many of these costs are a percentage of the employees' base salary and are impacted by inflationary factors. Included in personnel costs is funding of the Brock University Pension Plan obligation. The 2014-15 payment is budgeted to be \$6.1 million, which has been allocated to each units' respective budgets. This amount consists of two types of payments. The first is the University's current service cost for the minimum guarantee supplemental benefits of the pension plan of \$2.65 million. The second portion goes towards funding the \$35-million going-concern shortfall (as of July 2, 2011), of which \$3.45 million is budgeted for 2014-15.

Chart 3 shows personnel costs since 2008-09. Note: the 2014-15 budget in the graph has been adjusted to make the figures comparable to the NFPS financial statements. Adjustments related to the NFPS financial statements include such items as actuarial calculations for employee future benefit costs and part-time salaries directly related to research, as such salaries that are funded from grants are not otherwise budgeted. In addition, Chart 3 does not reflect mark-to-market changes in the pension valuation resulting from recent CICA Handbook section changes.

Chart 3: Personnel costs (\$000s)



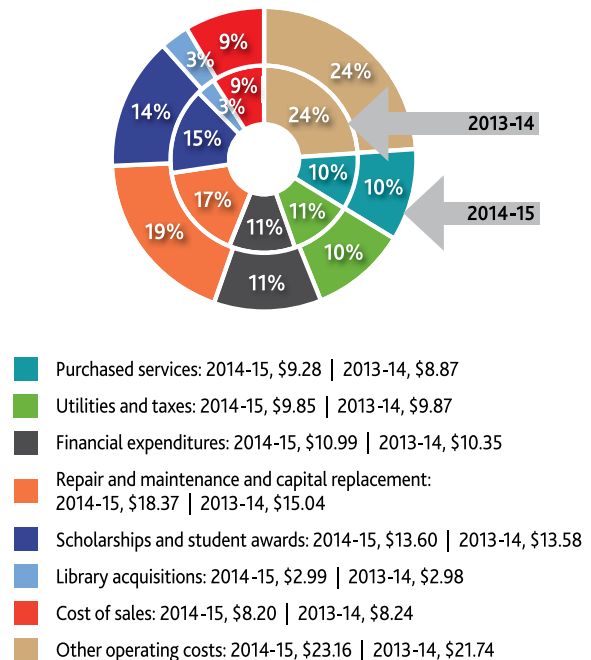
\* Represents figures prepared in accordance with Canadian generally accepted accounting policies for not-for-profit organizations (2008-09 to 2010-11), in accordance with Canadian accounting standards for not-for-profit organizations (2011-12, 2012-13 and 2013-14), and have been audited by KPMG LLP (Independent Auditors) for 2008-09 to 2012-13 but are still unaudited for 2013-14 at the time of writing this report.

\*\* Represents budget figures which have been adjusted to make the figures comparable to NFPS financial statements. See page 12 for a reconciliation to the approved budget.

## Operating costs

Non-personnel operating costs (operating costs) represent 33 per cent of the total budgeted expenditures of the University. Operating costs increased \$5.8 million over the 2013-14 budget. Operating costs have been segregated into eight categories. See Chart 4 for a breakdown by category for both the 2013-14 and 2014-15 budgets.

Chart 4: Budget operating costs (\$Ms)



### Purchased services

Purchased services represent externally purchased services, including information technology services, security services, physician services, printing services, consulting, legal fees and commissions. Also included in purchased services are certain interdepartmental charges such as information technology services.

### Utilities and taxes

Utilities and taxes include the cost of heating, hydro, water and property taxes. The majority of these expenses are reported in Facilities Management and the Department of Residences, excluding property taxes which is included in "University Global."

### Financial expenditures

Financial expenditures include both internal and external financing costs. Net internal financing costs are \$1.54 million, which represent the principal payments of the internally financed projects. The external financing costs of \$9.45 million represent both interest and principal payments of the University's debt. The largest component of external financing costs is the annual interest payment of the University's \$93-million senior unsecured debenture of \$4.62 million, which is reported in the following responsibility centres: \$2.48 million in the Department of Residences and \$2.14 million in "University Global." Also included in financial expenditures is \$1.95 million in interest and principal annual payments for residence buildings, which is reported in the





Department of Residences, and \$1.9 million payment related to the CFHBRC debt, which is reported in "University Global". Interest and principal annual payments of \$0.98 million for the 198 St. Paul Street building (reported in "University Global"), make up the remaining external financing costs and account for the majority of the increase in financial expenditures (2013-14 budget included only \$0.3 million of principal and interest payments).

### Repairs and maintenance and capital replacement

Repairs and maintenance and capital replacement costs include all costs related to performing routine activities related to the maintenance of devices, building and grounds, repairs (either major or minor) of devices, buildings and grounds, as well as any minor or major capital purchases. The related interest and principal payments are included as part of the financial expenditures category. Included in this category is the funding related to the capital and related project budget outlined on page 42 of this report. The capital and related project budget includes the deferred maintenance spending of \$6.0 million, which includes the facilities renewal program funds of \$0.6 million, as well as other capital and related projects.

### Scholarships and student awards

Undergraduate entrance scholarship funding, financial-need bursaries and other student awards are budgeted to be \$7.76 million in 2014-15. Included in this amount is the funding related to the requirements of the Student Access Guarantee (SAG). The SAG is an initiative created by the MTCU to help support

post-secondary students in Ontario and states that no qualified Ontario student should be prevented from attending post-secondary education because of a lack of financial support programs. The MTCU requires all colleges and universities that receive public funding to provide enough financial aid to cover a student's assessed needs for expenses directly related to his or her program that are not fully met by OSAP. Undergraduate tuition set-aside of \$4.48 million is included as part of the SAG (see the tuition revenue section of this report for a description of the tuition set-aside). Also included in the \$7.76 million are \$347,000 of awards funded by government grants. The majority of the undergraduate scholarships and students awards are recorded in the Student Services Department, with \$377,000 of awards funded by other responsibility centres.

Graduate student scholarships and student awards, mainly in the form of fellowships, are budgeted to be \$5.84 million (including \$150,000 of tuition set-aside), the majority of which is reported in the Faculty of Graduate Studies.

**Note:** scholarships and student awards do not include the portion of tuition set-aside used to fund student positions (\$1.237 million in 2014-15); nor does it include scholarships and awards available from endowments (estimated at \$1.4 million in 2014-15).

### Library acquisitions

The budgeted library acquisitions represents the funding for purchasing of resources, including electronic, print and other materials for the library.

### Cost of sales

Cost of sales represents the cost of purchasing the items for resale by Ancillary Operations.

### Other operating costs

Other operating costs represent all other costs not included in the above seven categories, including administrative expenses, insurance, teaching supplies, marketing and branding expenses, varsity and team costs, artists fees and other costs.

## Funding budget by function

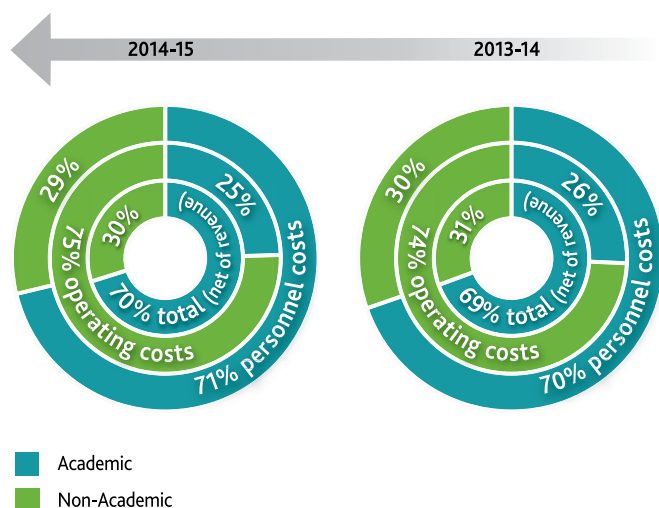
Table 15 details the funding budget by function where all personnel costs, operating costs and revenue have been grouped by their responsibility centre, which have in turn been grouped as either academic or non-academic. (Note: Each responsibility centre is described in the "snapshot" section of this report, starting on page 27.)

Overall, the net operating costs budgeted in 2014-15 related to all the responsibility centres of \$203.1 million (\$206.7 million in 2013-14) which is covered by the "University Global", as well as the funding deficit. (Note: certain reclassifications were made to the 2013-14 budget as compared to the figures presented in the 2013-14 Budget Report. See Appendix C for the details of these reclassifications.)

Table 15: Funding budget by responsibility centre

(\$'000's)	Budget 2014-15 revenue	Budget 2014-15 personnel costs	Budget 2014-15 operating costs	Budget 2014-15 net	Budget 2013-14 revenue	Budget 2013-14 personnel costs	Budget 2013-14 operating costs	Budget 2013-14 Net	Difference of "net" amounts [(increase)/ (decrease)]	Page ref.
<b>Academic responsibility centres</b>										
Faculty of Applied Health Sciences	49	(16,251)	(823)	(17,025)	73	(16,375)	(448)	(16,750)	(275)	27
Goodman School of Business	8,943	(22,856)	(3,062)	(16,975)	8,109	(22,074)	(3,128)	(17,093)	118	28
Faculty of Education	4,906	(17,299)	(2,689)	(15,082)	4,875	(18,341)	(2,086)	(15,552)	470	28
Faculty of Humanities	618	(20,554)	(1,141)	(21,077)	310	(20,286)	(1,059)	(21,035)	(42)	29
Faculty of Mathematics and Science	234	(19,476)	(922)	(20,164)	195	(19,180)	(838)	(19,823)	(341)	29
Faculty of Social Sciences	1,407	(33,500)	(1,507)	(33,600)	1,271	(33,007)	(1,685)	(33,421)	(179)	30
Faculty of Graduate Studies	210	(1,216)	(5,869)	(6,875)	169	(1,076)	(6,545)	(7,452)	577	30
Library	450	(5,016)	(3,425)	(7,991)	475	(5,280)	(3,543)	(8,348)	357	30
Research Services	1,405	(2,239)	(1,668)	(2,502)	1,216	(2,209)	(1,398)	(2,391)	(111)	31
Centre for Pedagogical Innovation	32	(885)	(310)	(1,163)	14	(1,114)	(478)	(1,578)	415	31
<b>Total academic responsibility centres</b>	<b>18,254</b>	<b>(139,292)</b>	<b>(21,416)</b>	<b>(142,454)</b>	<b>16,707</b>	<b>(138,942)</b>	<b>(21,208)</b>	<b>(143,443)</b>	<b>989</b>	
<b>Non-academic responsibility centres</b>										
Alumni, Development and Donor Relations	744	(1,724)	(996)	(1,976)	159	(2,010)	(612)	(2,463)	487	32
Marketing and Communications	15	(975)	(718)	(1,678)	12	(934)	(833)	(1,755)	77	32
Board of Trustees	-	-	(20)	(20)	-	-	(27)	(27)	7	32
Leadership	-	(3,360)	(542)	(3,902)	-	(3,906)	(565)	(4,471)	569	32
Facilities Management	2,015	(11,612)	(15,898)	(25,495)	2,241	(12,044)	(13,806)	(23,609)	(1,886)	33
Finance and Administration	1,539	(12,593)	(4,393)	(15,447)	1,845	(13,512)	(4,445)	(16,112)	665	34
University Services	3,342	(1,428)	(2,685)	(771)	3,197	(1,540)	(2,543)	(886)	115	35
Co-op	1,112	(1,094)	(97)	(79)	891	(1,195)	(97)	(401)	322	36
<b>Sub total</b>	<b>8,767</b>	<b>(32,786)</b>	<b>(25,349)</b>	<b>(49,368)</b>	<b>8,345</b>	<b>(35,141)</b>	<b>(22,928)</b>	<b>(49,724)</b>	<b>356</b>	
Centre for the Arts	1,287	(1,039)	(969)	(721)	1,234	(1,066)	(889)	(721)	-	36
Department of Residences	15,734	(2,459)	(12,612)	663	15,082	(2,579)	(11,472)	1,031	(368)	37
Student Services	13,376	(13,819)	(13,887)	(14,330)	12,419	(15,320)	(13,244)	(16,145)	1,815	37-38
Recreation Services & Athletics	4,743	(3,355)	(2,240)	(852)	4,121	(3,518)	(1,913)	(1,310)	458	39
Ancillary Operations	17,443	(2,734)	(10,748)	3,961	17,258	(2,813)	(10,844)	3,601	360	40
<b>Total non-academic responsibility centres</b>	<b>61,350</b>	<b>(56,192)</b>	<b>(65,805)</b>	<b>(60,647)</b>	<b>58,459</b>	<b>(60,437)</b>	<b>(61,290)</b>	<b>(63,268)</b>	<b>2,621</b>	
<b>Global</b>	<b>210,600</b>	<b>(1,496)</b>	<b>(9,224)</b>	<b>199,880</b>	<b>201,266</b>	<b>(890)</b>	<b>(8,170)</b>	<b>192,206</b>	<b>7,674</b>	41
<b>Total University</b>	<b>290,204</b>	<b>(196,980)</b>	<b>(96,445)</b>	<b>(3,221)</b>	<b>276,432</b>	<b>(200,269)</b>	<b>(90,668)</b>	<b>(14,505)</b>	<b>11,284</b>	

Chart 5: Operating and personnel costs by cost centre



As shown in Chart 5, academic personnel costs represent 71 per cent of the total personnel costs, before the "University Global", with non-academic responsibility centres representing 29 per cent of the personnel costs. However, this split is quite different when looking at operating costs, where academic responsibility centres represent only 25 per cent and non-academic represent 75 per cent of operating costs, before "University Global." This heavy weighting of operating costs on non-academic responsibility centres is a result of the fact that a large portion of our overall operating costs are reported in non-academic responsibility centres, including utilities and taxes, the majority of the repairs and maintenance costs

and capital replacement costs, undergraduate scholarships and student awards, and the majority of debt payments.

