



BUDGET REPORT 2015-16

Including key performance metrics

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This report contains forward-looking information. In preparing the 2015-16 Budget Report, certain assumptions and estimates were necessary. They are based on information available to management at the time of preparing the budget. Users are cautioned that actual results may vary.

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

Black and white photos are from the Brock University Archives, James A. Gibson Library.

Executive summary

This budget report has been prepared with 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. This report was designed to encourage discussion, thought and recommendations for future planning purposes. Input and recommendations for the budget are encouraged and can be emailed to budgetreport@brocku.ca

This budget report highlights that the University continues to work towards a structurally balanced budget. The University continues to maintain a mitigation target of \$3.9 million (PY – \$3.2 million).

The budget environment is dominated by issues of enrolment and regulations of the Ministry of Training, Colleges and Universities (MTCU) regulation. Enrolment data suggests an enrolment decline is likely in the coming years. This budget is based on an undergraduate domestic enrolment decline of 375 students. With regards to MTCU regulation, there continues to be no inflation on the MTCU basic operating grant or enrolment-based grants, and the MTCU limits domestic tuition increases. This combination means a significant portion of our revenue is limited to a one per cent growth rate if enrolment remained stable. This, when compared to wage growth of approximately 3.5 per cent, is creating a challenging budget environment.

This budget report seeks to document the path and process of establishing the budget amid the current budget environment. It builds on last year’s budget report by:

- Starting a process that connects financial and non-financial data through metrics reporting.
- Incorporating discussion on some of the what the budget supports and helps make possible.
- Introducing comparisons of our University to other comprehensive universities in Canada.
- Introducing tuition and grant revenue by Faculty.
- Introducing enrolment, faculty and staff levels by unit.
- Recognizing the push for efficiencies, introducing a “tracking efficiencies” appendix.
- Expanding the looking-forward section.

One will find new data points in this budget report that will hopefully drive discussions. Readers may identify other useful data points. Suggestions can be emailed to budgetreport@brocku.ca. We have already started working on identifying additional and new data points to help inform next years budget.

We have a \$300-million budget to deploy, and to achieve great results we need to capitalize on the opportunities and meet the challenges that are ahead. We are Brock – “One Brock” – the sum of its students, faculty, staff, volunteers, supporters and the external community. Let’s make 2015-16 a terrific year!

Our financial health

Funding budget

The funding budget for fiscal 2015-16 is illustrated in the table to the right. It identifies a \$3.9 million mitigation target (see page 19 for additional information on the mitigation target). At the time of preparing this budget report, fiscal 2014-15 has not been completed; however, the published third-quarter report forecasts that we will break even in fiscal 2014-15. The information below speaks to our financial health and compares several of our financial metrics to other comprehensive universities. This budget report addresses actions being taken and next steps that will need to be considered to improve these metrics.

(\$000s)	Budget 2015-16	Budget 2014-15	Actual 2013-14
Revenue			
Student fees	150,998	146,224	135,646
Grant revenue	90,998	95,535	95,324
Internal chargebacks	7,689	6,097	4,665
Other revenue	47,449	45,484	48,285
Total revenues	297,134	293,340	283,920
Operating costs			
Personnel costs	(200,224)	(197,185)	(195,160)
Other operating costs	(100,847)	(99,376)	(89,525)
Total operating costs	(301,071)	(296,561)	(284,685)
Mitigation target	3,937	3,221	
Funding deficit			(765)

Statement of operations metrics

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

(\$s)	Brock		Median*		Weighted average*	
	April 2014	April 2013	April 2014	April 2013	April 2014	April 2013
Student fees (primarily tuition)	7,140	6,750	8,320	7,720	7,080	6,630
Grant revenue	5,910	5,810	9,620	9,070	10,870	10,540
Personnel costs	10,240	10,120	12,430	11,800	12,110	11,640
Interest on long-term debt	390	370	300	290	270	260
Investment income	90	80	550	470	560	440

* Calculated using financial information from 15 other comprehensive universities.

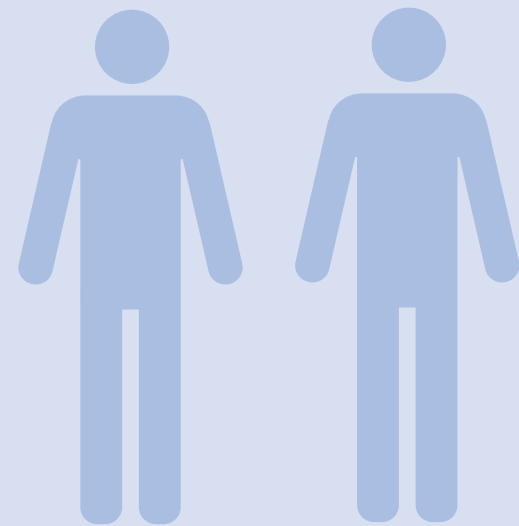
A few observations: Brock is slightly below median on student fees, which is mainly the result of lower ancillary fees (see page 26); the grant revenue per-student metric dispels the commonly held assumption that all students are funded on an equal basis (see page 15); although Brock has the lowest personnel costs per-student, it does not specifically speak to any one reason (i.e. productivity, employee levels, etc.); and the interest and investment income metrics are in line with the following financial health metrics.

Financial health metrics

	Brock		Median*		Weighted average*	
	April 2014	April 2013	April 2014	April 2013	April 2014	April 2013
Primary reserve ratio	3.4%	4.2%	31.6%	32.8%	35.3%	31.7%
Debt burden ratio	3.7%~	2.8%	2.3%	2.1%	3.4%	3.3%
Interest burden %	2.6%	2.5%	1.9%	1.8%	1.5%	1.4%
Interest coverage	2.80	1.97	7.53	6.67	6.43	5.85
Viability ratio	7.0%	8.4%	111.5%	98.2%	109.3%	110.3%

~ Increase year over year was impacted by the one-time repayment of the commercial plaza mortgage.
* Calculated using financial information from 15 other comprehensive universities.

Refer to page 74 for comments regarding the financial health metrics.



Introducing new data points

This year, as the budget report continues to evolve, we are introducing new data points, many of them non-financial, to assist users of this report to draw relationships between financial and non-financial data.

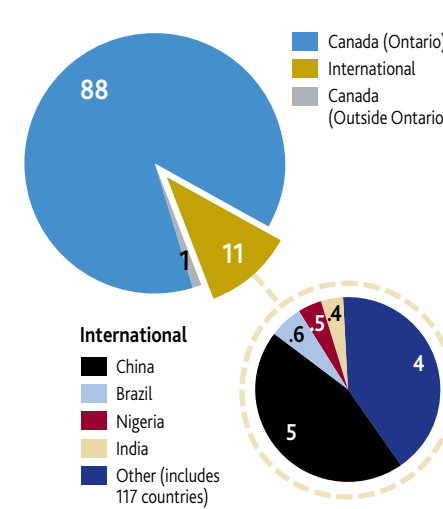
The goal is to start the process of providing meaningful data points to help establish a foundation to explain the "why" behind the revenue and expense values and the outcomes the budget supports. The next evolution for fiscal 2016-17 will be to establish benchmarking in the operations.

In introducing this non-financial data, no one is saying this budget report contains all the relevant key data points. The data points used in this report are available from Units across the University, Institutional Analysis and the Registrar's Office and many are already publicly reported online. Your suggestions for future budget reports and key data points are always welcome at budgetreport@brocku.ca

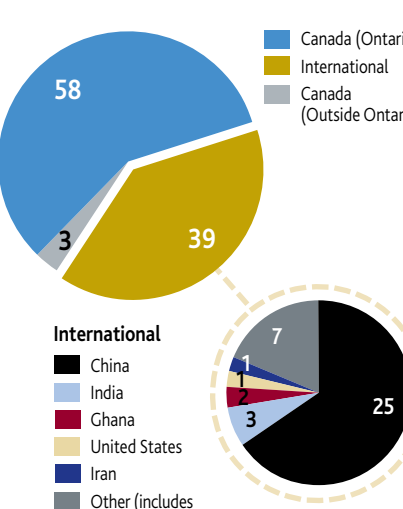
One other section also has been added that similarly "pulls out". On the pullout after page 20 you will find a timeline that includes some major events impacting our financial experience since 1999-2000, when the move to a comprehensive University was proposed and endorsed.

We hope that you find these new data points useful and that they encourage constructive and collegial discussion.

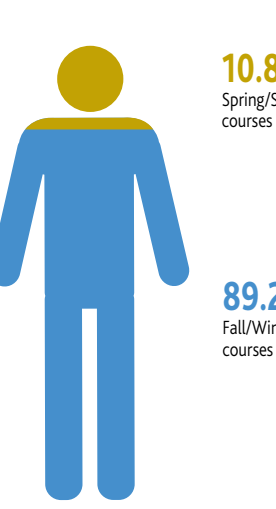
2014 headcount of undergraduate students (%)



2014 headcount of graduate students (%)



Courses taught by semester



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

Source: MTCU Undergraduate 2011 Employment Survey.

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

Source: MTCU Undergraduate 2011 Employment Survey.

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

Source: 2014 National Survey of Student Engagement.

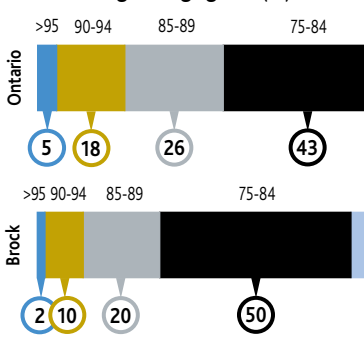
58% of Brock graduate students rated the quality of their overall experience at Brock as very good or excellent (vs Ontario average of 58 per cent)

Source: 2013 Canadian Graduate and Professional Student Survey

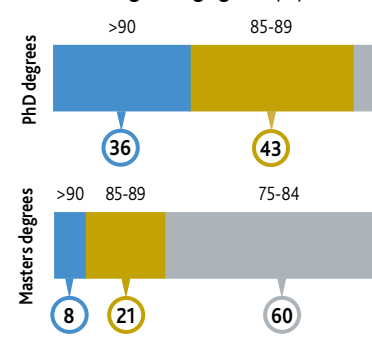
Students that received OSAP in 2014-15

Yes: 54% No: 46%

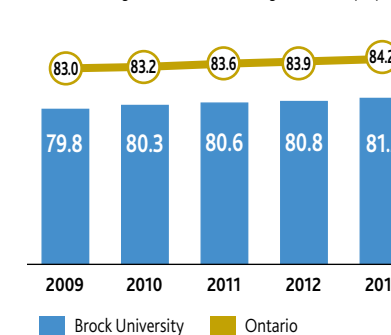
Undergraduate programs entering average grade (%) 2013-14



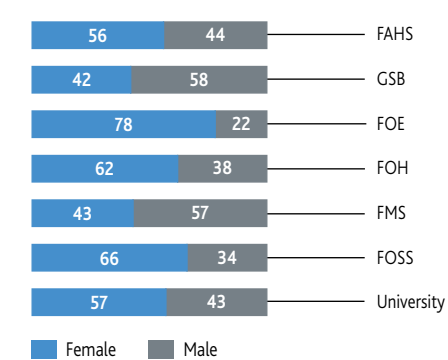
Graduate programs entering average grade (%) 2014-15



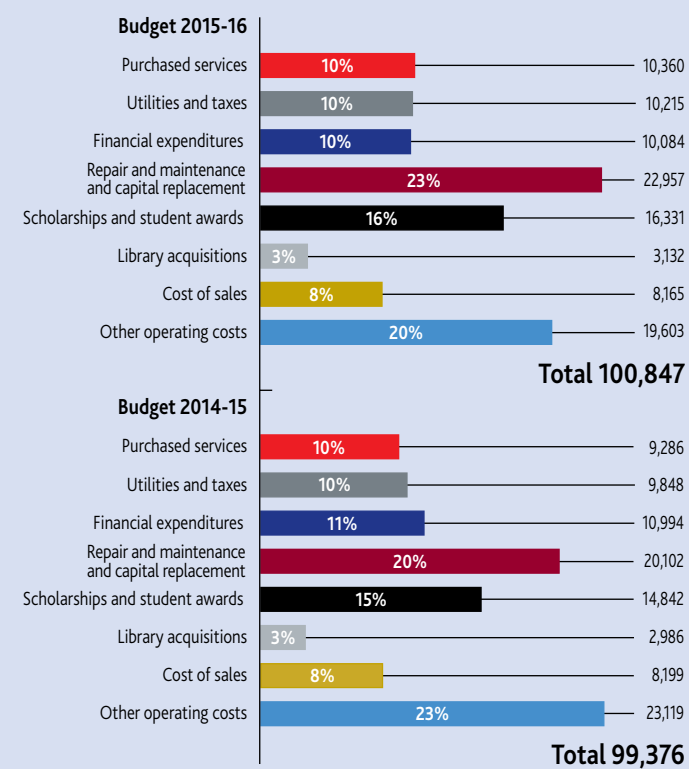
Mean entering average of new students directly from secondary school (%)



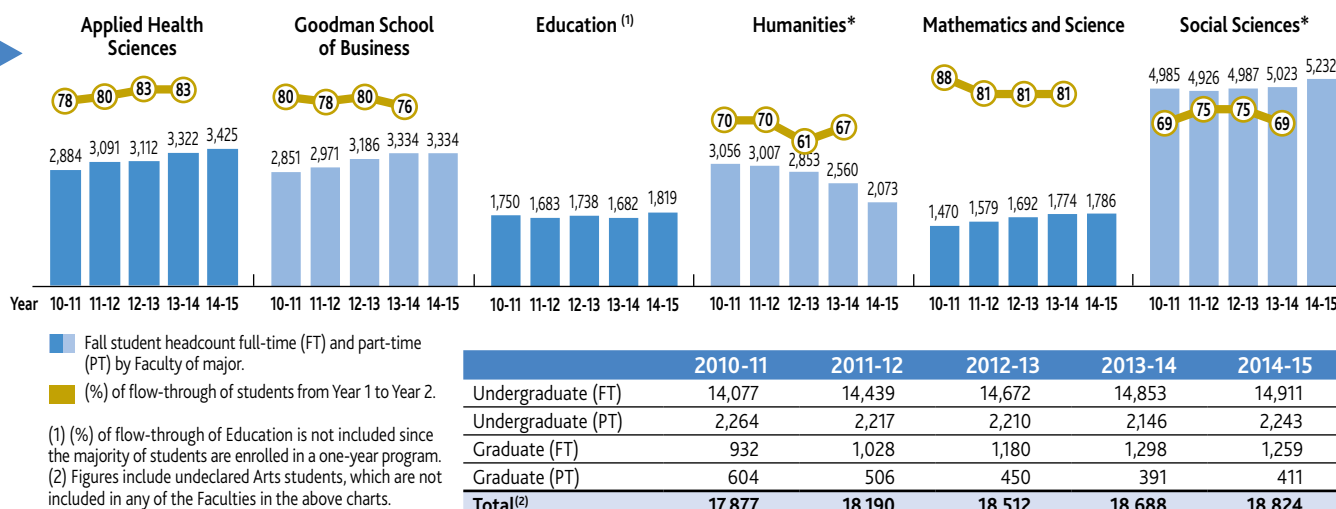
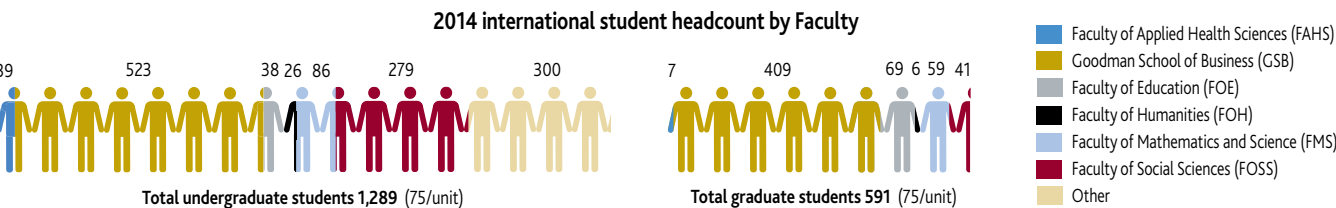
Female/male student headcount (%) 2014-15



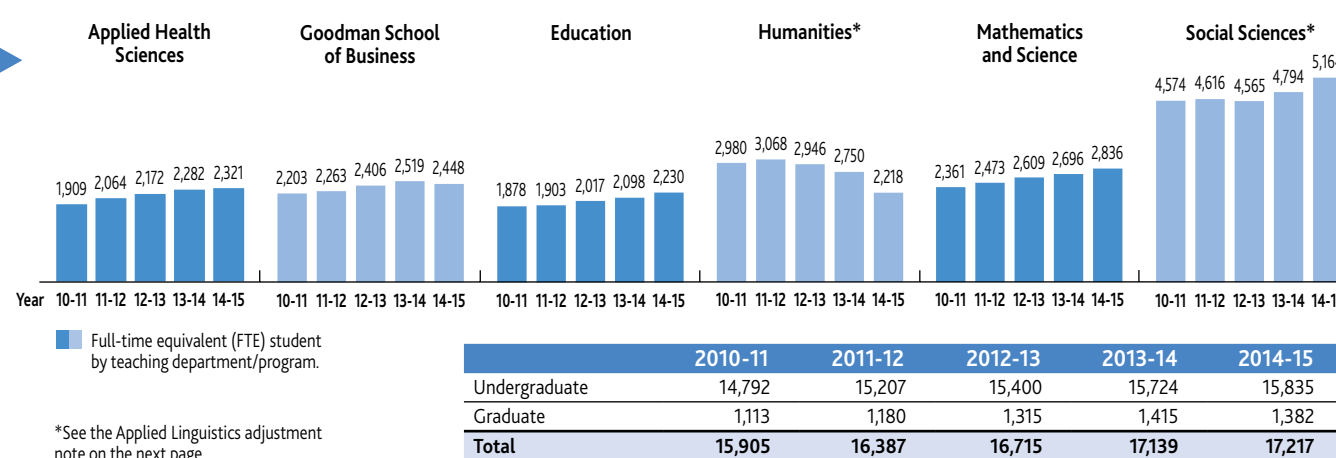
Budgeted operating costs (\$000s)



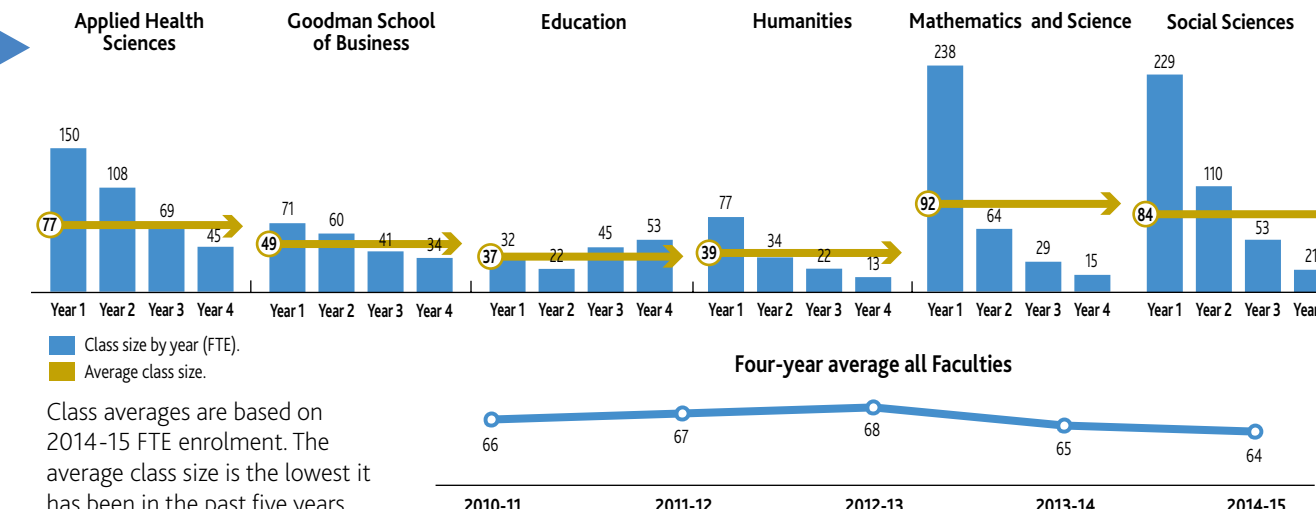
Student headcount by major



Student full-time equivalent



Class size



Applied Linguistics adjustment

***Note:** In 2014-15, the Department of Applied Linguistics moved from the Faculty of Humanities to the Faculty of Social Sciences. In order to maintain consistency with enrolment data published by Institutional Analysis in its annual reports and website, historical figures have not been adjusted. Headcount and full-time equivalent enrolment for the Department of Applied Linguistics is listed in the tables to the right.

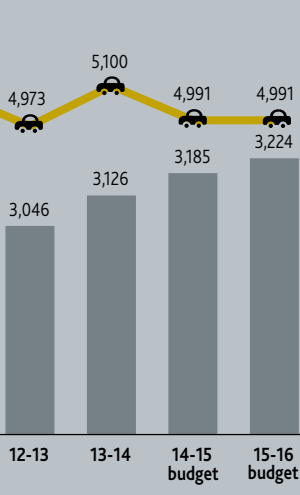
Headcount by major (Department of Applied Linguistics)

Headcount	2010-11	2011-12	2012-13	2013-14	2014-15
Undergraduate	276	255	250	258	230
Graduate	19	23	16	14	14
Total	295	278	266	272	244

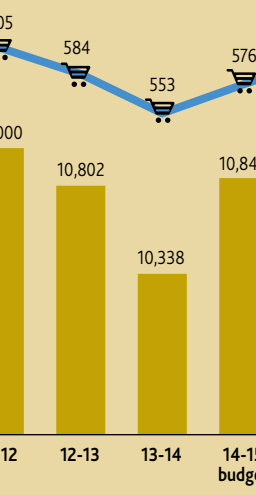
Full-time equivalent (Department of Applied Linguistics)

FTE students taught	2010-11	2011-12	2012-13	2013-14	2014-15
Undergraduate	286	307	312	291	275
Graduate	17	22	15	13	13
Total	303	329	327	304	288

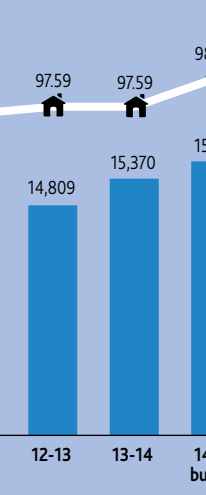
Parking revenue 2011 to 2016



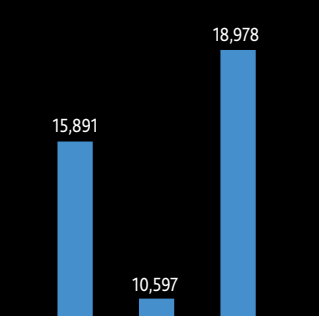
Campus Store revenue 2011 to 2016



Residence revenue 2011 to 2016



Donations 2009 to 2014 (\$000s)

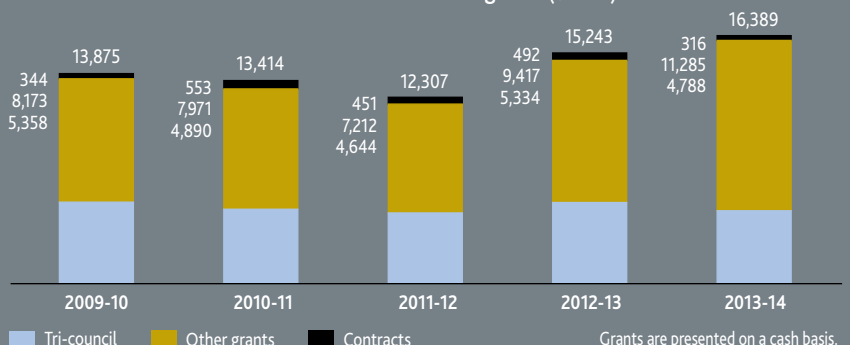


Brock University Pension Plan, June 30 pension year end (\$000s)

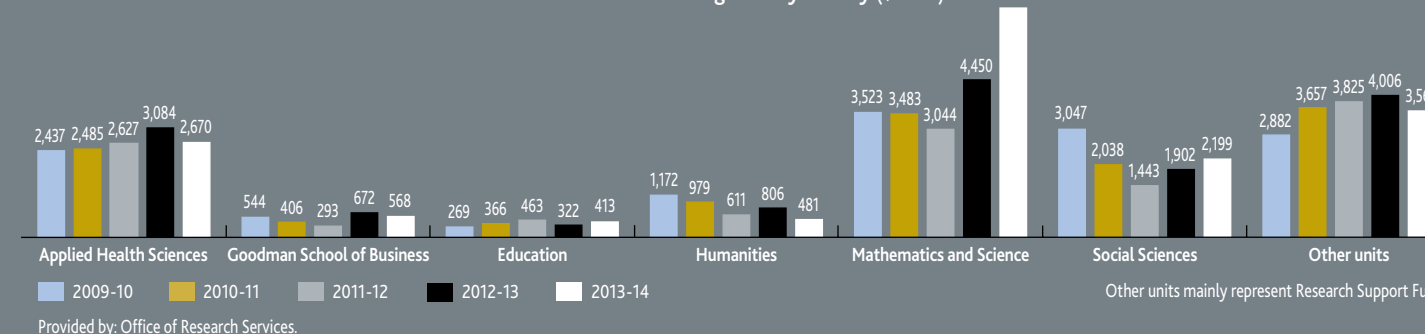
The actuarial valuation on the plan was updated as of July 1, 2014 which indicated the fund was 99.1 per cent funded on a going-concern basis and 105 per cent on a solvency basis.

	2009	2010	2011	2012	2013	2014
Assets	222,377	251,387	283,889	301,612	341,391	402,252
Return	-14.4%	8.6%	13.8%	3.0%	11.1%	16.7%

2009-14 external research grants (\$000s)



2009-14 external research grants by Faculty (\$000s)



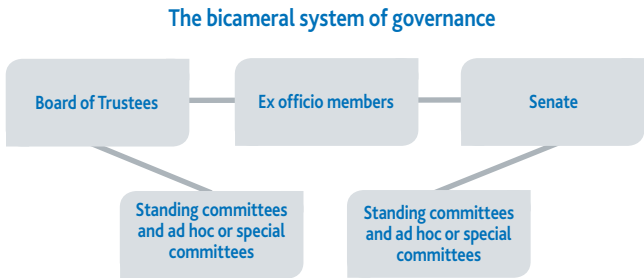
(1) Faculty and professional librarians – BUFA members, Associate Deans, Associate Vice-Presidents of Research and Associate Librarian; Admin/Professional-administrative/professional and exempt staff; CUPE 4207 – Unit 1 instructors, teaching assistants, lab demonstrators, course co-ordinators and marker/graders;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



Brock University celebrated its 50th anniversary in 2014. In 1966 students and staff moved into the first four of the tower's 13 floors, while work continued on the higher storeys.

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.



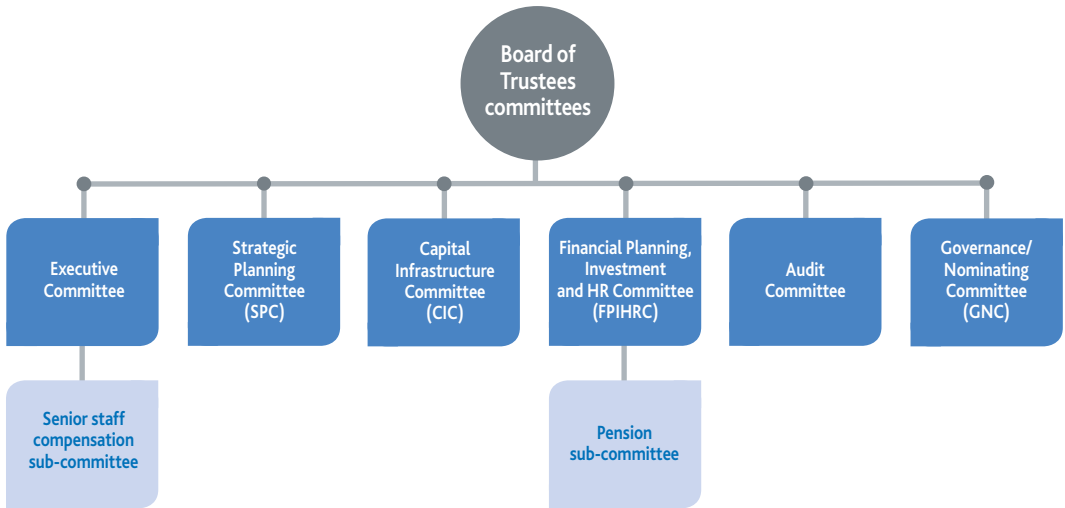
2014-15 Board of Trustees

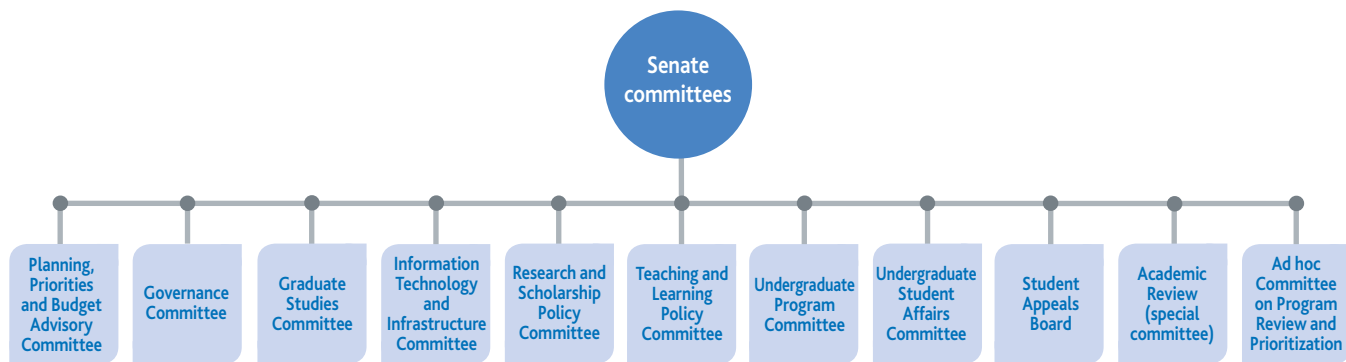
The Board consists of 32 members, including 21 community members elected by the Board, as well as three Brock students, three faculty members and three staff members elected by their respective constituencies. The Chancellor and the President and Vice-Chancellor are ex officio members of the Board.

Board of Trustee members

- Harish Aggarwal (student member – SPC)
- David Blackmore (lay member – CIC & FPIHRC)
- Joshua Bowslaugh (student member – CIC)
- Jeffrey Cairns (committee vice-chair – CIC; lay member – GNC)
- Allan Cole (lay member – FPIHRC and SPC)
- Gary Comerford (lay member – Audit Committee and CIC)
- Mario De Divitiis (lay member – Audit Committee and GNC)
- Aurora Di Fruscia (committee vice-chair – Audit Committee; lay member – CIC)

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





Senate

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

2014-15 Senate members
Members ex officio

- Ned Goodman (Chancellor)
- Jack Lightstone (President and Vice-Chancellor)
- Neil McCartney (Provost and Vice-President, Academic)
- Greg Finn (Vice-Provost and Associate Vice-President, Academic)
- Anna Lathrop (Vice-Provost, Teaching and Learning)
- Ejaz Ahmed (Dean, Faculty of Mathematics and Science)
- Fiona Blaikie (Dean, Faculty of Education)
- Don Cyr (Dean, Goodman School of Business)
- Thomas Dunk (Dean, Faculty of Social Sciences)
- Carol Merriam (Interim Dean, Faculty of Humanities)
- James Mandigo (Interim Dean, Faculty of Applied Health Sciences)
- Michael Plyley (Dean, Faculty of Graduate Studies)
- Barb Davis (Registrar)
- Barbara McDonald (Interim, University Librarian)
- John Suk (Chair – Board of Trustees)
- Kyle Rose (BUSU, Vice-President, Finance and Administration)
- Kim Meade (Vice-Provost and Associate Vice-President, Student Services)
- Gary Libben (Vice-President, Research)
- Thomas Winger (President, Concordia Seminary)
- David Cullum (Associate Vice-President, Information Technology Services)

Note: Faculty of Applied Health Sciences (AHS); Goodman School of Business (GSB); Faculty of Education (FOE); Faculty of Humanities (FOH); Faculty of Mathematics and Science (FMS) and Faculty of Social Sciences (FOSS).

Full-time teaching staff/professional librarian representatives

- | | |
|-----------------------------|-----------------------------|
| • Jeff Boggs (FOSS) | • Lynn Rempel (AHS) |
| • Poling Bork (FMS) | • Linda Rose-Krasnor (FOSS) |
| • Dipanjan Chatterjee (GSB) | • Barbara Sainty (GSB) |
| • Rick Cheel (FMS) | • Larry Savage (FOSS) |
| • Maureen Connolly (AHS) | • Erin Sharpe (AHS) |
| • Christine Daigle (FOH) | • Sid Segalowitz (FOSS) |
| • Bareket Falk (AHS) | • John Sivell (FOSS) |
| • Heather Gordon (FMS) | • Hans Skott-Myhre (FOSS) |
| • Paul Hamilton (FOSS) | • Susan Sydor (FOE) |
| • Catherine Hands (FOE) | • Nancy Taber (FOE) |
| • Scott Henderson (FOSS) | • Lucie Thibault (AHS) |
| • Jennifer Li (GSB) | • Francine Vachon (GSB) |
| • Dan Malleck (AHS) | • Terrance Wade (AHS) |
| • Tanya Martini (FOSS) | • Heather Whipple (Library) |
| • Daniel McCarthy (FMS) | • David J. Whitehead (GSB) |
| • Jane McLeod (FOH) | • Sakoieta Widrick (FOE) |
| • Diane Miller (GSB) | • Barbra Zupan (FOSS) |
| • Laurie Morrison (Library) | |
| • Joe Norris (FOH) | |

Representatives of the Board of Trustees

- Jeffrey Cairns
- Kristine Freudenthaler

Alumni Association representative

- James O'Brien

Undergraduate student representatives

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

Graduate student representatives

- Julia Polyck O'Neil
- Christopher Ventura



Planning Priorities and Budget Advisory Committee

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

- 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.
- f) Any other matters referred to it by the Senate or Senate Governance Committee.

The following are the 2014-15 PPBAC members:

Members

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

Students

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

Ex officio

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



Jack Lightstone
President and Vice-Chancellor



Neil McCartney
Provost and VP, Academic



Gary Libben
VP, Research



Brian Hutchings
VP Finance and Administration

Leadership at Brock University

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. Lightstone received his BA from Carleton University in 1972, his MA (1974) and PhD (1977) at Brown University in Rhode Island and an Honorary Doctorate of Humane Letters from State University of New York (Buffalo) in 2014. 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 became Brock's Provost and Vice-President, Academic 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 the College of the Kinesiologists of Ontario, where he was subsequently elected as its Vice-President. McCartney received his BEd (1974) from Exeter University, U.K. and his PhD (1983) from McMaster University.

