

2016-17 | Budget Report



Including key performance metrics

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Executive summary

This budget report has once again been prepared with the collaboration of a significant number of individuals throughout Brock University. It continues to 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 the University’s continued work towards a structurally balanced budget. The Fiscal Framework has been introduced this year to support this process. The University continues to maintain a mitigation target of \$3.9 million (2015-16 – \$3.9 million). The budget environment continues to be dominated by issues of enrolment and regulations of the Ministry of Training, Colleges and Universities (MTCU).

Despite the challenging enrolment environment, this budget is based on an undergraduate enrolment increase of 164 students. This is primarily due to the normalization of Faculty of Education enrolment as the second year of the new program mandated by the MTCU comes on stream. With regards to MTCU regulation, there continues to be no inflation on the MTCU basic operating grant or enrolment-based grants (although the MTCU is working on a new funding formula), 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:

- Continuing a process that connects financial and non-financial data through metrics reporting.
- Continuing comparisons of our University to other comprehensive universities in Canada.
- Introducing a new section comparing teaching faculty resource allocations. (O/S)
- Expanding the Looking forward section to continue the discussion on next steps to structurally balance the budget.
- Introducing a new way to look at the budget by Academic and Administrative Units and how unit budgets align with the President and Vice Presidents.

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 year’s 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 2016-17 a terrific year!

This report contains certain forward-looking information. In preparing the 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 report, financial values have been rounded to the nearest thousand unless otherwise stated.

Financial results

The funding budget for fiscal 2016-17 is illustrated in the table to the right. It identifies a \$3.9 million mitigation target, consistent with the 2015-16 budget (see page 21 for additional information on the mitigation target). At the time of preparing the budget report, fiscal 2015-16 has not been completed; however, we are projecting through our third-quarter reporting (Q3) for fiscal 2015-16, that we will meet our mitigation target of \$3.9 million. 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.

| Funding budget | | | |
|-----------------------|----------------|----------------|----------------|
| (\$000s) | 2016-17 Budget | 2015-16 Budget | 2014-15 Actual |
| Revenue | | | |
| Student fees | 158,610 | 151,030 | 145,946 |
| Grant revenue | 92,358 | 91,014 | 94,594 |
| Internal chargebacks | 7,752 | 7,690 | 7,111 |
| Other revenue | 47,481 | 47,359 | 51,134 |
| Total revenues | 306,201 | 297,093 | 298,785 |
| Operating costs | | | |
| Personnel costs | (204,169) | (199,967) | (193,865) |
| Other operating costs | (105,952) | (101,063) | (97,406) |
| Total operating costs | (310,121) | (301,030) | (291,271) |
| Mitigation target | 3,920 | 3,937 | |
| Funding surplus | - | - | 7,514 |

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 14 other Canadian comprehensive universities.

| By student headcount | Brock | | Median ⁽¹⁾ | | Average ⁽¹⁾ | |
|----------------------------------|------------|---------------------------|-----------------------|---------------------------|------------------------|---------------------------|
| | April 2015 | April 2014 ⁽²⁾ | April 2015 | April 2014 ⁽²⁾ | April 2015 | April 2014 ⁽²⁾ |
| Student fees (primarily tuition) | 7.75 | 7.23 | 8.20 | 7.89 | 7.79 | 7.62 |
| Grant | 5.91 | 5.92 | 10.52 | 10.61 | 11.09 | 11.36 |
| Personnel costs | 10.26 | 10.33 | 12.89 | 13.29 | 13.36 | 13.37 |
| Scholarships | 0.94 | 0.96 | 1.14 | 1.14 | 1.38 | 1.42 |
| Interest on long-term debt | 0.40 | 0.39 | 0.31 | 0.27 | 0.28 | 0.27 |
| Investment income | 0.09 | 0.09 | 0.67 | 0.58 | 0.67 | 0.65 |

(1) Calculated using financial information from 14 other comprehensive universities.
(2) Metrics have been adjusted to account for reclassifications and restatements of Brock and certain universities in the comparator group.