Throughout 2014-15, there will be a review performed on internal charges within departments as well as allocations. Given the current nature of these charges, it is important to make some additional observations from Table 15 as follows:

- The Faculty of Graduate Studies shows a net deficit of more than \$6.9 million, with operating costs of \$5.9 million, of which approximately \$5.6 million is scholarships and student awards (graduate fellowships).
- The Department of Residences shows total costs of \$15.1 million with a net surplus of \$0.7 million after revenue. It should be noted that this surplus is after this department has made debt payments (interest and principle) of \$4.4 million, \$1.8 million of capital projects included in the capital and related project budget, in addition to rent payments and utility and maintenance costs of the residences.
- Although the Student Services Department contributes a \$14.3 million net deficit to the University, it should be noted that \$7.5 million of the operating costs are scholarships and student awards related to undergraduate students.

In order to more clearly clarify the above comments as well as illustrate the responsibility centres' reliance on tuition and related grants and the deficit, Table 16 provides an alternative view of the 2014-15 and 2013-14 budgets. Certain costs such as scholarships, the capital and related project budget and utilities/insurance/property taxes are decompartmentalized.

## Mitigation target

As part of the 2014-15 funding budget, a deficit mitigation target of \$3.221 million was identified to balance the budget in order to achieve the Board of Trustees mandate. This target is significantly less than the \$7.505 million mitigation target identified as part of the 2013-14 budget but is subject to change based on the outcome of the key assumptions noted on page 11 of this report. The following mitigation measures are in effect for 2014-15:

- A six-month hiring delay (exceptions by presidential approval).
- All unspent salary, wage, and benefit amounts to contribute to deficit reduction.
- Expansion of the vacation buyback program.
- Reduce non-essential travel paid from the operating budget.
  - When training and conferences could be held at multiple locations, the least-costly location should be selected.
  - Unit retreats, conferences and other gatherings should be held on campus whenever possible to avoid travel and room rental costs.
- Reduced food and drink services at all meetings paid from the operating budget.
  - Elimination of catered coffee/refreshments/snack breaks at internal meetings.
  - The purchase and expensing of alcohol is limited to the provision of hospitality and requires pre-approval of a Senior Administrative Council member (subject to vice-presidential approval).





Table 16: Funding budget by responsibility centre (alternative view)

(\$000's)	Academic	Administrative <sup>5</sup>	Centre for the Arts	Recreation Services & Athletics	Student Services	Residences <sup>1</sup>	Ancillary Operations	Global <sup>2</sup>	Capital and Related Projects <sup>3,5</sup> [A]	Utilities, Insurance, Property Taxes [B]	Scholarships and Awards <sup>4</sup> [C]	Total
<b>2014-15</b>												
Revenue	18,254	8,124	1,287	4,743	13,376	15,734	17,443	1,036	643	1,080	-	81,720
Personnel costs	(139,292)	(32,486)	(1,039)	(3,355)	(13,819)	(2,459)	(2,734)	(1,496)	(300)	-	-	(196,980)
Operating costs	(15,329)	(12,303)	(969)	(2,236)	(6,358)	(8,667)	(10,319)	(7,236)	(8,811)	(10,618)	(13,599)	(96,445)
<b>Total</b>	<b>(136,367)</b>	<b>(36,665)</b>	<b>(721)</b>	<b>(848)</b>	<b>(6,801)</b>	<b>4,608</b>	<b>4,390</b>	<b>(7,696)</b>	<b>(8,468)</b>	<b>(9,538)</b>	<b>(13,599)</b>	<b>(211,705)</b>
	64.4%	17.3%	0.4%	0.4%	3.2%	(2.2%)	(2.1%)	3.7%	4.0%	4.5%	6.4%	100.0%
Tuition & related grants												208,484
<b>Operating total University (208,484 – 211,705)</b>												<b>(3,221)</b>
<b>2013-14</b>												
Revenue	16,707	7,736	1,234	4,121	12,419	15,082	17,258	2,345	609	1,036	-	78,547
Personnel costs	(138,942)	(35,141)	(1,066)	(3,518)	(15,320)	(2,579)	(2,813)	(890)	-	-	-	(200,269)
Operating costs	(14,788)	(11,895)	(889)	(1,911)	(6,068)	(9,420)	(10,482)	(6,296)	(4,799)	(10,540)	(13,580)	(90,668)
<b>Total</b>	<b>(137,023)</b>	<b>(39,300)</b>	<b>(721)</b>	<b>(1,308)</b>	<b>(8,969)</b>	<b>3,083</b>	<b>3,963</b>	<b>(4,841)</b>	<b>(4,190)</b>	<b>(9,504)</b>	<b>(13,580)</b>	<b>(212,390)</b>
	64.5%	18.5%	0.4%	0.6%	4.2%	(1.5%)	(1.9%)	2.3%	2.0%	4.5%	6.4%	100.0%
Tuition & related grants												197,885
<b>Total University (197,885 – 212,390)</b>												<b>(14,505)</b>

**Notes:** 1 – Residence includes external debt payments of \$4,432 in 2014-15 and \$4,432 in 2013-14; 2 – Global includes external debt payments of \$5,021 in 2014-15 and \$4,357 in 2013-14; 3 – This agrees to the approved capital and related projects budget approved by the Board of Trustees in April; 4 – Scholarships and awards do not include tuition set aside paid for student placements which is \$1,237 in 2014-15 and \$950 in 2013-14 or scholarships and awards available from endowments estimated at \$1,400 in 2014-15 and \$1,125 in 2013-14; 5 – Revenue related to capital and related projects increased \$70 (offset in administrative revenue) compared to the Appendix #2 in the 2014-15 Budget Report to the FPIHRC.

**Notes to compare Table 15 to Table 16: 2014-15 [A]** represents \$1,775 from the Department of Residences and \$6,763 from administrative responsibility centres (Facilities Management – \$5,252 and Finance and Administration – \$1,440); **[B]** represents \$22 from academic responsibility centres, \$2,170 from the Department of Residences, \$429 from Ancillary Operations, \$6,009 from administrative responsibility centres (Facilities Management – \$5,904 and University Services – \$105) and \$908 from Global; **[C]** represents \$6,066 from academic responsibility centres (Faculty of Graduate Studies – \$5,610 and other Faculties – \$456), \$7,529 from Student Services and \$4 from Recreation and Athletics.

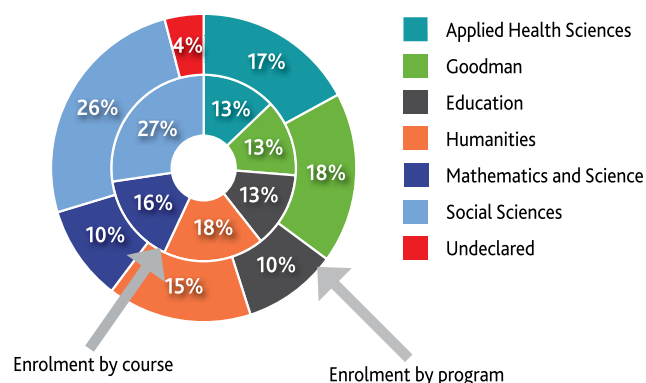
**2013-14 [A]** represents \$4,190 from administrative responsibility centres (Facilities Management – \$2,750 and Finance and Administration – \$1,440); **[B]** represents \$20 from academic responsibility centres, \$2,051 from the Department of Residences, \$362 from Ancillary Operations, \$6,232 from administrative responsibility centres (Facilities Management – \$6,150 and University Services – \$82) and \$838 from Global; **[C]** represents \$6,402 from academic responsibility centres (Faculty of Graduate Studies – \$6,207 and other Faculties – \$195), \$7,176 from Student Services and \$2 from Recreation and Athletics.



# Responsibility centre snapshots

The following “snapshots” present the budgeted revenue and total costs of each of the responsibility centres of the University. The revenue as shown in the Faculties does not include an allocation of the global tuition, as shown on page 14, or operating grant revenue. The revenue shown by the responsibility centre only represents the tuition and fee revenue and grant revenue specifically reported in the respective centres, as described on pages 14 and 16 to 20, as well as any other revenue generated within each centre. Since most of the revenue the University relies on to drive the Integrated Strategic Plan comes from the activities of the Faculties, the University is currently in the process of determining a method to allocate the global tuition and grants to the Faculties. Most universities which do allocate revenue to Faculties use one or a contribution of two methods. The first method is by full-time equivalent (FTE) course enrolment and the second FTE enrolled in the respective program. As shown in the following chart, each method would provide different results depending on the proportion of students allocated to each Faculty. Detailed enrolment data for the past seven years is available at: [brocku.ca/finance/faculty-and-staff/institutional-analysis/reports](http://brocku.ca/finance/faculty-and-staff/institutional-analysis/reports)

**Brock University 2012 enrolment (FTE)\***



\*Note: the above chart was prepared with information that was available at the time of completing this report. Further vetting of the information is required prior to determining a method of allocation. Users of this information should consult Institutional Analysis prior to using this data.

The total costs as shown in the responsibility centres include salaries, benefits (including an allocation of the \$6.1-million pension plan contribution) and direct non-personnel costs (operating costs). An allocation of support service costs has not been performed as part of the 2014-15 budget. For example, undergraduate scholarships are reported in the Student Services Department (page 37 and 38) and the hydro expenses are shown in the Facilities Management Department (page 33). We are in the process of determining a method of allocating support service costs using cost drivers.

As discussed previously, it should also be noted that direct research revenue (i.e. revenue from grants, patents, etc.) is not included in the budget. Therefore, although a significant amount of the faculty's time is spent on research, the offsetting revenue directly related to research is not shown in the respective Faculties in most cases.

## Faculty of Applied Health Sciences

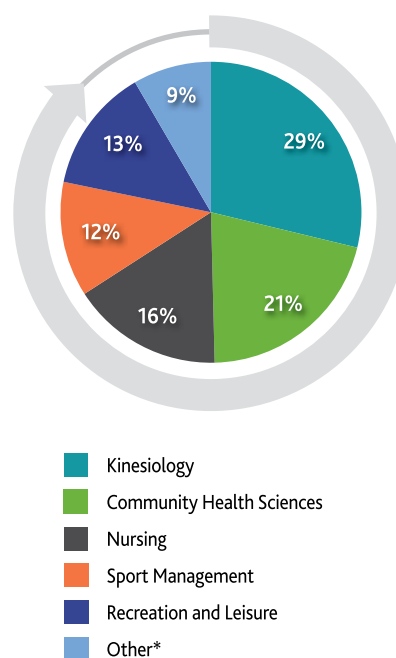
The Faculty of Applied Health Sciences is dedicated to the goal of understanding health, broadly defined, in order to gain, maintain and restore it. The Faculty does research to discover new and important knowledge and offers the evidence on which to base

health policy and practice. The Faculty teaches to communicate what it discovers. The Faculty reaches out to many different communities in Niagara and around the world to make a healthy difference in people's lives. For information on the Faculty of Applied Health Sciences, visit [brocku.ca/applied-health-sciences](http://brocku.ca/applied-health-sciences) and the Faculty Strategic Plan (2008) at [brocku.ca/webfm\\_send/1030](http://brocku.ca/webfm_send/1030)

Note: Personnel costs include \$475,000 (of the \$6.1 million) related to the pension plan contribution (\$439,000 in 2013-14).

(\$000s)	Budget 2014-15	Budget 2013-14
Revenue	49	73
Personnel costs	(16,251)	(16,375)
Operating costs	(823)	(448)
Total costs	(17,074)	(16,823)
Net	(17,025)	(16,750)

**2014-15 Total costs by cost centre**



\*Note: the Other category for each of the Faculty snapshots includes the Dean's office as well as any other departments not already included in the chart.



## Goodman School of Business

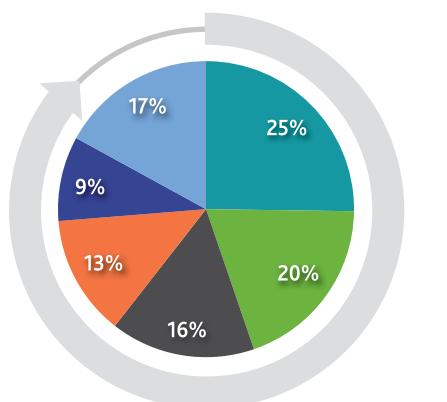
The Goodman School of Business is one of the country's newest and fastest-growing business schools with one of the most international outlooks in Canada. The excellence of the school has been recognized internationally

through accreditation by the Association to Advance Collegiate Schools of Business (AACSB) International. For information on the Goodman School of Business, visit the Faculty website at [brocku.ca/business](http://brocku.ca/business) and the Faculty Strategic Plan (2008) at [brocku.ca/webfm\\_send/1029](http://brocku.ca/webfm_send/1029)

Note: Revenue includes \$7,813,000 of student fees (\$7,012,000 in 2013-14). Personnel costs include \$789,000 (of the \$6.1 million) related to the pension plan contribution (\$763,000 in 2013-14). Operating costs include \$842,000 of purchased services (\$687,000 in 2013-14), \$190,000 of capital replacement and repairs and maintenance costs (\$108,000 in 2013-14) and \$344,000 of scholarships and student awards (\$37,000 in 2013-14).