Gary Libben is a scholar and academic administrator who is a leader in advancing interdisciplinary research. Before coming to Brock in 2011, 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 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 Commissioner of Corporate Services and Regional Treasurer. Hutchings obtained his Bachelor of Commerce degree from St. Mary's University and following graduation, received his CPA-CGA designation. He has completed the Queen's University Public Executive Program and has fulfilled his certificate in Human Resource Management, along with receiving a Master of Laws degree from the University of Toronto. Hutchings plays an active role in his community and has served as a volunteer on many organizations, including the Ontario Trillium Foundation, Hamilton Tiger Cats Alumni and the West Lincoln Memorial Hospital Board. He is currently a Board Member of the Wise Guys Charity, YMCA of Niagara and the McNally House Hospice. In 2003, Hutchings was honoured as the Citizen of the Year by the Grimsby Chamber of Commerce and in 2008 he was presented with the Niagara Award from Niagara College in recognition of his contributions to the Niagara community. Hutchings became the recipient of the 2011 Partnership Award presented by the Business Education Council and also received an honorary diploma from Leadership Niagara in 2012.

Brock's Mission Statement

Brock University flourishes through the scholarly, creative, and professional achievements of its students, faculty and staff. Offering a range of undergraduate and graduate programs, Brock fosters teaching and research of the highest quality. As a diverse and inclusive community, we contribute positively to Canada and beyond through our imagination, innovation and commitment.

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):

Strategic priorities

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

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

The SMA identifies the following:

Academic policy and goals

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



Process and objectives

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 units within Brock University.

The 2015-16 budget process was one of consultation with Senior Administrative Council (multiple updates), the Finance Committee of Academic Deans (six meetings), the Senate Planning, Priorities and Budget Advisory Committee (six meetings), in addition to numerous unit specific meetings and two Presidential Forum Meetings. Every effort was made to ensure the budget was consistent with the academic mission of the University, and 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 were necessary. We thank the units that have reviewed their operations and made these decisions in order for this budget to come together.

Last year it was 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. This fact continues to hold true.

Those following the budget process will note the timeline for budget preparation was moved up considerably this year and we thank all units for meeting the requirements of the new timetable. This change occurred specifically so the budget could be completed for approval at the May 7, 2015 Board of Trustees meeting to coincide with the start of our fiscal year running from May 1 to April 30.

While there was no formal board motion regarding the fiscal 2015-16 budget at the start of budget development, it was made clear by the Financial Planning, Investment and Human Resources committee that a balanced budget or better was required. This prompted the budget guidance which was originally planned as across-the-board guidance to each unit but ended as much more strategic-based. Many units stepped up and made changes in excess of guidance to allow others increased flexibility, and in some cases more time, to adjust to the challenging fiscal budget environment.

As noted in last year's budget report, the President's response to the Senate's resolution regarding the work of the Presidential Task Force on Program Review (Sept. 30, 2013) was: "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." Starting the 2015-16 budget process with across-the-board guidance was not a desired approach but necessary given we originally estimated a deficit of \$17.9 million if changes were not made. We should remember some of the following challenges we faced in this budget process:

- The Ministry has required a split of the Bachelor of Education program into two years from one year. When making this move, the Ministry also restricted the number of students into the program, requiring the University to reduce enrolment and cut the University basic income unit (BIU) funding by 25 per cent from two to 1.5, although some transitional funding for the BIU cut has been provided. Recognizing there is some transition funding for the BIU, we are still looking at a \$3.9-million impact to the 2015-16 funding budget.
- The operating costs of the new Marilyn I. Walker School of Fine and Performing Arts (MIWSFPA) building will be \$1.9 million in 2015-16.
- The 2014-15 funding budget did not incorporate any increases related to collective agreements under negotiation in 2014-15 and therefore going into the 2015-16 funding budget we needed to absorb two years of wage increases related to the ratification of the Brock University Faculty Association (BUFA) agreement. The initial estimate put this figure at \$9.9 million.
- The 2014-15 funding budget itself was not balanced and still required \$3.2 million in mitigation. This meant, in addition to the items already discussed, Brock started the year with a funding budget deficit of \$3.2 million.

As previously mentioned, although the Board of Trustees did not pass a specific motion to prepare a balanced 2015-16 funding budget, the discussions at committee meetings made it clear that a balanced budget was expected. As such, the approach taken to establish the 2015-16 budget was similar to the prior year; incorporating the following objectives:

- 1. Support the Integrated Strategic Plan and Strategic Mandate Agreement.
- 2. Provide new investment where critically needed.
- 3. Support ongoing initiatives.
- 4. Continue to simplify the budget and bring financial and non-financial information together 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. Provide new investment where critically needed
Operations

Some critical and significant operating investments have been made. Examples of these investments include scholarships and financial awards, recruiting initiatives, teaching positions in the Faculty of Applied Health Sciences, library acquisitions, debt reduction strategy and employee future benefit reserve.

New entrance awards of \$700,000 have been introduced focused on aggressively driving conversion of applicants in the system based on four initiatives. This investment comes at a time that applications to the University have

declined. Funding of \$250,000 has been established for undergraduate scholarships to be awarded using new predictive modelling techniques to target applicants identified as most likely to be influenced by financial incentives. A new pool of \$150,000 has been established to support Niagara’s top talent studying right here at home. This new Principal’s Award will result in two students from each graduating class of Niagara’s publicly funded high schools receiving a \$2,500 entrance scholarship to the University. An additional \$200,000 is required to meet the mandatory Student Access Guarantee (SAG) obligation through the MTCU as a result of tuition fee increases. Finally, an additional \$100,000 has been established to enhance the effectiveness of the entrance bursary offer by including the projected SAG to each student’s fixed entrance bursary prior to the decision date. It is planned that these initiatives will be ongoing and form part of the University’s base budget.

As part of the support of the strategic enrolment plan, which is being developed in part to address the changing enrolment environment, further investment was made in this budget related to recruitment initiatives. This investment included a data analytics position in the Office of the Registrar, additional support in international recruitment, social media as well as Brock website support. For more information on enrolment see the Enrolment discussion as part of the Budget Environment section of this report starting on page 16.

In the Faculty of Applied Health Sciences, two new teaching positions were included in the 2015-16 budget. The new limited-term appointment position in the Department of Sport Management allows it to increase its teaching capacity and accommodate enrolment numbers while maintaining a high standard of student-centred teaching. The new instructional limited-term appointment position in the Department of Health Science allows it to not only

cover the teaching of two faculty retirements but meet the growing enrolments seen over the past five years.

The library acquisitions budget in 2015-16 was increased by \$150,000 and this budget was not subject to the four per cent reduction target which could have represented a \$119,000 reduction. This overall increase was made in recognition of the falling Canadian dollar.

To support the long-term financial health of the University, an investment of \$475,000 towards a debt reduction strategy was included in the budget and is reported as part of the Financing responsibility centre. On page 74, a number of metrics are outlined that illustrate our debt metrics are poor compared to other comprehensive universities. In addition, a \$900,000 contribution to the post-retirement benefits reserve was included as part of the budgeted benefit rates of each of the relevant units throughout the University. As noted in the 2014-15 Budget Report (see page 10), prior to 2014-15 the University had never set aside any funds to pay the post-retirement benefits liability balance, which was reported as \$17.9 million as of April 30, 2014 and represents the cost of benefits owed to certain employees when they retire. By setting aside funds today to pay for these benefits currently being earned, it will ensure funds are there to pay the benefits in the future as eligible employees retire. See page 36 for further discussion on post-retirement benefits.

Infrastructure

Some critical and significant infrastructure investments related to business continuity, deferred maintenance, and health and safety include \$250,000 for a backup generator for our data center, \$1,000,000 for air quality upgrades in the Faculty of Applied Health Sciences space of the Walker Complex, \$1,140,000 for a Village Residence Fire Alarm/Emergency Notification System, and structural repairs to the Aquatics Centre of \$1,200,000.

As we continue to improve our teaching, study, and work space, this budget includes \$105,000 to provide new group learning space on the sixth floor of the library, \$469,000 in classroom modernization, and \$1,525,000 in post-Marilyn I. Walker School of Fine and Performing Arts renovations. It is expected that additional investment with these post-renovations will be incorporated into the 2016-17 funding budget as well.

The projects already discussed are primarily related to Facilities Management. Some critical Information Technology investments include \$237,750 in expanded disk storage space for growth in data, \$255,000 in

computer purchases and redeployment, \$463,750 in wireless expansion or replacement on campus, and \$1,000,000 as a placeholder for a new finance system. Although there have been enhancements and modifications made to the system throughout the years, the current system has been in place for almost 30 years, and is failing, resulting in significant impacts to operations across the University. Options for the finance system are being investigated and any changes to this budget will be communicated and require Board of Trustee approval.

The full 2015-16 capital and related projects plan can be found starting on page 67.

3. Support ongoing initiatives

This budget continues to support the ongoing initiatives of the University. It is unfortunate that we often “manage by exception” – reporting and analyzing the changes to the budget instead of the budget in its entirety. In fact, the previous section called “Provide new investment where critically needed” does just this. For this reason, this section of the budget report has been added to ensure we remember what areas this budget continues to support. As part of the Budget Details section of this report, Table 16 provides a high-level overview of where budget dollars are allocated by detailing the net revenue and expenses of the following areas: Teaching Faculties, academic support, student specific, shared services, ancillary, space and global.

In addition to this high-level information, this budget report has expanded the information on each of the individual units grouped into these categories in the section on Responsibility centres on pages 41 to 65. These pages provide information on the various Units of the University and the Teaching Faculties and specifically provide links to their strategic plans and accomplishments. However, it was still felt there were some areas where past readers of the budget report had some questions on specific functions, tasks and programs, because information is often consolidated and/or grouped with larger unit budgets and for this reason is hard to analyze. As such, this new section was developed to provide additional information in areas where there have been questions. This section provides no priority to any of the functions, tasks, or programs identified.



Marilyn I. Walker School of Fine and Performing Arts



brocku.ca/humanities/departments-and-centres/fine-and-performing-arts
brocku.ca/facilitiesmgmt/MAJOR-MWS.html

Fall undergraduate headcount by major: 438.5 (2014), 463.0 (2013)
FTE students taught: 470.1 (2014-15) and 500.1 (2013-14)
Building construction budget: \$45.5 million
Building operating budget: \$1.86 million
Where this is budgeted: Facilities Management (\$0.80 million); Campus Security Services (\$0.49 million); Faculty of Humanities (\$0.20 million); Utilities, Taxes and Insurance responsibility centre (\$0.19 million); Information Technology Services (\$0.10 million) and Human Resources (\$0.08 million).

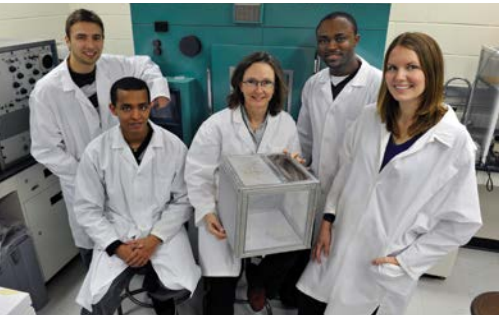
CCOVI (Cool Climate Oenology Viticulture Institute)



brocku.ca/ccovi
cuvee.ca

Net direct operating budget⁽¹⁾: \$0.6 million
Where this is budgeted: Research Services
OG headcount⁽²⁾: 9
Background: CCOVI at Brock University was developed in partnership with the Grape Growers of Ontario and the Wine Council of Ontario. Established in 1996, CCOVI is an internationally recognized research institute focused on research priorities of the Canadian grape and wine industry, and the continuing educational and outreach-service needs of that community.

Transdisciplinary research



brocku.ca/trans-disciplinary-research/engines-of-trans-disciplinary-research

Net direct operating budget⁽¹⁾: \$1.0 million
Where this is budgeted: Research Services
Background: Brock's five transdisciplinary hubs are incubators of innovation and bridges to the community.
Transdisciplinary hubs: Advanced Biomanufacturing Centre, Brock-Niagara Centre for Health and Well-being, Environmental Sustainability Research Centre, Jack and Nora Walker Centre for Lifespan Development Research, and Social Justice Research Institute.

BioLinc



brocku.ca/biolinc

Net direct operating budget⁽¹⁾: \$0.1 million
Where this is budgeted: Goodman School of Business
OG Headcount⁽²⁾: 2
Background: The Goodman School of Business BioLinc is a dynamic business incubation facility dedicated to promoting and enhancing the growth and commercialization of new businesses and discoveries taking place at Brock University.

Development and Alumni Relations



brocku.ca/bold-new-brock

Net direct operating budget⁽¹⁾: \$1.7 million
5-year average annual funds raised (2009-10 to 2013-14): \$11.67 million.
OG Headcount⁽²⁾: 20

Co-op, Career Services and Experiential Learning

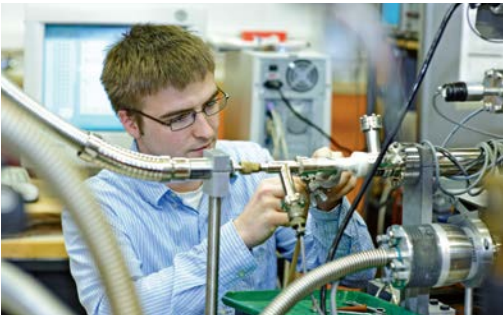


brocku.ca/co-op
brocku.ca/career-services

Net direct operating budget⁽¹⁾: \$0.9 million
OG headcount⁽²⁾: 23
Note: Goodman School of Business maintains a separate Career development office with a total budget of \$0.2 million.

(1) Net direct operating budget equals revenue minus expenses for 2015-16 fiscal year. These budgets do not allocate overhead costs (i.e. support services, space etc.)
(2) OG headcount represents 2015-16 budgeted ongoing staff and faculty headcount – excludes temporary contract workers and includes any budgeted but unfilled positions.

Science Stores, Machine Shop, Electronic Shop



brocku.ca/mathematics-science/math-services

Net direct operating budget⁽¹⁾: \$1.0 million
Where this is budgeted: Faculty of Mathematics and Science
OG headcount⁽²⁾: 11
Background: Science Stores provide a cost-effective and timely supply of materials, chemicals, equipment and administrative support for research and teaching programs, to better serve all units in Mathematics and Science, Applied Health Sciences, and Social Sciences. The machine and electric shops provide their own expertise but often combine their skills to provide support for teaching, research and external ventures.

Utilities



brocku.ca/facilities-management/maintenance-operations/utilities

Hydro: \$0.77 million 2015-16 budget; \$0.82 million 2014-15 budget
Heating and Cooling: \$4.39 million 2015-16 budget; \$3.76 million 2014-15 budget
Water: \$2.11 million 2015-16 budget; \$1.98 million 2014-15 budget

Recruitment and Liaison



discover.brocku.ca

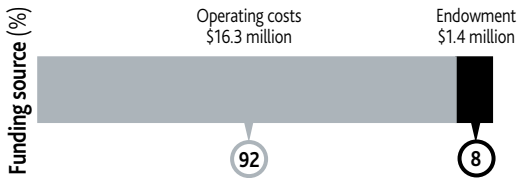
Net direct operating budget⁽¹⁾: \$1.1 million
Note: This figure does not include any costs reported in the Marketing and Communications budget, such as recruitment advertising costs and personnel costs related to advertising or website management. The Marketing and Communications and the Recruitment and Liaison budgets primarily support undergraduate recruitment. Graduate recruitment is largely in the Faculty of Graduate Studies.
OG headcount⁽²⁾: 11
Student fees and core operating grants: \$225.5 million

Scholarships, Bursaries and Student Awards



brocku.ca/international-recruitment/funding-costs/
brocku.ca/safa/awards
brocku.ca/graduate-studies/fgs-awards

Undergraduate: \$10.6 million
Graduate: \$7.2 million



Where the operating funds are budgeted: majority in Scholarships, Bursaries and Student Awards responsibility centre. See page 63 for further details. These Scholarships, Bursaries and Student Awards represent just over 12 per cent of total revenue.

(1) Net direct operating budget equals revenue minus expenses for 2015-16 fiscal year. These budgets do not allocate overhead costs (i.e. support services, space etc.)
(2) OG headcount represents 2015-16 budgeted ongoing staff and faculty headcount – excludes temporary contract workers and includes any budgeted but unfilled positions.

Brock Athletics and Intramurals



brocku.ca/recreation-services
gobadgers.ca

Number of varsity teams and athletes: 28 teams and 538 athletes
Number of club teams and athletes: 8 clubs and 234 athletes
Number of intramural teams and participants: 845 teams and 6,700 participants
Net direct operating budget of the Department of Athletics and Recreation: \$1.0 million

eLearning Initiative



brocku.ca/pedagogical-innovation/elearning-initiative

Net direct operating budget⁽¹⁾: \$0.5 million
Where this is budgeted: Centre for Pedagogical Innovation
New online courses expected in 2015-16: 12
Total credit courses offered fully online in 2014-15: 318

4. Continue to simplify the budget and bring financial and non-financial information together to enhance accountability, understandability and transparency.

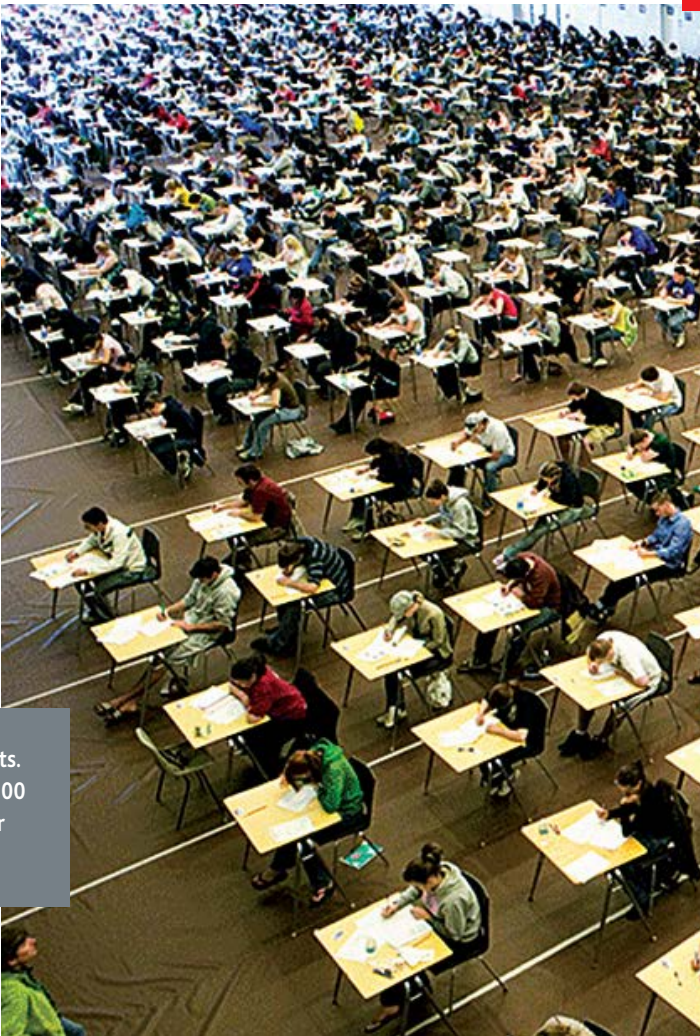
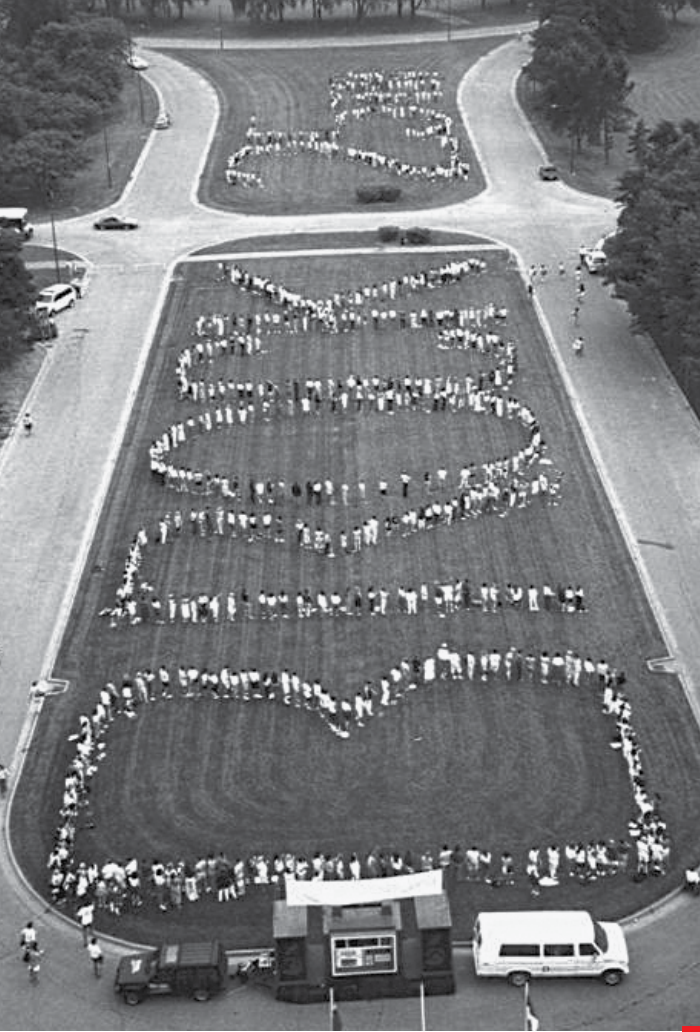
This year's budget process was designed to co-ordinate decisions earlier so units can implement their plans in a timely manner. Specifically, many of the revenue components, scholarships and the capital budget were approved by the Board in December, compared to February and April in the prior years. Further, and as already noted, the operating budget approval by the Board of Trustees was moved up to May 7, 2015 to coincide with the start of our fiscal year on May 1. Historically we have approved the budget at the end of June, which was two months after our fiscal year began, leaving many units waiting to implement their plans for the coming year. To everyone involved in the budget development, congratulations for making this change in the timeline possible.

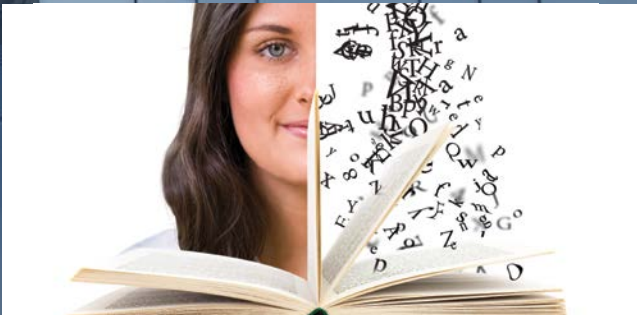
Other than the change in timing, the most significant changes to the budget are the linking of financial and non-financial data and additional budget detail throughout this budget report. We suspect this new information will generate discussion and only be enhanced by the work of the Ad hoc Committee on Program Review and Prioritization.

It is anticipated that future budget reports will continue to build and add to the financial and non-financial data disclosed herein. Discussing the two together will help ensure, as we strive for a balanced budget, that we are paying close attention to quality and academic outcomes.

In achieving the results of this budget, it is believed that the budget has become significantly tighter, allowing less room to adapt to changes that may occur in our environment. It is hoped that the efforts made throughout the development of this budget have enhanced its accountability, understandability, and transparency. Feedback is always encouraged and welcomed and can be directed to budgetreport@brocku.ca

Brock opened in 1964 with 127 students. By 2014 it had sent on more than 83,000 graduates to further their education or make an impact in their careers.





Budget environment

The budget environment for the University is being dominated by government policy, enrolment, and dare we say, ourselves. Along with government policy, last year's budget report noted the budget was dominated by infrastructure and employee future benefits (pension funding and post-retirement obligations). Readers are directed to pages 9 and 35 on the topic of infrastructure and employee future benefits, noting that some headway has been made. While work is still required, planning has come a long way in the past two years on these topics.

As noted in last year's budget report, the topics identified in this section should not detract from the emphasis put on the Strategic Mandate Agreement or Integrated Strategic Plan. This discussion on the fiscal budget environment only serves to highlight three areas that significantly impact budget development.

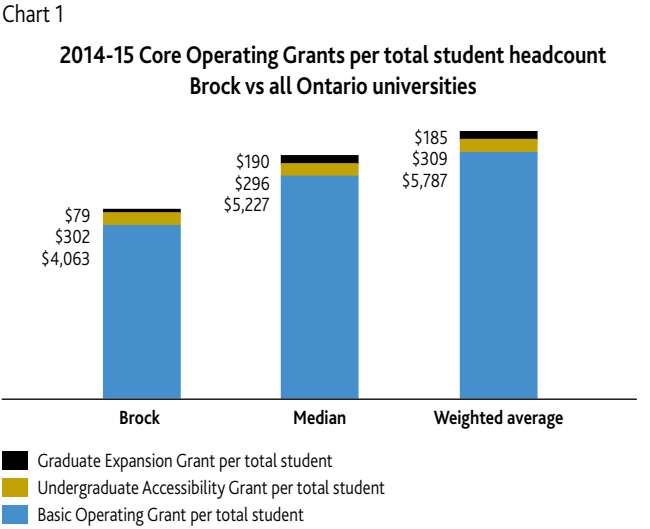
Government policy

The University continues to appreciate its 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 its 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 MIWSFPA building. New in this budget, the Province announced \$309,000 in new deferred maintenance funding. This funding is reflected in the capital budget.

In past budget reports, we noted several decisions made by the Province that have impacted our budget significantly. These included: a change in the tuition framework, limiting the average tuition increase for domestic students who are enrolled in government-funded programs to be no greater than three per cent, compared to the previous five per cent limit; cutting the University's core operating grants by one per cent in 2013-14 and one per cent in 2014-15; the introduction of a \$750 fee per international student; changes to student payment dates, flat fee and deferral fees, impacting investment and service charges; and changes to funding and enrolment caps in our Faculty of Education. While the decisions of the past two years will continue to impact the University at an estimated annual impact of \$9.0 million in lost revenue, the added impact to us in 2015-16 is an estimated \$3.9 million, which relates to the Faculty of Education. This decision was discussed in some additional detail already on page 7. The total accumulated impact is \$22.4 million from fiscal 2013-14 to fiscal 2015-16.

Going forward, the Province has maintained its policy of no inflation on the core operating grants. (Note: the core operating grants represent the Basic Operating Grant, the Undergraduate Accessibility Grant and the Graduate Expansion Grant.) This has been in effect for about a decade, and means that approximately 25 per cent of our revenue will not increase at all, assuming our enrolment stays flat.

Readers may also find it interesting that based on a recent internal review, we now believe we receive the lowest core operating grants per student from the Province when compared to all other universities in Ontario (see Chart 1).

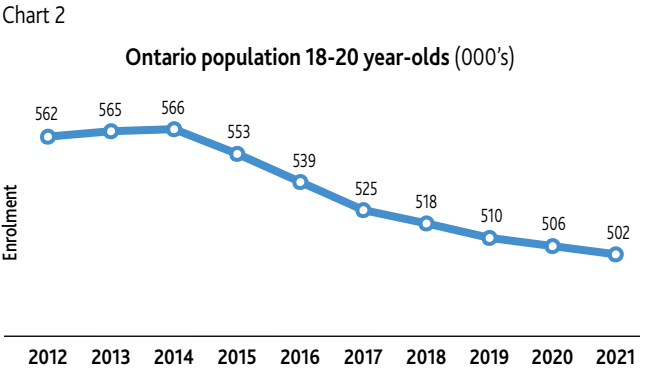


Readers may ask how this is possible. Many might be unaware that 95 per cent (based on 2015-16 budget) of the core operating grants are actually fixed regardless of enrolment changes (read more on page 29). In the future we will need to do additional review on this and emphasize the impact as the Province begins to review the funding framework.

In addition to these financial restraints, it has also been noted that through the Province's new program-approval processes, our ability to chart our own course on program development and offerings will require more rigour and extensive advance planning. This continues to create some challenges as some programs previously identified through the SMA process have not yet been approved or when approved, not on a timely basis by the Province, forcing us to re-review prior resource estimates. The President's update to the Board of Trustees in March 2015 highlights "There is growing circumstantial evidence that the MTCU does not feel bound by the SMA process, or by the consensus (or compromise, if you will) that shaped both the process and the government's policy on differentiation."

Enrolment

While there continues to be an expectation that we can grow our international student population, concern regarding enrolment growth domestically has been highlighted both by recent application numbers where first-choice applicants to Brock were down 12.7 per cent⁽¹⁾; as well as by the anticipated reduction in Ontario population of students between the ages of 18-20 as shown in the Statistics Canada data (see Chart 2).



Source: Statistics Canada.

In light of this information, the Office of the Registrar has created two comprehensive multi-year undergraduate enrolment forecasts, accounting for change in admission intake more than one year into the future as shown in Table 1. In the first scenario, 2015-16 intake is forecast flat to 2014-15 with subsequent academic years being modelled on the Ontario population projections, including the impact of the Faculty of Education changes. The resulting impact is an overall decrease of 375 students in 2015-16 (financial impact of \$5.6 million) and a further cumulative decrease of 490 students in the subsequent four years (financial impact of \$2.7 million). Note: scenario 1 was used to forecast the tuition and grant revenue in the 2015-16 budget. In scenario 2 the

assumptions are the same, with the exception of 2015-16 intake, which was forecast to reduce by 110 students. The resulting impact is a decrease of 496 students in 2015-16 (financial impact of \$7.5 million) and a further cumulative decrease of 762 students in the subsequent four years (financial impact of \$3.3 million).

In addition to the systematic risks of population decline addressed by the Office of the Registrar enrolment scenarios, (illustrated by arrow 1 in Chart 3) it is important to realize that there are a number of other factors affecting enrolment. As noted in the student headcount by major section of “The big picture” pullout, Faculty of Humanities student headcount enrolment is down almost 950 students over the past five years while overall University enrolment is up almost 950 students in the same time period. In looking at the application data, this trend appears to continue and now the Faculty of Social Sciences has also seen a significant reduction in applications. This may be due to certain trends in students’ programs of interest, and while the number of domestic students may be decreasing, those applying to University may be focusing more in certain program areas and less in others, resulting in program specific risk (illustrated by arrows 2 and 3 in Chart 3.) This ultimately may mean that the decrease is realized disproportionately across Faculties.

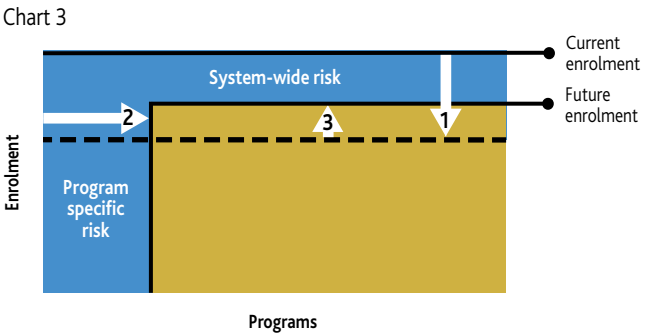
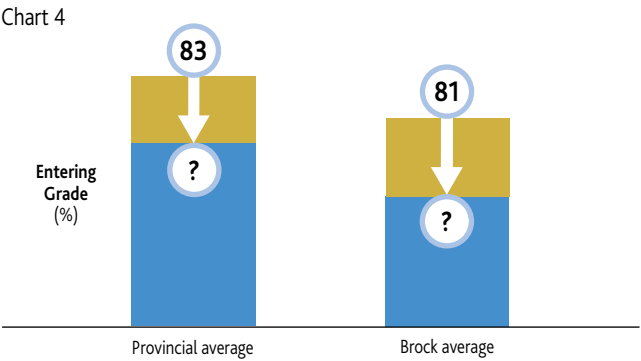


Table 1: Undergraduate enrolment projections 2015-2019 (includes Teacher Education, excluding incoming exchange students)

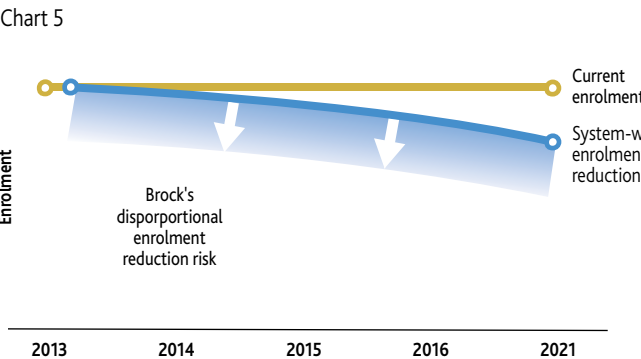
	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
Scenario 1:						
Enrolment (FT/PT) headcount	17,063	16,688	16,701	16,494	16,364	16,198
Estimated year-over-year change		(375)	13	(207)	(130)	(166)
Scenario 2:						
Enrolment (FT/PT) headcount	17,063	16,567	16,481	16,196	15,997	15,805
Estimated year-over-year change		(496)	(86)	(285)	(199)	(192)
Scenario 1:						
Estimated financial impact		Tuition decrease = \$1.57 million	Tuition decrease = \$1.26 million			
		Grant decrease = \$4.08 million	Grant decrease = \$1.41 million (Note: Grant no longer declines once it reaches the fixed portion – max loss is \$5.49 million)			
Scenario 2:						
Estimated financial impact		Tuition decrease = \$2.07 million	Tuition decrease = \$3.19 million			
		Grant decrease = \$5.40 million	Grant decrease = \$0.09 million (Note: Grant no longer declines once it reaches the fixed portion – max loss is \$5.49 million)			

(1) Source: Ontario Universities Application Centre – January 2015.

Of further concern is what is illustrated in Charts 4 and 5. These charts address the question: “What if an enrolment decline is not felt proportionally by all Ontario universities?” It is possible that we could see a disproportional drop in student enrolment compared to other universities experience because as Chart 4 illustrates, our average entering grade is already lower compared to other Ontario universities.



If other universities lowered their entering average requirement to maintain enrolment, we will need to assess our response. We could see something similar to Chart 5 if we experience a disproportional enrolment decrease.



The reality is that predicting five years out is difficult and there are many action items we can and have started to implement, including enhancement of recruitment efforts, the increase of scholarship budgets and the development of a strategic enrolment plan. It is encouraging to see individuals across the University showing a willingness to get involved in recruiting when previously their role may have been minor. This said, and the Academic Program Review identifies it, we have programs with low enrolment and for those programs we need to assess next steps. One possible next step is the social assistance education program the President brought forward to regional council on March 26. This would help students on social assistance have an opportunity to apply to certain low enrolment programs at the University. Historically we have continued to push growth programs in order to subsidize lower enrolment and the most costly programs. Going forward, the answer may not be in growth because many of those programs may find themselves at capacity. The answer may be that we will be forced to figure out our “right size” at a program level.