A few observations: Brock is slightly below median on student fees, which is mainly the result of lower ancillary fees; the grant revenue per-student metric dispels the commonly held assumption that all students are funded on an equal basis; although Brock has a lower than average 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 ⁽¹⁾ | | Average ⁽¹⁾ | |
|---|------------|---------------------------|-----------------------|---------------------------|------------------------|---------------------------|
| | April 2015 | April 2014 ⁽²⁾ | April 2015 | April 2014 ⁽²⁾ | April 2015 | April 2014 ⁽²⁾ |
| Primary reserve ratio | 10.7% | 3.4% | 25.2% | 28.2% | 28.0% | 22.6% |
| Debt burden ratio | 3.2% | 3.6% | 2.8% | 2.0% | 3.0% | 2.8% |
| Interest burden % | 2.7% | 2.5% | 1.9% | 1.8% | 1.6% | 1.6% |
| Interest coverage | 4.55 | 2.39 | 6.80 | 9.00 | 6.29 | 7.05 |
| Viability ratio | 19.8% | 7.0% | 91.6% | 78.9% | 89.0% | 69.5% |
| Employee future benefits per student ⁽³⁾ | (\$0.61) | (\$2.23) | (\$3.40) | (\$4.59) | (\$3.55) | (\$4.37) |
| Endowment per student headcount | \$4.34 | \$3.99 | \$7.88 | \$7.26 | \$7.44 | \$6.97 |

(1) Calculated using financial information from 14 other comprehensive universities.
(2) Metrics have been adjusted to account for reclassifications and restatements of Brock and certain Universities in the comparator group.
(3) The employee future benefit reserve per student of \$0.05 has been excluded from Brock’s April 2015 figure of comparative purposes.

Refer to page 84 for explanations of the debt-related financial health metrics.

Message from leadership



Jack Lightstone, President and Vice-Chancellor, Brock University



Neil McCartney, Provost and Vice-President, Academic



Gary Libben, Vice-President, Research



Brian Hutchings, Vice-President, Administration

Everyone has invested considerable time in recent years on matters of financial sustainability. Through the engagement of so many in this process, numerous recommendations have been brought forward, which are getting us closer to a structurally balanced budget. Perhaps the single largest request continues to be for more information and documentation on subject matters ranging from teaching to research and even financial planning. It is hoped that this Budget Report, along with the Fiscal Framework, will help provide information on how the budget is developed as well as financial planning and some of the key metrics affecting the University. The key driver to the budget is enrolment, and we look forward to the continued development of enrolment plans.

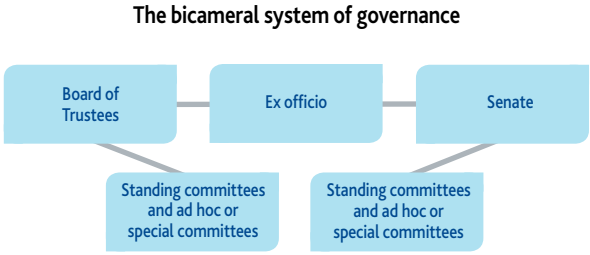
Given the current fiscal framework we operate in, we do not expect implementing this budget to be easy. The development of the 2016-17 budget is in keeping with the Board of Trustees motion that was passed on June 25, 2015 that requires the University to achieve a balanced budget on an annual basis. However, we still have \$3.9 million to mitigate by year end to achieve this. This motion should not come as a surprise, recognizing the Board of Trustees' fiduciary responsibility over the financial affairs of the University and given sustainability is a component of our strategic plan.

To all that have been involved and/or touched by the financial planning and budgeting process in recent years, we continue to make a lot of progress, and we thank you for your cooperation and efforts. We hope this document can be used as a continuation in that process.

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.