(\$000s)	Budget 2014-15	Budget 2013-14
Revenue	8,943	8,109
Personnel costs	(22,856)	(22,074)
Operating costs	(3,062)	(3,128)
Total costs	(25,918)	(25,202)
Net	(16,975)	(17,093)

2014-15 Total costs by cost centre



- Accounting
- Finance, Operations And Information Systems
- Marketing, International Business And Strategy
- Organizational Behaviour, Human Resources, Entrepreneurship, Ethics
- International student programs
- Other

## Faculty of Education

The Faculty of Education focuses on learning as a force of positive change.

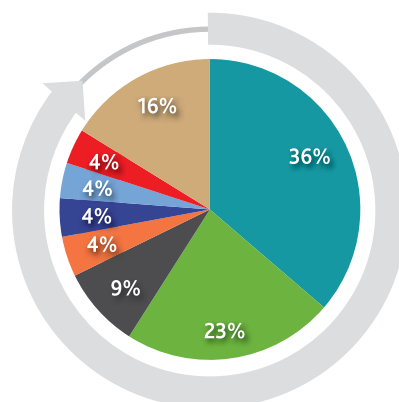
Grounded in theory and oriented toward practice, the Faculty is a community of learners having an impact on the field of education, the Faculty's disciplines, the lives of students and the communities the University serves.

For information on the Faculty of Education, visit [brocku.ca/education](http://brocku.ca/education) and the Faculty Strategic Plan (2013) at [brocku.ca/webfm\\_send/26519](http://brocku.ca/webfm_send/26519)

(\$000s)	Budget 2014-15	Budget 2013-14
Revenue	4,906	4,875
Personnel costs	(17,299)	(18,341)
Operating costs	(2,689)	(2,086)
Total costs	(19,988)	(20,427)
Net	(15,082)	(15,552)

Note: Revenue includes \$3,541,000 of student fees (\$4,456,000 in 2013-14) and \$1,077,000 of grant revenue, (\$212,000 in 2013-14). The 2014-15 grant revenue includes the Teacher education transitional funding of \$866,000. Personnel costs include \$397,000 (of the \$6.1 million) related to the pension plan contribution (\$382,000 in 2013-14). Operating costs include \$286,000 of purchased services (\$346,000 in 2013-14), and \$123,000 of capital replacement and repairs and maintenance costs (\$156,000 in 2013-14).

2014-15 Total costs by cost centre



- Teacher Education
- Undergraduate programs
- Centre for Adult Education
- Transitional Funding Grant Spending
- PMPCP and ISP programs
- Continuing Teacher Education
- Graduate/PhD programs
- Other

## Faculty of Humanities

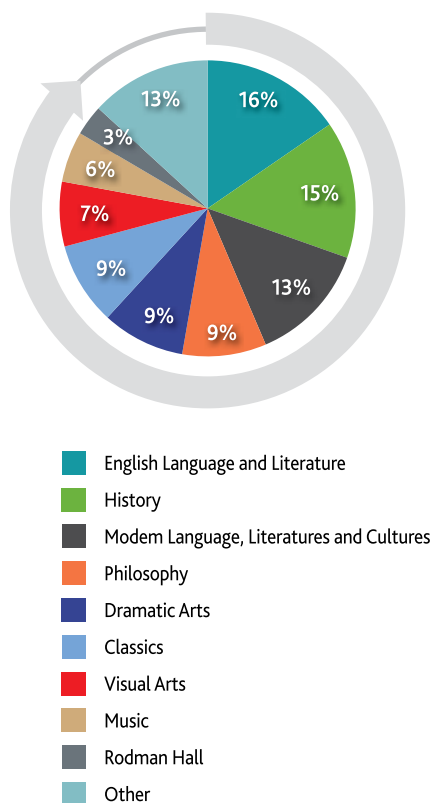
Studying in the Faculty of Humanities allows one to explore the cultural, intellectual and artistic ideas of the world from ancient times to the present. It allows one to think critically about significant works of human

heritage, develop excellent problem-solving and communication skills, and acts as a springboard to graduate or to a professional school and a career in law, education, business, government, the culture industry and any other sector where imagination, reason and passion are required. For information on the Faculty of Humanities, visit [brocku.ca/humanities](http://brocku.ca/humanities) and the Faculty Strategic Plan (2013) at [brocku.ca/webfm\\_send/26310](http://brocku.ca/webfm_send/26310)

Note: Revenue includes \$333,000 of spending allocations from the Marilyn I. Walker School of Fine and Performing Arts Endowment Fund (\$0 in 2013-24), \$118,000 of grant revenue (\$152,000 in 2013-14). Personnel costs include \$789,000 (of the \$6.1 million) related to the pension plan contribution (\$752,000 in 2013-14). Operating costs include \$121,000 of repairs and maintenance and capital replacement costs (\$112,000 in 2013-14) and \$116,000 of purchased services (\$67,000 in 2013-14).

(\$000s)	Budget 2014-15	Budget 2013-14
Revenue	618	310
Personnel costs	(20,554)	(20,286)
Operating costs	(1,141)	(1,059)
Total costs	(21,695)	(21,345)
Net	(21,077)	(21,035)

2014-15 Total costs by cost centre



## Faculty of Mathematics and Science

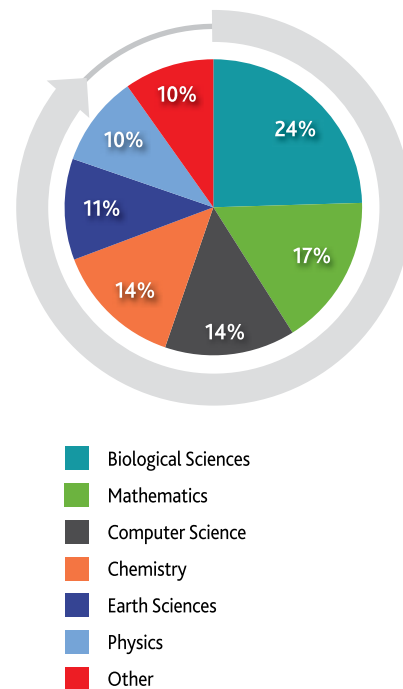
The Faculty of Mathematics and Science develops and delivers programs (many with a co-op option) and courses, which provide knowledge and hands-on experiences that serve as a strong foundation for its students. It also promotes

science awareness and provides outreach activities. For information on the Faculty of Mathematics and Science, visit [brocku.ca/mathematics-science](http://brocku.ca/mathematics-science) and the Faculty Strategic Plan (2008) at [brocku.ca/webfm\\_send/1036](http://brocku.ca/webfm_send/1036)

Note: Revenue includes \$100,000 of grant revenue from the Federal Indirect Costs Program (\$105,000 in 2013-14). Personnel costs include \$771,000 (of the \$6.1 million) related to the pension plan contribution (\$732,000 in 2013-14). Operating costs include \$336,000 of repairs and maintenance and capital replacement costs (\$157,000 in 2013-14).

(\$000s)	Budget 2014-15	Budget 2013-14
Revenue	234	195
Personnel costs	(19,476)	(19,180)
Operating costs	(922)	(838)
Total costs	(20,398)	(20,018)
Net	(20,164)	(19,823)

2014-15 Total costs by cost centre



## Faculty of Social Sciences

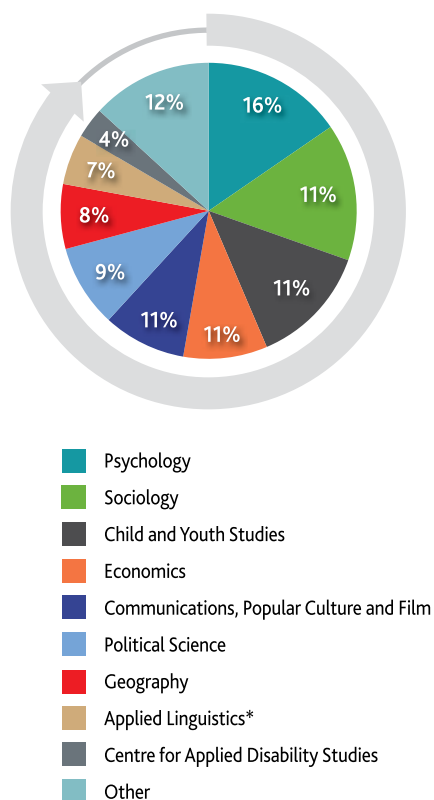
The Social Sciences are innovative and exciting fields of study that explore a wide variety of social phenomena through multiple lenses. The Faculty includes classical disciplines such as Economics, Geography, Political

Science, Psychology and Sociology, as well as interdisciplinary fields such as Applied Disabilities, Applied Linguistics, Child and Youth Studies, Film and Popular Culture, Labour Studies, Social Justice and Equity Studies, Tourism Management and Women's and Gender Studies. For information on the Faculty of Social Sciences, visit [brocku.ca/social-sciences](http://brocku.ca/social-sciences) and the Faculty Strategic Plan (2012) at [brocku.ca/webfm\\_send/26312](http://brocku.ca/webfm_send/26312)

Note: Revenue includes \$1,232,000 of student fees (\$1,135,000 in 2013-14). Personnel costs include \$1,361,000 (of the \$6.1 million) related to the pension plan contribution (\$1,304,000 in 2013-14). Operating costs include \$161,000 of capital replacement and repairs and maintenance costs (\$140,000 in 2013-14) and \$138,000 of purchased services (\$118,000 in 2013-14).

(\$000s)	Budget 2014-15	Budget 2013-14
Revenue	1,407	1,271
Personnel costs	(33,500)	(33,007)
Operating costs	(1,507)	(1,685)
Total costs	(35,007)	(34,692)
Net	(33,600)	(33,421)

2014-15 Total costs by cost centre



\*Includes International Student Program.

## Faculty of Graduate Studies

The University's graduate programs engage students in cutting-edge work that makes a real difference to the quality of human life in the world. Brock's graduate programs create innovative learning experiences and emphasize engagement in research, scholarship and professional development.

For information on the Faculty of Graduate Studies, visit [brocku.ca/graduate-studies](http://brocku.ca/graduate-studies) and the Faculty Strategic Plan (2008) at [brocku.ca/webfm\\_send/1033](http://brocku.ca/webfm_send/1033)

Note: Operating costs include \$5,610,000 of scholarships and student awards (\$6,207,000 in 2013-14).

(\$000s)	Budget 2014-15	Budget 2013-14
Revenue	210	169
Personnel costs	(1,216)	(1,076)
Operating costs	(5,869)	(6,545)
Total costs	(7,085)	(7,621)
Net	(6,875)	(7,452)



## Library

The University Library system includes the James A. Gibson Library, housed on eight floors of the Schmon Tower, and the Map, Data and GIS Library, located in Mackenzie Chown. The Library offers rich digital and print collections, individual and collaborative learning spaces and expert instruction and research assistance to students and faculty. For information on the Library, visit [brocku.ca/library](http://brocku.ca/library)

(\$000s)	Budget 2014-15	Budget 2013-14
Revenue	450	475
Personnel costs	(5,016)	(5,280)
Operating costs	(3,425)	(3,543)
Total costs	(8,441)	(8,823)
Net	(7,991)	(8,348)

Note: Revenue includes \$270,000 of grant revenue related to the Federal Indirect Costs Program (\$290,000 in 2013-14). Personnel costs include \$232,000 (of the \$6.1 million) related to the pension plan contribution (\$226,000 in 2013-14). Operating costs include \$2,938,000 of acquisitions (\$2,938,000 in 2013-14) and \$289,000 of purchased services (\$283,000 in 2013-14). In 2013-14, operating costs also included \$100,000 of internal financing charges related to the Learning Commons, which is no longer required in 2014-15 due to the proceeds realized in 2013-14 from an external donation.



## Research Services

Research Services, as defined in the 2013-14 budget, includes the Office of Research Services (ORS), the Cool Climate Oenology and Viticulture Institute (CCOVI), the Jack and Nora Walker Canadian Centre for Lifespan Development Research (Centre for Lifespan Development), the Niagara Community Observatory, as well as costs related to research involving animals. (Note: The costs related to the office of Vice-President, Research are included in the Board and Leadership responsibility centre.)