Ourselves

So why talk about “ourselves” as an aspect of the current fiscal environment? It’s because we ultimately have the power to recommend changes to the programs we offer and how we offer them, our areas of focus, the pay raises we seek, and how we allocate resources. The budget committee is open to any recommendations. As already noted, these recommendations can be sent to budgetreport@brocku.ca

Using the term insolvency may be a bit extreme; however if our growth in costs continue and declining enrolment materializes it could be a risk. Working towards a structurally balanced budget will minimize this risk. The budget environment going forward and its fiscal framework is discussed in the “Looking Forward” section on page 77. Readers are cautioned that although the framework highlights a \$3 million annual structural deficit, it does not forecast any reduction in enrolment or other actions that we could plan and take to address the structural deficit framework.

For that reason enrolment has been discussed above and the expanded “Looking Forward” section outlines possible action items and areas to review.

Going forward, we must look to ourselves to make real decisions that will take us out of the repetitive process of budget reduction. We have a great University with some amazing programs and research. We need to ensure we don’t stand in our own way.





Financial update

At the time of writing this budget report, we are projecting through our third-quarter reporting (Q3) for fiscal 2014-15, that we will meet our mitigation target of \$3.2 million. The Q3 reporting can be found at brocku.ca/finance/university-financial-information/quarterly-reports-and-forecast. Some reasons for our ability to meet the mitigation target are as follows:

1. Due to market returns and a change in the discount rate, we will save \$3.7 million in pension payments because the actuary has found that our plan is now approximately 99 per cent funded on a Going Concern basis, 105 per cent funded on a solvency basis. This is welcome news as many universities are struggling to fund their pension plans.
2. Utility costs experienced were approximately \$1 million less than budgeted.
3. The six-month hiring freeze continued to keep salary and benefits costs below budget.

The three items identified above were some of the primary offsets that allowed the unbudgeted incremental costs associated with collective bargaining obligations, a projected slight miss on enrolment and the \$3.2 million mitigation target, to be met in fiscal 2014-15. At year end, this projection will be updated to actual results in the Annual Report.

Unfortunately, while we meet the mitigation target in fiscal 2014-15 to balance the budget, we will still be budgeting a mitigation target in fiscal 2015-16 of \$3.9 million.

The 2015-16 budget was established with certain key assumptions:

1. 375 student headcount decline in undergraduate students and 52 student headcount increase in graduate students.
2. No further change in the Province's tuition or grant policy.

There is no one specific reason accounting for the \$3.9 million deficit; however, two significant items that do contribute to it are as follows:

1. As the budget process developed, so did the undergraduate enrolment forecast that predicts a reduction of 185 students in addition to the 190 students in the Faculty of Education. This equates to

- approximately \$5.65 million of lost revenue including the Faculty of Education (\$0.08 million excluding the Faculty of Education);
2. The fiscal 2015-16 budget includes \$0.7 million in new scholarships to support new enrolment and retention initiatives.

To tackle the mitigation target in fiscal 2015-16, the following mitigation measures of fiscal 2014-15 will remain in effect:

- 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.
- Items identified in the Administrative Program Review.

We will also be looking to see if the revised student conversion strategy of Student Services and the additional scholarship funding can exceed expectations and have an impact on the enrolment projection. If so, this will help offset part of the mitigation target.

Steps are required to continue to permanently eliminate the mitigation target and ensure we remain financially sustainable in a declining enrolment environment. As previously noted, an expanded "Looking forward" section can be found on page 77, which further reviews this topic.

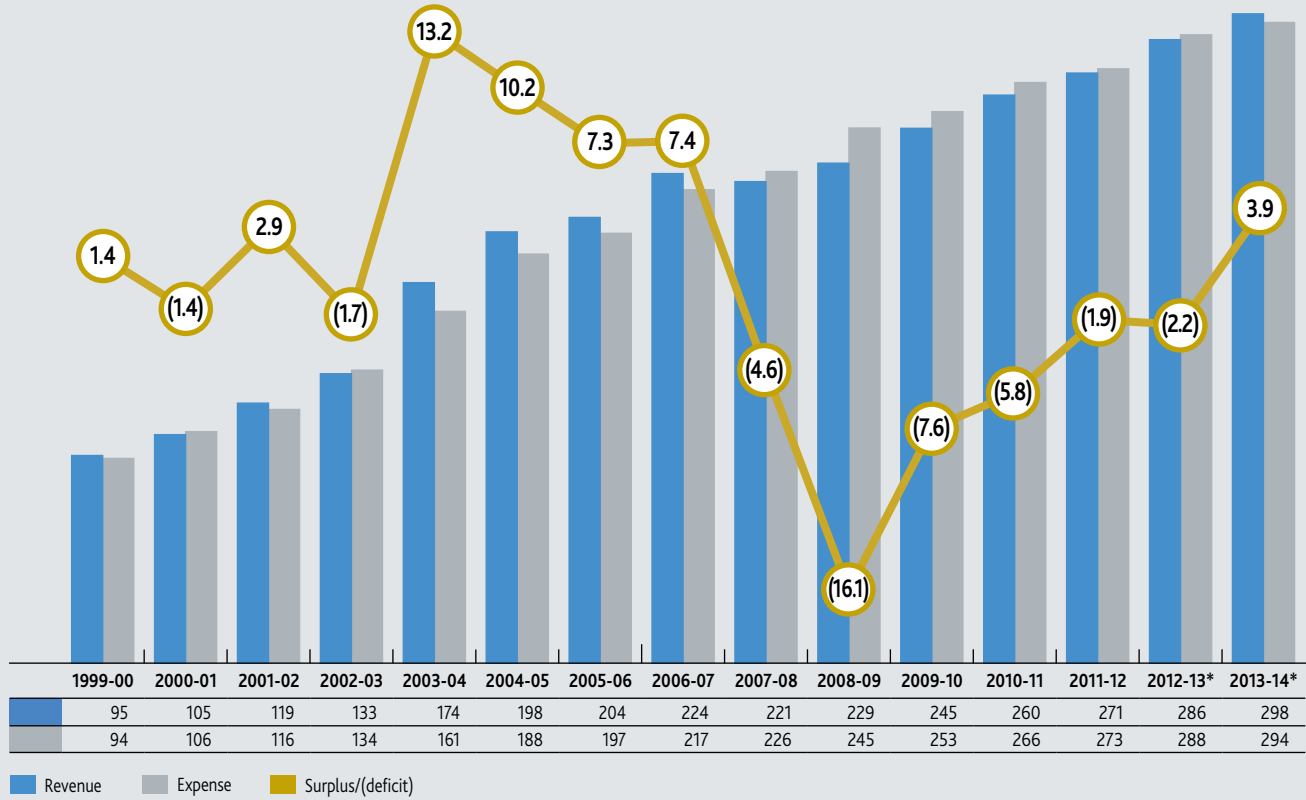


Historical timeline

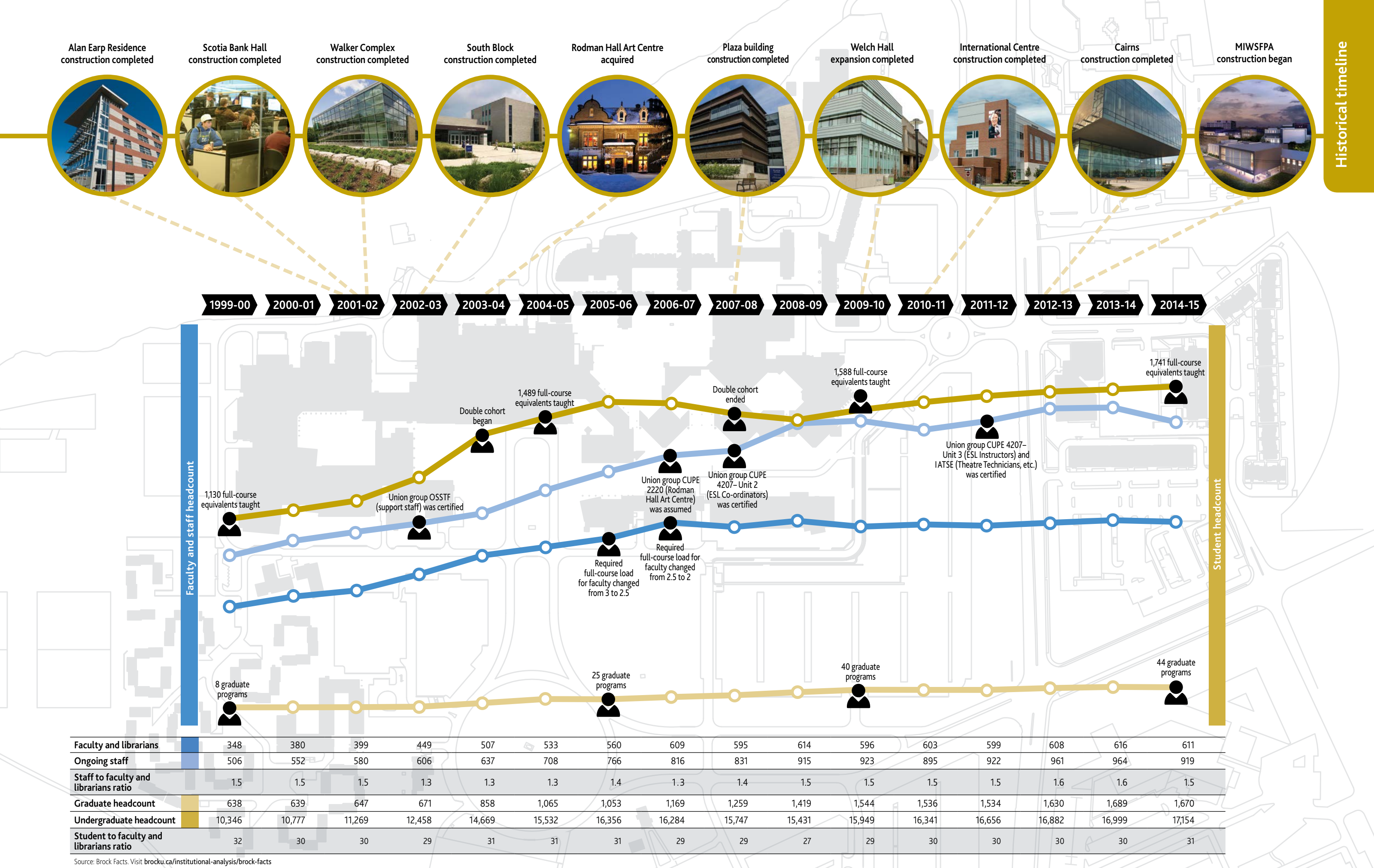
In planning for the future it can be useful to look back and ask “how did we get here?” The chart and historical timeline provided here attempts to rewind the clock and identify some key decisions with significant financial impact that have occurred since 1999-2000. These key decisions have been identified on the timeline along with undergraduate and graduate student headcount and faculty, professional librarians and staff headcount. The chart begins in 1999-2000 as this is when Institutional Analysis began publishing these data points (brocku.ca/institutional-analysis/brock-facts). It also closely coincides with when the move to a comprehensive University was proposed and endorsed. An interesting observation is that the student to faculty and librarians and the staff to faculty and librarians ratios are the same level or lower in 2014-15 as they were in 1999-2000.

Note: The faculty and professional librarians headcount figures accumulated and presented by Institutional Analysis as part of Brock Facts, represent roster data (i.e. all employees holding a faculty position in academic year) and the staff headcount figures are from the Human Resources Information System (HRIS) and represent headcount as of October 1st of each year.

Historical audited financial results (\$millions)



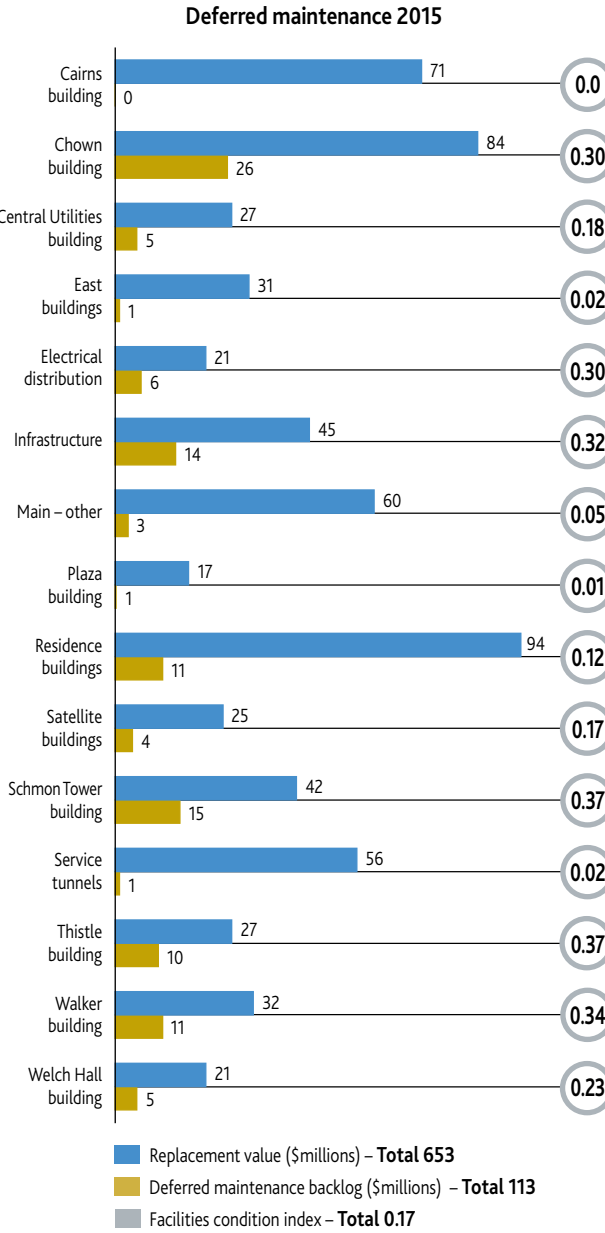
Note: The figures were obtained from the audited financial statements of Brock University, which were prepared in accordance with the Canadian generally accepted accounting principles for not-for-profit organizations (1999-00 to 2010-11) and in accordance with Canadian accounting standards for not-for-profit organizations (2011-12 to 2013-14).
*These figures do not reflect the mark-to-market changes in the pension valuation resulting from recent CICA Handbook section changes.



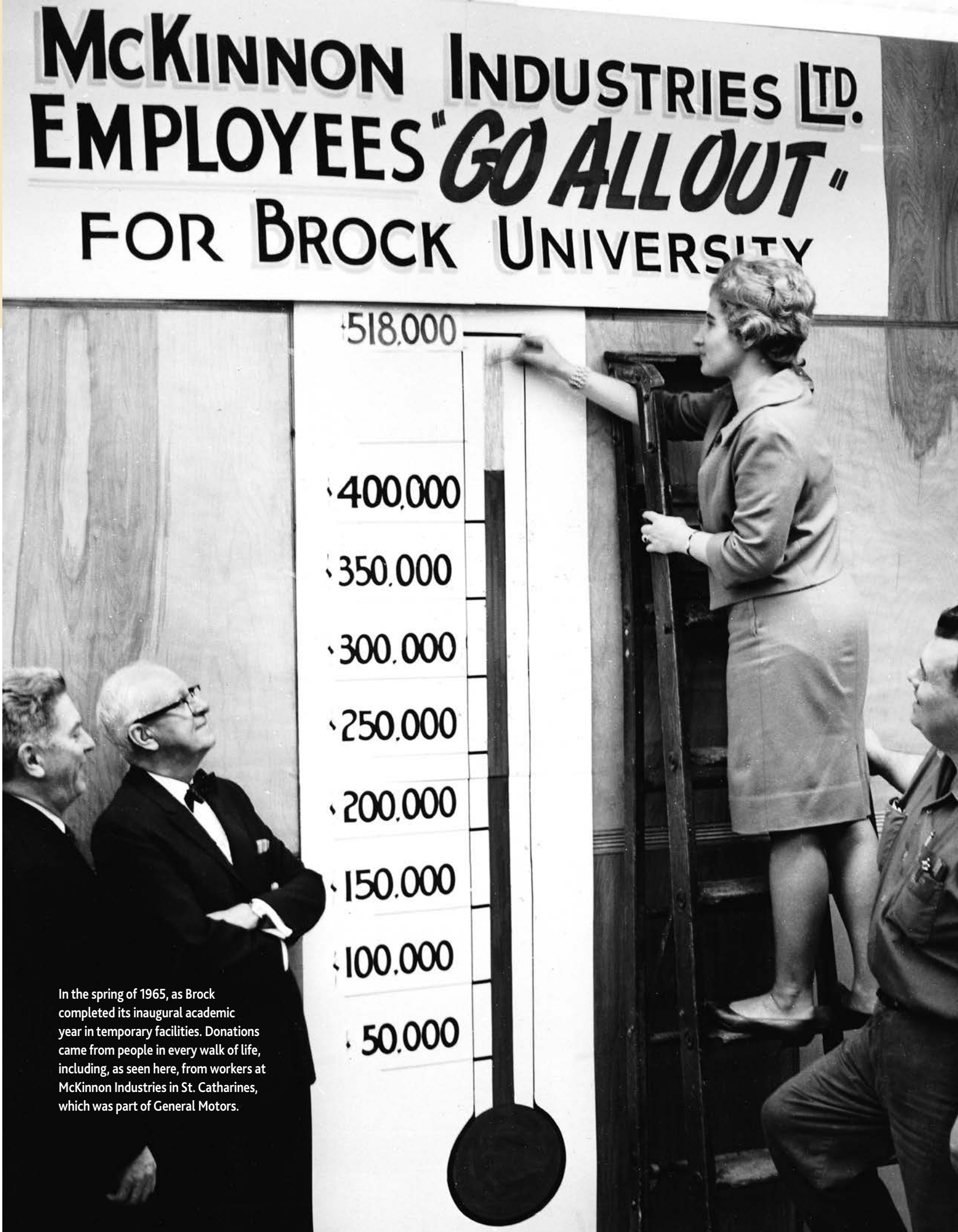
The following charts present two different ways of examining space at the University. The chart on the left details the space usage by category as of 2013, which was prepared for the Council of Ontario Universities Survey of Physical Facilities, as well as an updated estimate for 2015. Only 68 per cent of the University’s space is assignable to specific functions while 32 per cent is non-assignable, meaning that it relates to items such as utility plants, corridors and hallways. The chart on the right details the deferred maintenance backlog by asset type and compares this to the replacement value of those assets. This information was obtained from the condition assessment performed by VFA Inc. (through Council of Ontario Universities) in January 2015, which determined that Brock has \$112.5 million in deferred maintenance requirements that have accumulated over a number of years of under-investing. In addition, the chart details the Facility Condition Index (FCI) (deferred maintenance divided by the current replacement value), which determines the relative condition of the asset. The lower the FCI, the better the condition of the asset. For example, Cairns has the lowest FCI and is the newest building, while buildings with higher FCIs are generally older, such as the Thistle building and the Schmon Tower. Brock’s overall FCI is 0.17, which translates to “poor”.

Space usage				
Category	Estimate 2015		Actual 2013	
	Metres ²	%	Metres ²	%
Classroom facilities	10,646	5%	10,479	5%
Laboratory – undergraduate	11,468	5%	9,098	4%
Research laboratory space	11,730	5%	11,442	5%
Academic departmental office and related	18,893	9%	18,305	9%
Campus study space and library facilities	8,726	4%	10,235	5%
Athletic/recreation space	10,907	5%	10,932	5%
Food service	5,681	3%	4,970	2%
Bookstore and other merchandising facilities	2,154	1%	2,204	1%
Plant maintenance	2,259	1%	2,167	1%
Central administrative office and related	9,568	4%	9,821	5%
Central services	2,348	1%	2,170	1%
Health service facilities	393	0%	354	0%
Common use and student activity space	2,571	1%	2,236	1%
Assembly and exhibition facilities	4,762	2%	3,818	2%
Residential space	44,426	20%	44,460	21%
Animal space	141	0%	141	0%
Other University facilities	1,741	1%	1,741	1%
Health science clinical facilities	474	0%	474	0%
Net non-assignable square metres (nnasm)	70,165	32%	67,660	32%
Total	219,055	100%	212,706	100%

Note 1: 2013 data was prepared for submission to the Council of Ontario Universities Survey of Physical Facilities that takes place every third academic year (the next submission is scheduled for 2016). 2015 estimate data is included as an updated comparison to 2013 data. 2015 data includes Marilyn I. Walker School of Fine and Performing Arts.
Note 2: (nnasm) includes items such as central utility plants, corridors, stairwells, elevators and service tunnels.



Source: VFA Asset List Report, 2010-2015.
Definitions
Facilities Condition Index (FCI): Represents replacement value divided by deferred maintenance backlog.
Central Utilities Building: Mainly relates to the Cogeneration Facility and also includes Facilities Management offices.
Infrastructure: Includes many of the non-building assets such as parking lots, storm sewers and roadways.
Main – other: All buildings on the main campus that have a replacement value of less than \$15 million.
Satellite Buildings: Includes Brock Research and Innovation Centre, Hamilton campus and Rodman Hall Art Centre.



In the spring of 1965, as Brock completed its inaugural academic year in temporary facilities. Donations came from people in every walk of life, including, as seen here, from workers at McKinnon Industries in St. Catharines, which was part of General Motors.

Budget details

Funding budget

The funding budget is used to communicate revenue targets and expense approvals. It fundamentally tracks where cash has been allocated. Table 2 details the funding budget for 2015-16 in comparison to the 2014-15 budget and 2013-14 actual. Some reclassifications were made to the 2014-15 budget for comparison purposes when the funding deficit was not impacted. See Appendix C for reconciliation of these reclassifications.

(\$000s)	Budget 2015-16	Budget 2014-15	Actual 2013-14
Revenue			
Student fees	150,998	146,224	135,646
Grant revenue	90,998	95,535	95,324
Internal chargebacks	7,689	6,097	4,665
Other revenue	47,449	45,484	48,285
Total revenues	297,134	293,340	283,920
Operating costs			
Personnel costs	(200,224)	(197,185)	(195,160)
Other operating costs	(100,847)	(99,376)	(89,525)
Total operating costs	(301,071)	(296,561)	(284,685)
Mitigation target	3,937	3,221	
Funding deficit	-	-	(765)

Revenue assumptions
Student fees

Student fees include both tuition and fee revenue and represent 51 per cent of total revenue. Student fees are budgeted to be \$151.0 million for 2015-16, which is detailed in Table 3. Student fees are projected to increase by \$4.8 million over the 2014-15 budget and \$15.3 million as compared to 2013-14 actual.

(\$000s)	Budget 2015-16	Budget 2014-15	Actual 2013-14
Tuition	143,841	140,535	129,886
Fee revenue	7,157	5,689	5,760
Total student fees	150,998	146,224	135,646

Tuition revenue

Tuition revenue, defined as a fee charged for educational instruction, is budgeted to be \$3.3 million over the 2014-15 budget and \$14.0 million over 2013-14 actual.

For the first time in many years we are not seeing a significant increase year over year. This is because our projected enrolment figures for fiscal 2015-16 have enrolment declining by 375 students. This is driven by the Province’s change to the Faculty of Education as well as declining applications, which is expected given the Ontario’s demographic trends. This said, the charts on “The big picture” pullout, indicate that over the past several years, declining and stagnate enrolments have already become common in some Faculties. This depicts an interesting story of resource allocation over the years. Some Faculties have been growing with limited additional resources while others have seen declines in enrolment with limited reduction in expenses. This has allowed the overall funding budget to move towards being balanced, but produced some inequalities between the Faculties.

It is important to note that tuition revenue is primarily budgeted in the University Global responsibility centre unless specifically identified. As such, Table 4 details the tuition revenue by program type, separated by where the tuition is reported.

New to this budget report, global domestic and international tuition revenue is reported and forecasted on a per teaching Faculty basis, based on the Faculty of Major (teaching Faculty of enrolment). This was first introduced in fiscal 2014-15 in the quarterly updates and now carried through to the budget. Financial Services and Information Technology Services made this possible by rewriting the tuition coding system and the teaching Faculty enrolment models to support the Strategic Enrolment Management initiative. As such, the 2015-16 budgeted global tuition revenue is detailed in Table 5 by Faculty of Major segregated by graduate/undergraduate and domestic/VISA.

Table 4

(\$000s)	Budget 2015-16	Budget 2014-15	Actual 2013-14	
Total tuition revenue budgeted in University Global	126,703	122,581	114,846	(1)
Tuition revenue budgeted in respective departments				
Professional Master Preparation Certificate (Business) (PMPC)	675	594	720	(2)
International Master of Business Administration (IMBA)	5,190	5,768	3,266	(2)
International Master of Accountancy (IMAcc)	1,508	1,359	1,138	(2)
Masters Preparation Certificate in Education (MPCE)	472	490	443	(3)
International Master of Education (MEd)	1,252	1,094	1,223	(3)
Master of Arts Applied Linguistics (MA LING)	190	138	139	(4)
International Master of Science in Materials Science	75			(5)
Total international student programs (ISP)s	9,362	9,443	6,929	
Continuing Teacher Education – Additional Qualifications (AQ)	792	785	778	(3)
Center for Adult Education and Community Outreach (CAECO) *	975	930	1,121	(3)
Other Education Programs	150	242	134	(3)
Intensive English Language Program (IELP)	4,640	5,300	4,675	(6)
Summer English Language Program (SELP)	303	308	429	(6)
MDS qualifying courses			82	(4)
Non-credit programs (e.g. Youth University)	916	946	892	(7)
Total other self-funded programs	7,776	8,511	8,111	
Tuition revenue budgeted in respective department	17,138	17,954	15,040	
Total tuition revenue	143,841	140,535	129,886	

* Includes Aboriginal Adult Education
Departments the tuition revenue is reported in: (1) University Global; (2) Goodman School of Business; (3) Faculty of Education; (4) Faculty of Social Sciences; (5) Faculty of Math and Science; (6) Student Services; (7) University Services (note: \$25,000 in Research Services).

Table 5

(\$000s)	Budget 2015-16
Tuition revenue budgeted in University Global	
Undergraduate – domestic	
Faculty of Applied Health Sciences	19,238
Goodman School of Business	17,344
Faculty of Education	4,324
Faculty of Humanities	10,589
Faculty of Mathematics and Science	10,464
Faculty of Social Sciences*	30,326
No Faculty	241
Total undergraduate – domestic	92,526
Graduate – domestic	
Faculty of Applied Health Sciences	952
Goodman School of Business	1,177
Faculty of Education	1,408
Faculty of Humanities	478
Faculty of Mathematics and Science	685
Faculty of Social Sciences	2,486
Total graduate – domestic	7,186
Total domestic	99,712
Undergraduate – VISA	
Faculty of Applied Health Sciences	596
Goodman School of Business	11,740
Faculty of Education	50
Faculty of Humanities	435
Faculty of Mathematics and Science	1,904
Faculty of Social Sciences*	8,045
No Faculty	742
Total undergraduate – VISA	23,512
Graduate – VISA	
Faculty of Applied Health Sciences	103
Goodman School of Business	1,601
Faculty of Education	99
Faculty of Humanities	116
Faculty of Mathematics and Science	1,033
Faculty of Social Sciences	527
Total graduate – VISA	3,479
Total VISA	26,991
Total tuition revenue budgeted in University Global	126,703

*Undeclared Arts students are registered in Faculty of Social Sciences and represent \$5,721.

Overall, tuition budgeted in University Global increased by \$4.1 million as a result of the following:

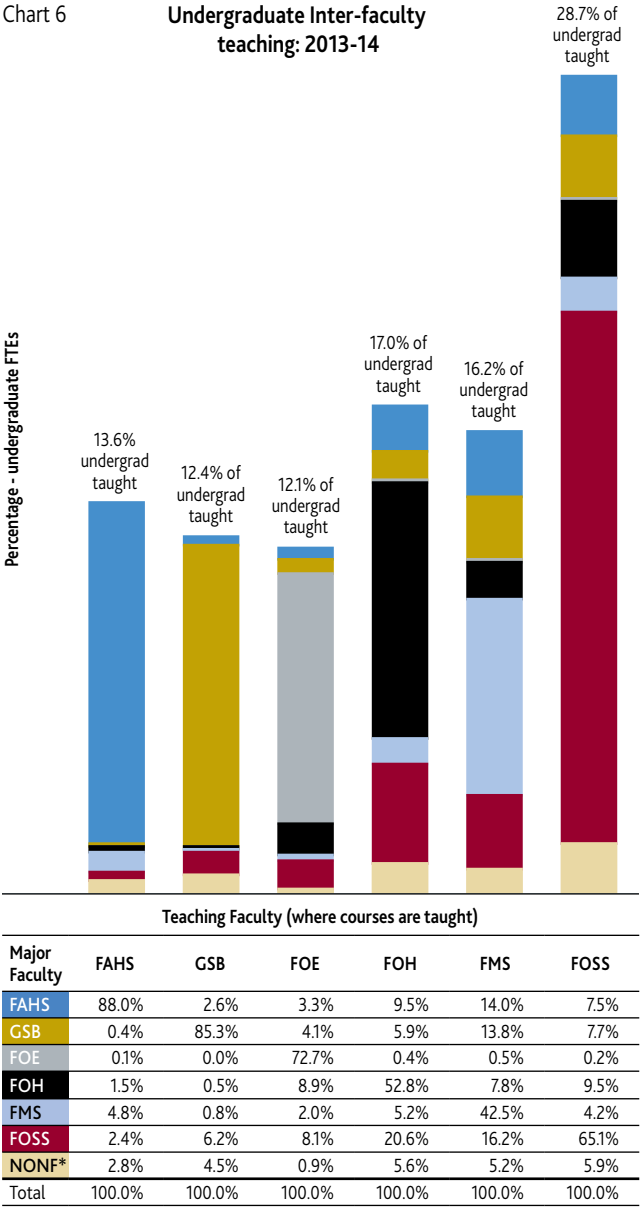
2014-15 Budget \$122.6 million

- \$0.1 million – 14-15 Budget to 14-15 **Actual** (note: actual tuition was not yet finalized at the time of writing, the forecast at the third quarter was used)
- \$5.1 million – **Rate impact** (\$3.3 million domestic and \$1.8 million VISA)
- (\$1.1 million) – **Enrolment impact** – (\$1.5 million Faculty of Education, \$0.5 million domestic; offset by \$0.9 million VISA)

2015-16 Budget \$126.7 million

A project is currently underway to reflect different “pictures” of tuition revenue if we consider service teaching (i.e. teaching of courses outside the Faculty of Major). At the time of writing this report, this tuition data is not yet available; however, based on student full-time equivalent (FTE) data, Chart 6 details the proportion of undergraduate students taking courses by the Faculty of the courses being taught in 2013-14. As an example to help interpret the chart, the Faculty of Applied Health Sciences (FAHS) teaches 13.6 per cent of the total undergraduate courses taught at the University. Of the students taking those FAHS courses, 88.0 per cent are students with a FAHS major, 0.4 per cent are students with a Goodman School of Business major, and so forth.

Chart 6 Undergraduate Inter-faculty teaching: 2013-14



Faculty of Applied Health Sciences (FAHS), Goodman School of Business (GSB), Faculty of Education (FOE), Faculty of Humanities (FOH), Faculty of Math and Science (FMS), Faculty of Social Sciences (FOSS), *No Faculty (NONF) – includes undeclared arts, letter of permission, and non-degree students.

Data Source: WarehouseDB – FTESStudentList.

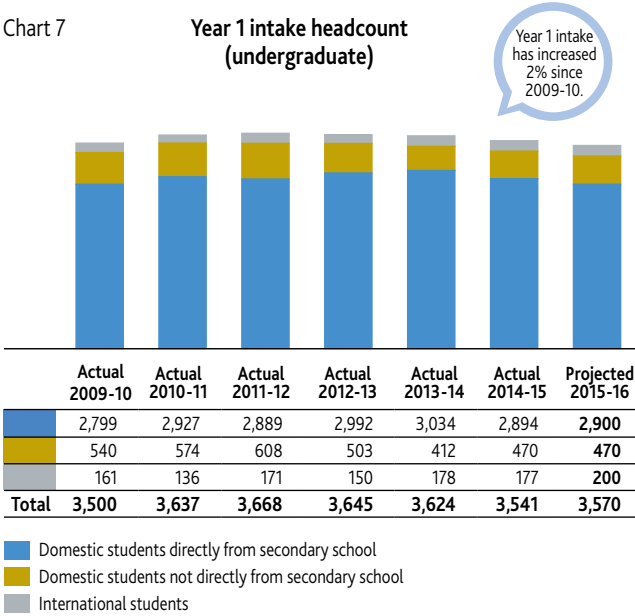


Although there have been modifications in how the tuition revenue is reported and analyzed, the process for budgeting tuition revenue has not really changed and still consists of two key considerations – enrolment and fees.

i. Enrolment projections – undergraduate

There are two key assumptions in projecting undergraduate 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 7 displays the headcount projections for undergraduate Year 1 (full time) intake as compared to prior years.



The projected intake figures are influenced by the applications received, which have declined by 7.95 per cent in 2015-16 compared to 2014-15 as shown below in Table 6. Readers should note this change reflects all domestic applications directly from secondary school; however, first choice applications for this group were actually down 12.7 per cent at the time of writing this report.

Table 6: Domestic applications directly from secondary school

Faculty	2015-16	2014-15	% Chg
Applied Health Sciences	4,090	4,100	(0.24%)
Goodman School of Business	3,186	3,383	(5.82%)
Humanities	1,563	1,812	(13.74%)
Mathematics and Science	1,919	1,883	1.91%
Social Sciences	3,827	4,667	(18.00%)
Total application	14,585	15,845	(7.95%)
Offer rate	71%		
Yield rate	27%		
Resulting intake	2,894		

Source: Ontario Universities' Application Centre.

As previously discussed in the “Budget Environment” section of this report, intake targets used in the 2015-16 budget were essentially flat to 2014-15 actuals. As such, through the use of a number of recruiting techniques, including offer rates, offer mix between domestic (directly from secondary school/not directly from secondary school) and international applications, and timing of offers, Brock’s overall yield rate will have to increase to maintain the level of intake that was experienced in 2014-15, given the reduction in applications experienced.

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 7 shows the return or retention rates of students who entered the University directly from secondary school in 2013 into the 2014-15 year.