Figure 1



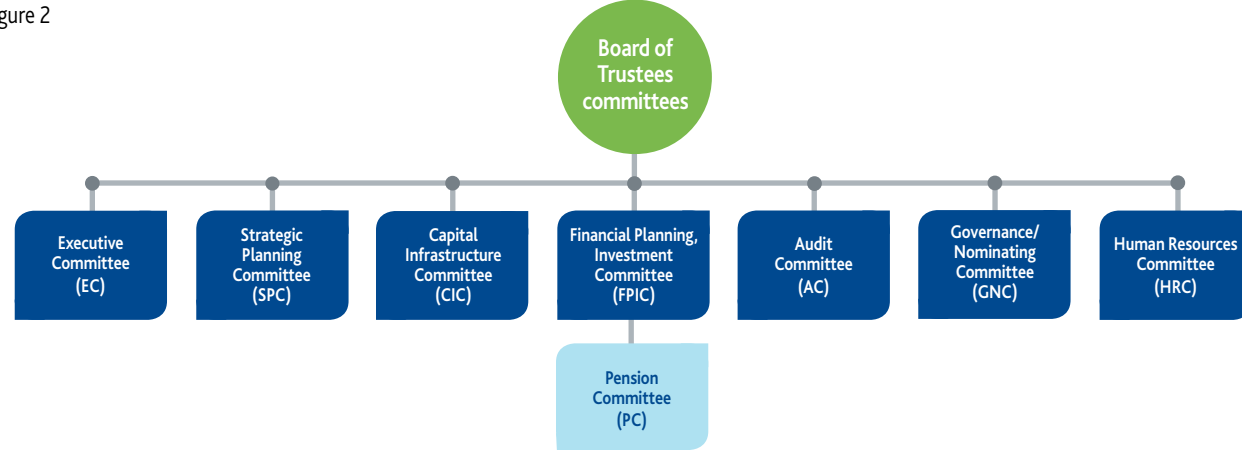
2015-16 Board of Trustees

The Board consists of 30 members, including 22 community members elected by the Board, as well as three Brock students, three faculty members and two staff members elected by their respective constituencies. The Chancellor and the President and Vice-Chancellor are ex officio members of the Board.

Board of Trustees members

- Harish Aggarwal (undergraduate student – EC)
- Mark Arthur (lay member – CIC and GNC)
- Michele-Elise Burnett (lay member – SPC and CIC)
- Jeffrey Cairns (lay member – SPC; Vice-Chair – CIC)
- Shirley Cheechoo (Chancellor)
- Allan Cole (lay member – FPIC and HRC)
- Gary Comerford (Chair SPC and EC; Vice-Chair – AC)
- Trevor Cooper (lay member – CIC and AC)
- Mario De Divitiis (lay member – FPIC and GNC)
- Nick DiPietro (Vice-Chair of the Board)
- John Fisher (lay member – FPIC and SPC)
- Kristine Freudenthaler (Chair CIC and EC; lay member – HRC and BRS)
- Gloria Gallagher (staff member – CIC)
- Scott Henderson (faculty member – CIC)
- Dennis Hewko (Chair – EC and FPIC; lay member – SPC)
- Jack Lightstone (President and Vice-Chancellor)
- Kelly Lockwood (faculty member – EC)
- Marco Marrone (Vice-Chair – FPIC; lay member – CIC)
- Diane Miller (faculty member – SPC)
- Beverley Morden (lay member – FPIC; Vice-Chair – HRC)
- Hanan Moussa (undergraduate student member – SPC)
- Philip Nardangeli (staff member – EC and SPC)
- William (Bill) Rickers (Chair – EC, PC and AC)
- Joseph Robertson (Past Board Chair; Chair – GNC and EC)
- Leanne Standryk (Chair – EC and HRC; lay member – GNC)
- Peter Stoyanov (graduate student member – CIC)
- John Suk (Chair of the Board)
- Robin Williams (Vice-Chair – SPC; lay member – GNC)
- Elisabeth Zimmermann (lay member – FPIC and GNC)
- John Zoccoli (lay member CIC and AC)

Figure 2



Senate

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

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2015-16 Senate members Members ex officio

- Shirley Cheechoo (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)
- Barry Wright (Interim Dean, Goodman School of Business)
- Ejaz Ahmed (Dean, Faculty of Mathematics and Science)
- David Siegel (Interim Dean, Faculty of Education)
- Thomas Dunk (Dean, Faculty of Social Sciences)
- Carol Merriam (Dean, Faculty of Humanities)
- Peter Tiidus (Dean, Faculty of Applied Health Sciences)
- Michael Plyley (Dean, Faculty of Graduate Studies)
- Barb Davis (Registrar and Interim Associate Vice-President, Enrolment)
- Jonathan Younker (Interim University Librarian)
- John Suk (Chair, Board of Trustees)
- Spencer Dawson (BUSU, Vice-President, Finance and Administration)
- TBA (Vice-Provost and Associate Vice-President, Enrolment, Management and International)
- Gary Libben (Vice-President, Research)
- Thomas Winger (Acting Interim-President, Concordia Seminary)
- Brian Hutchings (Vice-President, Administration)

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).