ORS brings together a multitude of services to support a culture rooted in pervasive research and creative activity, first and foremost by assisting the researchers with advice and administrative support, including application processes and financial management. For information on the Office of Research Services visit [brocku.ca/research](http://brocku.ca/research) For information on research involving animals, visit [brocku.ca/research/ethics-and-research-reviews/animals](http://brocku.ca/research/ethics-and-research-reviews/animals)

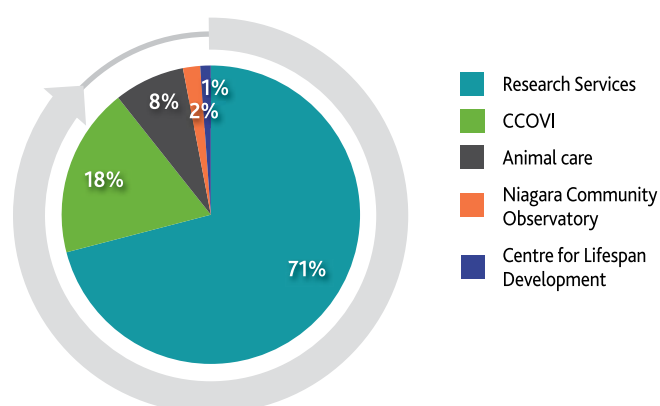
CCOVI has established itself as a successful, internationally recognized research institute on cool climate viticulture, oenology, wine business and wine culture. Different programs are available to enhance wine knowledge for a wide variety of participants, from wine appreciation courses to the Wine and Spirit Education Trust, the most highly respected wine certification in the industry. For information on CCOVI, visit [brocku.ca/ccovi](http://brocku.ca/ccovi)

The Centre for Lifespan Development is a multidisciplinary collaboration effort dedicated to studying human development across the lifespan, with special strengths in childhood and adolescence. For information on the Centre for Lifespan Development, visit [brocku.ca/lifespan-development-research](http://brocku.ca/lifespan-development-research)

The Niagara Community Observatory works in partnership with the Niagara community to foster, produce, and disseminate evidence-based research on current and emerging issues. For information on the Niagara Community Observatory, visit [brocku.ca/niagara-community-observatory](http://brocku.ca/niagara-community-observatory)

Note: Revenue includes \$1,195,000 of grant revenue related to the Federal Indirect Costs Program and the Provincial Overheads Infrastructure Envelope (\$1,098,000 in 2013-14). Operating costs include \$1,000,000 of funding for transdisciplinary hubs (\$1,000,000 in 2013-14).

2014-15 Total costs by cost centre



## Centre for Pedagogical Innovation

The Centre for Pedagogical Innovation (CPI), as defined in the 2014-15 budget, includes teaching and learning advancement, online learning and service-learning.

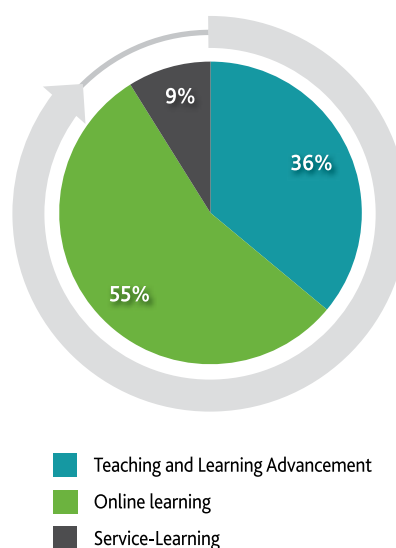
(\$000s)	Budget 2014-15	Budget 2013-14
Revenue	32	14
Personnel costs	(885)	(1,114)
Operating costs	(310)	(478)
Total costs	(1,195)	(1,592)
Net	(1,163)	(1,578)

The CPI provides individual consultations and group workshops about issues related to teaching and learning in higher education. Consulting the CPI can enhance instructors' curriculum design and use of assessments, learning management systems and teaching strategies, both in and outside the classroom. For information on the CPI, visit [brocku.ca/pedagogical-innovation](http://brocku.ca/pedagogical-innovation). The CPI also has an important role in supporting the instructors who are developing courses as part of the Brock University eLearning Initiative by partnering with the instructors in design, delivery and evaluation of eLearning courses. For information on the eLearning Initiative, visit [brocku.ca/pedagogical-innovation/elearning-initiative](http://brocku.ca/pedagogical-innovation/elearning-initiative)

Service-learning is a centralized resource for faculty and instructors incorporating service-learning components and experiences into courses and academic programs. For more information, visit [brocku.ca/service-learning](http://brocku.ca/service-learning)

Note: Operating costs include \$154,000 directly related to support of educational technologies and online learning (\$314,000 in 2013-14).

2014-15 Total costs by cost centre



## Alumni, Development and Donor Relations

The Department of Alumni, Development and Donor Relations is responsible for Brock's philanthropic activity, alumni engagement and capital fundraising campaigns. The Campaign for a Bold New Brock was launched with a goal of raising \$75 million, later extended to \$110 million, to increase endowments for student financial assistance; invest in teaching and research facilities; and empower Brock's faculty as educators, researchers and innovators. Included in this department, for the purposes of the 2014-15 budget, are presidential fund-raising events and the Brock University Alumni Association (an autonomous organization governed by a volunteer board of directors). For more information visit [brocku.ca/bold-new-brock](http://brocku.ca/bold-new-brock) and [brocku.ca/alumni](http://brocku.ca/alumni)

(\$000s)	Budget 2014-15	Budget 2013-14
Revenue	744	159
Personnel costs	(1,724)	(2,010)
Operating costs	(996)	(612)
Total costs	(2,720)	(2,622)
Net	(1,976)	(2,463)



**Shanique Friday**  
Bachelor of Accounting  
FIFA-qualifying soccer player. Poet.  
Goals: Work with numbers. Paint  
with words.

## Marketing and Communications

The Marketing and Communications Department provides the University's in-house advertising and public relations services. By acting as the guardians of the University's image and reputation, the department shapes and elevates perceptions of Brock through the creative use of all media. Services include strategic direction and tactical implementation of brand management, integrated marketing communications, media relations, public relations, research communications and web marketing. For more information, visit [brocku.ca/marketing-communications](http://brocku.ca/marketing-communications)

(\$000s)	Budget 2014-15	Budget 2013-14
Revenue	15	12
Personnel costs	(975)	(934)
Operating costs	(718)	(833)
Total costs	(1,693)	(1,767)
Net	(1,678)	(1,755)

## Board and Leadership

Board and Leadership, as defined in the 2014-15 budget, represents a number of the Offices of Senior Administration, including the following: the President's Office; Office of Provost and Vice-President, Academic; Office of Vice-President, Finance and Administration; Office of Vice-President, Research (Note: see the Research Services responsibility centre for revenue and costs of the rest of the Research Department), Office of Vice-Provost and Associate Vice-President, Academic; Office of the Secretary to the University; as well as the operating costs of the Board of Trustees and the personnel and operating costs of Institutional Analysis and Planning and the Office of Government Relations.

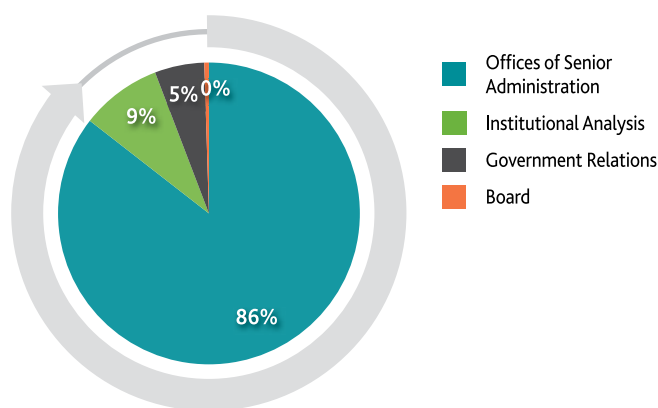
(\$000s)	Budget 2014-15	Budget 2013-14
Personnel costs	(3,360)	(3,906)
Operating costs	(562)	(592)
Total costs	(3,922)	(4,498)

Institutional Analysis and Planning gathers, processes, interprets and translates campus data into useful information for University decision-makers, the government and the general public, focusing on enrolment, retention and graduation statistics, institutional characteristics, survey analysis and support and ad hoc requests. For information on Institutional Analysis and Planning, visit [brocku.ca/finance/faculty-and-staff/institutional-analysis](http://brocku.ca/finance/faculty-and-staff/institutional-analysis)

On behalf of the University, the Office of Government Relations undertakes a range of activities that include, but are not limited to, stewardship of all three levels of government; monitoring, analyzing, and disseminating information about relevant government initiatives; providing support for the development, submission and presentation of Brock's position to government; and helping to cultivate Brock's community partnerships to support the advancement of the University's strategic priorities and initiatives. For more information on the Office of Government Relations, visit [brocku.ca/government-relations](http://brocku.ca/government-relations)

Note: Personnel costs include \$100,000 (of the \$6.1 million) related to the pension plan contribution (\$98,000 in 2013-14). Operating costs include \$137,000 of purchased services (\$40,000 in 2013-14).

2014-15 Total costs by cost centre



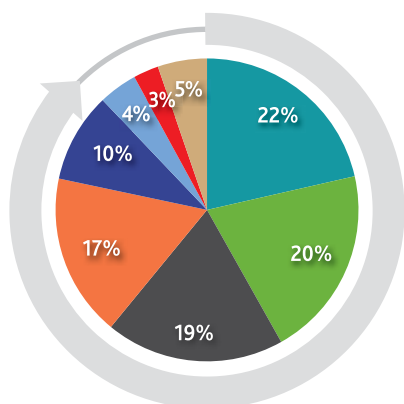
## Facilities Management

Facilities Management is responsible for all activities related to the maintenance, operations and development of the campus facilities and grounds, including management of campus utilities and the co-generation plant; facility maintenance; ground maintenance; campus planning, design and construction; code and bylaw compliance; and custodial operations. The Cairns Family Health and Bioscience Research Complex (CFHBRC) operating costs are also part of Facilities Management. In addition, the majority of the project costs in the capital and related project budget, detailed on page 42 of this report, are included in Facilities Management. For more information, visit [brocku.ca/facilities-management](http://brocku.ca/facilities-management)

(\$000s)	Budget 2014-15	Budget 2013-14
Revenue	2,015	2,241
Personnel costs	(11,612)	(12,044)
Operating costs	(15,898)	(13,806)
Total costs	(27,510)	(25,850)
Net	(25,495)	(23,609)

Note: Revenue includes \$813,000 of grant revenue related to the Federal Indirect Cost Program and the Facilities Renewal Program Funds (\$875,000 in 2013-14) and \$925,000 of revenue related to internal charges to other departments within the University (\$1,226,000 in 2013-14). Personnel costs include \$201,000 (of the \$6.1 million) related to the pension plan contribution (\$184,000 in 2013-14). Operating costs include \$5,904,000 of utility costs (\$6,151,000 in 2013-14); \$5,605,000 of capital replacement costs, including the costs related to the capital and related project budget (\$3,368,000 in 2013-14); \$3,684,000 of repairs and maintenance costs (\$3,865,000 in 2013-14); and \$451,000 of purchased services (\$131,000 in 2013-14).

2014-15 Total costs by cost centre



- Capital and related projects
- Campus utilities
- Maintenance – buildings
- Custodial services
- CAIRNS operating costs
- Maintenance – grounds
- Campus planning design & construction
- Other\*

\*Includes Facilities Management Administration





## Finance and Administration

Finance and Administration provides services to faculty, staff and students through a number of departments, including the University's financial services, information technology, human resources, security services and internal audit.

The Finance Department is responsible for the efficient control of all financial activities of the University including budgeting, accounting, financial reporting, treasury functions, as well as procurement services and shared responsibility for research accounting with Research Services. For information on the Finance Department, visit [brocku.ca/finance](http://brocku.ca/finance)

Human Resources provides leadership and supports University operations through the promotion of personal, professional and organizational development, building strategic partnerships, and fostering a respectful, healthy and safe environment for Brock employees and students. Key portfolios include: Organizational Development; Talent Acquisition; Total Rewards (including the Brock Pension Plan); Faculty and Staff Relations; Health, Safety and Wellness; and Human Rights and Equity Services. For information on Human Resources, visit [brocku.ca/hr](http://brocku.ca/hr)

The Information Technology Services (ITS) Department provides students, faculty and staff with technology resources that support teaching, research and services. These services include

computer and network support, high-performance computing, audio visual, telephone, administrative systems and portal access. For information on ITS, visit [brocku.ca/information-technology](http://brocku.ca/information-technology)

Campus Security is responsible for crime prevention, and for preserving the peace of the campus community, including investigating all crimes and disturbances, enforcing federal, provincial and University statutes, apprehending offenders and providing assistance to the victims of crime. For information on Campus Security, visit [brocku.ca/campus-security](http://brocku.ca/campus-security)

The Internal Audit Department independently assesses the strength of the University's risk and control processes. The department performs consulting engagements, value for money reviews, as well as traditional risk and control-based audits. For information on the Internal Audit Department, visit [brocku.ca/internal-audit](http://brocku.ca/internal-audit)

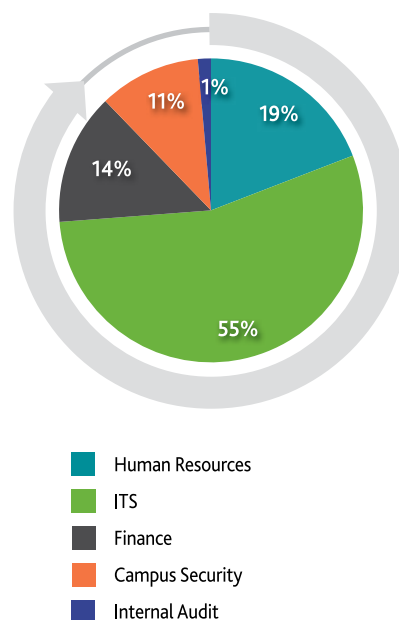
The Legal Services budget was newly established in 2013-14 with the expectation that these services would be created during the year with the purpose of helping the University mitigate risks and enhance policy development and contract management. Subsequently the legal service role was combined with the Secretariat office and the Legal Services budget was not renewed in 2014-15.