Table 7

2014-15 domestic directly from secondary school cohort	# students	% students
Entered in 2013 as Year 1	3,034	
Activity in 2014-15		
Returned full time as a Year 1 student	862	28%
Returned full time as a Year 2 student	1,718	57%
Returned as part-time Year 1 student	31	1%
Returned as part-time Year 2 student	20	1%
Not registered	403	13%
Total	3,034	100%

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, as compared to actual enrolment experienced in 2014-15, the 2015-16 budget projects an undergraduate headcount decrease of 375 or 2.2 per cent of students for the purpose of estimating tuition (Note: includes both full time and part time). The breakdown by Faculty is as follows:

Table 8

Faculty	Domestic	Visa	Total	% change
Faculty of Applied Health Sciences	14	(3)	11	0.3%
Goodman School of Business	30	41	71	2.5%
Faculty of Education	(190)		(190)	(13.0%)
Faculty of Humanities	(214)	(6)	(220)	(11.0%)
Faculty of Mathematics and Science	52	6	58	3.3%
Faculty of Social Sciences	(55)	3	(52)	(1.1%)
No Faculty	(53)		(53)	(4.9%)
Total	(416)	41	(375)	(2.2%)

ii. Enrolment projections – graduate

Graduate enrolment, in general, for the purposes of the 2015-16 budget, was held consistent to the actual enrolment experienced in 2014-15 with the following three exceptions:

- Master of Accountancy (Goodman School of Business) enrolment is forecast to increase by 27 students over 2014-15.
- Master of Applied Disability Studies (Faculty of Social Sciences) is forecast to increase by 15.7 students over 2014-15.
- The Master of Sustainability (Faculty of Social Sciences), a three-year program, was introduced in 2014-15. Flow-through of students into the second year results in a forecasted enrolment increase of 9.3 students for 2015-16.

Chart 8 details the historical graduate enrolment by Faculty.

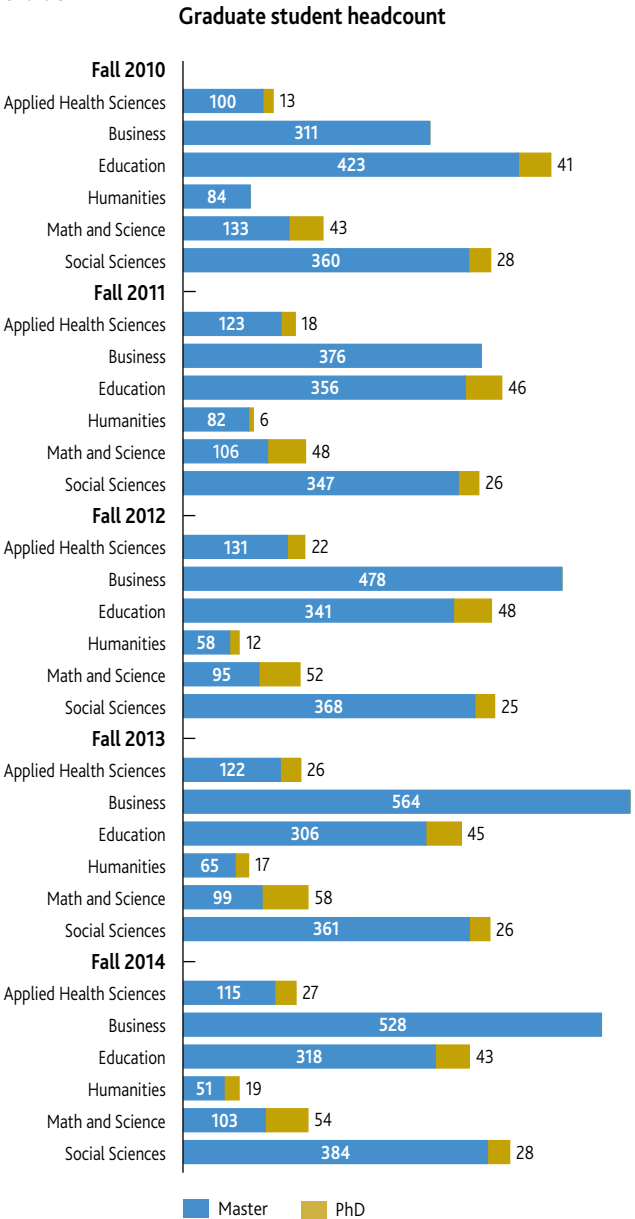
ii. Fee and rate setting

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 tuition fees for the upcoming academic year was brought forward to the Financial Planning, Investment and Human Resources Committee and to the Board of Trustees. Approved tuition fees for 2015-16 can be found on the Brock University website at 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.

Chart 8



Fee revenue

Fee revenue is budgeted to be \$7.2 million, which is \$1.5 million over the 2014-15 budget and \$1.4 million over actual 2013-14. Student fee revenue includes both ancillary fees and other student 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 Consumer Price Index (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). Note: only the University-administered ancillary fees are included as part of the funding budget. The Board of Trustees approved the 2015-16 ancillary fees retained by the University on Dec. 10, 2014. When all Ontario Universities student ancillary fees are compared on a dollar per student basis, Brock is slightly below the average, as shown below.

Table 9: 2014-15 student per credit ancillary fees

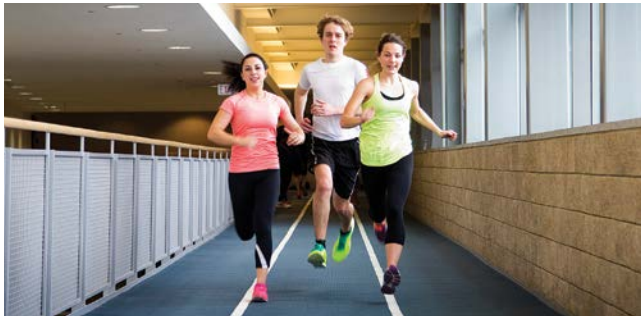
(\$s per student)	University	Student union	Total
Domestic			
Business			
Brock	240	228	468
Ontario average	323	300	623
Variance	(83)	(72)	(155)
Non-Business			
Brock	240	265	505
Ontario average	323	370	693
Variance	(83)	(105)	(188)
International			
Business			
Brock	253	228	481
Ontario average	324	300	624
Variance	(71)	(72)	(143)
Non-Business			
Brock	253	265	518
Ontario average	324	370	694
Variance	(71)	(105)	(176)



University administered ancillary fees are budgeted to be \$3.8 million in 2015-16, which is \$0.1 million more than the 2014-15 budget and \$0.2 million more than 2013-14 actual. 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 Student Health Services and Athletics and Recreation. This fee is budgeted to generate \$1.6 million in 2015-16, consistent with the 2014-15 budget, with \$1.2 million reported as part of the Department of Athletics and Recreation and \$0.4 million in Health Services, as part of 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 \$1.5 million in the 2015-16 budget, an increase of \$0.2 million over the 2014-15 budget and is reported in the Recreation Services and Athletics departments. This increase is a result of the rate increase. The health-services fee is \$0.4 million for 2015-16, a decrease of \$0.1 million over the 2014-15 budget, and is reported in the Student Services Department.

Other student fees of \$3.4 million were included as part of fee revenue in the 2015-16 budget (\$2.0 million in 2014-15 budget). The majority of the increase over 2014-15 is the result of the International Student Recovery Fee, which was introduced by the MTCU in 2013-14 as a reduction in the Basic Operating Grant by \$750 per international student. This fee is being charged to international students starting in 2015-16 and results in \$1.1 million revenue (directly offset by a reduction in the Basic Operating Grant). The fee is reported as part of the University Global responsibility centre.

Also included in other student fees are program-specific fees charged by the program in which a student is enrolled. Included in this figure are \$1.2 million (\$1.1 million in 2014-15 budget) of co-op fees (reported in the Co-op Programs Office), and \$1.0 million(\$0.8 million in 2014-15 budget) 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 31 per cent of total revenue (33 per cent in 2014-15 budget), and is budgeted to be \$91 million for 2015-16, which is detailed in Table 10. Grant revenue decreased \$4.5 million over the 2014-15 budget and \$4.3 million over actual 2013-14.

Table 10

(\$000s)	Budget 2015-16	Budget 2014-15	Actual 2013-14
Operating grants			
Basic Operating Grant	71,080	71,541	72,772
Enrolment-based grants	6,214	11,352	10,274
General Access and Quality Grant	3,769	3,782	3,766
Performance Fund	700	700	701
Total Operating Grants	81,763	87,375	87,513
Specific purpose grants	9,235	8,160	7,811
Total grant revenue	90,998	95,535	95,324

Operating grants

- Operating grants represent 28 per cent of the total revenue (30 per cent in 2014-15 budget). They are typically general purpose and can be impacted by enrolment shifts. 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.

Basic Operating Grant

- The core of government funding the University receives comes from the Basic Operating Grant, which is fixed regardless of enrolment. Funding for enrolment growth is provided through the Undergraduate Accessibility Fund and the Graduate Expansion Grant based on enrolment growth over a certain base year, which will be discussed in subsequent sections.
- It became clear as information started to be gathered for future discussions on revenue and expense allocation that this point was very much missed and misunderstood by the University community.
- In addition, in the past two years the MTCU introduced a range of saving measures, including a reduction to the university operating grants by one per cent per year in both 2013-14 and 2014-15 (split between the Basic Operating Grant, the Undergraduate Accessibility Grant and the Graduate Expansion Grant), which resulted in a permanent base reduction of Brock's Basic Operating Grant of \$1,456,000. The reduction in the Undergraduate Accessibility Grant was \$85,000 and the Graduate

Expansion Grant reduction was \$17,000 over the past two years.

- Furthermore, in 2013-14 the MTCU introduced the International Student Recovery that further reduced the Basic Operating Grant by \$750 for every undergraduate and master's level international student, and commenced with new student admissions. This reduced Brock's Basic Operating Grant by an additional \$971,000 from 2013-14, with an additional reduction of \$439,000 forecast for 2015-16. Overall, since 2012-13 the Basic Operating Grant has been cut by \$2,866,000.
- The 2015-16 Basic Operating Grant is forecast to be \$71,080,000 and is reported as part of the University Global responsibility centre.

Enrolment-based grants

Table 11

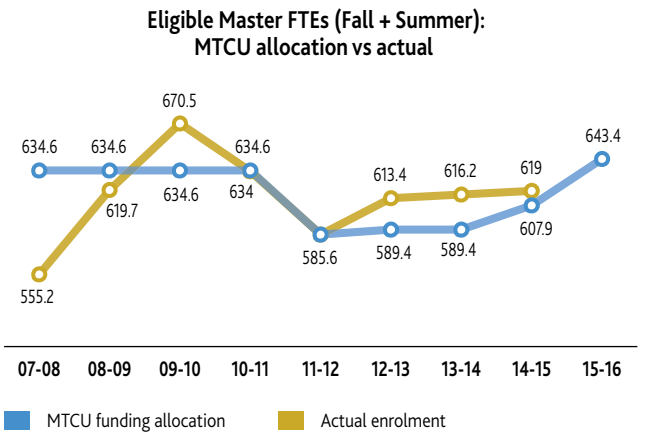
(\$000s)	Budget 2015-16	Budget 2014-15	Actual 2013-14
Undergraduate Accessibility Fund	1,407	6,496	5,440
Graduate Expansion Grant	2,044	1,927	1,879
Nursing Grant	2,763	2,929	2,955
Total enrolment-based grants	6,214	11,352	10,274

- As detailed in Table 11, the 2015-16 enrolment-based grants include the Undergraduate Accessibility Fund, the Graduate Expansion Grant and the Nursing Grant. These are estimated at \$6.2 million, which is \$5.1 million lower than the 2014-15 budget and \$4.1 million lower than 2013-14 actual. The certainty of funding for these grants is dependent on achieving enrolment results and on 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 the University Global responsibility centre.
- Undergraduate Accessibility Fund:** As mentioned previously, the Undergraduate Accessibility Fund is often misunderstood. This grant is variable and changes with the number of students. The University only receives this grant if there is positive domestic growth over the base year, which is currently 2010-11. This is the only grant that utilizes the BIU; (see appendix A for the definition of a BIU) based on the following formula: Change in BOI [increase in BIU x BIU value] – change in formula fees [increase in FTEs x formula fee].
- For 2015-16, the grant is budgeted at \$1,407,000, down from \$6,496,000 in the 2014-15 budget and from the grant amount that will actually be received in 2014-15 of \$5,486,000. This reduction is driven by the lower domestic student enrolment. The estimated grant for

fiscal 2015-16 represents varying number of students given that different students are worth different amounts in the BIU calculation. As such the budgeted grant of \$1.4 million could represent 463 students with an FTE of one and a BIU of one, or 245 students with an FTE of one and a BIU of 1.5, or 169 students with an FTE of 1 and a BIU of two. The important lesson here is that student-mix matters in the formula from the Province. In a declining enrolment environment, there will be a point when the grant does not keep going down. This said, tuition could continue to decrease in a declining enrolment environment. It is possible the Province could change the fixed funding formula, which is in the initial stages of review.

- **Graduate Expansion Grant:** Similar to the Undergraduate Accessibility Fund, the Ontario government provides funding to universities for master’s and PhD FTEs if there is growth over a base year, currently 2007-08. However, this funding is only up to a maximum number of FTEs. In early 2015, as part of the SMA process, Brock adjusted its 2015-16 graduate enrolment allotment to 643.41 master’s FTEs and 105.08 PhD FTEs (vs. 607.89 master’s FTEs and 98.95 PhD FTEs funded in 2014-15). Included in the master’s allotment is seven FTEs related to specific programs with the remaining FTE allotment representing general allocation (includes all eligible FTEs).
- Charts 9 and 10 detail Brock’s masters and PhD FTE allotment versus eligible FTEs for the past eight years, as well as the 2015-16 allotments.
- Given the uncertainty around possible deregulation of the Master of Accountancy program and the minimal guidance the Faculty of Graduate Studies was able to provide due to timing of the preparation of this report,

Chart 9



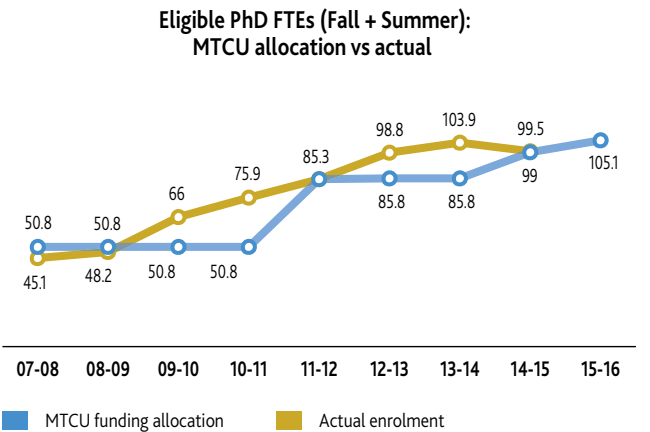
the 2015-16 budget for this grant is \$2,044,000, representing a net increase of only \$97,000 over the amount actually received in 2014-15.

- This grant and the corresponding graduate enrolment will be monitored closely as the year progresses as there is potential for this budget to be exceeded based on the graduate spots available, up to a maximum of \$2,523,000 if all allocated FTEs are filled.
- **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 2014-15 FTEs. Using this method, the grant is expected to be \$2,763,000, a decrease of \$166,000 over the amount budgeted in 2014-15 and \$192,000 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 2013-14 MYAA, visit brocku.ca/vp-academic/public-accountability
- In preparing the 2015-16 grant estimates, it was estimated that the General Access and Quality Grant will continue at the same level as is projected to actually be received in 2014-15 (\$3,769,000) and is reported as part of the University Global responsibility centre.

Chart 10



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
- The 2015-16 funding is budgeted at \$700,000, based on the same level that was received in 2013-14 and budgeted in 2014-15 and is reported as part of the University Global responsibility centre.

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

(\$000s)	Budget 2015-16	Budget 2014-15	Actual 2013-14
Specific purpose grants			
Research Support Fund	1,760	1,760	1,852
Grant in lieu of Municipal Taxation	1,080	1,080	1,087
Teacher Education Transition Funding	1,053	866	
Graduate Enrolment Capital Expansion Grant	750	800	750
Facilities Renewal Program Funds	882	573	573
Access Fund for Students with Disabilities	600	486	482
First Generation Project Grant	440	440	440
Other grants	2,670	2,155	2,627
Total specific purpose grants	9,235	8,160	7,811

Research Support Fund

- The Research Support Fund (previously named 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 by 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 2015-16, which is consistent with the 2014-15 budget. A portion of the grant revenue related to the Research Support Fund 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 in Appendix C 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 per domestic FTE; however, the grant increases have not been keeping up with the cost increases. The 2015-16 payment is budgeted to be \$1,213,000 (2014-15 actual payment was \$1,225,000) and the grant is budgeted to be \$1,080,000 (2014-15 actual grant received was \$1,080,000); therefore, \$133,000 is budgeted to be unfunded.
- Both the grant revenue related to the Grant in Lieu of Municipal Taxation and the offsetting payment in lieu of property taxes, are reported as part of the Utilities, Taxes and Insurance responsibility centre.

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 2015-16 is \$1,053,000, of which \$734,000 is reported as part of the Faculty of Education and \$319,000 as part of the University Global responsibility centre. 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 2015-16, the grant is expected to be \$750,000 based on FTEs projected in 2015-16.
- The grant revenue related to the Graduate Enrolment Capital Expansion Grant is shown as part of the University Global responsibility centre.

Facilities Renewal Program Funds

- The provincial Facilities Renewal Program (FRP) funds are meant to help ensure that academic spaces and supporting infrastructure are maintained in good repair to provide a safe environment to work and study. To address deferred maintenance at colleges and universities, in April 2014 it was announced that the Province intends to increase funding for facilities renewal. The total grant for both colleges and universities will increase from \$26 million in 2014-15 back to \$40 million in 2015-16, which was the previous funded amount prior to the reduction in the 2010 provincial budget. The distribution of the university sector FRP funds is determined based on the 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 per cent of the total university sector allocation. Brock's expected funding level for 2015-16 is \$882,000, which is \$309,000 over 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 starting on page 70.

- The grant revenue related to the Facilities Renewal Program Funds is reported in the Capital responsibility centre.
- Access Fund for Students with Disabilities**
- The MTCU provides funding to support a wide range of services for students with disabilities, through the Access Fund for Students with Disabilities (AFSD). These services include 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. In July 2014 the MTCU announced that beginning in 2014-15 an additional \$4.5 million will be added to the AFSD for all universities and colleges. As a result, Brock's funding for 2015-16 is expected to increase to \$600,000.
 - The grant revenue related to the Access Fund for Students with Disabilities is shown as part of the Student Services 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.

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 2015-16 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 2015-16 budget for this funding is \$274,000, which is reported in 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.
- Also included in other specific purpose grants are the following: funding from the Government of Ontario's On-campus Entrepreneurship Activities program, provincial student bursaries, 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 the Goodman School of Business, Student Services, Faculty of Humanities, and Human Resources.
- In addition to the grants detailed above, the MTCU provides two-third funding for the following scholarships:
 - Ontario Trillium Scholarships in the amount of \$213,000 in 2015-16.
 - Queen Elizabeth II Ontario Graduate Scholarships in the amount of \$550,000 in 2015-16. This grant (and its offsetting scholarship expense) was not included in the 2014-15 budget and therefore accounts for the majority of the increase in other special-purpose grants.
 - Note: these two grants and their offsetting scholarship expenses are included in the Scholarship, Bursaries and Student Awards responsibility centre.

Internal chargebacks

Internal chargebacks represent revenue received by units within the University for services performed for other units. The offsetting expenses are within operating costs of those units that received the service. Included in the 2015-16 budgeted internal chargebacks are the following (bracketed figures represent 2014-15 budget):

- Charges for utilities of \$1,296,000 (\$220,000) – the majority of the increase over 2014-15 is the result of utilities charges to the Department of Residences, which were netted against the related expenses in 2014-15.
- Printing and Digital Services of \$1,750,000 (\$1,750,000).
- Information Technology Services of \$810,000 (\$821,000).
- Facilities Management services of \$707,000 (\$705,000).
- Central Receiving and Mail Services of \$277,000 (\$285,000).
- Parking Services of \$60,000 (\$50,000).
- Recreation Services of \$37,000 (\$17,000).
- Faculty of Mathematics and Science charges for Machine

- and Electronic Shop of \$35,000 (\$35,000).
- Health Services of \$33,000 (\$40,000).
- Marketing and Communications services of \$15,000 (\$15,000).

Internal chargebacks are in the process of being reviewed. For 2015-16 the gross-up for shipping and receiving of office supplies have been eliminated (previously included in Central Receiving and Mail Services).

Also included in internal chargebacks is the funding of the Department of Residence's portion of the capital budget in the amount of \$2,660,000 (\$2,159,000 in 2014-15 budget). See page 67 for details of the capital budget.

Other revenue

Other revenue comes from ancillary operations, residence fees, investment income and sales and services and represents 16 per cent of total revenue. As detailed in Table 13, other revenue is budgeted to be \$47.4 million, an increase of \$2.0 million over the 2014-15 budget and a decrease of \$0.8 million over 2013-14 actual. Revenue from ancillary operations and residence fees will be discussed in the snapshot section of this report on pages 58 and 60, respectively.

Table 13

(\$000s)	Budget 2015-16	Budget 2014-15	Actual 2013-14
Ancillary revenue	17,713	17,393	16,602
Residence fees	16,207	15,457	14,791
Investment income	700	555	853
Sales and services	12,829	12,079	16,039
Total other revenue	47,449	45,484	48,285



Investment income

Investment income represents the interest that the University receives on short-term investments. Provincial regulations changed regarding student payment rules for 2014-15. Student payments could not have due dates earlier than the first day of classes and students also had to be given an option of per-term billing. Historically, Brock University required full payment for both Fall and Winter terms during the third week of August, with an option to defer a portion of the owed balance for a \$75 fee, which the Province also disallowed in 2014-15. During the budget planning process for 2014-15, student payment behaviour resulting from the new regulations was unknown; thus, a conservative approach was taken with investment income forecasting. An assumption was made that students paid the minimum required for the Fall term and early payments would not be received. Actual experience during 2014-15 showed that many students will make payments before the September deadline and that the majority of students pay their entire balance for the Fall and Winter terms even though they are only required to pay for the Fall term. As a result, cash balances are higher than projected for 2014-15, leading to a positive variance for investment income. Consequently, the 2015-16 budget for investment income has been increased over 2014-15 to \$700,000. It is not expected this trend will continue much past 2015-16, as new intake students are unfamiliar with historical billing practices.



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; Ontario University Application Centre revenue; graduate studies application fees; health service charges; affinity revenue; rental income (e.g. Heritage Place Plaza); recreation fee revenue including aquatic centre revenue (including instructional fees), intramural fees and Zone memberships; international learning programs fee revenue; fees for landlords to advertise on Brock’s off-campus-living website; revenue from programs such as First Year Experience/Smart Start, BOOST and Athletics programs; 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. The 2014-15 budget also included Centre for the Arts tickets revenue.

Also included in sales and services is the \$1.0 million transfer from capital reserve to fund the capital and related project budget, see page 71.

Operating cost assumptions

Budget developers prepared expenditure budgets as defined by their functional area of responsibility. The responsibility centres are generally defined by the organizational structure. Starting on page 41 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 funding budgeted costs. Personnel costs are budgeted to be \$200.2 million, an increase of \$3.0 million from 2014-15 budget and \$5.1 million from 2013-14 actual.

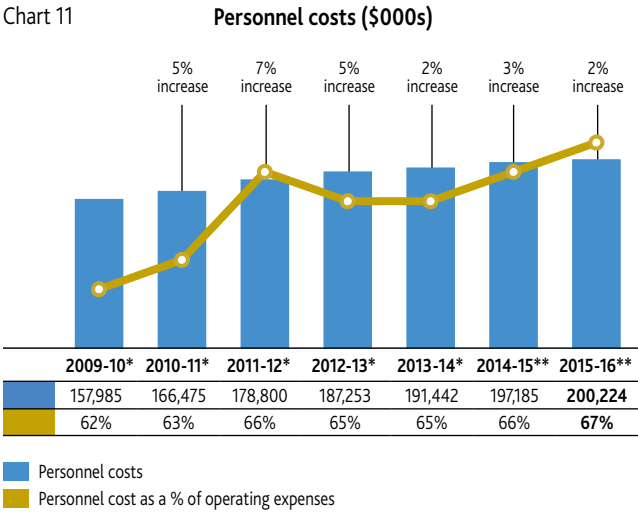
Benefit costs include employer contributions to the Brock University Pension Plan, dental, medical, statutory taxes (CPP, EI, EHT and WSIB). These benefit costs have been increasing as many of these costs are a percentage of the employees’ base salary and are impacted by inflationary factors. Included in benefit costs is funding of the Brock University Pension Plan obligation. The 2015-16 additional payment required for the pension is budgeted to be \$1.6 million (\$6.1 million in 2014-15). Also included in the 2015-16 benefit costs is an allocation for the \$900,000 (\$0 in 2014-15) post-retirement benefits reserve.

Table 14

Personnel group ⁽¹⁾ (\$000s)	Budget 2015-16			Budget 2014-15		
	Salary/wage	Benefits	Total personnel costs	Salary/wage	Benefits	Total personnel costs
Faculty and professional librarians	83,590	15,882	99,472	78,498	17,445	95,943
Admin/professional	38,270	9,330	47,600	36,801	9,163	45,964
CUPE 4207 – Unit 1	12,535	1,793	14,328	12,337	1,729	14,066
OSSTF	8,811	2,521	11,332	8,444	2,428	10,872
CUPE 1295 FT	6,661	2,126	8,787	6,339	1,981	8,320
SAC	3,930	689	4,619	4,006	863	4,869
Other	12,517	1,569	14,086	14,632	2,519	17,151
Total	166,314	33,910	200,224	161,057	36,128	197,185

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

Chart 11



* Represents figures prepared in accordance with Canadian generally accepted accounting principles for not-for-profit organizations (2009-10 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).
** Represents budget figures.
Note: The chart does not reflect mark-to-market changes in the pension valuation resulting from recent CICA Handbook section changes.

Table 14 details personnel costs by employee group and Chart 11 shows personnel costs since 2009-10.

Both the pension plan obligation payment and the post-retirement benefits reserve are discussed in the following employee future benefits discussion.

Employee future benefits

Employee future benefits comprise the University’s pension and retirement benefits received by employees post-retirement. The audited 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).

i. Pension

At the time of writing this budget report, we have just filed an updated actuarial pension valuation that was completed with an effective date of July 1, 2014. The valuation revalued the liability at \$3.6 million, down from the \$23.8 million. The main reasons for the change were the improved market performance and a change in the discount rate from the previous valuation done effective July 1, 2011. This is welcome news, given that many Universities continue to struggle with funding their pension plans. This new valuation assesses our pension plan at approximately 99 per cent funded on a going concern basis and 105 per cent funded on a solvency basis. The budget impact was a reduction of \$4.5 million in additional pension payments (\$6.1 million to \$1.6 million).

Going forward, the actuary projects the plan will grow to \$820 million by 2023, assuming a six per cent investment return and our current collective agreements (the same assumptions in the current actuarial valuation). We are currently working with the actuary to create a sensitivity analysis to illustrate this growth and the future impact of a per cent change in the discount rate or a per cent change investment return in 2023 and should be made available in the fall of 2015. This sensitivity will detail that as the pension plan grows, so too may the volatility in required additional pension payments. We may have been able to reduce these additional pension payments for the next three years as a result of the most recent actuarial valuation, but going forward, if our experience differs negatively from our assumptions, then we may experience higher additional pension payments.

For more information on the Brock University Pension Plan, visit brocku.ca/hr-ehs/pension-new

ii. Post-retirement benefits

Brock University’s Employee Future Benefits liability as at April 30, 2014 was \$17.9 million, which compares to a liability of \$5.4 million found on Brock’s balance sheet 10 years prior to this date. The table below describes the nature of these future obligations.

Table 15

Employee future benefits (as at April 30, 2014)	(\$000s)
Retiree benefits	2,350
Health care spending account	9,866
Retirement allowance benefits	702
Sick leave	461
Disability	4,512
Total	17,891

Brock currently has a “pay as you go” model to fund immediate requirements of about \$500,000 per year. As the institution ages, continuation of this practice will impact Brock’s financial sustainability. This will occur as people retire, become sick or disabled, and the University becomes obligated to pay these benefits, plus the benefits of the replacement employee.

The reality is these post-retirement costs are similar to Brock’s pension liability, which is funded as employees earning the benefit perform their employment responsibilities. This ensures future obligations can be met. It is in the interest of Brock and its employees that these post-retirement benefits are funded in a similar manner to ensure future obligations can be met.

Following similar logic utilized in the legislation for funding a defined benefit pension deficit, one could attempt to amortize this deficiency over a 15-year time period. Amortizing this liability over 15 years at a discount rate of six per cent would require an annual contribution of approximately \$1.8 million. In light of Brock’s current fiscal situation, an annual contribution of this magnitude to offset this future liability may not be practical.

This budget includes an annual allocation of \$900,000 (half the \$1.8 million amount) to begin setting aside assets for this obligation. This amount would be in addition to the approximate \$500,000 in “pay as you go” funds already in the budget. If surplus is achieved in the future, it could be considered for additional funding to this reserve.

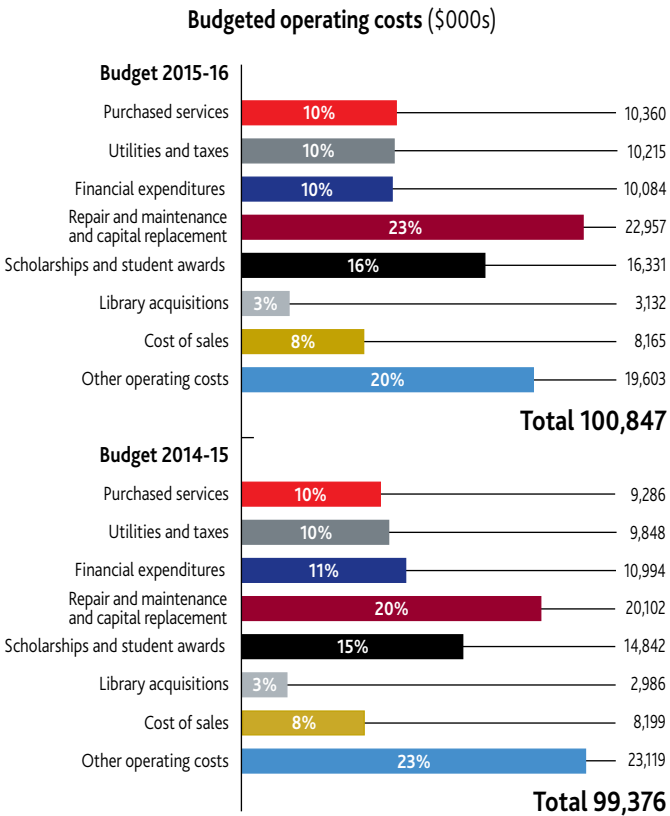
Ontario universities vary on how they fund post-retirement benefits. There are some that have a reserve balance that equals the total liability, and others like Brock with no reserve. This said, most Ontario universities are implementing funding strategies for these liabilities, if they have not done so already.

For more information on Brock University post-retirement benefits, visit brocku.ca/hr-ehs/benefits

Operating costs

Non-personnel operating costs (operating costs) represent 34 per cent of the total budgeted expenditures of the University. Operating costs increased \$1.5 million over the 2014-15 budget and \$11.3 million over 2013-14 actual. Operating costs have been segregated into eight categories. See Chart 12 for a breakdown by category for both the 2015-16 and 2014-15 budgets.

Chart 12



Purchased services

Purchased services represent externally purchased services, including security services, information technology services, physician services, printing services, consulting, legal fees, audit fees, international recruitment agent commissions, counselling services, custodial services, fees for Council of Ontario University services, and health insurance premiums for ESL students. In 2015-16 the payment to the St. Catharines Performing Arts Centre is also included in purchased services. In addition to externally purchased services, certain interdepartmental charges, such as information technology services, are part of this category.

Utilities and taxes

Utilities and taxes include the cost of heating and cooling, hydro and water, as well as municipal taxes (payment in lieu of property taxes). The majority of the University's utilities expenses, \$6.61 million (\$5.90 million in 2014-15), are reported in the Utilities, Taxes and Insurance responsibility centre. Refer to page 62 in the Responsibility Centre

snapshots section for further discussion. In addition, utilities expenses of \$2.32 million (\$2.65 million in 2014-15), related to specific units are also included, the majority of which is reported in the Department of Residence (\$1.85 million in 2015-16 and \$2.17 million in 2014-15) as well as Conference and Event Services, Hybrid Space, Rodman Hall (Faculty of Humanities) and Hospitality Services. It is important to note that a portion of these utility expenses reported in the specific units, \$1.66 million (\$1.99 million in 2014-15) represent interdepartmental charges and therefore need to be excluded to get an accurate representation of the total University utilities costs. See page 11 for a breakdown of the net utilities costs by type. Also included in utilities and taxes is \$1.28 million (\$1.30 million in 2014-15) related to municipal tax, of which the majority is reported in the Utilities, Taxes and Insurance responsibility centre. See page 31 for further discussion on property taxes and the offsetting Grant in Lieu of Municipal Taxation.

Financial expenditures

The financial expenditures included in the 2015-16 budget represent both the interest and principal payments of the University's external debt, of which \$4.43 million (\$4.43 million in 2014-15) is reported in the Department of Residence and \$5.65 million (\$5.02 million in 2014-15) is reported in the Financing responsibility centre. Refer to the Financing section on page 73 for a detailed discussion. Note: also included in the 2014-15 budget was net internal financing costs of \$1.54 million, which represent the principal payments of the internally financed projects and is also reported in the Financing responsibility centre.

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 pages 67-71 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 \$0.88 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 \$9.36 million in 2015-16 (\$8.70 million in 2014-15). The majority of these undergraduate student awards, \$7.83 million (\$7.26 million), are reported in the Scholarships, Bursaries and Student Awards responsibility centre. In addition, included in the undergraduate student awards are \$1.29 million (\$1.24 million) of student tuition waivers. Refer to page 63 for further discussion. The remaining \$0.24 million (\$0.20 million) is reported in a number of units throughout the University, including the Goodman School of Business, Faculty of Education, etc.

Graduate student scholarships and student awards, mainly in the form of fellowships, are budgeted to be \$6.97 million (\$6.14 million in 2014-15), the majority of which, \$6.60 million (\$5.76 million in 2014-15) is reported in the Scholarships, Bursaries and Student Awards responsibility centre. In addition, included in the graduate student awards are \$0.13 million (\$0.12 million in 2014-15) of student tuition waivers. Refer to page 63 in the Responsibility Centre snapshots section for further discussion.

Note: Scholarships and student awards do not include the portion of tuition set-aside used to fund student positions (\$1.94 million in 2015-16), nor does it include scholarships and awards available from endowments (estimated at \$1.42 million in 2015-16).