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Full-time teaching staff/professional librarian representatives

- Kate Bezanson (FOSS)
- Irene Blayer (FOH)
- Jeff Boggs (FOSS)
- Poling Bork (FMS)
- Jonah Butovsky (FOSS)
- Christene Carpenter-Cleland (FMS)
- Maureen Connolly (AHS)
- Christine Daigle (FOH)
- Sheng Deng (GSB)
- Fayez Elayan (GSB)
- Heather Gordon (FMS)
- Paul Hamilton (FOSS)
- Scott Henderson (FOSS)
- David Hutchison (FMS)
- Nota Klentrou (AHS)
- Jennifer Li (GSB)
- Dan Malleck (AHS)
- Tanya Martini (FOSS)
- Jane McLeod (FOH)
- Christie Milliken (FOSS)
- Laurie Morrison (Library)
- Joe Norris (FOH)
- Shauna Pomerantz (FOSS)
- Lynn Rempel (AHS)
- Linda Rose-Krasnor (FOSS)
- Barbara Sainty (GSB)
- Larry Savage (FOSS)
- Sid Segalowitz (FOSS)
- Erin Sharpe (AHS)
- John Sivell (FOSS)
- Susan Sydor (FOE)
- Terrance Wade (AHS)
- Heather Whipple (Library)
- David Whitehead (GSB)
- Sakoieta Widrick (FOE)
- Vera Woloshyn (FOSS)

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Representatives of the Board of Trustees

- Mario De Divitiis
- Kristine Freudenthaler

2

Alumni Association representative

- James O'Brien

1

Undergraduate student representatives

- Amalia Banava
- Sarah Nagib
- Matt Campbell
- Sam Piccolo
- Nigeria Goli Emiko Murphy
- Jeremy Steinhausen

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Graduate student representatives

- Bryan Giordano
- Julia Polyck O'Neil

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Planning, Priorities and Budget Advisory Committee

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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 2015-16 PPBAC members:

Members

- Nota Klentrou (FMS) – Chair, Information Technology and Infrastructure
- Barbara Sainty (GSB) – Vice-Chair, Graduate Studies
- (TBA) – Chair, Research and Scholarship Policy
- Linda Rose-Krasnor (FOSS) – Chair, Governance
- Susan Sydor (FOE) – Chair, Teaching and Learning Policy
- Heather Gordon (FMS) – Chair, Undergraduate Programs
- Lynn Rempel (AHS) – Chair, Undergraduate Student Affairs

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Students

- Lee Belding – graduate student
- Spencer Dawson – undergraduate student

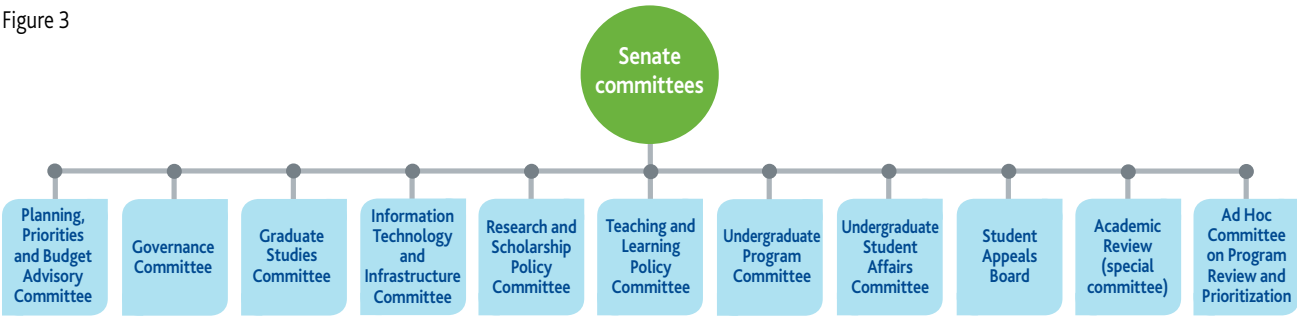
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Ex officio