Note: Revenue includes \$1,205,000 of revenue related to ITS internal charges (ITS and Human Resources in 2013-14) to other departments (\$1,551,000 in 2013-14). Personnel costs include \$291,000 (of the \$6.1 million) related to the pension plan contribution (\$270,000 in 2013-14). Operating costs include \$2,526,000 of capital replacement and repairs and maintenance costs, including the ITS projects included in the capital and related projects budget, detailed on page 44 of this report (\$2,327,000 in 2013-14) and \$1,206,000 of purchased services (\$1,364,000 in 2013-14).

(\$000s)	Budget 2014-15	Budget 2013-14
Revenue	1,539	1,845
Personnel costs	(12,593)	(13,512)
Operating costs	(4,393)	(4,445)
Total costs	(16,986)	(17,957)
Net	(15,447)	(16,112)



2014-15 Total costs by cost centre



## University Services

University Services, as defined in the 2014-15 budget, includes the following: Printing and Digital Services, Heritage Place Plaza, Central Receiving and Mail Services, Youth University, Continuing Education and Visitor Services.

(\$000s)	Budget 2014-15	Budget 2013-14
Revenue	3,342	3,197
Personnel costs	(1,428)	(1,540)
Operating costs	(2,685)	(2,543)
Total costs	(4,113)	(4,083)
Net	(771)	(886)

Printing and Digital Services is the official on-campus provider for printing, stationery and the management of the multi-function fleet of copiers across campus. The department provides an in-house full manufacturing facility to reproduce the wide range of printed materials used for academic, administrative and student print requirements. For information on Printing and Digital Services, visit [brocku.ca/printing/services](http://brocku.ca/printing/services)

Heritage Place Plaza was built in 2003 across the street from the St. Catharines campus. Businesses housed there include Footnotes at Brock, which is operated by the Campus Store, Avondale Convenience, McDonald's, Tim Hortons, Pen Financial, Santa Fe Pizza and My Sub. For information on Heritage Place Plaza, visit [brocku.ca/blogs/campus-map/heritage-place-plaza](http://brocku.ca/blogs/campus-map/heritage-place-plaza)

The Central Receiving and Mail Services Department's goal is to provide timely delivery and processing of mail for the University, including all of the University's Canada Post letter mail and parcels, all U.S. and international letter mail, registered mail items, priority courier shipments, inter-University transit system, internal mail and packages between departments. For information on Central Receiving and Mail Services, visit [brocku.ca/community-ancillary-services/mail-services](http://brocku.ca/community-ancillary-services/mail-services)

Youth University is a not-for-profit department, which offers a number of programs to the community including field trips for elementary and high school students, youth enrichment programs and trips for local community groups. For information on Youth University, visit [brocku.ca/youth-university](http://brocku.ca/youth-university)

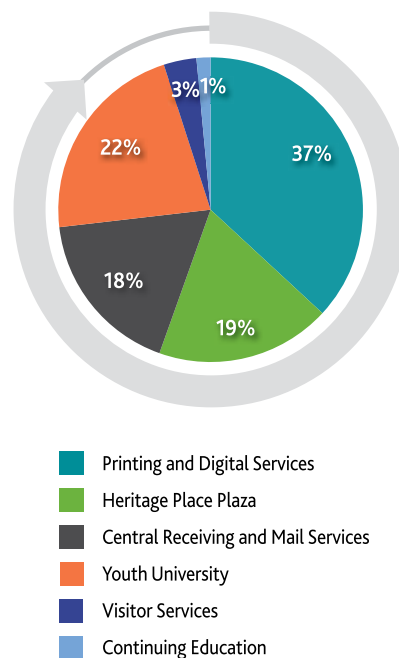
Visitor Services is responsible for the operation of the Information Desk in the Schmon Tower and Theal House. For more information, visit [brocku.ca/about/why/visitor-information](http://brocku.ca/about/why/visitor-information)

Continuing Education offers a variety of non-credit special interest courses to the Niagara region. For information on Continuing Education, visit [brocku.ca/continuing-education](http://brocku.ca/continuing-education)

Note: Revenue includes \$921,000 of student fees (\$616,000 in 2013-14), \$2,035,000 of revenue related to internal charges to other departments (Printing and Digital Services and Mail Services) (\$2,126,000 in 2013-14) and \$347,000 of rental income (Heritage Place Plaza) (\$411,000 in 2013-14). Operating costs include \$1,155,000 of purchased services (\$1,001,000 in 2013-14), \$215,000 of repairs and maintenance and capital replacement costs (\$202,000 in 2013-14) and

\$105,000 of utilities and taxes (\$82,000 in 2013-14). Also included in operating costs is \$485,000 of internal financing costs (\$406,000 in 2013-14) and \$127,000 of financial expenditures in 2013-14, both related to Heritage Place Plaza.

2014-15 Total costs by cost centre



## Co-op Programs Office

Co-operative education offers a valuable opportunity for students to enhance their education by acquiring career-related work experience before graduation. Undergraduate and graduate students gain practical experience, develop a network of contacts, and obtain a better understanding of careers in their field. For information on the Co-op Programs office, visit [brocku.ca/co-op](http://brocku.ca/co-op)

Revenue includes \$1,087,000 of student fees (\$866,000 in 2013-14).

Note: Co-operative education students pay tuition (applicable half-credit fee for each work term); however like the Faculties, the revenue shown does not include an allocation of the Global tuition.

(\$000s)	Budget 2014-15	Budget 2013-14
Revenue	1,112	891
Personnel costs	(1,094)	(1,195)
Operating costs	(97)	(97)
Total costs	(1,191)	(1,292)
Net	(79)	(401)

## Centre for the Arts

The Centre for the Arts (the Centre) is a nationally recognized, not-for-profit performing arts facility. It presents an annual season of critically acclaimed music, dance, theatre, comedy and young audience performances, presenting both national and international artists. The Centre runs the two theatres – the Sean O’Sullivan Theatre and the David S. Howes Theatre, including production facilities, dressing rooms and licensed lounges. For information on the Centre, visit [arts.brocku.ca](http://arts.brocku.ca)

Note: Operating costs include \$107,000 of purchased services (\$103,000 in 2013-14).

(\$000s)	Budget 2014-15	Budget 2013-14
Revenue	1,287	1,234
Personnel costs	(1,039)	(1,066)
Operating costs	(969)	(889)
Total costs	(2,008)	(1,955)
Net	(721)	(721)

The Marilyn I. Walker School of Fine and Performing Arts will transform the former Canada Haircloth textile mill into an innovative teaching facility whose 500 students, faculty and staff will help revitalize downtown St. Catharines when they relocate from Brock’s main campus in 2015.





## Department of Residences

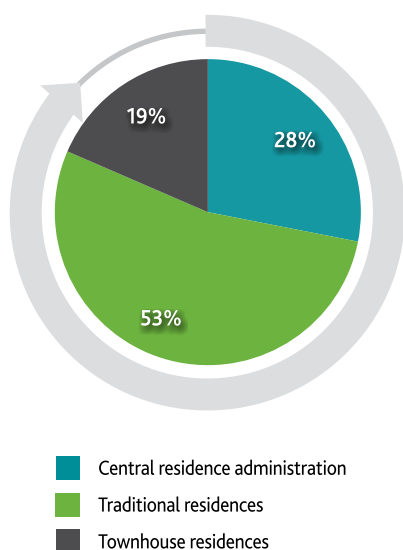
The Department of Residences is responsible for almost 2,400 students within six residence complexes in a well-managed, safe and supportive environment. There are four traditional-style residences and two townhouse-style residences.

The department operates two service desks which operate 24/7 during the term. For information on the Department of Residences, visit [brocku.ca/residence](http://brocku.ca/residence)

The budget for the Department of Residences was based on the following principles: cover and responsibly manage operating costs directly attributed to the residence operation with no reliance on a contribution from Conference Services net revenues; maintain competitiveness within the local housing market and in relation to other academic institutions; fairly consider the impact of fee increases on students during the current economic climate; make payment to the University on outstanding debt; and continue capital investment in facilities. Residence fees were approved by the Board of Trustees on Feb. 13, 2014. The overall average residence fee revenue increased 3.65 per cent, ranging from 2.86 per cent to 4.41 per cent depending on residence and bed type. Approved residence fees for 2014-15 can be found at [brocku.ca/residence/residence-admissions/fees](http://brocku.ca/residence/residence-admissions/fees)

Revenue includes \$15,457,000 of residence fees (\$14,951,000 in 2013-14). Operating costs include \$4,432,000 of financial expenditures (\$4,432,000 in 2013-14), \$2,170,000 of utility costs (\$2,051,000 in 2013-14), \$3,679,000 of capital replacement and repairs and maintenance costs, including the Residence projects included in the capital and related projects budget, detailed on page 42 of this report (\$2,619,000 in 2013-14), \$1,052,000 of rent related to the Quarry View Residence (townhouse style) (\$1,084,000 in 2013-14), and \$853,000 of purchased services (\$925,000 in 2013-14).

2014-15 Total costs by cost centre



## Student Services

Student Services, as defined in the 2014-15 budget, includes three main categories of services: the Office of the Registrar and the Student Awards and Financial Aid Office, Student Life Services, and Student Services – International. Note: For purposes of this presentation, net expenses of the Office of the Associate Vice-President of Student Services have been allocated to all departments within student services.

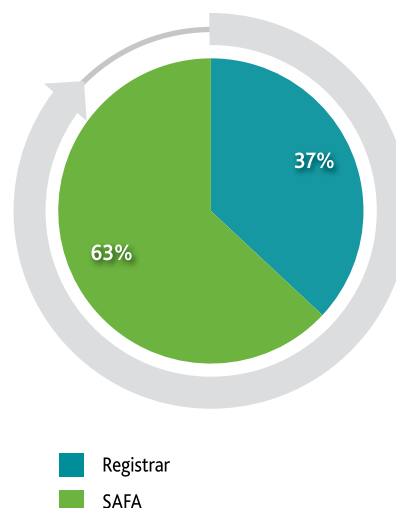
### The Office of the Registrar and the Student Awards and Financial Aid Office:

The Office of the Registrar provides a wide range of services, including recruitment and admissions, registration and maintenance of the student information systems, examinations and scheduling, grade reporting and degree audit, academic advising and convocation. It issues official academic transcripts and is responsible for maintaining the integrity of the University's student academic record. The Office of the Registrar, as defined in the 2014-15 budget, also includes Smart Start, a one-day orientation session to help incoming students get acquainted with University life before the start of school. For information on the Office of the Registrar, visit its website at [brocku.ca/registrar](http://brocku.ca/registrar). For information on Smart Start, visit its website at [choosebrocku.ca/smartstart](http://choosebrocku.ca/smartstart)

The Student Awards and Financial Aid Office helps students fund their education through government and University assistance programs, and by recognizing student excellence. For information on the Student Awards and Financial Aid Office, visit its website at [brocku.ca/safa](http://brocku.ca/safa)

Note: Revenue includes \$631,000 of grant revenue (\$685,000 in 2013-14). Personnel costs include \$103,000 (of the \$6.1 million) related to the pension plan contribution (\$99,000 in 2013-14). Operating costs include \$7,526,000 of scholarships and student awards (\$7,176,000 in 2013-14).

2014-15 Total costs by cost centre



**Student Life Services,** as

defined in the 2014-15

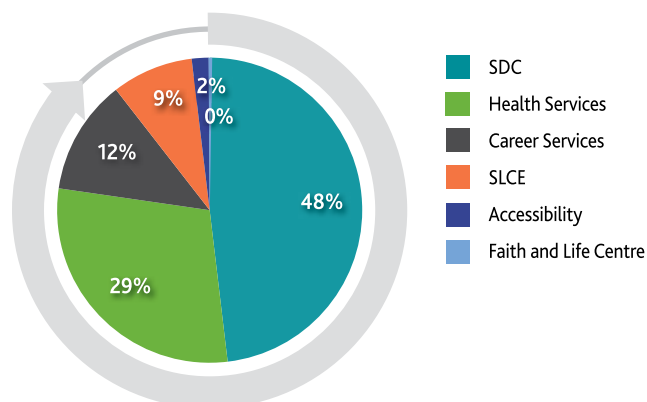
budget, includes the Student Development Centre (SDC), Health Services, Career Services, Student Life and

Community Experience (SLCE), Accessibility, and the

Faith and Life Centre. The SDC ensures student development and success through innovative programs, services and partnerships in the areas of counselling, leadership, academic support, Aboriginal student services and services for students with disabilities. For information on the SDC, visit

**brocku.ca/student-development-centre.** Health Services supports a diverse student population by providing confidential primary health care, prevention programs, wellness education, and strategic medical and academic partnerships. For information on Health Services, visit **brocku.ca/health-services.** Career Services offers a variety of helpful information and resources to support students and alumni with career planning and job-search goals. It provides employers and community members with information about on-campus recruiting and promotional opportunities at Brock. For information on Career Services, visit **brocku.ca/career-services.** SLCE provides opportunities for all members of the Brock community to be active and engaged at Brock and within its communities; offering programs and services that support service-learning, civic engagement, volunteerism, and leadership development. For information on SLCE, visit **brocku.ca/student-life-community-experience.** Accessibility planning at Brock is a shared responsibility across the entire University and is co-ordinated by the University Accessibility (AODA) co-ordinator. For information on Accessibility, visit **brocku.ca/accessibility.** The Faith and Life Centre provides opportunities for friendship, education, spiritual counselling and personal growth. For information on the Faith and Life Centre, visit **brocku.ca/campus-ministries**

Note: Revenue includes \$1,431,000 of grant revenue (\$1,336,000 in 2013-14) and \$924,000 of student fees (\$886,000 in 2013-14). Personnel costs include \$102,000 (of the \$6.1 million) related to the pension plan contribution (\$93,000 in 2013-14). Operating Costs include \$1,128,000 of purchased services (\$1,133,000 in 2013-14).