Library acquisitions

The budgeted library acquisitions represent the funding to purchase critical information resources (ejournals, books, ebooks, geospatial data, music, full text databases, etc.) and discovery/access/ dissemination technologies to support teaching and research.

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 responsibility centre

Table 16 details the funding budget by responsibility centre where all personnel costs, operating costs and revenue have been grouped by their responsibility centre, which in turn are grouped into one of the following categories: Teaching Faculties, Academic Support, Student Specific, Shared Services, Ancillary, Space and Global. Each responsibility centre is described in the Responsibility Centre snapshots section of this report, starting on page 41. (Note: certain reclassifications were made to the 2014-15 budget as compared to the figures presented in the 2014-15 Budget Report. See Appendix C for the details of these reclassifications.)

Table 16: Funding budget by responsibility centre

(\$000s)	Budget 2015-16				Budget 2014-15				Change of "Net" amounts	Page ref.
	Revenue	Personnel costs	Non-personnel Costs	Net	Revenue	Personnel costs	Non-personnel costs	Net		
Teaching Faculties										
Faculty of Applied Health Sciences	37	(17,311)	(786)	(18,060)	49	(16,251)	(823)	(17,025)	(1,035)	42
Goodman School of Business	8,912	(24,202)	(2,717)	(18,007)	8,943	(22,856)	(3,062)	(16,975)	(1,032)	43
Faculty of Education	4,753	(16,955)	(1,987)	(14,189)	4,906	(17,299)	(2,689)	(15,082)	893	44
Faculty of Humanities	756	(21,181)	(1,131)	(21,556)	618	(20,554)	(1,141)	(21,077)	(479)	45
Faculty of Mathematics and Science	308	(19,658)	(841)	(20,191)	234	(19,476)	(922)	(20,164)	(27)	46
Faculty of Social Sciences	338	(34,065)	(1,401)	(35,128)	285	(33,500)	(1,507)	(34,722)	(406)	47
Total Teaching Faculties	15,104	(133,372)	(8,863)	(127,131)	15,035	(129,936)	(10,144)	(125,045)	(2,086)	
Academic Support										
Faculty of Graduate Studies	250	(1,229)	(237)	(1,216)	210	(1,216)	(259)	(1,265)	49	48
Library	457	(4,907)	(3,605)	(8,055)	450	(5,016)	(3,425)	(7,991)	(64)	48
Research Services	1,796	(2,425)	(1,803)	(2,432)	1,538	(2,239)	(1,801)	(2,502)	70	49
Centre for Pedagogical Innovation	27	(828)	(200)	(1,001)	32	(885)	(310)	(1,163)	162	50
Centre for the Arts	42	(145)	(662)	(765)	1,287	(1,039)	(969)	(721)	(44)	50
Total Academic Support	2,572	(9,534)	(6,507)	(13,469)	3,517	(10,395)	(6,764)	(13,642)	173	
Student Specific										
Student Services	12,048	(12,288)	(4,520)	(4,760)	12,764	(12,923)	(4,818)	(4,977)	217	51
Co-op and Career Services	1,265	(1,988)	(213)	(936)	1,232	(1,797)	(203)	(768)	(168)	52
Athletics and Recreation	4,865	(3,693)	(2,137)	(965)	4,743	(3,459)	(2,240)	(956)	(9)	53
Total Student Specific	18,178	(17,969)	(6,870)	(6,661)	18,739	(18,179)	(7,261)	(6,701)	40	

Table 16 continued

(\$000s)	Budget 2015-16				Budget 2014-15				Change of "Net" amounts	Page ref.
	Revenue	Personnel costs	Non-personnel Costs	Net	Revenue	Personnel costs	Non-personnel costs	Net		
Shared Services										
Leadership	16	(2,735)	(520)	(3,239)	16	(2,909)	(531)	(3,424)	185	54
Information Technology Services	953	(6,251)	(1,782)	(7,080)	972	(6,249)	(1,594)	(6,871)	(209)	54
Financial Services	110	(1,957)	(415)	(2,262)	71	(1,889)	(486)	(2,304)	42	55
Human Resources	242	(2,954)	(563)	(3,275)	98	(2,790)	(482)	(3,174)	(101)	55
Marketing and Communications	15	(1,035)	(689)	(1,709)	15	(871)	(718)	(1,574)	(135)	55
Development and Alumni Relations	812	(1,640)	(870)	(1,698)	744	(1,724)	(996)	(1,976)	278	56
University Services	2,958	(1,451)	(1,834)	(327)	2,994	(1,428)	(1,922)	(356)	29	56
Shared Services Support		(1,277)	(151)	(1,428)		(1,203)	(145)	(1,348)	(80)	57
Total Shared Services	5,106	(19,300)	(6,824)	(21,018)	4,910	(19,063)	(6,874)	(21,027)	9	
Ancillary										
Ancillary Operations	17,773	(2,811)	(10,206)	4,756	17,444	(2,734)	(10,211)	4,499	257	58
Department of Residence	16,493	(2,517)	(13,036)	940	15,734	(2,459)	(12,612)	663	277	60
Total Ancillary	34,266	(5,328)	(23,242)	5,696	33,178	(5,193)	(22,823)	5,162	534	
Space										
Facilities Management	1,004	(12,459)	(3,787)	(15,242)	1,072	(11,312)	(3,469)	(13,709)	(1,533)	61
Campus Security Services	17	(1,363)	(982)	(2,328)	14	(1,311)	(557)	(1,854)	(474)	61
Hybrid Space	400		(209)	191	347		(279)	68	123	61
Utilities, Taxes and Insurance	2,660		(9,989)	(7,329)	1,443		(8,960)	(7,517)	188	62
Financing			(5,652)	(5,652)	80		(6,563)	(6,483)	831	62
Total Space	4,081	(13,822)	(20,619)	(30,360)	2,956	(12,623)	(19,828)	(29,495)	(865)	
Global										
Scholarships, Bursaries and Student Awards	1,000		(15,855)	(14,855)	560		(14,380)	(13,820)	(1,035)	63
Capital	4,542		(11,000)	(6,458)	2,732	(300)	(8,734)	(6,302)	(156)	64
University Global	212,285	(899)	(1,067)	210,319	211,713	(1,496)	(2,568)	207,649	2,670	64
Total Global	217,827	(899)	(27,922)	189,006	215,005	(1,796)	(25,682)	187,527	1,479	
Total University	297,134	(200,224)	(100,847)	(3,937)	293,340	(197,185)	(99,376)	(3,221)	(716)	

The Skating Lab is one of Canada’s most innovative on-ice sport research facilities, using state-of-the-art skating treadmills and motion analysis technology. In the lab, Professor Kelly Lockwood incorporates both basic science research as it applies to physiological and biomechanical development of athletes and applied sport-specific research as it translates to on-ice sport.



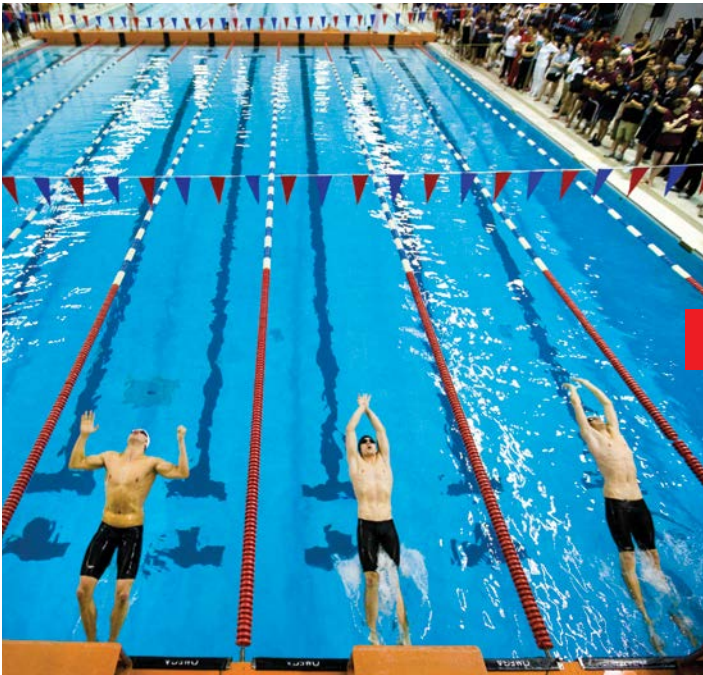
Responsibility centre snapshots

The following “snapshots” present the budgeted revenue and total costs of each of the University’s responsibility centres. Revenue shown in the Faculties does not include an allocation of the global tuition (shown on page 22) or operating grant revenue. Revenue shown by the responsibility centre only reflects the tuition and fee revenue and grant revenue specifically reported in the respective centres (described on pages 22, and 29 to 31) as well as any other revenue generated within each centre.

Total costs as shown in the responsibility centres include salaries, benefits and direct non-personnel costs (operating costs). An allocation of support service costs has not been performed as part of the 2015-16 budget. For example, the majority of utility costs are shown collectively as part of the Utilities, Taxes and Insurance responsibility centre on page 62, and scholarships, bursaries and student awards are reported as part of the Scholarships, Bursaries and Student Awards responsibility centre on page 63. A project is underway to determine a method of allocating support service costs using cost drivers.

It should also be noted that direct research revenue and expenses are not included in the budget as they offset each other and faculty are not in a position to necessarily predict cash flows.

The following “snapshots” also detail the ongoing (OG) faculty and staff headcounts within in each unit. These headcounts are meant only to demonstrate magnitude of faculty and staff. The figures are not meant to represent full-time equivalent positions (FTE). For example, an ongoing part-time position would be considered to have a headcount of one. As well, a faculty/staff member that only works during certain months of the year is also considered to have a headcount of one. In addition, the headcount figures represent each ongoing position included in the budget (i.e. the salary and benefits related to this position is included in the budget) and represent both filled and unfilled positions. Note: as part of the process of the 2016-17 budget, we will try to work towards preparing the data to capture FTE position by responsibility centre.





Teaching Faculties

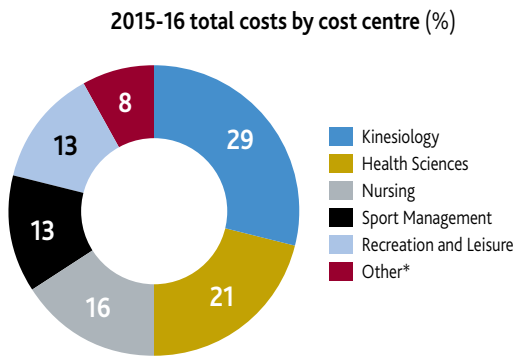
Faculty of Applied Health Sciences

The Faculty of Applied Health Sciences (FAHS) is more than a Faculty. It is the lifeblood that continues to supply the world with individuals capable of making a healthy difference. The Faculty's vision is clear – it advances the health and well-being of individuals to make the world a healthier place to live. With expertise in a diverse range of health-related fields, its researchers continue to conduct new and innovative studies that range from cancer detection protocols to sport for development initiatives within international communities. Its students and alumni share the Faculty's passion for health, sport and well-being, serving as agents of change that translate the vision into everyday practice. For more information on the FAHS, view the 2013-14 Annual Report at issuu.com/fahscommunicationsofficer/docs/annual_report_2014/1 or the Faculty Strategic Plan (2012) at brocku.ca/webfm_send/29380.

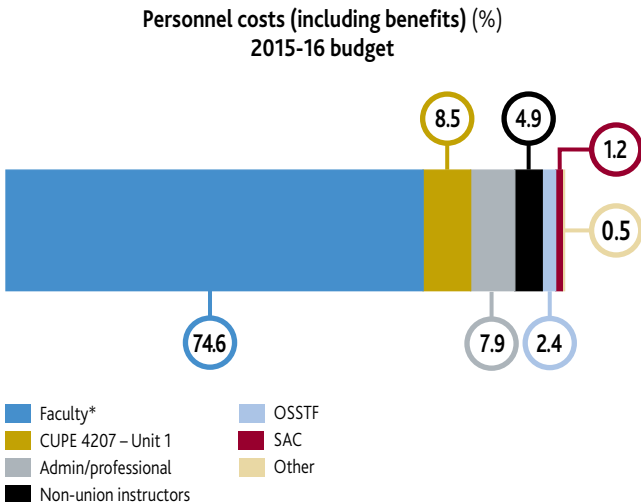
(\$000s)	Budget 2015-16	Budget 2014-15	Actual 2013-14
Revenue	37	49	445
Personnel costs	(17,311) 95.7%	(16,251) 95.2%	(15,691) 96.2%
Operating costs	(786) 4.3%	(823) 4.8%	(627) 3.8%
Total costs	(18,097) 100%	(17,074) 100%	(16,318) 100%
Net	(18,060)	(17,025)	(15,873)
Headcount – faculty ⁽¹⁾	84	82	
OG headcount – staff ⁽²⁾	28	24	

(1) Represents BUFA positions and Associate Deans (both filled and unfilled positions).
(2) OG headcount represents budgeted ongoing staff headcount (both filled and unfilled positions) – excludes temporary contract workers.

	Budget 2015-16	Actual 2014-15	Actual 2013-14	Actual 2012-13
Undergraduate average class size				
Overall		76.8	74.4	83.3
Year I		149.6	178.0	163.5
Year II		107.9	104.9	116.1
Year III		69.2	69.4	74.4
Year IV		44.5	38.9	43.3
Headcount by major (Nov. 1)				
Undergraduate	3,217	3,283	3,174	2,959
Graduate	142	142	148	153
FTE students taught				
Undergraduate		2,194	2,147	2,032
Graduate		127	135	140



*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.



*Note: BUFA positions and associate deans.



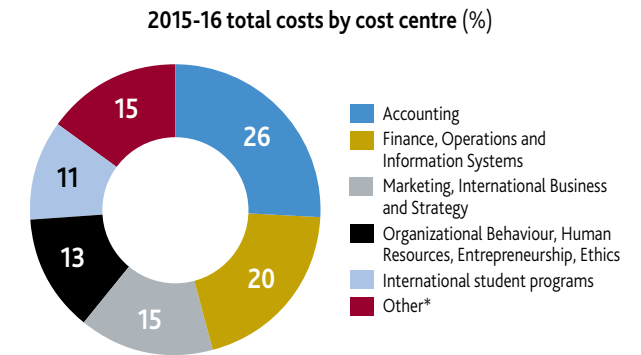
Goodman School of Business

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 and the Faculty Strategic Plan (2008) at brocku.ca/webfm_send/1029

Note: Revenue includes \$7,504,000 of student fees (\$7,813,000 in 2014-15). Operating costs include \$860,000 of purchased services (\$842,000 in 2014-15), \$136,000 of capital replacement and repairs and maintenance costs (\$190,000 in 2014-15) and \$353,000 of scholarships and student awards (\$344,000 in 2014-15).

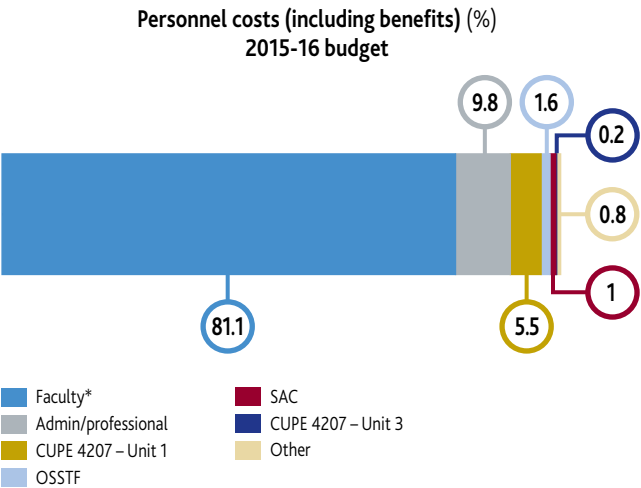
(\$000s)	Budget 2015-16	Budget 2014-15	Actual 2013-14
Revenue	8,912	8,943	6,502
Personnel costs	(24,202) 89.9%	(22,856) 88.2%	(21,982) 88.1%
Operating costs	(2,717) 10.1%	(3,062) 11.8%	(2,972) 11.9%
Total costs	(26,919) 100%	(25,918) 100%	(24,954) 100%
Net	(18,007)	(16,975)	(18,452)
Headcount – faculty ⁽¹⁾	96	95	
OG headcount – staff ⁽²⁾	34	31	

(1) Represents BUFA positions and associate deans (both filled and unfilled positions).
(2) OG headcount represents budgeted ongoing staff headcount (both filled and unfilled positions) – excludes temporary contract workers.



*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.

	Budget 2015-16	Actual 2014-15	Actual 2013-14	Actual 2012-13
Undergraduate average class size				
Overall		49.0	52.6	53.2
Year I		70.1	70.9	70.9
Year II		59.5	63.3	62.7
Year III		40.1	46.0	47.0
Year IV		34.0	35.8	37.3
Headcount by major (Nov. 1)				
Undergraduate	2,862	2,806	2,770	2,708
Graduate	555	528	564	478
FTE students taught				
Undergraduate		2,149	1,980	1,951
Graduate		496	538	456



*Note: BUFA positions and associate deans.



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, on the Faculty's disciplines, on the lives of students and on the communities the University serves. For information on the Faculty of Education, visit brocku.ca/education and the Faculty Strategic Plan (2013) at brocku.ca/webfm_send/26519

Note: Revenue includes \$3,641,000 of student fees (\$3,541,000 in 2014-15) and \$935,000 of grant revenue (\$1,077,000 in 2014-15). The grant revenue includes the Teacher Education transitional funding of \$734,000 (\$866,000 in 2014-15). Operating costs include \$295,000 of purchased services (\$438,000 in 2014-15), and \$112,000 of capital replacement and repairs and maintenance costs (\$123,000 in 2014-15).

(\$000s)	Budget 2015-16	Budget 2014-15	Actual 2013-14
Revenue	4,753	4,906	4,447
Personnel costs	(16,955) 89.5%	(17,299) 86.5%	(17,116) 91.3%
Operating costs	(1,987) 10.5%	(2,689) 13.5%	(1,629) 8.7%
Total costs	(18,942) 100%	(19,988) 100%	(18,745) 100%
Net	(14,189)	(15,082)	(14,298)
Headcount – faculty ⁽¹⁾	65	65	
OG headcount – staff ⁽²⁾	39	40	

(1) Represents BUFA positions and associate deans (both filled and unfilled positions).
(2) OG headcount represents budgeted ongoing staff headcount (both filled and unfilled positions) – excludes temporary contract workers.

	Budget 2015-16	Actual 2014-15	Actual 2013-14	Actual 2012-13
Undergraduate average class size (ABST, EDUC and ADED Year 1-3 courses)				
Overall		36.7	45.7	54.9
Year I		31.8	36.5	50.6
Year II		21.7	35.3	52.2
Year III		45.0	59.7	72.9
Year IV		52.8	52.7	48.0
Headcount by major (Nov. 1)				
Undergraduate	1,268	1,458	1,331	1,349
Graduate	361	361	351	389
FTE students taught				
Undergraduate		1,993	1,867	1,781
Graduate		237	231	236



Faculty of Humanities

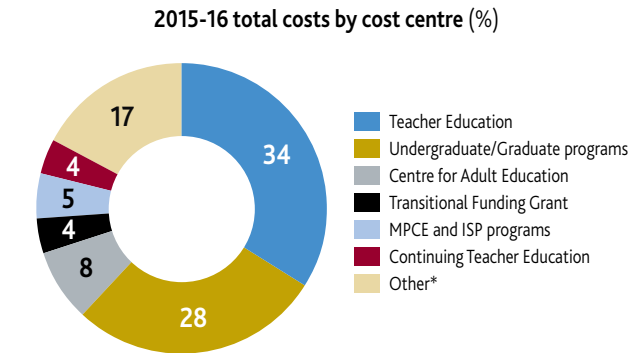
Studying in the Faculty of Humanities allows one to explore the cultural, intellectual and artistic ideas of the world from ancient times to the present. It allows one to think critically about significant works of human heritage, develop excellent problem-solving and communication skills, and acts as a springboard to a graduate or professional school and a career in law, education, business, government, the culture industry or any other sector where imagination, reason and passion are required. For information on the Faculty of Humanities, visit brocku.ca/humanities and the Faculty Strategic Plan (2013) at brocku.ca/webfm_send/32594

Note: Revenue includes \$435,000 of spending allocations from the MIWSFPA Endowment Fund (\$333,000 in 2014-15), \$123,000 of grant revenue (\$118,00 in 2014-15). Operating costs include \$143,000 of repairs and maintenance and capital replacement costs (\$130,000 in 2014-15).

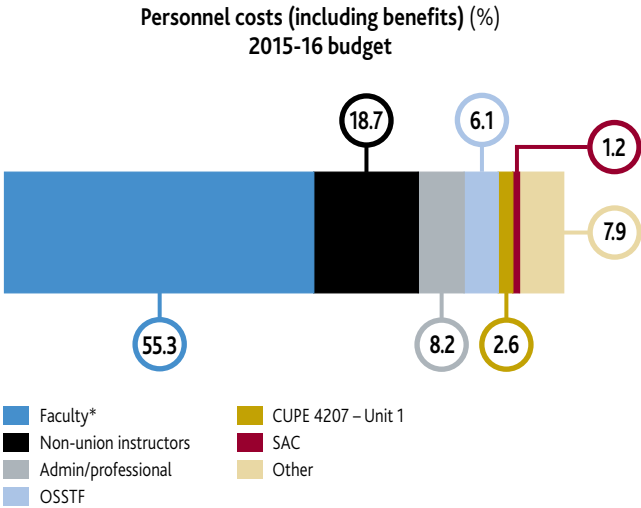
(\$000s)	Budget 2015-16	Budget 2014-15	Actual 2013-14
Revenue	756	618	406
Personnel costs	(21,181) 94.9%	(20,554) 94.7%	(20,269) 95.1%
Operating costs	(1,131) 5.1%	(1,141) 5.3%	(1,043) 4.9%
Total costs	(22,312) 100%	(21,695) 100%	(21,312) 100%
Net	(21,556)	(21,077)	(20,906)
Headcount – faculty ⁽¹⁾	103	104	
OG headcount – staff ⁽²⁾	34	31	

(1) Represents BUFA positions and associate deans (both filled and unfilled positions).
(2) OG headcount represents budgeted ongoing staff headcount (both filled and unfilled positions) – excludes temporary contract workers.

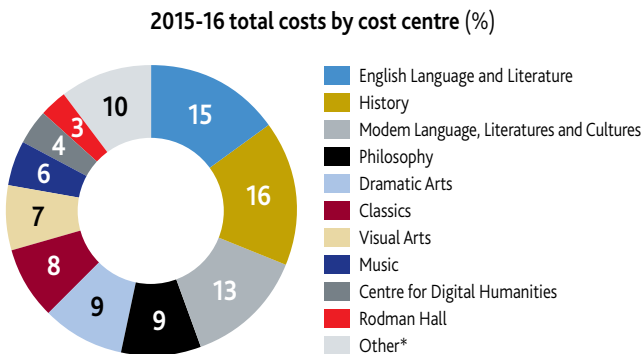
Note ⁽¹⁾	Budget 2015-16	Actual 2014-15	Actual 2013-14	Actual 2012-13
Undergraduate average class size				
Overall		39.4	44.1	47.8
Year I		76.6	83.6	83.8
Year II		33.9	40.8	46.4
Year III		22.0	25.8	29.5
Year IV		13.4	15.8	15.7
Headcount by major (Nov. 1)				
Undergraduate	1,782	2,003	2,478	2,783
Graduate	70	70	82	70
FTE students taught				
Undergraduate		2,149.5	2,670	2,878
Graduate		69	80	68



*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.

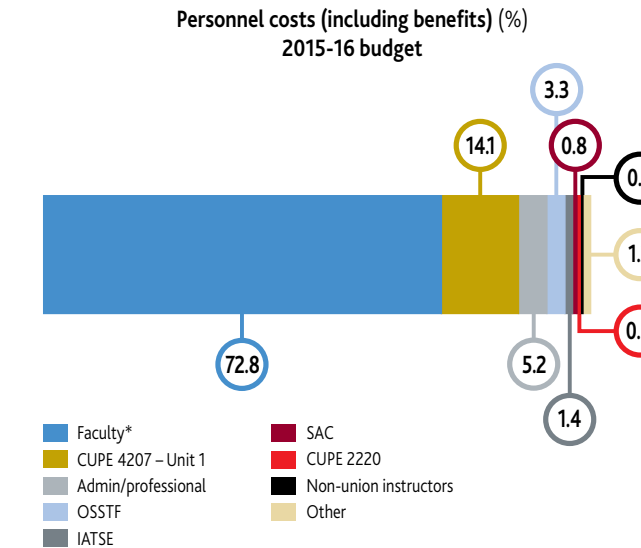


*Note: BUFA positions and associate deans.



*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.

Note(1): For 2014-15, the Department of Applied Linguistics moved from the Faculty of Humanities to the Faculty of Social Sciences. Historical enrolment figures have not been adjusted in order to maintain consistency with enrolment data published by Institutional Analysis in their annual reports and website. Student headcount and full-time equivalent enrolment for the Department of Applied Linguistics is listed in the Applied Linguistics adjustment section of "The big picture" pull out. Historical budget/actual revenue and total costs as well as faculty and staff headcount have been adjusted for comparative purposes.



*Note: BUFA positions and associate deans.



Faculty of Mathematics and Science

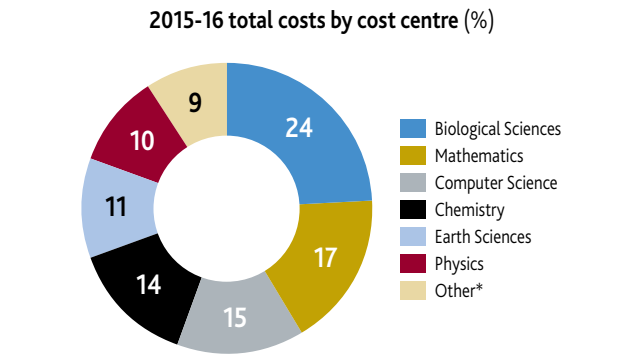
The Faculty of Mathematics and Science develops and delivers programs (many with a co-op option) and courses, which provide knowledge and hands-on experiences that serve as a strong foundation for its students. It also promotes science awareness and provides outreach activities. For information on the Faculty of Mathematics and Science, visit brocku.ca/mathematics-science and the Faculty Strategic Plan (2008) at brocku.ca/webfm_send/1036

Note: Revenue includes \$100,000 of grant revenue from the Research Support Fund (\$100,000 in 2014-15). Operating costs include \$324,000 of repairs and maintenance and capital replacement costs (\$336,000 in 2014-15).

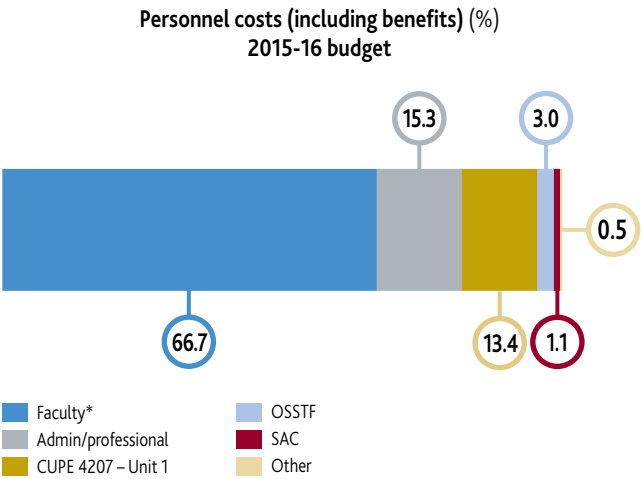
(\$000s)	Budget 2015-16	Budget 2014-15	Actual 2013-14
Revenue	308	234	432
Personnel costs	(19,658) 95.9%	(19,476) 95.5%	(18,968) 95.4%
Operating costs	(841) 4.1%	(922) 4.5%	(907) 4.6%
Total costs	(20,499) 100%	(20,398) 100%	(19,875) 100%
Net	(20,191)	(20,164)	(19,443)
Headcount – faculty ⁽¹⁾	75	77	
OG headcount –staff ⁽²⁾	46	48	

(1) Represents BUFA positions and associate deans (both filled and unfilled positions).
(2) OG headcount represents budgeted ongoing staff headcount (both filled and unfilled positions) – excludes temporary contract workers.

	Budget 2015-16	Actual 2014-15	Actual 2013-14	Actual 2012-13
Undergraduate average class size				
Overall		92.2	89.9	86.5
Year I		237.7	229.2	230.6
Year II		63.9	63.2	61.8
Year III		28.7	29.4	24.6
Year IV		15.0	14.5	14.5
Headcount by major (Nov. 1)				
Undergraduate	1,840	1,629	1,617	1,545
Graduate	157	157	157	147
FTE students taught				
Undergraduate		2,684	2,542	2,464
Graduate		152	154	145



*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.



*Note: BUFA positions and associate deans.

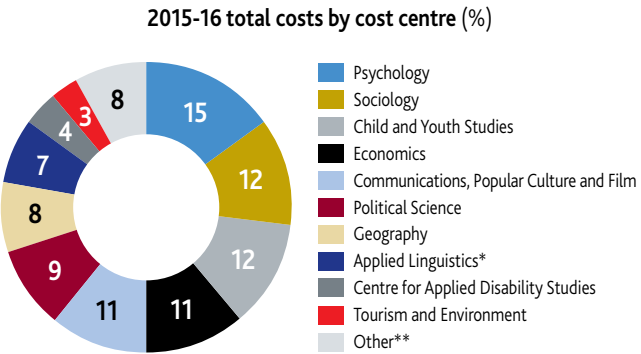
Faculty of Social Sciences

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, Business Communications, Business Economics, Child and Youth Studies, Film Studies, Labour Studies, Media Culture, Popular Culture, Social Justice and Equity Studies, Tourism Management, Women's and Gender Studies. For information on the Faculty of Social Sciences, visit brocku.ca/social-sciences and the Faculty Strategic Plan (2012) at brocku.ca/webfm_send/22120

Note: Revenue includes \$190,000 of student fees (\$138,000 in 2014-15). Operating costs include \$142,000 of capital replacement and repairs and maintenance costs (\$161,000 in 2014-15) and \$135,000 of purchased services (\$138,000 in 2014-15).

(\$000s)	Budget 2015-16	Budget 2014-15	Actual 2013-14
Revenue	338	285	713
Personnel costs	(34,065) 96.0%	(33,500) 95.7%	(32,749) 96.5%
Operating costs	(1,401) 4.0%	(1,507) 4.3%	(1,191) 3.5%
Total costs	(35,466) 100%	(35,007) 100%	(33,940) 100%
Net	(35,128)	(34,722)	(33,227)
Headcount – faculty ⁽¹⁾	162	161	
OG headcount –staff ⁽²⁾	39	38	

(1) Represents BUFA positions and associate deans (both filled and unfilled positions).
(2) OG headcount represents budgeted ongoing staff headcount (both filled and unfilled positions) – excludes temporary contract workers.

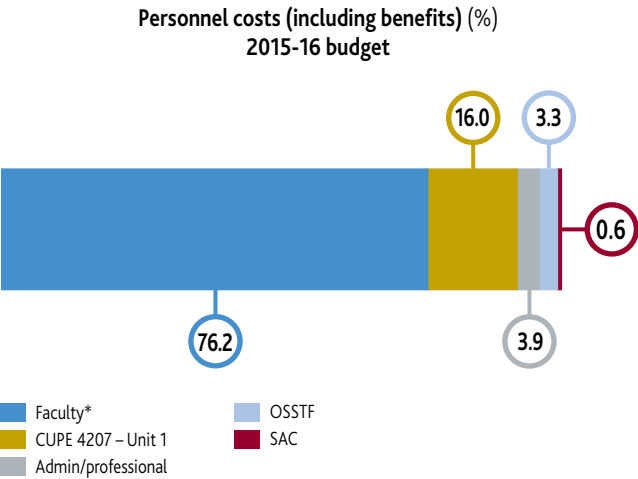


*Note: Includes International Student Program.

**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.

Note(1): For 2014-15, the Department of Applied Linguistics moved from the Faculty of Humanities to the Faculty of Social Sciences. Historical enrolment figures have not been adjusted in order to maintain consistency with enrolment data published by Institutional Analysis in their annual reports and website. Student headcount and full-time equivalent enrolment for the Department of Applied Linguistics is listed in the Applied Linguistics adjustment section of "The big picture" pull out. Historical budget/actual revenue and total costs as well as faculty and staff headcount have been adjusted for comparative purposes.

Note ⁽¹⁾	Budget 2015-16	Actual 2014-15	Actual 2013-14	Actual 2012-13
Undergraduate average class size				
Overall		83.7	84.2	88.7
Year I		229.1	318.2	310.6
Year II		109.6	109.0	109.1
Year III		53.0	49.3	53.6
Year IV		21.0	19.9	21.4
Headcount by major (Nov. 1)				
Undergraduate	4,697	4,820	4,636	4,594
Graduate	437	412	387	393
FTE students taught				
Undergraduate		4,862	4,518	4,295
Graduate		301	276	271



*Note: BUFA positions and associate deans.

Academic Support

Faculty of Graduate Studies

(\$000s)	Budget 2015-16	Budget 2014-15	Actual 2013-14
Revenue	250	210	200
Personnel costs	(1,229) 83.8%	(1,216) 82.4%	(1,048) 80.1%
Operating costs	(237) 16.2%	(259) 17.6%	(261) 19.9%
Total costs	(1,466) 100%	(1,475) 100%	(1,309) 100%
Net	(1,216)	(1,265)	(1,109)
OG headcount – staff ⁽¹⁾	13	12	

(1) OG headcount represents budgeted ongoing staff headcount (both filled and unfilled positions) – excludes temporary contract workers.

The University's graduate programs engage students in cutting-edge research that makes a real difference to the quality of human life. 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 and the Faculty Strategic Plan (2011/12) at brocku.ca/webfm_send/34647

Note: Graduate scholarships and student awards, including bursaries, are shown as part of the Scholarships, Bursaries and Student Awards responsibility centre.

In addition, the above costs do not reflect the cost of teaching graduate students. These costs are reflected in the Teaching Faculties.



Library

(\$000s)	Budget 2015-16	Budget 2014-15	Actual 2013-14
Revenue	457	450	558
Personnel costs	(4,907) 57.6%	(5,016) 59.4%	(5,135) 59.4%
Operating costs	(3,605) 42.4%	(3,425) 40.6%	(3,511) 40.6%
Total costs	(8,512) 100%	(8,441) 100%	(8,646) 100%
Net	(8,055)	(7,991)	(8,088)
Headcount – faculty ⁽¹⁾	18	19	
OG headcount – staff ⁽²⁾	35	35	

(1) Represents BUFA professional librarian positions and Associate Librarian (both filled and unfilled positions).
(2) OG headcount represents budgeted ongoing staff headcount (both filled and unfilled positions) – excludes temporary contract workers.