- Scott Henderson (FOSS) – 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
- Peter Tiidus (AHS) – Faculty Dean
- Ejaz Ahmed (FMS) – Faculty Dean

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Figure 3



Brock’s Mission Statement

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

Brock’s values

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

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

Integrated Strategic Plan and Strategic Mandate Agreement

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

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 three pillars/priorities as detailed in the SMA are as follows (The 2014-17 Strategic Mandate Agreement can be viewed at brocku.ca/webfm_send/32300):

Pillars/priorities

- 1 Serving the 21st Century Learner – Putting students first. This pillar includes but is not limited to the move to online offerings, enhanced Spring/Summer offerings and expansion of service learning opportunities.
- 2 Establishing Trans-disciplinary Research Hubs and Developing New Graduate and Undergraduate Programs. The five TD hubs created are: Brock-Niagara Centre for Health and Well-Being; Institute for Advanced Bio-manufacturing; Lifespan Development Research Institute; Social Justice Research Institute; Sustainability: A Trans-disciplinary space for Transformative Change.
- 3 Building a Network of Partnerships that Promote Prosperity through Entrepreneurship, Innovation and Creativity. This pillar includes but is not limited to the Niagara Observatory; the BioLinc; Centre for Healthy Development; and the Centre for Lifespan Development Research.



Introducing new data points

As the budget report continues to evolve, we once again provide data points, many of them non-financial, to assist users of this report to draw relationships between financial and non-financial data.

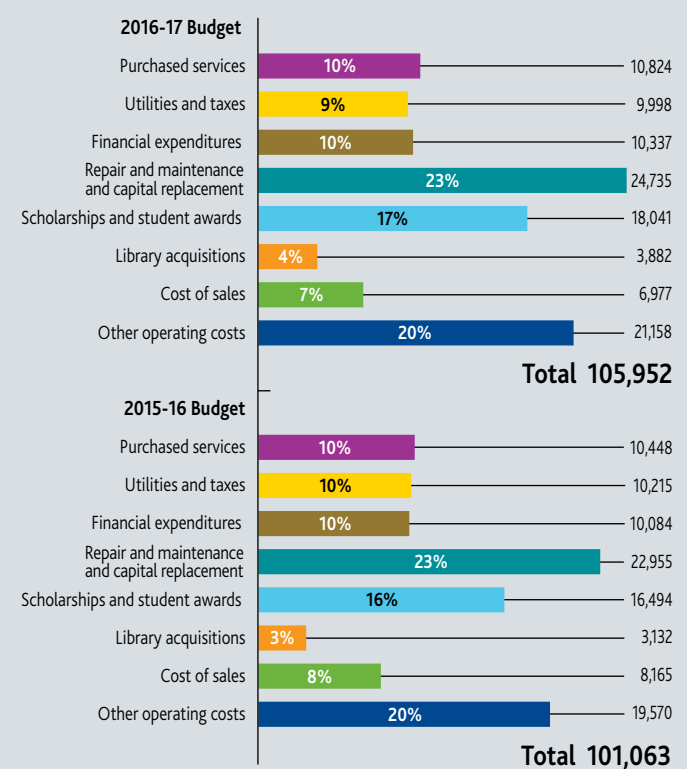
The goal is to continue the process of providing meaningful data points to help establish a foundation to explain the "why" behind the revenue and expense values and the outcomes the budget supports. It was hoped that the next evaluation would be to provide benchmarking and targets in the operations. As the strategic enrolment plan is still a work in process, this goal has been pushed to a future year. 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 were made 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