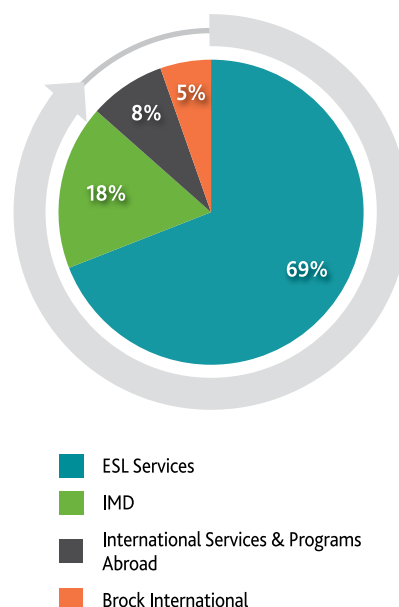
**2014-15 Total costs by cost centre****Student Services-****International,** as defined

in the 2014-15 budget, includes English as a Second Language (ESL) Services, the Office of International Market Development (IMD), International Services and

Programs Abroad, and Brock

International. ESL Services offers English courses to students from all over the world through a mixture of formal classroom settings (including IELP and SELP programs), and socio-cultural activities. For information on ESL Services, visit **brocku.ca/esl-services.** IMD has two mandates, the creation of joint venture partnerships to increase international opportunities for students, and international student recruitment. For information on IMD, visit **brocku.ca/international-market-development.** The mission of International Services and Programs Abroad is to help all Brock students, international and Canadian, get the most out of their studies through programs and activities to help international students thrive and through helping Canadian students gain international experiences. For information on International Services and Programs Abroad, visit **brocku.ca/international-services.** Brock International is responsible for a number of institution-wide initiatives, including welcoming international visitors and delegations to the University, managing the visiting international professor and scholar programs, and international policy development. For information on Brock International, visit **brocku.ca/brock-international**

Note: Revenue includes \$6,383,000 of student fees (\$6,125,000 in 2013-14) and \$150,000 of grant revenue (\$0 in 2013-14). Operating Costs include \$1,134,000 of purchased services (\$1,068,000 in 2013-14), and \$1,155,000 of internal financing costs related to the International Building (\$1,049,000 in 2013-14).

**2014-15 Total costs by cost centre**

(\$000s)	Budget 2014-15	Budget 2013-14
Revenue	3,518	3,483
Personnel costs	(4,896)	(6,148)
Operating costs	(1,833)	(956)
Total costs	(6,729)	(7,104)
Net	(3,211)	(3,621)

(\$000s)	Budget 2014-15	Budget 2013-14
Revenue	7,133	6,431
Personnel costs	(4,452)	(4,576)
Operating costs	(3,216)	(2,822)
Total costs	(7,668)	(7,398)
Net	(535)	(967)

# Recreation Services and Athletics

The Department of Recreation Services provides programming for nearly 20,000 Brock students, staff, faculty and members of the community annually through intramurals, fitness programming, aquatics, certification programs, day camps, inclusive children's programming and more. The department operates the facilities in the Walker Complex, including three gymnasias, the recreational 200-metre track, squash courts, the Zone fitness centre, the Eleanor Misener Aquatic Centre, in addition to the four outside tennis courts and seven playing fields, and provides support for academic classes, varsity programming and competition, University activities, community and conference rentals. Recreation Services is the largest student employer on campus; hiring, training, scheduling, supervising and evaluating more than 400 students each year. For information on the Department of Recreation Services, visit [brocku.ca/recreation-services](http://brocku.ca/recreation-services)

The Department of Athletics provides 800 students (28 teams and eight clubs) with the opportunity to participate in intercollegiate athletics. Varsity sport teams include: baseball (M), basketball (M, W), cheerleading (W), cross country (M, W), curling (M, W), fencing (M, W), golf (M, W), ice hockey (M, W), lacrosse (M), rowing (M, W), rugby (M, W), soccer (M, W), squash (M, W), swimming (M, W), volleyball (W) and wrestling (M, W). Varsity clubs include: ball hockey (M), equestrian (M, W),

figure skating (M, W), track and field (M, W) and ringette (W). The Department of Athletics engages the community through athletic events, community partnerships, media exposure and the Badger Sports Camp programs. The Department of Athletics also runs the Brock University Athletic Therapy Clinic which provides sport medicine care for all Brock University full-time students. For information on the Department of Athletics, visit [gobadgers.ca](http://gobadgers.ca)

Note: Revenue includes \$2,787,000 of student fees (\$2,792,000 in 2013-14). Operating costs include \$361,000 capital replacement and repairs and maintenance costs (\$498,000 in 2013-14), and \$249,000 of purchased services (\$278,000 in 2013-14).

(\$000s)	Budget 2014-15	Budget 2013-14
Revenue	4,743	4,121
Personnel costs	(3,355)	(3,518)
Operating costs	(2,240)	(1,913)
Total costs	(5,595)	(5,431)
Net	(852)	(1,310)

2014-15 Total costs by cost centre

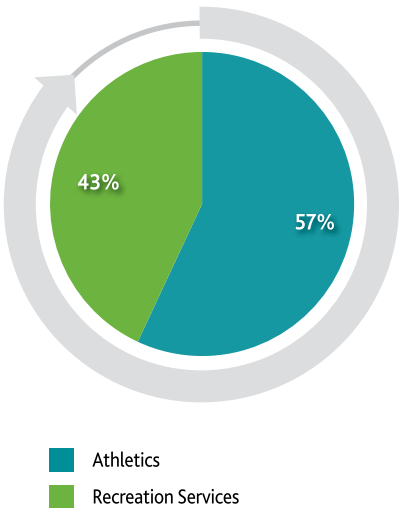




Table 17

(\$000s)	Campus Store	Parking Services	Conference Services	Dining and Hospitality Services	Brock Card	Total Ancillary Operations
<b>Budget 2014-15</b>						
Revenue	10,841	3,185	1,700	1,361	356	17,443
Personnel costs	(1,077)	(649)	(725)	(164)	(119)	(2,734)
Operating costs*	(8,308)	(613)	(656)	(1,048)	(123)	(10,748)
Total costs	(9,385)	(1,262)	(1,381)	(1,212)	(242)	(13,482)
<b>Net</b>	<b>1,456</b>	<b>1,923</b>	<b>319</b>	<b>149</b>	<b>114</b>	<b>3,961</b>
<b>Budget 2013-14</b>						
Revenue	10,844	3,088	1,650	1,335	341	17,258
Personnel costs	(1,194)	(557)	(714)	(194)	(154)	(2,813)
Operating costs*	(8,392)	(702)	(567)	(1,055)	(128)	(10,844)
Total costs	(9,586)	(1,259)	(1,281)	(1,249)	(282)	(13,657)
<b>Net</b>	<b>1,258</b>	<b>1,829</b>	<b>369</b>	<b>86</b>	<b>59</b>	<b>3,601</b>

\* Included in operating costs is cost of sales (COS.) Operating costs do not include a provision to replace current parking lots, or allocated costs such as lighting, security, etc.

## Ancillary Operations

Ancillary Operations, as defined in the 2014-15 budget, includes the Campus Store, Parking Services, Conference Services, Dining and Hospitality Services, and Brock Card. Overall, Ancillary Operations is expected to contribute \$3.96 million (\$3.60 in 2013-14) to the University.

### Campus Store

The Campus Store is the sole academic retail centre of Brock University. It sells textbooks, computers, memorabilia, clothing, stationery, gifts and more. It also offers a used textbook classified service for students to buy and sell textbooks and is located in the Plaza Building. A satellite location opened in July 2013 in the Guernsey Market. For information on the Campus Store, visit [bookstore.brocku.ca](http://bookstore.brocku.ca). Note: operating costs include \$8,095,000 of cost of sales (\$8,145,000 in 2013-14).

### Parking Services

Parking Services is responsible for all administrative functions relating to the managing, maintaining and planning of campus parking; the issuance of parking permits; the enforcement of parking regulations; the collection of enforcement charges; the acceptance of appeals from violators; and the processing of refund requests upon withdrawal from the University. Parking Services operates 23 permit lots and three visitor lots with a total capacity of 4,178 cars on main campus, as well as residence, academic and commercial lots and on the east side of Glenridge Avenue, plus the Hamilton campus. The parking fees for 2014-15 were approved by the Board of Trustees on Feb. 13, 2014. For information on Parking Services, visit [brocku.ca/parking-services](http://brocku.ca/parking-services). Note: operating costs include \$271,000 of repairs and maintenance and capital replacement costs (\$270,000 in 2013-14) and \$249,000 purchased services (\$243,000 in 2013-14).

### Conference Services

Conference Services provides accommodations and food services for small or large conference groups. The services include all of the meeting, accommodation and catering needs. Included as part of Conference Services is the Summer Residence Operations, which provides accommodations to students, individuals and groups who choose to stay on campus during the spring and summer months. For information on Conference Services, visit [brocku.ca/conference-services](http://brocku.ca/conference-services). Note: operating costs include \$419,000 of utility costs (\$351,000 in 2013-14) and \$156,000 of repairs and maintenance and capital replacement costs (\$126,000 in 2013-14).

### Dining and Hospitality Services

Brock Dining and Hospitality Services encompasses five key areas: dining services, liquor services, the Pepsi contract, the vending contract and the Guernsey Market. Brock Dining offers quality dining and catering across campus with a wide variety of food options at seven unique dining locations on campus. For information on Dining Services, visit [brocku.ca/dining-services](http://brocku.ca/dining-services). Hospitality Services provides the alcohol service details to events on campus. For information on Hospitality Services, visit [brocku.ca/hospitality-services](http://brocku.ca/hospitality-services). Note: Operating costs include \$537,000 of internal financing costs related to the Guernsey Market (\$537,000 in 2013-14) and \$387,000 of capital replacement and repairs and maintenance costs (\$404,000 in 2013-14).

### Brock Card

Brock Card oversees the daily operations of meal plans and flex card dollar transactions both on and off campus. The Brock Card is a multipurpose ID card that serves as a University passport, providing identification and access, while facilitating cashless transactions both on and off campus. For information on Brock Card, visit [brocku.ca/card](http://brocku.ca/card)



Table 18

(\$000s)	Tuition	Grants grants	Insurance & property taxes	Financing	Employee-related costs	Other	Total
<b>Budget 2014-15</b>							
Revenue	120,096	88,388	1,080	555	-	481	210,600
Personnel costs	-	-	-	-	(1,496)	-	(1,496)
Operating costs	-	-	(1,988)	(4,386)	(1,207)	(1,643)	(9,224)
Total costs	-	-	(1,988)	(4,386)	(2,703)	(1,643)	(10,720)
<b>Net</b>	<b>120,096</b>	<b>88,388</b>	<b>(908)</b>	<b>(3,831)</b>	<b>(2,703)</b>	<b>(1,162)</b>	<b>199,880</b>
<b>Budget 2013-14</b>							
Revenue	111,722	86,163	1,036	800	-	1,545	201,266
Personnel costs	-	-	-	-	(890)	-	(890)
Operating costs	-	-	(1,874)	(3,493)	(572)	(2,231)	(8,170)
Total costs	-	-	(1,874)	(3,493)	(1,462)	(2,231)	(9,060)
<b>Net</b>	<b>111,722</b>	<b>86,163</b>	<b>(838)</b>	<b>(2,693)</b>	<b>(1,462)</b>	<b>(686)</b>	<b>192,206</b>

## University Global

"University Global" represents those costs and revenue that are University-wide and have not been allocated to any specific Faculty or department, as detailed in Table 18.

Included as part of the "University Global" is the following:

- **Revenue:** Included in global revenue is **tuition**, which represents the global tuition as described on page 14; revenue from a number of **government grants**, including the grant in lieu of municipal taxation (\$1.08 million in 2014-15 and \$1.036 million in 2013-14), which is shown as part of the **insurance and property taxes** category; \$555,000 (\$800,000 in 2013-14) of investment income which is shown as part of the **financing** category; and \$481,000 (\$1,545,000 in 2013-14) of other income, shown as part of the **other** category, which mainly represents fees charged student accounts, including interest, with \$600,000 of the decrease from 2013-14 due to the elimination of deferral fees – see page 8.
- **Personnel Costs:** Personnel costs, shown as part of the **employee-related costs category**, represent employee costs and personnel costs not specific to any one unit, which have not been allocated to any specific responsibility centre.
- **Operating Costs:** Operating costs include property taxes of \$1.225 million (\$1.2 million in 2013-14) and \$763,000 of insurance (\$674,000 in 2013-14), both shown as part of the **insurance and property taxes** category; external **financing** costs of \$5.02 million (\$4.147 million in 2013-14), offset by internal financing revenue received in "University Global" from other responsibility centres of \$634,000 (\$654,000 in 2013-14), shown as part of the financing category; **employee-related costs**, including recruiting, relocation and startup funds, of \$1.207 million (\$572,000 in 2013-14); and **other** operating costs of \$1.643 million (\$2.231 million in 2013-14), including the costs related to Congress 2014 and the program review, legal fees, and other University-wide expense items, shown as part of the other category.