The Library is a dynamic and innovative virtual/physical space which advances teaching, learning and research excellence at Brock. Its focus is on providing access to scholarly information, empowering students to navigate a complex information ecosystem, and working collaboratively to develop digital research infrastructure to support emerging forms of scholarship. In addition to the seven core University values, the following values inform and strengthen the Library's mission: service excellence; stewardship of the scholarly record; open access to scholarly information; and collaboration with campus and community partners. For more information, visit brocku.ca/library

Note: Revenue includes \$270,000 of grant revenue related to the Research Support Fund (\$270,000 in 2014-15). Operating costs include \$3,088,000 of acquisitions (\$2,938,000 in 2014-15) and \$335,000 of purchased services (\$289,000 in 2014-15).



Research Services

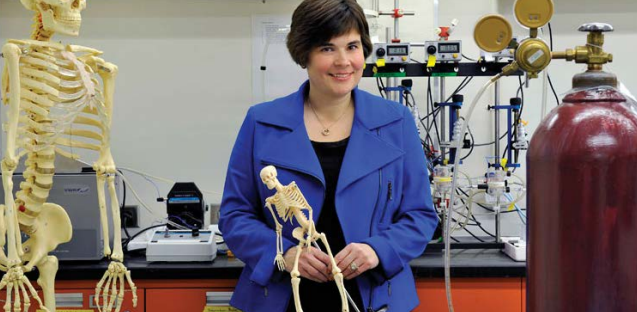
(\$000s)	Budget 2015-16	Budget 2014-15	Actual 2013-14
Revenue	1,796	1,538	1,495
Personnel costs	(2,425) 57.4%	(2,239) 55.4%	(2,243) 58.3%
Operating costs	(1,803) 42.6%	(1,801) 44.6%	(1,604) 41.7%
Total costs	(4,228) 100%	(4,040) 100%	(3,847) 100%
Net	(2,432)	(2,502)	(2,352)
OG headcount – staff ⁽¹⁾	17	16	

(1) OG headcount represents budgeted ongoing staff headcount (both filled and unfilled positions) – excludes temporary contract workers.

Research Services, as defined in the 2015-16 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: Costs related to the office of Vice-President, Research are included in the 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 researchers with advice and administrative support, including application processes and financial management. For information on the ORS visit brocku.ca/research For information on research involving animals, visit brocku.ca/research/ethics-and-research-reviews/animals

CCOVI is Brock's flagship transdisciplinary institute. CCOVI's research, continuing education and outreach are based on three pillars – quality, innovation and sustainability – that attend to the needs of individuals, organizations and institutions involved with the grape and wine industry across Canada and beyond. CCOVI defines a place not only within the University to network faculty, students and staff dedicated to advancing the Canadian grape and wine industry. It extends to partnering academic communities, federal and provincial government research organizations, and regional grape and wine industry groups across Canada, as well as cool climate wine regions of the world. For information on CCOVI, visit brocku.ca/ccovi

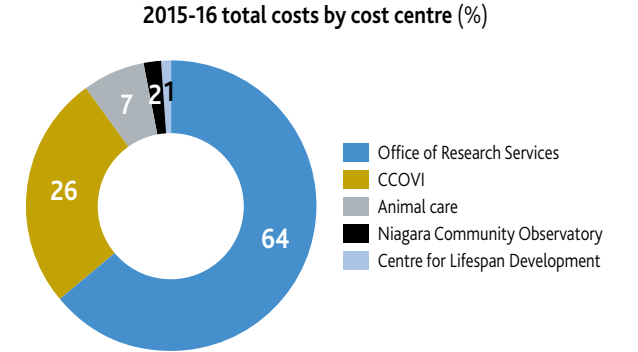


The Centre for Lifespan Development is a multidisciplinary collaboration effort dedicated to studying human development across the lifespan, with special strengths in childhood and adolescence. For information on the Centre for Lifespan Development, visit brocku.ca/lifespan-development-research

The Niagara Community Observatory works with partners across 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

Note: Revenue includes \$1,445,000 of grant revenue related to the Research Support Fund and the Provincial Overheads Infrastructure Envelope (\$1,195,000 in 2014-15). Operating costs include \$1,000,000 of funding for transdisciplinary hubs (\$1,000,000 in 2014-15).

The above costs do not reflect the direct revenue or expenses of research as noted on page 41. Nor do they reflect the research portion of Faculty members' salary and benefits (standardly 40 per cent). Faculty members' salary and benefits are reflected in the Teaching Faculties.



Centre for Pedagogical Innovation

(\$000s)	Budget 2015-16		Budget 2014-15		Actual 2013-14	
Revenue	27		32		21	
Personnel costs	(828)	80.5%	(885)	74.1%	(778)	85.6%
Operating costs	(200)	19.5%	(310)	25.9%	(131)	14.4%
Total costs	(1,028)	100%	(1,195)	100%	(909)	100%
Net	(1,001)		(1,163)		(888)	
OG headcount – staff ⁽¹⁾	8		8			

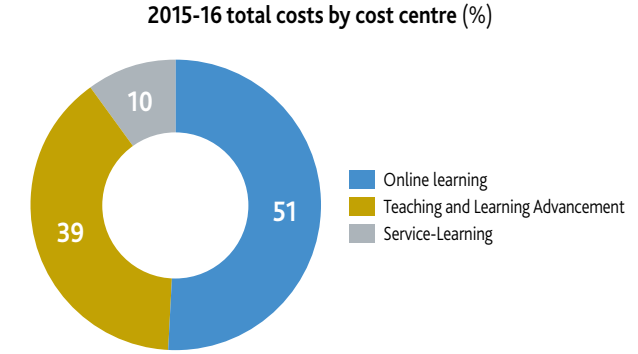
(1) OG headcount represents budgeted ongoing staff headcount (both filled and unfilled positions) – excludes temporary contract workers.

Centre for Pedagogical Innovation (CPI), as defined in the 2015-16 budget, includes teaching and learning advancement, online learning and service-learning.

CPI is committed to fostering a culture of excellence in teaching and learning across the University. Through educational outreach and services to Brock faculty, instructors, teaching assistants and staff, CPI brings people together to explore effective teaching and learning practices, as well as innovative pedagogies, both in the classroom and online. For information on CPI, visit brocku.ca/pedagogical-innovation. CPI also has an important role 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

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

Note: Operating costs include \$45,000 directly related to support of educational technologies and online learning (\$154,000 in 2014-15).



Centre for the Arts

(\$000s)	Budget 2015-16		Budget 2014-15		Actual 2013-14	
Revenue	42		1,287		1,256	
Personnel costs	(145)	18.0%	(1,039)	51.7%	(1,014)	53.3%
Operating costs	(662)	82.0%	(969)	48.3%	(890)	46.7%
Total costs	(807)	100%	(2,008)	100%	(1,904)	100%
Net	(765)		(721)		(648)	
OG headcount – staff ⁽¹⁾	10		12			

(1) OG headcount represents budgeted ongoing staff headcount (both filled and unfilled positions) – excludes temporary contract workers.

The Centre for the Arts is a nationally recognized, not-for-profit performing arts facility. Its last season at Brock runs until the end of June 2015. The centre is then being transferred to the City of St. Catharines. A multi-year agreement exists for the next 10 years where Brock will fund the new St. Catharines Performing Arts Centre (PAC) \$750,000 per year plus an adjustment for inflationary costs. The 2015-16 budget includes the revenue, personnel and operating costs related to the two months of the last season of the centre as well as 10 months of the annual funding amount to the PAC, which represents \$625,000. For information on the centre, visit arts.brocku.ca

Student specific

Student Services

(\$000s)	Budget 2015-16		Budget 2014-15		Actual 2013-14	
Revenue	2,093		2,116		2,206	
Personnel costs	(4,218)	80.8%	(4,268)	79.9%	(4,139)	78.8%
Operating costs	(1,003)	19.2%	(1,076)	20.1%	(1,115)	21.2%
Total costs	(5,221)	100%	(5,344)	100%	(5,254)	100%
Net	(3,128)		(3,228)		(3,048)	
OG headcount – staff ⁽¹⁾	61		60			

(1) OG headcount represents budgeted ongoing staff headcount (both filled and unfilled positions) – excludes temporary contract workers.

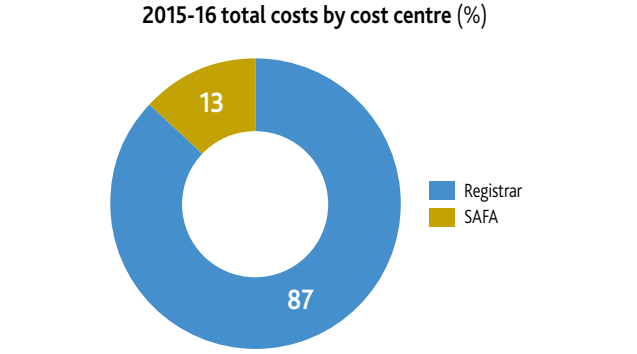
Student Services, as defined in the 2015-16 budget, includes three main categories of services: the Office of the Registrar and the Student Awards and Financial Aid Office; Student Life Services; and Student Services – International.

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

The Office of the Registrar provides a wide range of services, including recruitment, 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. For information on the Office of the Registrar, visit its website at brocku.ca/registrar

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

Note: Revenue includes \$274,000 of grant revenue (\$274,000 in 2014-15). All scholarships and student awards are shown as part of the Scholarship Bursaries and Student Awards responsibility centre, including the offsetting grant revenue related to grant-funding scholarships and student awards.



Student Life Services

(\$000s)	Budget 2015-16		Budget 2014-15		Actual 2013-14	
Revenue	3,404		3,519		3,513	
Personnel costs	(3,904)	72.2%	(4,283)	71.6%	(3,906)	68.9%
Operating costs	(1,502)	27.8%	(1,696)	28.4%	(1,764)	31.1%
Total costs	(5,406)	100%	(5,979)	100%	(5,670)	100%
Net	(2,002)		(2,460)		(2,157)	
OG headcount – staff ⁽¹⁾	45		50			

(1) OG headcount represents budgeted ongoing staff headcount (both filled and unfilled positions) – excludes temporary contract workers.

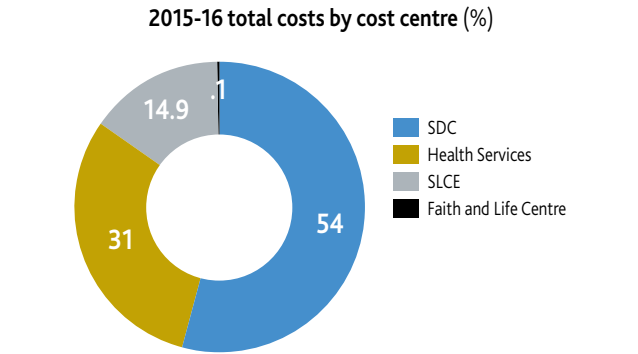
Student Development Centre (SDC) ensures student development and success through innovative programs, services and partnerships in the areas of counselling, leadership, academic support, Aboriginal student services and services for students with disabilities. For information on the SDC, visit brocku.ca/student-development-centre

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

Student Life and Community Experience (SLCE) provides opportunities for the University community to be active and engaged at Brock and within its communities. It offers programs and services that support service-learning, civic engagement, volunteerism, and leadership development. SLCE, as defined in the 2015-16 budget, also includes First Year Experience/Smart Start, an integrated set of programs and supports to help students succeed throughout their first year at Brock. For information visit brocku.ca/student-life-community-experience and choosebrocku.ca/smartstart

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 \$1,374,000 of grant revenue (\$1,431,000 in 2014-15) and \$869,000 of student fees (\$924,000 in 2014-15). Operating costs include \$993,000 of purchased services (\$1,024,000 in 2014-15).



Student Services – International

(\$000s)	Budget 2015-16	Budget 2014-15	Actual 2013-14
Revenue	6,551	7,129	6,810
Personnel costs	(4,166) 67.4%	(4,372) 68.1%	(4,354) 72.5%
Operating costs	(2,015) 32.6%	(2,046) 31.9%	(1,655) 27.5%
Total costs	(6,181) 100%	(6,418) 100%	(6,009) 100%
Net	370	711	801
OG headcount – staff ⁽¹⁾	57	59	

(1) OG headcount represents budgeted ongoing staff headcount (both filled and unfilled positions) – excludes temporary contract workers.

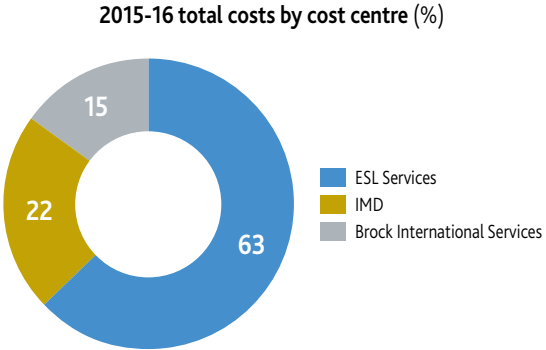
Student Services — International, as defined in the 2015-16 budget, includes English as a Second Language (ESL) Services, the Office of International Market Development (IMD), and Brock International Services.

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 — international student recruitment and creating partnerships to increase international opportunities for students. For information on IMD, visit brocku.ca/international-market-development

The Mission of Brock International Services is to provide services and support to all international and Canadian students, visiting international scholars, Brock faculty and researchers, institutional partners and visitors by offering a wide range of high-quality programs, activities and international opportunities to meet the goals and objectives of the Brock Integrated Strategic Plan, in which internationalization is a key institutional priority. For information on Brock International Services, visit brocku.ca/international-services

Note: Revenue includes \$5,921,000 of student fees (\$6,373,000 in 2014-15) and \$142,000 of grant revenue (\$150,000 in 2014-15). Operating Costs include \$1,126,000 of purchased services (\$1,134,000 in 2014-15).



Co-op and Career Services

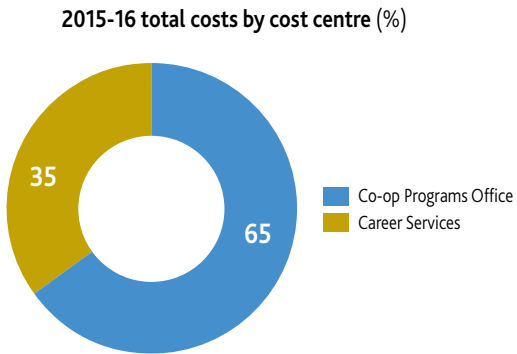
(\$000s)	Budget 2015-16	Budget 2014-15	Actual 2013-14
Revenue	1,265	1,232	1,388
Personnel costs	(1,988) 90.3%	(1,797) 89.9%	(2,826) 92.8%
Operating costs	(213) 9.7%	(203) 10.2%	(219) 7.2%
Total costs	(2,201) 100%	(2,000) 100%	(3,045) 100%
Net	(936)	(768)	(1,657)
OG headcount – staff ⁽¹⁾	23	21	

(1) OG headcount represents budgeted ongoing staff headcount (both filled and unfilled positions) – excludes temporary contract workers.

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

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. For information on Career Services, visit brocku.ca/career-services

Note: Revenue includes \$1,168,000 of student fees (\$1,087,000 in 2014-15). 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.



Athletics and Recreation

(\$000s)	Budget 2015-16	Budget 2014-15	Actual 2013-14
Revenue	4,865	4,743	4,714
Personnel costs	(3,693) 63.3%	(3,459) 60.7%	(3,201) 56.8%
Operating costs	(2,137) 36.7%	(2,240) 39.3%	(2,433) 43.2%
Total costs	(5,830) 100%	(5,699) 100%	(5,634) 100%
Net	(965)	(956)	(920)
OG headcount – staff ⁽¹⁾	29	28	

(1) OG headcount represents budgeted ongoing staff headcount (both filled and unfilled positions) – excludes temporary contract workers.

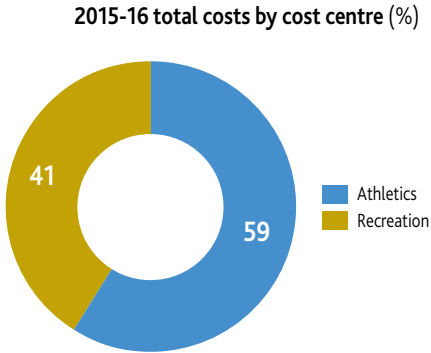
The Department of Athletics and Recreation provides programming for nearly 20,000 Brock students, staff, faculty and members of the community through intramurals, fitness programming, aquatics, certification programs, day camps, inclusive children’s programming and more. The department operates facilities in the Walker Complex, including three gymnasias, the recreational 200-metre track, squash courts, the Zone fitness centre and the Eleanor Misener Aquatic Centre, in addition to the four outside tennis courts and seven playing fields. It also provides support for academic classes, varsity programming and competition, University activities, community and conference rentals. Athletics and Recreation is the largest student employer on campus. It hires, trains, schedules, supervises and evaluates more than 400 students each year. For information on Brock’s recreational programming, visit brocku.ca/recreation-services

Badgers Athletics gives more than 750 students (28 varsity athletic teams and eight recreational competitive clubs) the opportunity to participate in intercollegiate athletics. Varsity 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). Recreational clubs include: ball hockey, equestrian, figure skating, track and field, ringette, ultimate Frisbee, women’s lacrosse and power lifting. For information on Badgers Athletics, visit gobadgers.ca

The Department of Athletics and Recreation also engages the surrounding community through athletic events, community partnerships, news media exposure and the Badger Sports Camp programs. It also runs the Brock University Athletic Therapy Clinic, which provides sport medicine care for the Brock community.

Note: Revenue includes \$2,910,000 of student fees (\$2,787,000 in 2014-15). Operating costs include \$239,000 capital replacement and repairs and maintenance costs (\$361,000 in 2014-15), and \$235,000 of purchased services (\$249,000 in 2014-15).



Shared services

Leadership

(\$000s)	Budget 2015-16	Budget 2014-15	Actual 2013-14
Revenue	16	16	113
Personnel costs	(2,735) 84.0%	(2,909) 84.6%	(3,283) 84.5%
Operating costs	(520) 16.0%	(531) 15.4%	(601) 15.5%
Total costs	(3,255) 100%	(3,440) 100%	(3,884) 100%
Net	(3,239)	(3,424)	(3,771)
OG headcount – staff ⁽¹⁾	18	19	

(1) OG headcount represents budgeted ongoing staff headcount (both filled and unfilled positions) – excludes temporary contract workers.

Leadership, as defined in the 2015-16 budget, represents a number of the Offices of Senior Administration, including the offices of the President; the Provost and Vice-President, Academic; the Vice-President, Finance and Administration; the Vice-President, Research (Note: see the Research Services responsibility centre for revenue and costs of the rest of the Research Department); the Vice-Provost and Associate Vice-President, Academic; Vice-Provost Teaching and Learning; the Vice-Provost and Associate Vice-President, Student Services; Faculty Relations; as well as the operating costs of the Board of Trustees and Senate.

Note: Operating costs include \$178,000 of purchased services (\$137,000 in 2014-15).



Information Technology Services

(\$000s)	Budget 2015-16	Budget 2014-15	Actual 2013-14
Revenue	953	972	1,289
Personnel costs	(6,251) 77.8%	(6,249) 79.7%	(6,246) 68.0%
Operating costs	(1,782) 22.2%	(1,594) 20.3%	(2,945) 32.0%
Total costs	(8,033) 100%	(7,843) 100%	(9,191) 100%
Net	(7,080)	(6,871)	(7,902)
OG headcount – staff ⁽¹⁾	66	63	

(1) OG headcount represents budgeted ongoing staff headcount (both filled and unfilled positions) – excludes temporary contract workers.

Information Technology Services’ (ITS) mission is to provide top-quality service and technological solutions to enable students, faculty and staff to study, research and work more effectively and efficiently. ITS works closely with students, faculty and staff to provide desktop support, audiovisual classroom support, telephone and conferencing, high-speed and wireless networks, network identity management, portal access, administrative and academic systems, project and administrative support. It is comprised of four areas – application development, client services, infrastructure and the Project Administrative and Support Office (PASO). The application development team architects, designs, develops and implements software solutions and processes that support all members of the Brock community. Client services supports classroom technology, audio-visual demands, Service Desks, Video/ Teleconferencing, Distance Education Support, Residence, conference technology, Call Centre, Scantron, technology procurement, and the support of all hardware, software and online services at the University. Infrastructure supports students, staff and faculty providing a co-operative learning environment for better research, data mining and analytic capabilities. PASO supports the ITS department in the following manners: budget; maintenance schedules and fees for both hardware and software; procurement; project planning; and day-to-day operations. For information on ITS, visit brocku.ca/information-technology

Note: Revenue includes \$1,202,000 of revenue related to internal charges to other departments (\$1,205,000 in 2014-15). Operating costs include \$1,252,000 capital replacement and repairs and maintenance costs (\$1,018,000 in 2014-15), and \$402,000 of purchased services (\$402,000 in 2014-15).

In addition to the budget above, \$2,500,000 in Information Technology Services projects are budgeted in the Capital responsibility centre. Details on these expenditures can be found on page 64.

Financial Services

(\$000s)	Budget 2015-16	Budget 2014-15	Actual 2013-14
Revenue	110	71	117
Personnel costs	(1,957) 82.5%	(1,889) 79.5%	(1,885) 82.9%
Operating costs	(415) 17.5%	(486) 20.5%	(389) 17.1%
Total costs	(2,372) 100%	(2,375) 100%	(2,274) 100%
Net	(2,262)	(2,304)	(2,157)
OG headcount – staff ⁽¹⁾	26	25	

(1) OG headcount represents budgeted ongoing staff headcount (both filled and unfilled positions) – excludes temporary contract workers.

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

Operating costs include \$209,000 of purchased services (\$312,000 in 2014-15).

Human Resources

(\$000s)	Budget 2015-16	Budget 2014-15	Actual 2013-14
Revenue	242	98	438
Personnel costs	(2,954) 84.0%	(2,790) 85.3%	(3,127) 84.7%
Operating costs	(563) 16.0%	(482) 14.7%	(566) 15.3%
Total costs	(3,517) 100%	(3,272) 100%	(3,693) 100%
Net	(3,275)	(3,174)	(3,255)
OG headcount – staff ⁽¹⁾	33	32	

(1) OG headcount represents budgeted ongoing staff headcount (both filled and unfilled positions) – excludes temporary contract workers.

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); Employee and Labour Relations; Health, Safety and Wellness; Accessibility (AODA); and Human Rights and Equity Services. For information on Human Resources, visit brocku.ca/hr

Note: Operating costs include \$263,000 of purchased services (\$181,000 in 2014-15).



University Marketing and Communications

(\$000s)	Budget 2015-16	Budget 2014-15	Actual 2013-14
Revenue	15	15	21
Personnel costs	(1,035) 60.0%	(871) 54.8%	(862) 60.0%
Operating costs	(689) 40.0%	(718) 45.2%	(574) 40.0%
Total costs	(1,724) 100%	(1,589) 100%	(1,436) 100%
Net	(1,709)	(1,574)	(1,415)
OG headcount – staff ⁽¹⁾	12	12	

(1) OG headcount represents budgeted ongoing staff headcount (both filled and unfilled positions) – excludes temporary contract workers.

The Office of University Marketing and Communications (UMC) performs Brock’s in-house promotional, marketing, communications and public affairs functions. As guardians of the University’s brand and reputation, UMC informs students, prospective students, parents and the general public about events, developments and achievements involving Brock or its staff and students. UMC does this by issuing or publishing information on platforms ranging from digital and social media to mainstream advertising to media relations support for journalists.

UMC’s key services include strategic direction and tactical implementation of brand management; integrated marketing communications; media relations; public relations; research communications and web marketing. Learn more about UMC at brocku.ca/marketing-communications

Development and Alumni Relations

(\$000s)	Budget 2015-16	Budget 2014-15	Actual 2013-14
Revenue	812	744	781
Personnel costs	(1,640) 65.3%	(1,724) 63.4%	(1,684) 70.0%
Operating costs	(870) 34.7%	(996) 36.6%	(722) 30.0%
Total costs	(2,510) 100%	(2,720) 100%	(2,406) 100%
Net	(1,698)	(1,976)	(1,625)
OG headcount – staff ⁽¹⁾	20	24	

(1) OG headcount represents budgeted ongoing staff headcount (both filled and unfilled positions) – excludes temporary contract workers.

The Department of Development and Alumni 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, 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 2015-16 budget, are presidential fundraising 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 and brocku.ca/alumni

University Services

(\$000s)	Budget 2015-16	Budget 2014-15	Actual 2013-14
Revenue	2,958	2,994	2,794
Personnel costs	(1,451) 44.2%	(1,428) 42.6%	(1,392) 45.5%
Operating costs	(1,834) 55.8%	(1,922) 57.4%	(1,667) 54.5%
Total costs	(3,285) 100%	(3,350) 100%	(3,059) 100%
Net	(327)	(356)	(265)
OG headcount – staff ⁽¹⁾	18	18	

(1) OG headcount represents budgeted ongoing staff headcount (both filled and unfilled positions) – excludes temporary contract workers.

University Services, as defined in the 2015-16 budget, includes Printing and Digital Services, Central Receiving and Mail Services, Community Learning and Youth University, Visitor Services and in 2014-15, Continuing Education.

Printing and Digital Services is the official on-campus provider for printing, stationery and the management of the fleet of multifunction copiers across campus. The department provides a full in-house manufacturing facility to produce a wide range of print materials for academic, administrative and student print requirements. For information on Printing and Digital Services, visit brocku.ca/printing

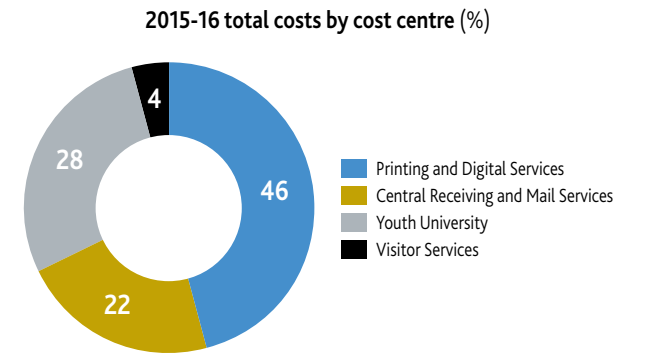
The Central Receiving and Mail Services Department’s goal is to provide timely delivery and processing of mail for the University, including all Canada Post letter mail and parcels, all U.S. and international letter mail, registered mail items, priority courier shipments, inter-University transit system,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

Community Learning and Youth University is a community engagement initiative of Brock University aimed at empowering youth and families, as well as Brock students, with the transferable skills and aspirations needed to thrive in the 21st century. In doing so, Youth University and Community Learning contributes to the following three institutional goals: community development, Brock student development and University development. For information on Youth University, visit brocku.ca/youth-university

Visitor Services is responsible for operating the Information Desk in the Schmon Tower and Theal House. For more information, visit brocku.ca/about/why/visitor-information

Continuing Education was included in 2014-15 budget, representing \$14,000 of net operating costs. It was discontinued during the year and is no longer being offered. As such it is not included in the 2015-16 budget.

Note: Revenue includes \$891,000 of student fees (\$921,000 in 2014-15), \$2,027,000 of revenue related to internal charges to other departments (Printing and Digital Services and Mail Services) (\$2,035,000 in 2014-15). Operating costs include \$1,111,000 of purchased services (\$1,155,000 in 2014-15).



Shared Services Support

(\$000s)	Budget 2015-16	Budget 2014-15	Actual 2013-14
Personnel costs	(1,277) 89.4%	(1,203) 89.2%	(1,299) 94.1%
Operating costs	(151) 10.6%	(145) 10.8%	(82) 5.9%
Total costs	(1,428) 100%	(1,348) 100%	(1,381) 100%
Net	(1,428)	(1,348)	(1,381)
OG headcount – staff ⁽¹⁾	14	13	

(1) OG headcount represents budgeted ongoing staff headcount (both filled and unfilled positions) – excludes temporary contract workers.

Shared Services Support, as defined in the 2015-16 budget, represents the Office of the University Secretariat, the Office of Government Relations, Institutional Analysis and Planning, and the Internal Audit Department.

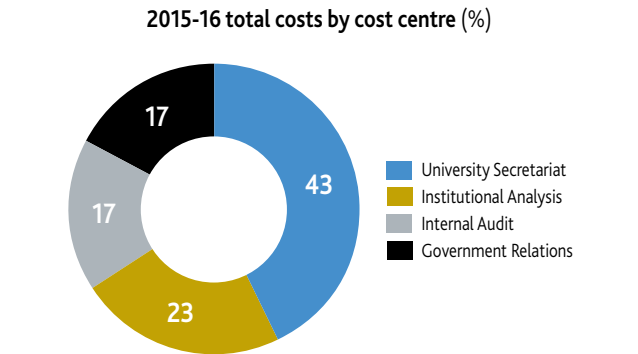
The University Secretariat works to ensure that the University’s two governing bodies (Board of Trustees and Senate) and their committees operate effectively and efficiently, by providing administrative services, research and analysis and general support. The Office of the University Secretariat also has primary responsibility for the administration of the Freedom of Information and Protection of Privacy Act (FIPPA) and advising on the application of the legislation as delegated by the President and Vice-Chancellor. For more information on the University Secretariat, visit brocku.ca/university-secretariat

The Office of Government Relations represents the University in range of activities that includes 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

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/institutional-analysis

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 and traditional risk-and-control-based audits. For information on the Internal Audit Department, visit brocku.ca/internal-audit



Ancillary

Ancillary Operations

Ancillary Operations, as defined in the 2015-16 budget, includes the Campus Store, Parking Services, Conference Services and Hospitality Services. Overall, Ancillary Operations is expected to contribute \$4.75 million (\$4.5 in 2014-15) to the University. Note: For the purposes of this report, net expenses of the Office of the Associate Vice-President of Ancillary and University Services has been allocated to the departments within Ancillary Operations.

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 brock.bookware3000.ca. Note: operating costs include \$8,088,000 of cost of sales (\$8,095,000 in 2014-15).

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 and products; the enforcement of parking regulations; the collection of enforcement charges; the administration of appeals from violators; event parking services; and the processing of refund requests upon withdrawal from the University. Parking Services operates 27 permit lots and visitor lots with a total capacity of 4,537 cars on main campus, as well as residence, academic and commercial lots and on the east side of Glenridge Avenue, plus the MIWSFPA downtown location and the Hamilton campus. The parking fees for 2015-16 were approved by the Board of Trustees on Dec. 10, 2014. For information on Parking

Services, visit brocku.ca/parking-services. Note: operating costs include \$273,000 of repairs and maintenance and capital replacement costs (\$271,000 in 2014-15) and \$259,000 purchased services (\$249,000 in 2014-15).

Conference and Event Services

Conference and Event Services attracts, facilitates, and co-ordinates internal and external events on campus by providing accommodations, food, event planning, and registration services for small or large conference groups. They also co-ordinate all internal and external non-academic room bookings. Included as part of Conference Services is the Summer Residence Operations, which accommodates students, individuals and groups who stay on campus during the spring and summer months. For information on Conference Services, visit brocku.ca/conference-services. Note: operating costs include \$416,000 of utility costs (\$419,000 in 2014-15) and \$137,000 of repairs and maintenance and capital replacement costs (\$156,000 in 2014-15).

Hospitality Services

Hospitality Services encompasses six key areas: Dining Services, Brock Card, 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 10 locations on campus. Visit brocku.ca/dining-services. Brock Card oversees the daily operations of meal plans and flex dollar transactions both on and off campus. The Brock Card is a multi-purpose ID card that serves as a University passport, providing identification and access, while facilitating cashless transactions both on and off campus. Visit brocku.ca/card. Liquor Services provides the alcohol services details to events on campus. Visit brocku.ca/hospitality-services. Note: operating costs include \$407,000 of capital replacement and repairs and maintenance costs (\$409,000 in 2014-15)

\$(000s)	Campus Store	Parking Services	Conference and Event Services	Hospitality Services	Total Ancillary Operations
Budget 2015-16					
Revenue	11,036	3,224	1,711	1,802	17,773
Personnel costs	(1,332)	(469)	(667)	(343)	(2,811)
Operating costs*	(8,332)	(610)	(632)	(632)	(10,206)
Total costs	(9,664)	(1,079)	(1,299)	(975)	(13,017)
Net	1,372	2,145	412	827	4,756
Budget 2014-15					
Revenue	10,842	3,185	1,700	1,717	17,444
Personnel costs	(1,282)	(433)	(716)	(303)	(2,734)
Operating costs*	(8,309)	(613)	(656)	(633)	(10,211)
Total costs	(9,591)	(1,046)	(1,372)	(936)	(12,945)
Net	1,251	2,139	328	781	4,499
Actual 2013-14					
Revenue	10,338	3,126	1,702	1,502	16,668
Personnel costs	(1,425)	(408)	(717)	(265)	(2,815)
Operating costs*	(8,111)	(578)	(592)	(407)	(9,688)
Total costs	(9,536)	(986)	(1,309)	(672)	(12,503)
Net	802	2,140	393	830	4,165
OG headcount – staff ^{(1), (2), (3)}					
Budget 2015-16	13	4	5	4	28
Budget 2014-15	13	3	5	4	27

(1) OG headcount represents budgeted ongoing staff headcount (both filled and unfilled positions) – excludes temporary contract workers.
(2) Included in Total Ancillary Operations OG headcount is two positions (both in the Office of the Vice President of Ancillary and University Services), which have not been allocated to any ancillary operation.
(3) The 13 CUPE 1295 positions (full-time maintenance, trades and custodial staff) jointly used by the Department of Residence and Conference and Event Services are shown as part of the Department of Residence headcount figures.
* 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.



Department of Residences

(\$000s)	Budget 2015-16	Budget 2014-15	Actual 2013-14
Revenue	16,493	15,734	15,370
Personnel costs	(2,517) 16.2%	(2,459) 16.3%	(2,201) 19.0%
Operating costs	(13,036) 83.8%	(12,612) 83.7%	(9,402) 81.0%
Total costs	(15,553) 100%	(15,071) 100%	(11,603) 100%
Net	940	663	3,767
OG headcount – staff ⁽¹⁾	31	31	

(1) OG headcount represents budgeted ongoing staff headcount (both filled and unfilled positions) – excludes temporary contract workers.