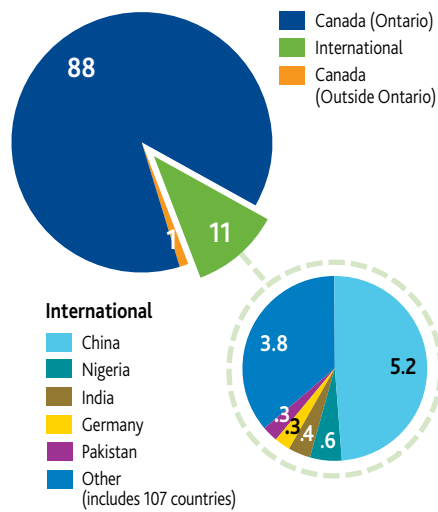
The second "pullout" after page 21 presents a timeline that includes some major events impacting our financial experience since 1999-2000, when the move to a comprehensive University was proposed and endorsed.

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

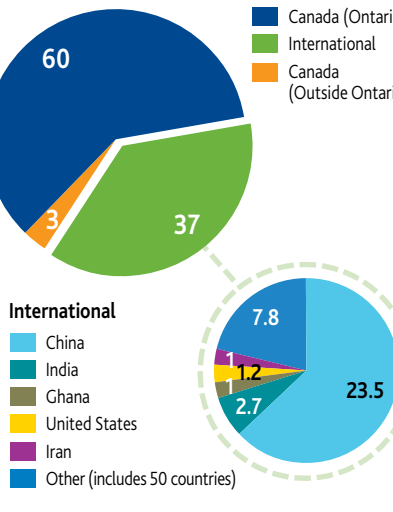
Budgeted operating costs (\$000s)



2015 headcount of undergraduate students (%)



2015 headcount of graduate students (%)



Courses taught by semester



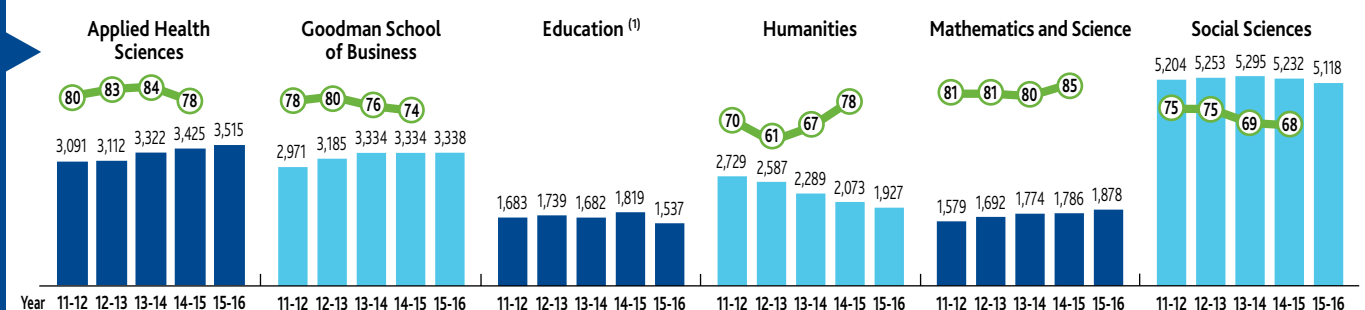
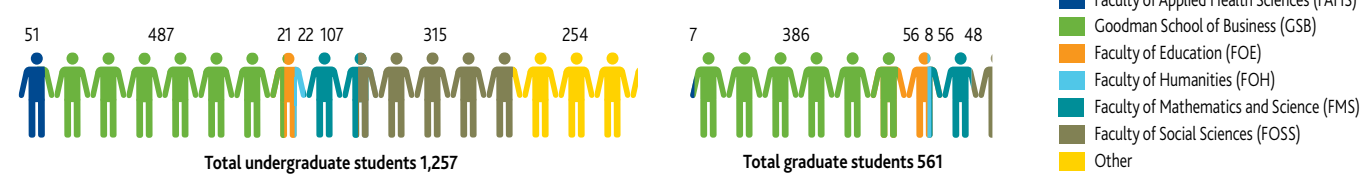
10.8%
Spring/Summer courses