## Capital and related projects budget

Tables 19 and 20 details the capital and related projects budget for 2014-15. Table 19 details the Facilities Management projects. For each project, the table includes the source of funds, point of rationale for selecting the project, cash flows for the next four outgoing years, as well as the departments supporting the cash flows of the projects.



Table 19: Capital and related project budget – Facilities Management projects

Project	2014-15 source deferred maintenance (DM)	2014-15 source DM – FRP grant	2014-15 source other operating	2014-15 source donation	2014-15 source financing	Dept. cost recognized	Cash flow year 2 (2015-16)	Cash flow year 3 (2016-17)	Cash flow year 4 (2017-18)	Cash flow year 5 (2018-19)	Total Project Cost	Rationale	Category
<b>Buildings</b>													
Thistle make-up air upgrade	27,000					Facilities					27,000	Planned DM	Mechanical
Walker Complex air quality upgrades	60,000					Facilities	1,000,000				1,060,000	Health & safety	Mechanical
Paint booth code compliance	70,000					Facilities					70,000	Code compliance	Electrical
Nitrogen room upgrades	30,000					Facilities					30,000	Code compliance	Electrical
High voltage equipment renewal		75,000				Facilities	75,000	75,000	75,000	75,000	375,000	Planned DM	Electrical
Annual controls conversion		75,000				Facilities	75,000	75,000	75,000	75,000	375,000	Planned DM	Electrical
Mackenzie Chown fire alarm replacement	1,667,000					Facilities					1,667,000	Health & Safety	Electrical
Podium roof		200,000				Facilities		435,000	450,000	465,000	1,550,000	Fail	Roof
Aquatic Centre structural repair	150,000					Facilities	1,200,000				1,350,000	Planned DM	Structural renewal
Facility improv. to support ITS classroom improve.	40,000					Facilities					40,000	Planned DM	Structural Renewal
WH 311			8,000			Facilities					8,000	Enhancement	Classroom modernization
WH 327			85,000			Facilities					85,000	Enhancement	Classroom modernization
East Academic seminar room a/v renewal	117,000					Facilities					117,000	Enhancement	Classroom modernization
WH 324 (tiered classroom)		20,000				Facilities	230,000	100,000			350,000	Enhancement	Classroom modernization
Single use accessible washroom call stations			25,000			Facilities	15,000				40,000	AODA*	Equipment
Lowenberger kitchen air handling units replacement	275,000					Residence					275,000	Fail	Equipment
Village courts 10, 11, 12 roof replacement	125,000					Residence					125,000	Planned DM	Roof
Jubilee Court & Decew ramps			125,000			Residence					125,000	AODA*	Ramps
Post – 198 St. Paul Street renovations					275,000	Facilities	3,225,000				3,500,000	Reconfiguration	Renovations
Thistle door replacement	87,900					Facilities					87,900		
<b>Total buildings</b>	<b>2,648,900</b>	<b>350,000</b>	<b>263,000</b>	<b>-</b>	<b>275,000</b>		<b>5,820,000</b>	<b>685,000</b>	<b>600,000</b>	<b>615,000</b>	<b>11,256,900</b>		
<b>Road, parking lots, sidewalks, structures, surface drainage</b>													
Third campus entrance design	45,000					Facilities					45,000	Growth	Roads
BRIC parking lot rebuilding	273,000					Facilities					273,000	Fail	Parking Lots
Exterior paths of travel (design of public spaces)			95,000			Facilities					95,000	AODA*	Sidewalks
Campus entrance sign replacement				30,000		Facilities					30,000	Enhancement	Structure
Sculpture relocation – "Path of Possibilities"				40,000		Facilities					40,000	Enhancement	Structure
<b>Total roads, etc.</b>	<b>318,000</b>	<b>-</b>	<b>95,000</b>	<b>70,000</b>	<b>-</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>483,000</b>		
<b>Utilities</b>													
Back-flow prevention – St. Catharines	50,000					Facilities	50,000				100,000	Code compliance	Above surface
Potable water piping master plan/design	110,000					Facilities					110,000	Planned DM	Below surface
<b>Total utilities</b>	<b>160,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>		<b>50,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>210,000</b>		

Table 19: Capital and related project budget – Facilities Management projects continued

Project	2014-15 source deferred maintenance (DM)	2014-15 source DM – FRP grant	2014-15 source other operating	2014-15 source donation	2014-15 source financing	Depart. cost recognized	Cash flow year 2 (2015-16)	Cash flow year 3 (2016-17)	Cash flow year 4 (2017-18)	Cash flow year 5 (2018-19)	Total Project Cost	Rationale	Category
<b>Energy</b>													
Boiler piping reconfiguration for HX-2			40,000			Facilities	40,000				80,000	ECDM plan*	Co-gen
Add twin exchanger at HX-2			60,000			Facilities	40,000				100,000	ECDM plan*	Co-gen
Lighting conversion Ph 4 Main Campus			20,000			Facilities	20,000	20,000	20,000		80,000	Efficiency	Campus wide
Parking lot lighting conversion to LED			10,000			Facilities	10,000	10,000	10,000	10,000	50,000	Efficiency	Campus wide
Hot/Chilled water metering			20,000			Facilities	20,000	10,000			50,000	ECDM plan*	Campus wide
Electrical metering			20,000			Facilities	20,000	10,000			50,000	ECDM plan*	Campus wide
Electrical distribution – Transformer/Auto Tap Changes			10,000			Facilities					10,000	Efficiency	Campus wide
Water conservation – low flow toilets			15,000			Facilities	15,000	15,000	15,000	15,000	75,000	Efficiency	Campus wide
Water conservation – shower heads			4,000			Facilities	4,000				8,000	Efficiency	Campus wide
Emergency exit light replacements (LED)			10,000			Facilities	10,000	10,000	15,000	15,000	60,000	Efficiency	Campus wide
CBF supply and exhaust air improvements			100,000			Facilities					100,000	Efficiency	CFHRBC
Water treatment review			10,000			Facilities					10,000	Efficiency	CFHRBC
<b>Total energy</b>	-	-	<b>319,000</b>	-	-		<b>179,000</b>	<b>75,000</b>	<b>60,000</b>	<b>40,000</b>	<b>673,000</b>		
<b>Equipment</b>													
Prox. Card access system			150,000			Residence					150,000	Health & safety	Equipment
Furniture replacement			100,000			Residence					100,000	Planned renewal	Furniture
B Block Level 300 Network Upgrades		70,000				Facilities					70,000	Enhancement	Server/Internet connectivity
South Block wireless upgrading		50,000				Facilities					50,000	Enhancement	Server/Internet connectivity
Campus wireless upgrading		28,100				Facilities	63,100	63,100	63,100	63,100	280,500	Enhancement	Server/Internet connectivity
<b>Total equipment</b>	-	<b>148,100</b>	<b>250,000</b>	-	-		<b>63,100</b>	<b>63,100</b>	<b>63,100</b>	<b>63,100</b>	<b>650,500</b>		
<b>Vehicles</b>													
Ancillary utility vehicles			17,000			Facilities	36,000	36,000			89,000	Planned renewal	Transportation
FM small equipment			10,000			Facilities	10,000	10,000	10,000	10,000	50,000	Planned renewal	Transportation
Security			55,000			Facilities	30,000	59,000			144,000	Planned renewal	Transportation
<b>Total vehicles</b>	-	-	<b>82,000</b>	-	-		<b>76,000</b>	<b>105,000</b>	<b>10,000</b>	<b>10,000</b>	<b>283,000</b>		
<b>Other</b>													
Project management expenses	300,000					Facilities					300,000	Workload	Operating costs
Campus facility condition index		75,000				Facilities	75,000	30,000	30,000	30,000	240,000	Planning	Study/review
Energy audits for key buildings and areas			20,000			Facilities	20,000	20,000	20,000	20,000	100,000	Efficiency	Campus wide
Cogen energy audit and mass balance study			20,000			Facilities					20,000	Planning	Study/review
Campus plan update			200,000			Facilities					200,000	Planning	Study/review
<b>Total other</b>	<b>300,000</b>	<b>75,000</b>	<b>240,000</b>	-	-		<b>95,000</b>	<b>50,000</b>	<b>50,000</b>	<b>50,000</b>	<b>860,000</b>		
<b>Reserve</b>													
General	1,000,000					Facilities					1,000,000	Planning	Reserve
Residence	1,000,000					Residence					1,000,000	Planning	Reserve
<b>Total reserves</b>	<b>2,000,000</b>	-	-	-	-		-	-	-	-	<b>2,000,000</b>		
<b>Total</b>	<b>5,426,900</b>	<b>573,100</b>	<b>1,249,000</b>	<b>70,000</b>	<b>275,000</b>		<b>6,283,100</b>	<b>978,100</b>	<b>783,100</b>	<b>778,100</b>	<b>16,416,400</b>		
<b>Total deferred maintenance</b>	<b>DM – \$6 million</b>												
<b>Grand total</b>	<b>Total budget – \$7,594 million</b>												

\* AODA – Accessibility for Ontarians with Disabilities ; ECDM – Energy conservation and demand management plan

Table 20 details the information technology projects as part of the 2014-15 capital and related projects budget. For each of the projects, the table includes a point of rationale for selecting the project. The cost related to all of the projects listed are included in the Information Technology Services (ITS) budget.

Table 20

Project (2014-15)*	Amount Rational	Rational Category	Category
<b>IT Infrastructure</b>			
Sharepoint infrastructure	71,000	Enhancement	Campus wide
Cloud readiness	29,000	Enhancement	Campus wide
Cloud student mail	25,000	Enhancement	Campus wide
Dynamics infrastructure	50,000	Enhancement	Campus wide
PCI compliance	20,000	Compliance	Campus wide
<b>Total IT infrastructure</b>	<b>195,000</b>		
<b>IT Evergreening</b>			
Disk storage replacement	21,009	Planned renewal	Campus wide
Security	30,000	Compliance	Campus wide
UPS evergreening – batteries	35,000	Planned renewal	Campus wide
CCTV evergreening	25,000	Planned renewal	Campus wide
Switches	325,000	Planned renewal	Campus wide
BAU/EC**	373,992	Planned renewal	Residence
CATV**	10,000	Planned renewal	Residence
Computers purchase and redeployment program	186,000	Planned renewal	Campus wide
Audit / Visual	50,000	Planned renewal	Campus wide
<b>Total IT evergreening</b>	<b>1,056,001</b>		
<b>IT Software</b>			
Microsoft project service	10,000	Planned renewal	Campus wide
Desktop/Office 365	90,000	Enhancement	Campus wide
Space planning	34,331	Efficiency	Campus wide
Contract management	55,000	Compliance	Campus wide
<b>Total IT software</b>	<b>189,331</b>		
<b>Total</b>	<b>1,440,332</b>		

\* Source of funds for all projects is the Information Technology Services (ITS) operating budget

\*\* The cost of these projects is part of the inter-departmental charge from ITS to the Department of Residences.

## Financing

Table 21 details the current and projected external debt of the University. It does not reflect any new external debt past 2014-15 at this time, although the potential exists if projects requiring debt were approved and funded in the future. At the time of writing this report, the next maturity of external debt is June 3, 2019 related to the new debt of \$18 million financed in fiscal 2014-15. The amount due at maturity will be \$14.46 million. This amount will either need to be repaid or refinanced at that time. Other future debt maturities can be found in the audited financial statements of the University.

Table 21

\$000s	Actual 2011-12	Actual 2012-13	Actual 2013-14	Budget 2014-15	Forecast 2015-16	Forecast 2016-17	Forecast 2017-18	Forecast 2018-19
Opening debt	125,008	146,984	141,067	137,438	153,553	151,382	149,121	146,764
Debt repayment	(720)	(6,085)	(3,629)	(1,885)	(2,171)	(2,261)	(2,357)	(2,458)
New debt <sup>1</sup>	22,696	168	-	18,000	-	-	-	-
<b>Ending debt</b>	<b>146,984</b>	<b>141,067</b>	<b>137,438</b>	<b>153,553</b>	<b>151,382</b>	<b>149,121</b>	<b>146,764</b>	<b>144,306</b>

1. Refer to page 9 under New Infrastructure for further information regarding the \$18 million in new debt in 2014-15.

In addition to the external debt above, the University has an internally financed balance from previous projects of \$20.5 million as of April 30, 2014.



## Endowment summary

The majority of University endowment activity is not integrated into the University funding budget represented in this report, with the exception of the endowment spending that is directly related to supporting the general operations of the University (\$0.4 million budgeted in 2014-15). This is because the endowment is treated in all respects as a separate entity. The endowment fund policy can be found at [brocku.ca/university-secretariat/policies/financial](http://brocku.ca/university-secretariat/policies/financial). This said, the activity and support received from the endowment is significant. For this reason the activity of the endowment for this past three years is shown in Table 22.