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 academic term. For information on the Department of Residences, visit 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; be competitive 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 Dec. 10, 2014. The overall average residence fee revenue increased 1.99 per cent, ranging from 1.19 per cent to 2.65 per cent depending on residence and bed type. Approved residence fees for 2015-16 can be found at brocku.ca/residence/residence-admissions/fees

Note: Revenue includes \$16,207,000 of residence fees (\$15,457,000 in 2014-15). Operating costs include \$4,432,000 of financial expenditures (\$4,432,000 in 2014-15); \$1,855,000 of utility costs (\$2,169,000 in 2014-15); \$4,094,000 of capital replacement and repairs and maintenance costs, including the Residence projects captured in the capital and related projects budget, detailed starting on page 69 of this report (\$3,679,000 in 2014-15); \$1,053,000 of rent related to the Quarry View Residence (\$1,052,000 in 2014-15); and \$942,000 of purchased services (\$853,000 in 2014-15).



Space

Facilities Management

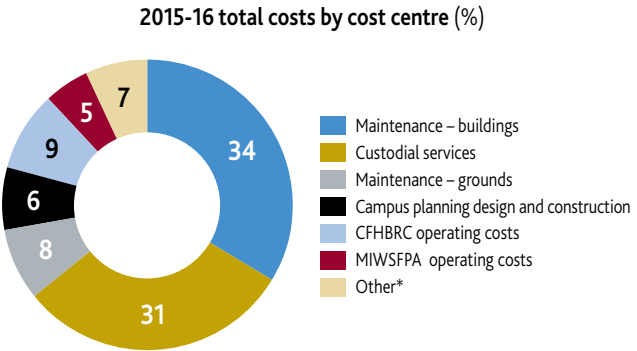
(\$000s)	Budget 2015-16	Budget 2014-15	Actual 2013-14
Revenue	1,004	1,072	1,964
Personnel costs	(12,459) 76.7%	(11,312) 76.5%	(11,543) 77.1%
Operating costs	(3,787) 23.3%	(3,469) 23.5%	(3,433) 22.9%
Total costs	(16,246) 100%	(14,781) 100%	(14,976) 100%
Net	(15,242)	(13,709)	(13,012)
OG headcount – staff ⁽¹⁾	154	150	

(1) OG headcount represents budgeted ongoing staff headcount (both filled and unfilled positions) – excludes temporary contract workers.

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; grounds maintenance; campus planning, design and construction; code and bylaw compliance; and custodial operations. The Facilities Management related personnel and operating costs of the MIWSFPA downtown location are included in the Facilities Management 2015-16 budget (\$804,000). For more information, visit brocku.ca/facilities-management

Note: Revenue includes \$240,000 of grant revenue related to the Research Support Fund (\$240,000 in 2014-15) and \$707,000 of revenue related to internal charges to other departments within the University (\$705,000 in 2014-15). Operating costs include \$2,799,000 of capital replacement and repairs and maintenance costs (\$2,771,000 in 2014-15); and \$790,000 of purchased services (\$451,000 in 2014-15). Utilities costs are not included in the Facilities Management budget and are reported as part of the Utilities, Taxes and Insurance responsibility centre on page 62.

In addition to the budget above, \$8,500,000 in Facilities Management projects are budgeted in the Capital responsibility centre. Details on these expenditures can be found on page 64.



*Includes Facilities Management administration.

Campus Security Services

(\$000s)	Budget 2015-16	Budget 2014-15	Actual 2013-14
Revenue	17	14	13
Personnel costs	(1,363) 58.1%	(1,311) 70.2%	(1,157) 68.8%
Operating costs	(982) 41.9%	(557) 29.8%	(524) 31.2%
Total costs	(2,345) 100%	(1,868) 100%	(1,681) 100%
Net	(2,328)	(1,854)	(1,668)
OG headcount – staff ⁽¹⁾	18	17	

(1) OG headcount represents budgeted ongoing staff headcount (both filled and unfilled positions) – excludes temporary contract workers.

Campus Security Services is a dedicated team of experienced, skilled professionals who provide a safe and secure environment for the Brock community and all University campuses and properties. They are a Special Constable service responsible for community policing, enforcing federal and provincial statutes, assisting and supporting any victims of crime, and apprehending offenders. They work closely with all University departments and are responsible for emergency preparedness and life safety in partnership with external emergency agencies and responders. For more information on Campus Security, including statistical information, visit brocku.ca/campus-security

Note: Operating costs include \$872,000 of purchased services (\$462,000 in 2014-15) – increase is due to the opening of the MIWSFPA building.

Hybrid Space

(\$000s)	Budget 2015-16	Budget 2014-15	Actual 2013-14
Revenue	400	347	377
Operating costs	(209)	(279)	(124)
Total costs	(209)	(279)	(124)
Net	191	68	253

Hybrid Space, as defined in the 2015-16 budget, represents Heritage Place Plaza, built in 2003 on Glenridge Avenue across from the main Decew campus. Businesses housed there include Avondale Convenience, McDonald's, Tim Hortons, Pen Financial, Santa Fe Pizza, and Campus Pharmacy. There is one vacate unit.

Utilities, Taxes and Insurance

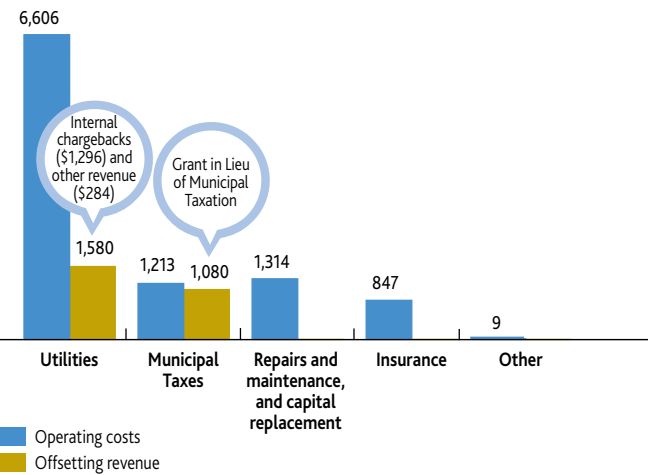
(\$000s)	Budget 2015-16	Budget 2014-15	Actual 2013-14
Revenue	2,660	1,443	1,639
Operating costs	(9,989)	(8,960)	(8,185)
Total costs	(9,989)	(8,960)	(8,185)
Net	(7,329)	(7,517)	(6,546)

The Utilities, Taxes and Insurance responsibility centre includes all centrally-billed utility costs of \$6,606,000, which represents the majority of the University’s total utility costs (\$7,270,000). Note: The remaining \$664,000 of utility costs are billed directly to operating units. As detailed in the chart below, offsetting these utility costs are chargebacks to both internal units and other units external to the University. A discussion of efficiencies gained with respect to utility costs can be found in Appendix E.

Also included in operating costs are municipal taxes (payment in lieu of property taxes) of \$1,213,000, offset by the Grant in Lieu of Municipal Taxes of \$1,080,000. For more details, see page 31.

The remaining operating costs are made up of repairs and maintenance and capital replacement costs of \$1,314,000, the majority of which is related to the University’s co-generation plant; insurance costs of \$847,000, and other administrative costs of \$9,000.

2015-16 operating costs vs offsetting revenue (\$000s)



Financing

(\$000s)	Budget 2015-16	Budget 2014-15	Actual 2013-14
Revenue		80	
Operating costs	(5,652)	(6,563)	(7,827)
Total costs	(5,652)	(6,563)	(7,827)
Net	(5,652)	(6,483)	(7,827)

Along with the Department of Residence, the Financing responsibility centre includes all of the interest and principal payments of the University’s external debt as well as the investment towards a debt reduction strategy. See details below:

(\$000s)	Budget 2015-16		Budget 2014-15	
	Financing responsibility centre	Department of Residence	Financing responsibility centre	Department of Residence
Bond – interest	2,136	2,483	2,137	2,483
Cairns – interest	1,217		1,249	
Cairns – principal	687		655	
Residence – interest		1,185		1,238
Residence – principal		765		712
MIWSFPA building – interest	417		462	
MIWSFPA building – principal	720		518	
Debt reduction strategy	475			
Total	5,652	4,433	5,021	4,433

The 2014-15 revenue in this unit represents budgeted donations to offset the debt payments for the Cairns and MIWSFPA buildings.

Note: Included in the 2014-15 budget was net internal financing costs of \$1,542,000. All internal financing has been unwound and removed from the budget in fiscal 2015-16 and going forward.

See the page 73 for further discussion of Brock’s financing strategies and debt outstanding.

Global

Scholarships, Bursaries and Student Awards

(\$000s)	Budget 2015-16	Budget 2014-15	Actual 2013-14
Revenue	1,000	560	1,570
Operating costs	(15,855)	(14,380)	(15,633)
Total costs	(15,855)	(14,380)	(15,633)
Net	(14,855)	(13,820)	(14,063)

This unit represents the majority of Brock’s undergraduate and graduate scholarships, bursaries and student awards (SBSAs). Of the total SBSAs, \$9,127,000 (\$8,499,000 in 2014-15) relates to support for undergraduate students and \$6,728,000 (\$5,881,000 in 2014-15) relates to support for graduate students.

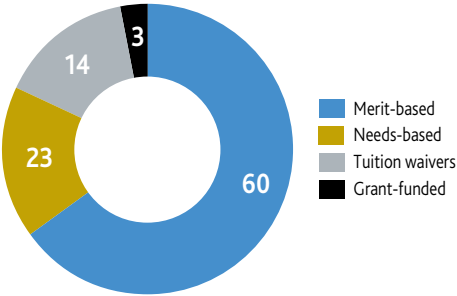
Undergraduate

The undergraduate SBSAs can be segregated into three main types: University-funded, those funded by government grants, and student tuition waivers. Undergraduate University-funded SBSAs are either merit-based or need-based. Merit-based awards are budgeted to be \$5,465,000 (\$5,080,000 in 2014-15). Included in these awards are the Brock Entrance Scholars Awards of \$2,278,000 (\$2,278,000 in 2014-15) and renewals of those scholarships of \$2,270,000 (\$2,270,000 in 2014-15). Also included in the merit-based awards in 2015-16 is \$250,000 of scholarships related to the new predictive modelling techniques and \$150,000 for the new Principal’s awards, as described on page 8 of this report. Undergraduate need-based awards are budgeted to be \$2,130,000 (\$1,830,000 in 2014-15). This includes funding related to the requirements of the Student Access Guarantee (SAG), an MTCU initiative that 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. SAG funding is budgeted to be \$800,000 in 2015-16, an increase of \$200,000 over 2014-15 as a result of tuition fee increases. Also included in need-based awards is Brock’s bursary assistance of \$800,000 (\$800,000 in 2014-15) as well as Brock’s entrance bursaries of \$350,000, which increased \$100,000 from 2014-15. See page 8 of this report for an explanation of this increase.

Undergraduate student tuition waivers for Brock faculty and staff and their dependents are budgeted to be \$1,295,000 (\$1,242,000 in 2014-15).

Total grant-funded undergraduate SBSAs for 2015-16 are budgeted to be \$237,000 (\$347,000 in 2014-15), which is directly offset in grant revenue.

2015-16 undergraduate scholarships and student awards (%)



Graduate

The majority of graduate SBSAs are in the form of University-funded fellowships of \$4,068,000 (\$4,075,000 in 2014-15). Other graduate SBSAs of \$1,389,000 (\$1,365,000 in 2014-15) include University-funded entrance scholarships, awards for excellence, and research awards. In addition, there are scholarships funded two-thirds by the MTCU in the amount of \$1,145,000 (\$320,000 in 2014-15), with an offsetting grant revenue of \$763,000 (\$213,000 in 2014-15).

Also included in graduate SBSAs are student tuition waivers for Brock faculty and their dependents and Brock staff, which are budgeted to be \$126,000 (\$121,000 in 2014-15).

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, in the form of student awards or student employment, to help ensure institutions have sufficient funds to meet their SAG obligations. As of 2010-11, the set-aside requirement is the sum of the prior year’s set-aside and 10 per cent of the rate-driven increase in average tuition (based on the previous year’s enrolment). Total tuition set-aside for 2015-16 is \$6,850,000, an increase of \$983,000 over the 2014-15 budget, representing \$4,915,000 for scholarships and bursaries (\$4,765,000 – undergraduate and \$150,000 graduate) and \$1,935,000 for funding of student employment. The set-aside funds related to scholarships and bursaries are included in the figures detailed above as part of the Scholarship, Bursaries and Student Awards responsibility centre, and the student employment costs are included in the respective department personnel costs where students are planned to be employed.

Note: Additional undergraduate scholarships and awards of \$0.24 million and graduate student awards of \$0.24 million are included in other units throughout the University.

Capital

(\$000s)	Budget 2015-16	Budget 2014-15	Actual 2013-14
Revenue	4,542	2,732	573
Personnel costs	0.0%	(300) 3.3%	0.0%
Operating costs	(11,000) 100.0%	(8,734) 96.7%	(3,320) 100.0%
Total costs	(11,000) 100%	(9,034) 100%	(3,320) 100%
Net	(6,458)	(6,302)	(2,747)
OG headcount – staff ⁽¹⁾	0	3	

(1) OG headcount represents budgeted ongoing staff headcount (both filled and unfilled positions) – excludes temporary contract workers.

The Capital responsibility centre represents the total funding from the 2015-16 funding budget of both the Facilities Management projects of \$8,500,000 (\$7,594,000 in 2014-15) and the Information Technology Services projects of \$2,500,000 (\$1,440,000 in 2014-15) in the capital and related project budget.

Offsetting these costs is the funding of the capital and related project budget from the Department of Residence of \$2,267,000 (\$1,775,000 in 2014-15) for facilities management projects and \$393,000 (\$384,000 in 2014-15) for infrastructure management projects and the \$1,000,000 (\$0 in 2014-15) transfer from capital reserves to fund the facilities management projects.

Also included in revenue is Facilities Renewal Program Funds of \$882,000 (\$573,000 in 2014-15). See page 32 for a discussion of these funds.

See pages 67 to 71 for details of the capital and related project budget.



University Global

(\$000s)	Budget 2015-16	Budget 2014-15	Actual 2013-14
Revenue	212,285	211,713	205,087
Personnel costs	(899) 45.7%	(1,496) 36.8%	(2,247) 54.3%
Operating costs	(1,067) 54.3%	(2,568) 63.2%	(1,891) 45.7%
Total costs	(1,966) 100%	(4,064) 100%	(4,138) 100%
Net	210,319	207,649	200,949

University Global represents those costs and revenue that are University-wide and have not been allocated to any specific Faculty or department.

- Revenue** for University Global includes the following:
- Global tuition of \$126,703,000 (\$122,581,000 in 2014-15) as detailed in Table 5 on page 24.
 - Grant revenue of \$82,832,000 (\$88,175,000 in 2014-15) as follows:
 - Operating grants of \$81,763,000 (\$87,375,000 in 2014-15) – see page 29.
 - Graduate Enrolment Capital Expansion Grant of \$750,000 (\$800,000 in 2014-15) – see page 32.
 - Teacher Education Transition Funding of \$319,000 (\$0 in 2014-15) – see page 31.
 - Investment income of \$700,000 (\$555,000 in 2014-15), – see page 34.
 - International Student Recovery Fee of \$1,066,000 (\$0 in 2014-15) – see page 28.
 - Other revenue of \$984,000 (\$401,000 in 2014-15), which mainly represents fees charged on student accounts, including interest.

Personnel costs for University Global represent employee costs not specific to any one unit. In 2015-16 these costs include \$1,024,000 related to salary and wage increases that are anticipated but not yet awarded or negotiated, and \$106,000 in salaries for individuals that belong to no specific unit. Offsetting these costs are budgeted savings from voluntary reduction of \$300,000 (\$200,000 in 2014-15).

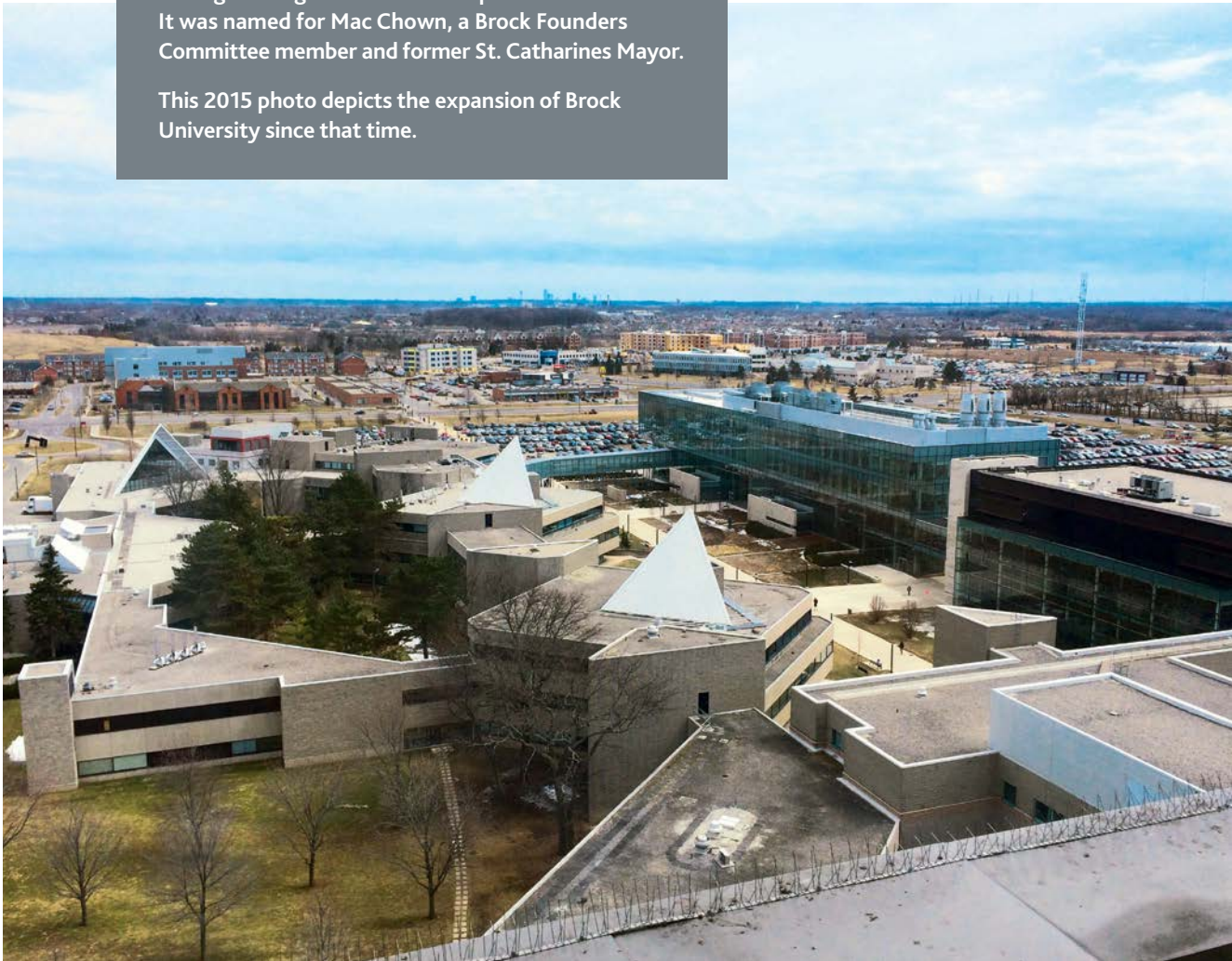
- Operating costs** for University Global include the following:
- Recruitment, relocation and startup funds for faculty members and librarians of \$399,000 (\$940,000 in 2014-15).
 - Other operating costs of \$668,000 (\$1,672,000 in 2014-15), which includes University memberships, program review costs, allowances for uncollectable funds, and other University-wide expense items (i.e. in 2014-15 Congress in the amount of \$300,000 was included).



ACADEMIC STAGING BUILDING
ARCHITECT : RAYMOND MORIYAMA
CONTRACTOR : EASTERN CONSTRUCTION
DATE OF EXPOSURE : 27 MAR 72

The Mackenzie Chown Complex opened in 1972, adding a new generation of lab space and offices. It was named for Mac Chown, a Brock Founders Committee member and former St. Catharines Mayor.

This 2015 photo depicts the expansion of Brock University since that time.



Capital and related projects budget

Tables 17 and 18 detail the new capital and related projects budget for 2015-16. This budget was approved on Dec. 11, 2014 by the Board of Trustees after the introduction of a new level of input-gathering from the Brock community. The process to develop this capital and related project budget began in the summer of 2014 when Facilities Management and Information Technology Services first published proposed projects and sought input. Further discussions were held at committee levels, including the Senate Information Technology and Infrastructure Committee and the Senate Planning Budget Advisory Committee.

Background

This approval date was a significant change from the 2014-15 capital and related projects budget that was approved on April 20, 2014 by the Board of Trustees, and the 2013-14 capital and related projects budget approved on June 27, 2013, which was also the first dedicated capital and related projects budget that the Board of Trustees had approved in recent history.

The reason for the significant change in the approval date was to allow Facilities Management and Information Technology Services time to start planning the projects so, where possible, they can be accomplished in the spring and summer when the campus is less busy, as well as to ensure there is sufficient time to obtain appropriate pricing.

At the time of writing this budget report, information and updates on the 2014-15 capital and related projects can be found in the 2014-15 Q2 and Q3 reporting at brocku.ca/finance/university-financial-information/quarterly-reports-and-forecast. A key feature of this capital and related project planning is that any unspent funds of the 2014-15 capital and related projects budget will be reserved at April 30, 2015 and be moved into fiscal 2015-16 so the projects can be completed.

2015-16 capital and related projects overview

The 2015-16 capital and related projects budget was approved at \$22,684,000. This budget included three specific projects that are 100 per cent dependent on external funding. These projects include the Schmon Tower Atrium for \$8,884,000, the artificial turf sports field for \$1,500,000 and Brock-Niagara Centre for Health & Well-being for \$1,300,000. It was noted that these projects would not proceed before additional reporting was brought back to the Board of Trustees and related committees that ensured external funding had been secured. At the time of writing this report, the only project where external funding is reasonably considered to be available in fiscal 2015-16 is the artificial turf sports field. For this reason the other two projects have been removed from the 2015-16 capital and related projects budget in this report but remain a future possibility; similar to the Goodman School of Business building which is also subject to external funding. Therefore, this report refers to the 2015-16 capital and related project budget as \$12,500,000 (\$10,000,000 related to Facilities Management projects and \$2,500,000 related to Information Technology Services projects).

We have made significant progress in recent years in providing funding to support our infrastructure going forward. The 2015-16 capital and related projects budget identified key areas of investment as post-Marilyn I. Walker School moves, health and safety, accessibility, and deferred maintenance.

The primary driver informing much of the Facilities Management campus planning regarding deferred maintenance has been the condition assessment performed by VFA Inc. As previously noted in past budget reports, VFA through the Council of Ontario Universities (COU) maintains a common reporting tool to track facilities conditions across Ontario universities for deferred maintenance reporting.



The condition assessment report (2010-2015) by VFA Inc. in January 2015 determined the University has \$112.5 million in deferred maintenance requirements (including residences) that have accumulated over a number of years of under-investing. The previous budget report referenced the May 2013 study that indicated a balance of \$117.4 million. 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, roads and parking. The specific classifications of areas of deferred maintenance are included in Table 17.

Table 17: COU VFA data (as at Jan 29, 2015)

	Deferred maintenance (\$000s)	Current replacement value (\$000s)	FCI
Academic and administrative			
Main campus	74,906	381,016	0.20
East campus	696	31,396	0.02
Satellite campus	4,141	24,805	0.17
Total academic and administrative	79,743	437,217	0.18
Site and utility infrastructure			
Roadways	1,210	5,208	0.23
Parking lots	1,408	9,133	0.15
Water supply mains	1,676	4,172	0.40
Storm sewer	2,575	7,949	0.32
Electrical distribution	6,190	20,722	0.30
Service tunnels	944	55,961	0.02
Other	7,598	18,595	0.41
Total site and utility infrastructure	21,601	121,740	0.18
Residence			
Total residence	11,168	94,354	0.12
Total	112,512	653,311	0.17

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 0.17, which translates to "Poor" (an FCI > 0.15). The January 2015 report suggested that spending between \$6.1 million and \$7.3 million per year was required to maintain this "Poor" rating. The most recent study continues to support this conclusion and informs Facilities Management goal of spending \$6 million annually on deferred maintenance projects.

To put the total spending into perspective – the replacement cost of Brock's building and site infrastructure (not including roads and parking lots) is \$653.3 million (2013 was \$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.

Recognizing some of the challenges in the current budget environment, Facilities Management will be taking a deeper dive into the deferred maintenance numbers. While the methods used and values obtained in the VFA report are appropriate, they are done at a fairly high level. At the time of writing this report, multi-year deferred maintenance reviews at a detailed level are being performed with external engineers on the residence buildings, and planning is underway to perform similar reviews on other infrastructure throughout the University. These reviews will help ensure projects chosen now and in the future will have the desired impact on the deferred maintenance backlog, help prioritize projects, and in some cases cause us to rethink the future uses of some infrastructure. This information will be useful and informative when developing future capital and related budgets.

In addition to the 2015-16 capital and related projects budget, other units maintain capital replacement and significant repairs and maintenance budgets. The Facilities Management budget (page 61) has \$2,771,000 in capital replacement and repairs and maintenance costs included as part of its operating costs. This budget supports the maintenance of projects ranging from elevator maintenance to door repairs to significant annual repair and maintenance on the co-gen plant. The Information Technologies Services budget (page 54) also maintains a capital replacement and repairs and maintenance budget of \$1,202,000.

Table 18: Capital and related project budget – Information Technology Services projects

Project	Cash flow – 2015-16	Rationale	Category
IT Infrastructure			
PCI compliance	45,000	Compliance	Campus wide
Office and lab renovations	60,000	Enhancement	Campus wide
Total IT infrastructure	105,000		
IT Hardware Evergreening (EG) and Growth			
Network switches – Administrative – EG	42,800	Planned renewal	Campus wide
Network switches – Residences – EG	53,950	Planned renewal	Residences
Network switches – Residences – Growth	13,000	Planned renewal	Residences
Network appliances – Administrative – EG	45,000	Planned renewal	Campus wide
A.V. (including video conferencing) – EG	20,250	Planned renewal	Campus wide
A.V. (including video conferencing) – Growth	48,400	Planned renewal	Campus wide
Wireless – Administrative – EG	102,000	Planned renewal	Campus wide
Wireless – Administrative – Growth	42,500	Planned renewal	Campus wide
Wireless – Residence – EG	55,250	Planned renewal	Residences
Wireless – Residence – Growth	264,000	Planned renewal	Residences
Cable television system – Residence	4,500	Planned renewal	Residences
Telephone system – Administrative	1,800	Planned renewal	Campus wide
Telephone system – Residence	1,800	Planned renewal	Residences
Disk storage growth	237,750	Planned renewal	Campus wide
Data Backup – EG	45,000	Planned renewal	Campus wide
Security door consolidation	45,000	Planned renewal	Campus wide
Cameras and alarm systems – EG	22,500	Planned renewal	Campus wide
Computer purchase and redeployment program	255,000	Planned renewal	Campus wide
Total IT hardware evergreening and growth	1,300,500		
Enterprise Software			
Campus Security incident/dispatch reporting software	40,500	Planned renewal	Campus wide
Software development tools for AODA	22,500	Accessibility	Campus wide
Configuration management software	18,000	Enhancement	Campus wide
Architecture planning tool	13,500	Enhancement	Campus wide
Finance system replacement	1,000,000	Planned renewal	Campus wide
Total enterprise software	1,094,500		
Total	2,500,000		

Projects funded by the Department of Residence = \$392,500



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

Project	Source of funds/cash flow – 2015 -16					Total project costs	Rationale	Category
	Deferred Maintenance (DM)	DM – FRP Grant	Use of 14/15 DM reserve	Other operating	External donations/ student levies			
Major capital projects								
Artificial turf sports field					1,500,000	1,500,000	Improvement	Major Capital
Total major capital projects					1,500,000	1,500,000		
New construction and replacements (under \$1 million)								
Data centre generator				250,000		250,000	Business continuity	New construction
Total new construction and replacements				250,000		250,000		
Project management and administration								
Facility condition audits (VFA)	75,000					75,000	Planning	Study review
Total project management and administration	75,000					75,000		
Buildings								
Swimming pool hydraulic cylinder renewal	75,000					75,000	Deferred maintenance	Mechanical
High-voltage equipment renewal	75,000					75,000	Deferred maintenance	Electrical
Annual controls conversion	32,500					32,500	Deferred maintenance	Electrical
Sub-station deficiencies	63,308	21,692				85,000	Deferred maintenance	Electrical
Podium roof		435,000				435,000	Deferred maintenance	Roof
Mackenzie Chown (MC) "A" roofs 57 and 58		425,000				425,000	Deferred maintenance	Roof
Aquatic centre structural repair	1,200,000					1,200,000	Deferred maintenance	Structural renewal
Walker Complex-FAHS air quality upgrades			1,000,000			1,000,000	Health and safety	Mechanical
Total buildings	1,445,808	881,692	1,000,000			3,327,500		
Surface/above-surface/sub-surface utilities, distribution								
Back-flow prevention – St. Catharines	50,000					50,000	Code compliance	Utilities
Total surface/above-surface/sub-surface utilities, etc.	50,000					50,000		
Adaptations/renovations and major renewal								
Library 6th floor group learning				105,000		105,000	Student experience	renovations
Post MIWSFPA renovations**	457,500			1,067,500		1,525,000	Space reconfiguration	renovations
Centre for Digital Humanities facilities plan				179,000		179,000	Student experience	Classroom modernization
East Academic (EA) learning space ITS/AV modernization				190,000		190,000	Renewal	Classroom modernization
MC and EA seminar room and flat classroom renewal				100,000		100,000	Renewal	Classroom modernization
Total adaptations/renovations and major renewal	457,500			1,641,500		2,099,000		
Audits								
Parking lot audit/master plan				53,500		53,500	Planning	Study/review
Total audits				53,500		53,500		

Table 19: (continued)

Project	Source of funds/cash flow – 2015-16					Total project costs	Rationale	Category
	Deferred Maintenance (DM)	DM – FRP Grant	Use of 14/15 DM reserve	Other operating	External donations/ student levies			
Residence								
Lowenberger carpet replacement	150,000					150,000	Deferred maintenance	Interior
DeCew lighting retrofit	200,000					200,000	Deferred maintenance	Electrical (ECDM*)
Miscellaneous bedroom painting	150,000					150,000	Deferred maintenance	Interior
Miscellaneous public area painting	50,000					50,000	Deferred Maintenance	Interior
Village fire alarm/emergency notification	1,140,000					1,140,000	Health and Safety	Electrical
Village exterior court lighting (final phase)	50,000					50,000	Deferred maintenance	Electrical
Village interior renewal	67,500					67,500	Deferred maintenance	Interior
Lowenberger cladding replacement	200,000					200,000	Deferred maintenance	Building exterior
Decew painting renewal	100,000					100,000	Deferred Maintenance	Interior
Village furniture replacement				100,000		100,000	Planned renewal	Furniture
Village underground conduit-wireless system				115,000		115,000	Wireless access	Information technology
Total residence	2,107,500			215,000		2,322,500		
AODA * accessible built environment								
Exterior paths of travel (design of public spaces)				25,000		25,000	Accessibility	AODA*
Life safety – visual alarms				25,000		25,000	Accessibility	AODA*
Residences – door operators				60,000		60,000	Accessibility	AODA*
Parking curb cuts and spaces				15,000		15,000	Accessibility	AODA*
Total AODA accessible built environment				125,000		125,000		
Vehicles								
Main campus-restricted new and replacement utility vehicles				28,000		28,000	Planned renewal	Transportation
FM maintenance and utilities replacement vehicles				28,500		28,500	Planned renewal	Transportation
Small equipment				32,000		32,000	Planned renewal	Transportation
FM staff vehicle replacement – used				18,000		18,000	Planned renewal	Transportation
Campus security new and replacement vehicles				35,000		35,000	Planned renewal	Transportation
MIWSFPA				35,000		35,000	Planned Renewal	Transportation
Community and ancillary services (Conference Services RTVs)				21,000		21,000	Planned renewal	Transportation
Total vehicles				197,500		197,500		
Total	4,135,808	881,692	1,000,000	2,482,500	1,500,000	10,000,000		
	← Deferred Maintenance = \$6,017,500 →							

Projects funded by the Department of Residence = \$2,267,500

Total projects funded by the funding budget = \$8,500,000

* AODA – Accessibility for Ontarians with Disabilities; ECDM – Energy Conservation and Demand Management Plan
** Estimated 30% deferred maintenance.



Financing

Table 20 details the current and projected external debt of the University. It does not reflect any new external debt past 2014-15. At the time of writing this report, there are no approved projects that would require additional debt financing. 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. Other future debt maturities can be found in the audited financial statements of the University.

On March 12, 2015, the Board of Trustees approved a debt reduction strategy that would see \$475,000 set aside each year starting in 2014-15 plus any infrastructure donations received for the Marilyn I. Walker School of Fine and Performing Arts building. The \$18 million loan described above is up for renewal in June 2019, at which time \$14.4 million will remain

outstanding. Donations towards the building are expected to accumulate \$6.2 million by that time. With the additional \$475,000 annual contribution to an internally restricted debt reduction reserve, Brock will have \$2.4 million set aside by June 2019. This will leave Brock with only \$5.8 million (\$14.4 million less \$6.2 million less \$2.4 million) in principal outstanding. This remaining amount will either need to be repaid or refinanced at that time. Table 20 suggests it will be refinanced but that will be a decision for a future Board of Trustees.

The rationale for the debt reduction strategy can be found in Table 21, which highlights some key debt metrics and compares Brock to the median of other universities in our comprehensive category. The table illustrates that Brock compares very poorly to other Canadian universities in our category with respect to debt.

Table 20: Fiscal year-end balance sheet values

(\$000s) (unless otherwise noted)	Actual			Budget		Forecast			
	April 30, 2012	April 30, 2013	April 30, 2014	April 30, 2015	April 30, 2016	April 30, 2017	April 30, 2018	April 30, 2019	April 30, 2020
Bond	93,000	93,000	93,000	93,000	93,000	93,000	93,000	93,000	93,000
Cairns	32,696	27,550	26,925	26,269	25,583	24,863	24,109	23,319	22,491
Residence	18,792	18,175	17,513	16,801	16,037	15,215	14,333	13,385	12,366
460 St. David's Road	2,496	2,341							
MIWSFPA building				17,400	16,680	15,960	15,240	14,520	5,240
Total debt	146,984	141,066	137,438	153,470	151,300	149,038	146,682	144,224	133,097
Total student FFTE	18,675	19,287	19,882	20,031	19,526	19,456	19,269	19,172	19,025
Debt/FFTE (in dollars)	\$7,871	\$7,314	\$6,913	\$7,661	\$7,748	\$7,660	\$7,612	\$7,523	\$6,996
Debt reduction strategy									
Sinking fund*			4,770	5,029	5,357	5,705	6,077	6,472	6,893
Debt repayment reserve				475	950	1,425	1,900	2,375	475
M. I. Walker donation for building				5,045	5,181	5,321	5,465	5,612	
Other donations MIWSFPA building				250	324	399	473	548	74
Total assets for debt reduction			4,770	10,799	11,812	12,850	13,915	15,007	7,442
Total net debt			132,668	142,671	139,488	136,188	132,767	129,217	125,655
Net debt/FFTE (in dollars)			\$6,673	\$7,122	\$7,144	\$7,000	\$6,890	\$6,740	\$6,605

*Sinking fund forecast shows rolling balance one year ahead of requirement. Actual balance currently two years ahead of requirement.