89.2%
Fall/Winter courses

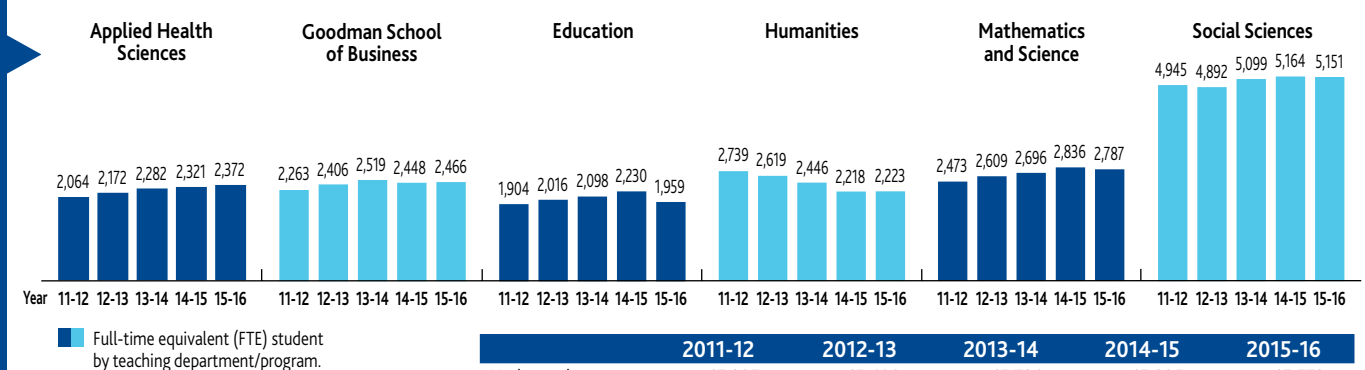
Students that received OSAP in 2014-15

Yes: 54% No: 46%

2015 international student headcount by Faculty



| | 2011-12 | 2012-13 | 2013-14 | 2014-15 | 2015-16 |
|----------------------------|---------------|---------------|---------------|---------------|---------------|
| Undergraduate (FT) | 14,439 | 14,672 | 14,853 | 14,911 | 14,656 |
| Undergraduate (PT) | 2,217 | 2,210 | 2,146 | 2,243 | 2,157 |
| Graduate (FT) | 1,028 | 1,180 | 1,298 | 1,259 | 1,264 |
| Graduate (PT) | 506 | 450 | 391 | 411 | 385 |
| Total⁽²⁾ | 18,190 | 18,512 | 18,688 | 18,824 | 18,462 |