Table 22

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

In 2014-15 approved spending is \$1.9 million of which \$1.4 million relates to student scholarships and awards. Table 23 details the top 10 endowments from 2013-14.

Table 23: Top 10 endowments (2013-14 actual)

Amount (\$000s)	Name	Purpose/supports
14,522	Marilyn I. Walker – Sfpa Fund	The MIWSFPA
6,018	The Harrison – Thompson Bursary Trust	Undergraduate awards
2,053	Ontario Graduate Fellowship Program	Graduate awards
1,813	Brock Univ. Advancement Fund/J. Miller	Research
1,482	Bluma Appel Entr.schol For Excellence	Graduate awards
1,449	Dr. & Mrs. Moriyama Grad. fellowship Fund	Graduate awards
1,145	Luigi & Amalia Setacci Award	Undergraduate awards
1,072	Ruth Evelyn Williamson Estate	Undergraduate awards
902	Bluma Appel Burs. – Excell. in Humanities	Undergraduate awards
900	Harrison Scholarship	Undergraduate awards

## Reserve summary

The University has a combined \$36-million deficit between unrestricted and internally restricted net assets. The fact this number is in a deficit position means we have over spent and/or over committed more resources than the University has earned in the past 50 years. Readers of this report should think of the unrestricted net assets as the sum total of historical surplus/deficits. As of April 30, 2014, the unrestricted net assets balance was \$43.1 million. Readers of this report should think of internally restricted net assets as reserves set aside either because they are required, planned, expected or for strategic purposes. At April 30, 2014, this balance was \$10.9 million. The components of this balance are as follows:

Table 24

Description	Amount (\$000s)
Student support grants, bursaries and fellowships	411
Capital and infrastructure projects and reserves	1,050
Operating project accounts	1,328
Research funds with no external obligations	916
Start-up funds	809
Professional expense accounts	1,590
Sinking fund <sup>1</sup>	4,770
<b>Total</b>	<b>10,874</b>

1 - Sinking fund includes principal contributions and investment income earned



## Looking forward

The budget for fiscal 2014-15 was a significant undertaking. However, looking forward, the government policy directive impacting the Faculty of Education (estimated impact \$3.8 million) and the opening of 198 St. Paul Street (estimated impact of \$1.675 million ongoing and \$200,000 one time) will impose new challenges in fiscal 2015-16.

At first glance it is easy to conclude that the government policy directive impacting the Faculty of Education and operating costs for 198 St. Paul Street is causing the University's budget deficit problem going into fiscal 2015-16. In addition to these financial hurdles, the structural financial challenge facing top line revenue growth of the University today is government regulation over grants and domestic tuition. The fact is that there is no inflation on the MTCU basic operating and enrolment-based grants, which represent 29 per cent of the University revenue stream. The government regulates domestic tuition, representing 66 per cent of the University's tuition by only allowing an average rate increase of three per cent. These two facts mean that **60 per cent of the University revenue is government regulated and, without additional students, will only increase one per cent.** Understanding this, one can quickly identify the complexity in meeting the demands for personnel (salary and wage increases) and operating costs. At present, future budget deficits are likely and as such significant further work will be required going into the fiscal 2015-16 year.

So, what is next? The Senate continues with the academic program review, with support of the administrative working group, while the administration works on efficiency projects aligned with non-academic review findings. In addition, as communicated at the town hall on April 9th, work continues with respect to: efficiency reviews, labour relations, government relations, advancement initiatives, retirement planning and deployment strategy, alternative revenue generating activities, the strategic mandate agreement and research. While this work continues, improved methods of consultation are being designed and implemented. These models include enhanced discussions with those "on the floor" representing the heart of our University. It is recognized that we will need to continue to work hard with all of the University's resources in the years to come to enhance funding and increase efficiency.

## Appendix A

### Enrolment definitions

The following are the three measures of enrolment at an Ontario University:

1. Headcount enrolment: A "snapshot" of the number of individuals who are attending the University at a particular point in time and the response to the commonly asked question: "How many students does Brock have?"
2. Full-time Equivalent (FTE) enrolment: FTEs are used to provide enrolment expressed as the equivalence to full-time students. For undergraduate students, FTEs are calculated by dividing total course enrolments by five (the nominal load of a full-time student). Graduate students are counted on the basis of their registration status such that one full-time graduate student equals 1.000 FTE per term and one part-time graduate student equals 0.300 FTE per term. A graduate student registered for a summer session is reported as 0.5 FTEs.
3. Basic Income Units (BIUs): BIUs are used in reporting enrolment to the Ontario government for funding purposes and represent a weighted enrolment measure. Thus, one FTE undergraduate student in the "Arts" represents 1.0 BIU if enrolled in a pass (three-year) program and 1.5 BIUs if an honours student. Certain programs have higher weights (e.g., Business is 1.5 and Education is 2.0); otherwise Year 1 students (regardless of program) have a weight of 1.0.

"Eligible" BIUs (and FTEs) are those that are associated with programs approved by the Ontario government for funding purposes. Also, certain categories of students are "ineligible" (international, additional qualification and co-op on work term being the three largest groups).



# Appendix B

## Tuition fee policy, government-funded programs

On March 28, 2013, the MTCU introduced a new tuition framework, where tuition fee increases are capped at an average of three per cent, which is two per cent lower than prior years. Historically, due to Brock's student mix, Brock usually achieved close to 4.5 per cent aggregate fee increases.

The MTCU guidelines allow for tuition fee differentiation based on program and program year of study as follows:

- Distinguishes separate maximum limits for first year of study and continuing years.
- Tuition fees may increase within specified limits with the average tuition increase not to exceed three per cent (excluding changes in enrolment activity).

The approved fee changes for the 2014-15 academic year, detailed in Table 25, starting in spring of 2014-15, balance competitive pricing pressures with the financial requirements of the University.

**Table 25**  
**MTCU tuition guidelines**

Programs	First year	Continuing years
Undergraduate professional* programs and any graduate program (enrolled before 2013-14)	N/A	4.0%
Undergraduate professional* programs and any graduate program (enrolled in or after 2013-14)	5.0%	5.0%
Undergraduate arts & science and other programs	3.0%	3.0%
Average tuition increase**	3.0%	

**Brock University board approved 2014-15 rate increases**

Programs	First year	Continuing years
Undergraduate professional* programs (enrolled before 2013-14)	N/A	4.0%
Undergraduate professional* programs (enrolled after 2013-14)	5.0%	5.0%
Undergraduate arts & science and other programs	3.0%	3.0%
Graduate programs	2.50%	0.0%
Average tuition increase**	3.0%	

\* Undergraduate professional programs include Computer Science and Business

\*\* Average increase weighted based on enrolment

## Tuition fee policy, non-government-funded programs

Visa students in undergraduate and graduate programs and cost-recovery programs are not eligible for provincial government funding and therefore universities are not governed by the government's tuition policy in setting tuition rates for this student group. A differentiated approach is taken to account for demand, after benchmarking to fees charged at other Ontario universities. As part of this benchmarking, it was noted that Brock University's rates are among the lowest of all Ontario universities. A nine per cent increase to program A (Arts/Science and Other) rates would bring Brock to the average of Ontario universities, prior to any increases for 2014-15. A 24 per cent increase to program B (Professional Programs – Business and Computer Science) rates would bring Brock to average, prior to any increases in 2014-15. Program B highlights a greater disparity as Brock has never differentiated Program B from A rates in the past. Based on these findings, Table 26 details the 2014-15 non-government-funded program rates that were proposed to and approved by the Board of Trustees in February 2014.

**Table 26:**  
**Brock University board approved 2014-15 rate increases**

International program types	First and continuing years
Undergraduate professional* programs	15%
Undergraduate arts & science and other programs	10%
Graduate programs (excluding MAcc and International Student Programs)	6%
Master of Accountancy (MAcc)	0%
International Student Programs (ISP):	
Social Sciences – Applied Linguistics	10%
Education	5%
Goodman School – Master of Accountancy	0%
Goodman School – Master of Business Administration	5%
Professional Masters Preparation Certificate Programs (PMPCP):	
Education	5%
Goodman School	10%
Other Programs:	
Centre for Continuing Teacher Education – Additional Qualification Courses (AQ)	0%
Intensive English Language Program (IELP)	0%
Summer English Language Program (SELP)	22%

\* Professional programs include Computer Science and Business



# Appendix C

## Summary of budget adjustments

As a result of certain changes in the approach to preparing the 2014-15 budget, certain reclassifications were made to the 2013-14 budget as reported in the 2013-14 Budget Report for comparison purposes when the funding deficit was not impacted. Table 27 and 28 detail these reclassifications by both function and responsibility centres, with a few of the most notable reclassifications explained below.

**Table 27: Reclassifications by functions**

(\$000's)	Approved budget <sup>1</sup> 2013-14	Reclass.	Adjusted budget 2013-14
<b>Revenue</b>			
Student fees	135,075	586	135,661
Grant revenue	91,850	426	92,276
Other revenue	47,894	601	48,495
<b>Total revenues</b>	<b>274,819</b>	<b>1,613</b>	<b>276,432</b>
<b>Operating costs</b>			
Personnel costs	(199,049)	(1,220)	(200,269)
Other operating costs	(90,275)	(393)	(90,668)
<b>Total operating costs</b>	<b>(289,324)</b>	<b>(1,613)</b>	<b>(290,937)</b>
Mitigation target	7,505	-	7,505
<b>Funding deficit</b>	<b>(7,000)</b>	<b>-</b>	<b>(7,000)</b>

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- \$745,000 of personnel cost chargebacks was reclassified from offsetting personnel costs in the 2013-14 approved budget to other revenue (internal chargebacks) in the 2013-14 adjusted budget.
- In April 2014, the Department of Applied Linguistics moved from the Faculty of Humanities to the Faculty of Social Sciences, including all resources and budgets. The 2013-14 budget was reclassified for comparative purposes.
- During 2013-14, the Department of Advancement was segregated into three main responsibility centres – the Department of Alumni, Development and Donor Relations; University Marketing and Communications; and the Office of Government Relations. For the purposes of the 2013-14 and 2014-15 budget, the Office of Government Relations is shown as part of the Leadership responsibility centre.
- The deferred maintenance budget of \$2.75 million (net of the \$608,500 Facilities Renewal Funds), was included in the “University Global” responsibility centre in the 2013-14 approved budget and was reclassified to Facilities Management in the 2013-14 adjusted budget.
- Contributions to “University Global” were eliminated as part of the 2014-15 budget and therefore they were reclassified in the 2013-14 budget for comparison purposes from the Goodman School of Business (\$503,000), Faculty of Education (\$361,000), Faculty of Social Sciences (\$29,000), Department of Residences (\$1,050,000), Ancillary Operations (\$680,000) and Student Services (\$679,000) to “University Global”, offsetting the revenue reported in this responsibility centre.

**Table 28: Reclassifications by responsibility centres**

(\$000's)	Approved budget <sup>1</sup> 2013-14	Reclass.	Adjusted budget 2013-14
<b>Academic responsibility centres</b>			
Faculty of Applied Health Sciences	(16,712)	(38)	(16,750)
Goodman School of Business	(17,528)	435	(17,093)
Faculty of Education	(15,898)	346	(15,552)
Faculty of Humanities	(23,341)	2,306	(21,035)
Faculty of Mathematics and Science	(19,756)	(67)	(19,823)
Faculty of Social Sciences	(31,002)	(2,419)	(33,421)
Faculty of Graduate Studies	(7,348)	(104)	(7,452)
Library	(8,278)	(70)	(8,348)
Research Services	(2,666)	275	(2,391)
Centre for Pedagogical Innovation	(1,566)	(12)	(1,578)
<b>Total academic responsibility centres</b>	<b>(144,095)</b>	<b>652</b>	<b>(143,443)</b>
<b>Non-academic responsibility centres</b>			
Advancement	(4,146)	4,146	-
Alumni, Development and Donor Relations	-	(2,463)	(2,463)
Marketing and Communications	-	(1,755)	(1,755)
Board of Trustees	(27)	-	(27)
Leadership	(4,253)	(218)	(4,471)
Facilities Management	(20,902)	(2,707)	(23,609)
Finance and Administration	(17,077)	965	(16,112)
University Services	(880)	(6)	(886)
Co-op	(379)	(22)	(401)
<b>Sub total</b>	<b>(47,664)</b>	<b>(2,060)</b>	<b>(49,724)</b>
Centre for the Arts	(718)	(3)	(721)
Department of Residences	-	1,031	1,031
Student Services	(16,628)	483	(16,145)
Recreation Services & Athletics	(1,438)	128	(1,310)
Ancillary Operations	2,411	1,190	3,601
<b>Total non-academic responsibility centres</b>	<b>(64,037)</b>	<b>769</b>	<b>(63,268)</b>
<b>Reconciliation to funding budget</b>			
Global	193,627	(1,421)	192,206
<b>Total University</b>	<b>(14,505)</b>	<b>-</b>	<b>(14,505)</b>
Mitigation Target	7,505	-	7,505
<b>Overall total</b>	<b>(7,000)</b>	<b>-</b>	<b>(7,000)</b>

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