Table 21: Financial health metrics

	Brock		Median*	
	April 2014	April 2013	April 2014	April 2013
Primary reserve ratio	3.4%	4.2%	31.6%	32.8%
Debt burden ratio	3.7%~	2.8%	2.3%	2.1%
Interest burden %	2.6%	2.5%	1.9%	1.8%
Interest coverage	2.80	1.97	7.53	6.67
Viability ratio	7.0%	8.4%	111.5%	98.2%

*Calculated using financial information from 15 other comprehensive universities.
~Increase year over year was impacted by the one-time repayment of the commercial plaza mortgage.

The debt metrics in the table above can be explained as follows:

1. The primary reserve ratio refers to the amount of cash available to cover operations. It identifies at April 2014 Brock has approximately 12 days of expandable reserves.
2. The next two ratios describe how Brock utilizes a greater proportion of its annual operating expense to fund debt obligations.
3. The interest coverage ratio measures the ability to fund interest charges from cash generated through operations. This measure has been improving; however, we trail behind our peers.
4. The viability ratio is essentially how much of the institution's debt could be paid off with expendable resources. The average institution in our category could pay off all its debt with expendable resources, whereas Brock can only pay off seven per cent and therefore is vulnerable to unplanned events.

These metrics highlight the need to pay down the debt so in time we can reduce the debt and interest burden on the University.

Important to note is that we do maintain a sinking fund of \$5.38 million at Jan. 31, 2015 (\$4.77 million – April 30, 2014). We currently do not make payments to this sinking

fund; however, payments will be required in the future if the sinking fund is to grow large enough to pay the \$93 million private placement debenture it is designed to fund. The \$93 million debenture is interest only, also known as a bullet bond. This type of loan requires the borrower (Brock) to save and put the funds aside to pay the principal back to the bond holders at maturity. The debenture comes due on Dec. 15, 2045.

Note: A salient change to the budget development is that all internal financing has been unwound and removed from the budget in fiscal 2015-16 and beyond.

Endowment summary

The majority of University endowment activity is not integrated into the University funding budget represented in this report, with the exception the MIWSFPA endowment spending, budgeted in the Faculty of Humanities (\$0.4 million in 2015-16). 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. 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
Ending endowment	54,573	63,803	74,527



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

Amount (\$000s)	Name	Purpose
14,522	Marilyn I. Walker SFPA Fund	supports the MIWSFPA
6,018	Harrison-Thompson Bursary Trust	supports undergraduate awards
2,053	Ontario Graduate Fellowship Program	supports graduate awards
1,813	Brock University Advancement Fund/J. Miller	supports research
1,482	Bluma Appel Entrance Scholarships For Excellence	supports graduate awards
1,449	Dr. and Mrs. Moriyama Grad Fellowship Fund	supports graduate awards
1,145	Luigi and Amalia Setacci Award	supports undergraduate awards
1,072	Ruth Evelyn Williamson Estate	supports undergraduate awards
902	Bluma Appel Bursaries – Excellence in Humanities	supports undergraduate awards
900	Harrison scholarship	supports undergraduate awards

Table 23 details the top 10 endowments from 2013-14.

Due to changes in the timing of preparing and approving this budget, the information presented above is as of April 30, 2014. This information will be updated for April 30, 2015 and incorporated into the University's new annual report scheduled to come to the Board of Trustees on June 25, 2015.

In 2015-16, approved endowment spending is \$2.0 million (\$1.9 million in 2014-15), as detailed in Table 24.

Table 24

Endowment	Approved spending (\$000s)	
	2015-16	2014-15
Undergraduate scholarships	552	514
Undergraduate bursaries	516	460
Undergraduate prizes	127	118
Graduate awards	224	275
Operating	168	160
Capital and other	437	334
Total	2,024	1,861

Includes the MIWSFPA endowment spending allocation

Reserve summary

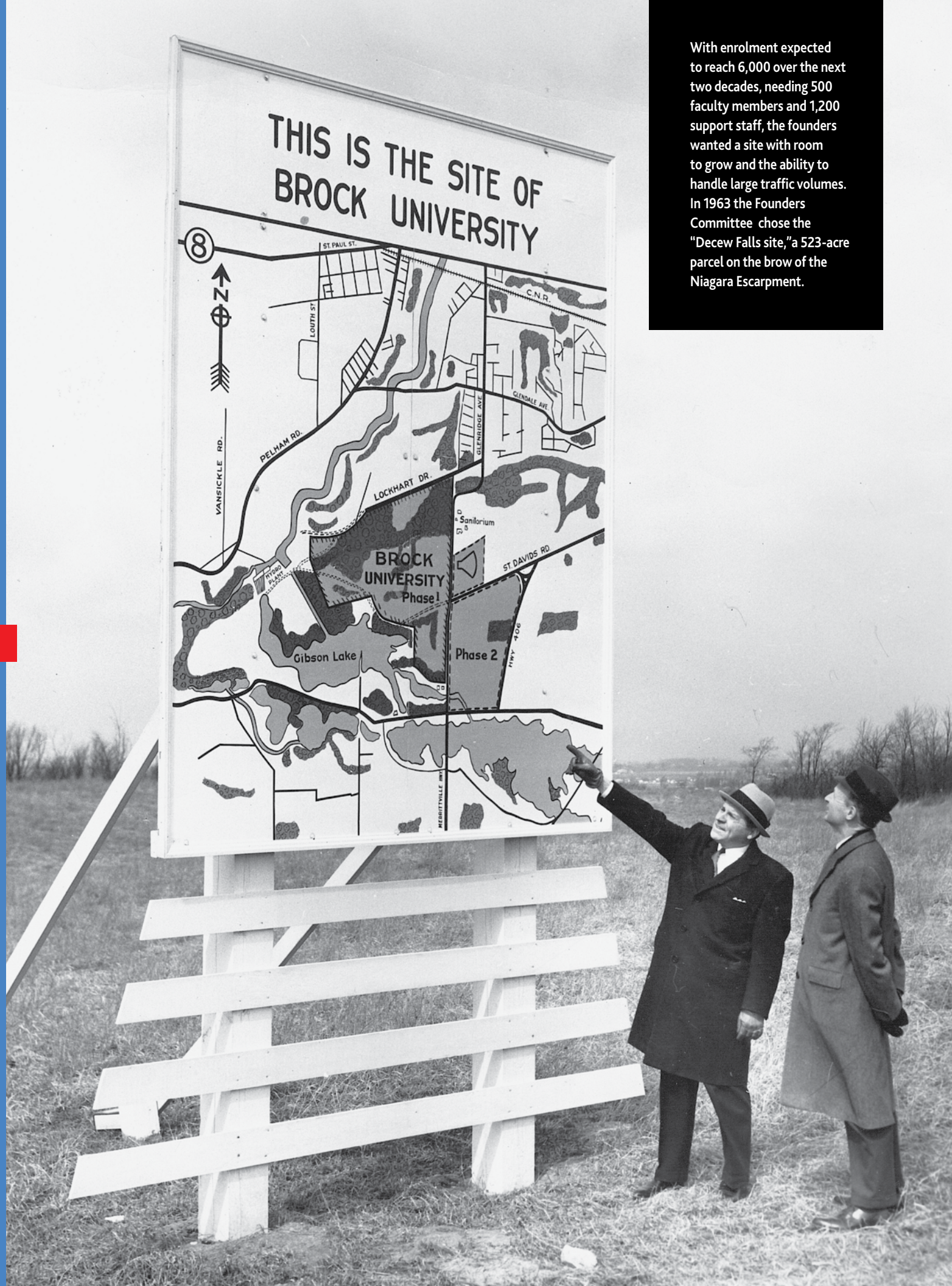
As of April 30, 2014, the University has \$11 million of internally restricted net assets, which represent reserves set aside because they are required, planned, expected or are for strategic purposes. Readers may note that total net assets as reported in the audited financial statements are significantly higher; however, the internally restricted net assets are the only portion of the total net assets where cash is set aside for future obligations. The components of this balance are as follows:

Table 25

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
Startup funds	809
Professional expense accounts	1,590
Sinking fund*	4,770
Total	10,874

* Sinking fund includes principal contributions and investment income earned.

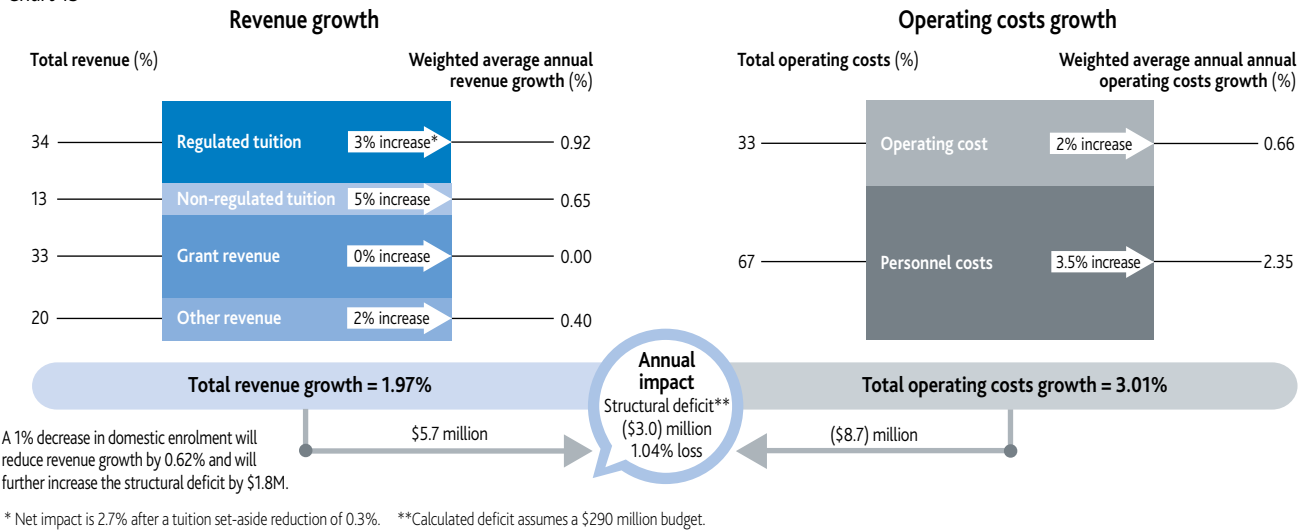
Note: Due to changes in the timing of preparing and approving this budget, the information presented above is as of April 30, 2014. This information will be updated for April 30, 2015 and incorporated into the University's new annual report scheduled to come to the Board of Trustees on June 25, 2015.



With enrolment expected to reach 6,000 over the next two decades, needing 500 faculty members and 1,200 support staff, the founders wanted a site with room to grow and the ability to handle large traffic volumes. In 1963 the Founders Committee chose the "Decew Falls site," a 523-acre parcel on the brow of the Niagara Escarpment.

Next steps

Chart 13



Looking forward

The budget for fiscal 2015-16, like the budget of 2014-15, was a significant undertaking. We started this budget process with a potential budget deficit of \$17.9 million. Looking forward, we have now incorporated all approved capital projects, collective agreements and government initiatives into the budget (with the exception of the possible Ontario Retirement Pension Plan (ORPP) which could have an estimated potential financial impact of between \$0.3 million to \$2 million depending on the Province's definition of a "comparable plan").

We still have a mitigation target in fiscal 2015-16 of \$3.9 million. In the past two years, we have exceeded our mitigation targets, which is great. However, with every year the budget has become tighter and tighter, and now we are faced with enrolment uncertainty.

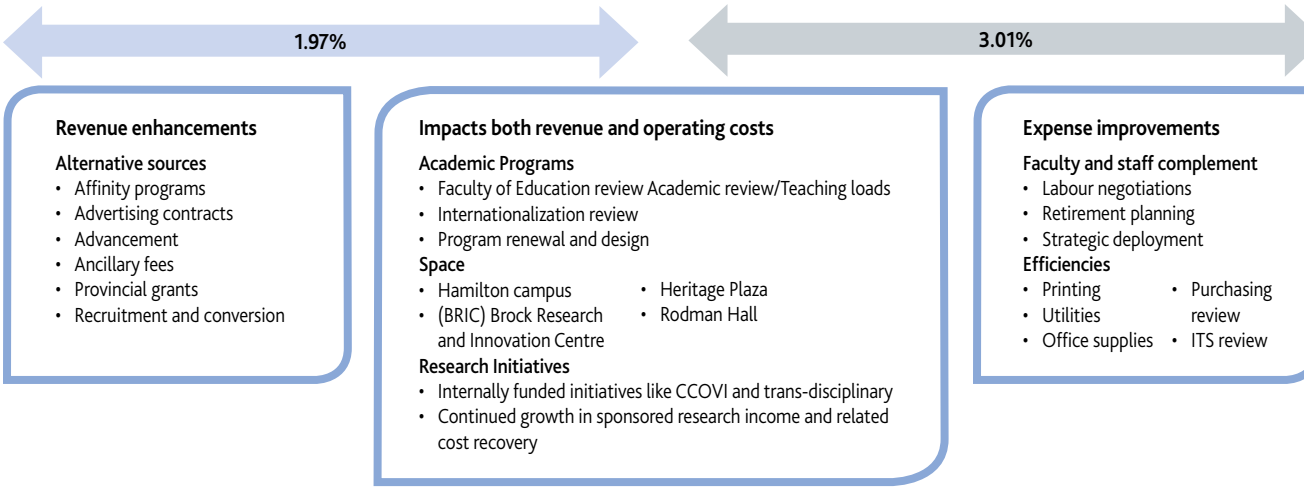
Going forward Chart 13 illustrates the complexity with our budgetary framework. Specifically, we are looking at revenue growth of 1.97 per cent and operating costs growth of 3.01 per cent if enrolment levels are constant. This creates an annual requirement to find one per cent or \$3 million

annually in mitigation. If enrolment declines by one per cent, we could be looking at requiring an additional \$1.8 million in mitigation.

Despite the budgetary framework identified above, we may find a brief pause in pressure in fiscal 2016-17 (enrolment projections dependent) as 16 faculty members are set to retire through the Retirement Incentive Program. The University and BUFA have mutually agreed to replace 10 faculty members by June 30, 2019. The Provost has indicated these faculty members will be hired in areas of greatest need.

So, what's next? The Senate has just completed its Academic Review. It will need to be reviewed and its recommendations considered. One recommendation underway is to allocate all of the University's revenue and operating costs of the University to Teaching Faculties. In order to start discussion, an initial review of other universities has already occurred.

In addition, there are a number of action items and areas to review that the Budget Committee has recently identified. As shown below, these consist of revenue enhancements, operating cost improvements and items that impact both revenue and operating costs.



Appendix A

Enrolment definitions

The following are measures of enrolment used in this budget report.

- **Headcount enrolment:** A “snapshot” of the number of individuals who are attending the University at a particular point in time, usually Nov. 1, and the response to the commonly asked question: “How many students does Brock have?”
- **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 calculated as only Fall FTEs (Fall Full-time Headcount plus Fall Part-time Headcount * 0.3).
- **Fiscal full-time equivalent (FFTE) enrolment:** FFTE is represented by a student whose study load in the fiscal year is equal to the normal full-time study load for his/her program and level of registration in the academic year. Graduate FFTE is calculated based on the registration level, full-time or

- part-time. Full-time = 1.000 FTEs, part-time = 0.300 FTEs. Undergraduate and graduate FTEs are calculated for each academic term.
- **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 enrolled as 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:

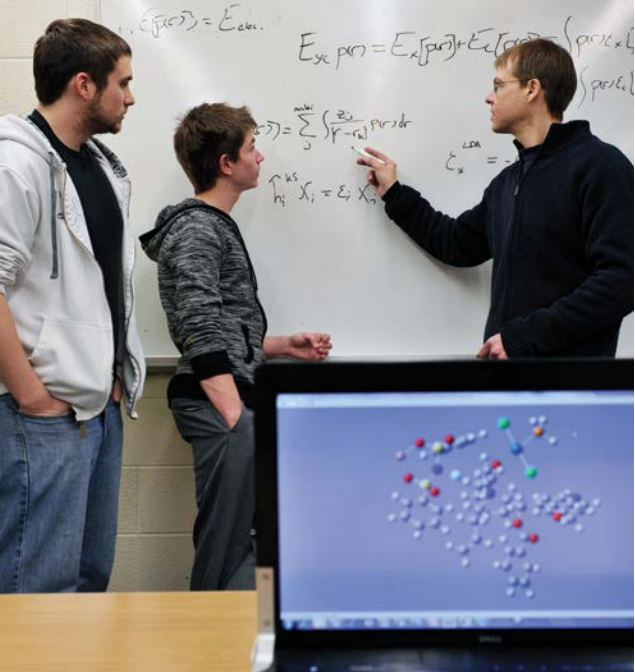
- Distinguishes separate maximum limits for first year of study and continuing years.
- Tuition fees may increase within specified limits, with the average tuition increase not to exceed three per cent (excluding changes in enrolment activity).

The approved fee changes for the 2015-16 academic year, detailed in Table 26, starting in spring of 2015-16, balance competitive pricing pressures with the financial requirements of the University.

Table 26

MTCU tuition guidelines		
	Program year	
	First year	Continuing years
Undergraduate professional ⁽¹⁾ programs (enrolled before 2013-14)	N/A	4.0%
Undergraduate professional ⁽¹⁾ programs (enrolled after 2013-14)	5.0%	5.0%
Undergraduate arts and science and other programs	3.0%	3.0%
Graduate programs	5.0%	5.0%
Average tuition increase ⁽²⁾	3.0%	
Brock University board approved 2015-16 rate increases		
	Program year	
	First Year	Continuing Years
Undergraduate professional ⁽¹⁾ programs (enrolled before 2013-14)	N/A	4.0%
Undergraduate professional ⁽¹⁾ programs (enrolled after 2013-14)	5.0%	5.0%
Undergraduate arts and science and other programs	3.0%	3.0%
Graduate programs ⁽³⁾	2.5%	0.0%
Average tuition increase ⁽²⁾	3.0%	

(1) Undergraduate professional programs include Computer Science and Business.
(2) Average increase weighted based on enrolment.
(3) Excludes MBA which is held at zero per cent increase.



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 slightly under the average tuition rate among other Ontario universities. Table 27 details the 2015-16 non-government-funded program rates that were proposed to and approved by the Board of Trustees in December 2014.

Table 27

International program types	Tuition Increase
Undergraduate international students	8%
Graduate international students	5%*
International Student Programs:	
Professional Masters Preparation Certificate (Business) (PMPC)	5%
International Master of Business Administration (IMBA)	5%
International Master of Accountancy (IMAcc)	5%
Masters Preparation Certificate in Education (MPCE)	5%
International Master of Education (MEd)	4%
Master of Arts Applied Linguistics (MA LING)	3%
Other Programs	
Centre for Continuing Teacher Education – Additional Qualification Courses (AQ)	0%
Intensive English Language Program (IELP/SELP)	0%

* Excludes MBA which is held at zero per cent increase.

Appendix C

Summary of budget adjustments

As a result of certain changes in the approach to preparing the 2015-16 budget, reclassifications were made to the 2014-15 budget as reported in the 2014-15 Budget Report for comparison purposes when the funding deficit was not impacted. Tables 28 and 29 detail these reclassifications by both responsibility centres and function, with a few of the most notable reclassifications highlighted with explanations.

Table 28: Reclassifications by responsibility centre

(\$000s)	2014-15 approved budget ⁽¹⁾	Reclass.	2014-15 adjusted budget
Teaching Faculties			
Faculty of Applied Health Sciences	(17,025)		(17,025)
Goodman School of Business	(16,975)		(16,975)
Faculty of Education	(15,082)		(15,082)
Faculty of Humanities	(21,077)		(21,077)
Faculty of Mathematics and Science	(20,164)		(20,164)
Faculty of Social Sciences	(33,600)	(1,122)	(34,722)
Total Teaching Faculties	(123,923)	(1,122)	(125,045)
Academic Support			
Faculty of Graduate Studies	(6,875)	5,610	(1,265)
Library	(7,991)		(7,991)
Research Services	(2,502)		(2,502)
Centre for Pedagogical Innovation	(1,163)		(1,163)
Centre for the Arts	(721)		(721)
Total Academic Support	(19,252)	5,610	(13,642)
Student Specific			
Student Services	(14,330)	9,353	(4,977)
Co-op	(79)	79	-
Co-op and Career Services		(768)	(768)
Athletics and Recreation	(852)	(104)	(956)
Total Student Specific	(15,261)	8,560	(6,701)
Shared Services			
Leadership	(3,922)	498	(3,424)
Finance and Administration	(15,447)	15,447	
Information Technology Services		(6,871)	(6,871)
Financial Services		(2,304)	(2,304)
Human Resources		(3,174)	(3,174)
Marketing and Communications	(1,678)	104	(1,574)
Development and Alumni Relations	(1,976)		(1,976)
University Services	(771)	415	(356)
Shared Services Support		(1,348)	(1,348)
Total Shared Services	(23,794)	2,767	(21,027)
Ancillary			
Ancillary Operations	3,961	538	4,499
Department of Residence	663		663
Total Ancillary	4,624	538	5,162
Space			
Facilities Management	(25,495)	11,786	(13,709)
Campus Security Services		(1,854)	(1,854)
Hybrid Space		68	68
Utilities, Taxes and Insurance		(7,517)	(7,517)
Financing		(6,483)	(6,483)
Total Space	(25,495)	(4,000)	(29,495)
Global			
Scholarships, Bursaries and Student Awards		(13,820)	(13,820)
Capital		(6,302)	(6,302)
University Global	199,880	7,769	207,649
Total Global	199,880	(12,353)	187,527
Total University	(3,221)	-	(3,221)

(1) Agrees to the 2014-15 Budget Report.

Table 29: Reclassifications by function

(\$000s)	2014-15 approved budget ⁽¹⁾	Reclass.	2014-15 adjusted budget
Revenue			
Student fees	144,848	1,376	146,224
Grant revenue	95,544	(9)	95,535
Internal chargebacks	4,305	1,792	6,097
Other revenue	45,507	(23)	45,484
Total revenues	290,204	3,136	293,340
Operating costs			
Personnel costs	(196,980)	(205)	(197,185)
Other operating costs	(96,445)	(2,931)	(99,376)
Total operating costs	(293,425)	(3,136)	(296,561)
Mitigation target	3,221		3,221
Funding deficit	-	-	-

(1) Agrees to the 2014-15 Budget Report.



Reclassifications by responsibility centre

- \$1,122,000 of student fees related to the Centre for Applied Disability Studies were reclassified from the Faculty of Social Sciences in the 2014-15 approved budget to University Global in the 2014-15 adjusted budget to be consistent with accounting of other University tuition for similar programs.
- During 2014-15, Career Services department separated from Student Services (Student Life Services) and is being reported as part of the Co-op and Career Services responsibility centre. The 2014-15 budget (\$689,000) was reclassified for comparative purposes.
- The Office of the Vice-Provost and Associate Vice-President of Student Services was shown as part of Student Services in the 2014-15 approved budget. This office is included in the Leadership responsibility centre for the 2015-16 budget. The 2014-15 budget (\$330,000) and was reclassified to the Leadership responsibility centre for comparative purposes.
- For the purposes of the 2015-16 budget, the Finance and Administration responsibility centre was separated. For comparative purposes the following budgets were reclassified to individual responsibility centres: Financial Services, Information Technology Services, Human Resources and Campus Security Services. In addition, Internal Audit was reclassified to Shared Support Services.
- For the purposes of the 2015-16 budget, the Shared Services Support responsibility centre was formed. For comparative purposes, the 2014-15 budgets of the University Secretariat (\$563,000), Institutional Analysis (\$340,000) and the Office of Government Relations (\$208,000) were reclassified from the Leadership responsibility centre; and Internal Audit (\$237,000) was reclassified from the Finance and Administration responsibility centre.
- During 2014-15, Accessibility separated from Student Services (Student Life Services) and joined Human Resources. The 2014-15 budget (\$120,000) was reclassified for comparative purposes.
- For the purposes of the 2015-16 budget, the Capital responsibility centre was formed. For comparative purposes, the 2014-15 related budgets of Information Technology Services (\$1,056,000) and Facilities Management (\$5,246,000) were reclassified to the Capital responsibility centre.

- For the purposes of the 2015-16 budget, the Utilities, Taxes and Insurance responsibility centre was formed. For comparative purposes, the 2014-15 related budgets of Facilities Management (\$6,541,000) and University Global (\$976,000) were reclassified to the Utilities, Taxes and Insurance responsibility centre.
- For the purposes of the 2015-16 budget, the Financing responsibility centre was formed. For comparative purposes, the 2014-15 related budgets of University Global (\$4,941,000) were reclassified to the Financing responsibility centre. In addition, starting in 2015-16 all internal financing has been unwound and removed from the budget. Therefore, the 2014-15 internal financing costs were reclassified for comparison purposes from Student Services (\$1,155,000), Ancillary Operations (\$537,000), University Services (\$485,000) and Athletics and Recreation (\$169,000) to the Financing responsibility centre, along with offsetting the revenue from the University Global (\$804,000) responsibility centre.
- For the purposes of the 2015-16 budget, the Scholarships, Bursaries and Student Awards responsibility centre was formed. For comparative purposes, the 2014-15 related budgets of Student Services – Student Awards and Financial Aid Office (\$7,060,000), the Faculty of Graduate Studies (\$5,397,000) and University Global (\$1,363,000) were reclassified to the Scholarships, Bursaries and Student Awards responsibility centre.

Reclassifications by function

- \$1,363,000 of student tuition waivers were reclassified from offsetting student fees (tuition revenue) in the 2014-15 approved budget to other operating costs (scholarships and student awards) in the 2014-15 adjusted budget
- \$1,775,000 representing the portion of the capital and related projects budget funded by the Department of Residence was included in the Capital responsibility centre budget (other operating expenses) with the offsetting amount included in internal chargebacks, for the purposes of the 2014-15 adjusted budget.
- \$205,000 of personnel costs, which were grouped to operating costs in the 2014-15 approved budget were identified and reclassified to personnel costs in the 2014-15 adjusted budget.

Appendix D

Reconciliation of funding budget to financial statements

The University’s funding budget was also 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 30 and 31 detail these entries, with explanations following.

Table 30

(\$000s)	2015-16 funding budget	NFPS adjustments	Notes	Re-class.	2015-16 NFPS budget
Revenue					
Student fees	150,998				150,998
Grant revenue	90,998	(882)	1		90,116
Internal chargebacks	7,689			(7,689)	-
Other revenue	47,449	21,245	2-6		68,694
Total revenue	297,134	20,363		(7,689)	309,808
Personnel costs	(200,224)	(63)	9-11		(200,287)
Operating costs	(100,847)	(17,946)	3-9	7,689	(111,104)
Total costs	(301,071)	(18,009)		7,689	(311,391)
Mitigation target	3,937				3,937
Funding surplus	-	2,354		-	2,354

Table 31

Notes	Reconciliation of NFPS adjustments (\$000s)
1	Capital grants (882)
2	Capital reserve (1,000)
3	Amortization of deferred capital contributions 7,952
4	Research, including fellowships 12,396
5	Endowment spending 1,589
6	Sinking fund 308
	Total revenue adjustments 20,363
3	Amortization of capital assets (18,805)
4	Research, including fellowships (12,396)
5	Endowment spending (1,589)
7	Principal payments 2,172
8	Capital purchases 12,197
9	Funding of reserves – personnel 900
9	Funding of reserves – operating 475
10	Post-retirement benefits (1,200)
11	Pension 237
	Total costs adjustments (18,009)

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 this type of grant (Facilities Renewal Program funds) included in the 2015-16 budget.

2. As part of the funding for the capital and related project budget (see page 70), the 2015-16 funding budget includes a \$1.0 million transfer from reserves. This transfer from reserves is eliminated as part of the NFPS adjustments as it would not be recorded as revenue for the NFPS financial statement purposes.

3. Amortization of deferred capital contributions and capital assets, while not cash inflows or outflows, are required for NFPS financial statements. The 2015-16 forecasted amortization figures are included as part of the NFPS adjustments.
4. 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 (2011-12 to 2013-14).

5. Endowment spending (mainly in the form of scholarships) is included as an expense, with an offsetting revenue as part of the NFPS financial statements. Unless the endowment spending results in a direct offset to the funding budget, endowment spending is not recorded as part of the funding budget. The estimate of endowment spending for 2015-16, less the portion already included in the funding budget, has been included as part of the NFPS adjustments, along with the offsetting revenue.

6. 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 and the investment income is transferred to the sinking fund reserve.

However, the investment income is required to be reflected in the NFPS financial statements. The 2015-16 budgeted investment income related to the sinking fund is included as part of the NFPS adjustments.

7. Principal debt payments, while they represent a cash outflow, are not considered an expense in the operating statement of the NFPS financial statements as they reduce a liability. The 2015-16 budgeted principal debt payments have been eliminated in the NFPS adjustments.

8. 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. The University expects \$12 million in capital purchases budgeted in the 2015-16 budget to actually be capitalized. These capital purchases have been eliminated as part of the NFPS adjustments.

9. The 2015-16 funding budget includes \$0.9 million of funding for the employee future benefit reserve and \$0.475 million for the debt reduction strategy. These reserves are eliminated as part of the NFPS adjustments as they would not be recorded as an expense for NFPS financial statement purposes.
10. Post-retirement benefits represent health, dental and in some cases health-care spending accounts paid to faculty and staff in retirement. The \$1.2 million is the net actuarially calculated benefit that current faculty and staff are expected to earn in 2014-15 plus a growth rate for 2015-16. Since this amount is not included in the funding budget because it is non-cash, it is therefore included as part of the NFPS adjustments.

11. The annual pension liability payment of \$1.6 million calculated by the University’s actuary is recorded as an expense in the funding budget as it represents a cash outflow. However, \$0.237 million of the \$1.6 million represents the estimated “paydown” of the pension liability if the actuarial assumptions are met. The NFPS financial statements require only \$1.363 million to be expensed and the remaining \$0.237 million is shown as reduction to the pension liability and therefore adjusted in the NFPS adjustments.

Explanation of reclassifications

Included as part of total 2015-16 budgeted revenue is \$7.689 million of internal charges between departments within the University. The NFPS reclassification removes these charges, as they are not included as part of the NFPS financial statements.



Appendix E

Tracking efficiencies

This year the budget report has added this appendix on University efficiencies. The appendix was designed to highlight some of the efficiency work done in-year by some units throughout the University. This work was undertaken with an understanding that quality would be maintained or improved. This list below is not exhaustive but it does serve to highlight and document some of the more widely discussed changes. The efficiency projects identified can be summarized as follows:

Unit	Efficiency	Estimated Savings
Facilities Management	Historically the University has received a fixed price of three cents/kilowatt hour (kWh) with Ontario Hydro when the cogeneration plant (co-gen) was producing more electricity than consumable at the University. This rate compares to an approximate cost of 11 cents/kWh to produce energy in co-gen. In addition, at times Brock had to buy additional electricity at costs up to 22 cents/kWh. The University recently renegotiated to roll the entire Glenridge campus into one "net meter" and self-displace campus electrical load. This means that surplus electricity produced at co-gen, going into the Utility's grid, can be subtracted from electricity purchases, i.e. "net metering", resulting in a net electricity cost of 11 cents/kWh instead selling surplus energy at three cents/kWh and paying 22 cents/kWh when additional energy was required.	\$300,000
	A winter season campus chilled-water initiative was introduced by utilizing the Cairns Family Health and Bioscience Research Centre chiller as the primary chiller for Glenridge campus, increasing its load from less than 10 per cent to approximately 25 per cent, which places the chiller in a much more efficient operating range. This allowed for the aging H-block chilling system to be shut down during the winter and resulted in reduced energy usage of 2,514 kWh/day and a reduction of 392 metric tons of greenhouse gas.	\$52,000
	A project with GE Water treatment was undertaken. This project was to improve the process-water treatment technology. Specifically, it incorporated automation into the district energy loop.	\$31,000
Facilities Management / Financial Services	The Custodial and Grounds Services with the assistance of Procurement Services entered into two agreements with Ontario Education Collaborative Marketplace (OECM) vendors for the supply of paper products and green cleaning chemicals.	\$24,000
Information Technology Services	A new CISCO Data Centre has been installed which replaces infrastructure that was close to 11 years old. This new centre reduced the number of physical servers and requires less resource administration and uses up to 30 per cent less power. The internal network now has 10 times the throughput following an upgrade from 1GB to 10GB, as well as better redundancy and load balancing providing computing efficiencies in terms of speed.	\$15,300
	Office 365 in the Microsoft cloud will be implemented for students in May of 2015, reducing three separate email systems into one. This new email system will require less resource administration and decommissioning hardware will no longer be required. It will also provides students with enhanced functionality.	\$3,500
Information Technology Services (ITS)/ Campus Store	The ITS Help Desk has moved from a hard-to-find location in MacKenzie Chown to the Campus Store. This move made the Help Desk far more visible and accessible to all students, faculty and staff and allowed for 25 ITS staff to move back to campus from previously leased space.	\$100,000
Student Services	Student Health Services through the Performance Improvement Fund of the Province utilized an outside consulting firm to review its operations and reorganize staff and clinical operations, realign job responsibilities, increase referrals and decrease duplicate services, coordinate with the community pharmacy on campus and adjust the nursing mix.	\$120,000
Financial Services	Ongoing review of financial arrangements resulted in a renegotiated banking contract, an increase in the numbers of ATMs on campus to better serve students and employees and a renegotiated account fee with an investment broker for operating investments.	\$73,210
Human Resources/ Information Technology Services (ITS)	Human Resources and ITS collaborated to update the online contract system and develop a new online signature feature for all temporary contracts that will now allow students and part-time employees to sign contracts and upload banking information remotely. In addition, two forms utilized frequently by several departments when requesting additional support staff coverage (TES Request Form) or seeking approval to replace a vacated position (EA Form) were placed online with electronic circulation and signature. This initiative will eliminate the need to print, circulate and file an average of 10,000 contracts per year; approximately 200 hard copy EA's to 4 or 5 departments per year; and 90 hard copy TES request forms to HR per year.	\$31,000



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