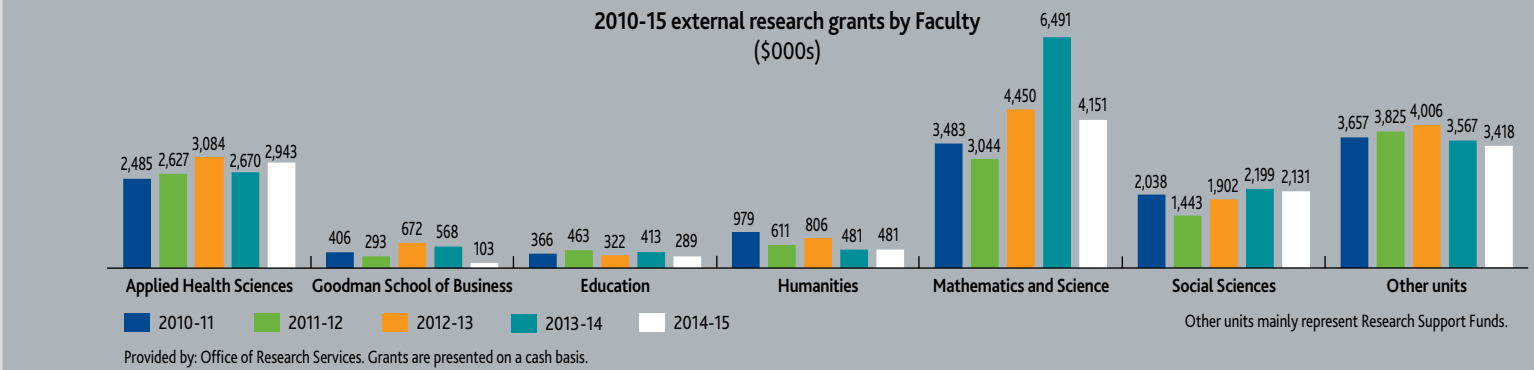
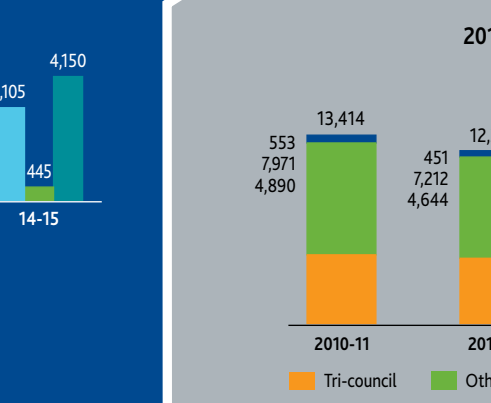
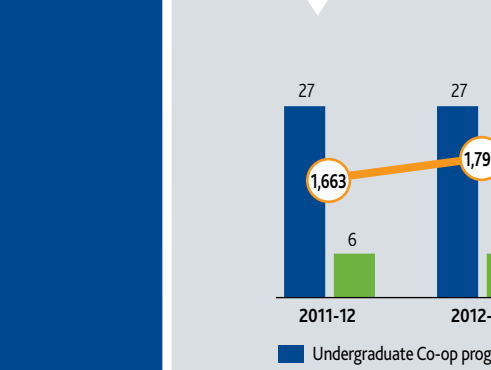
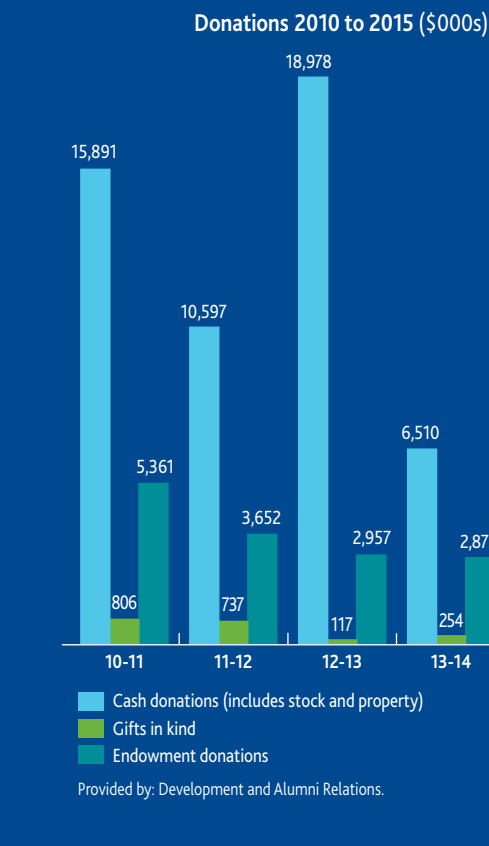
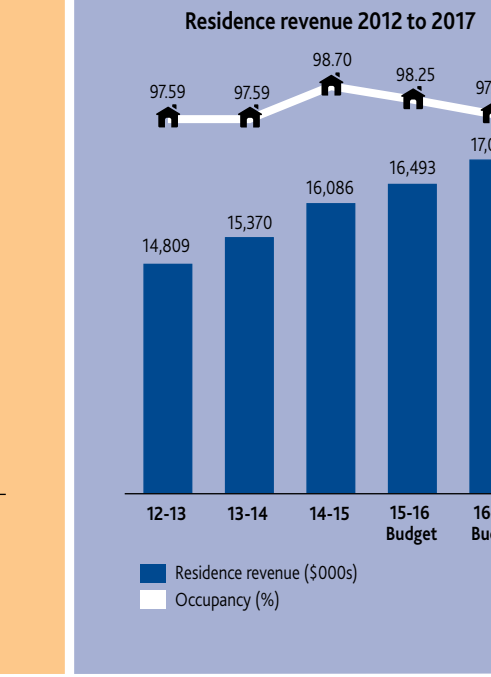
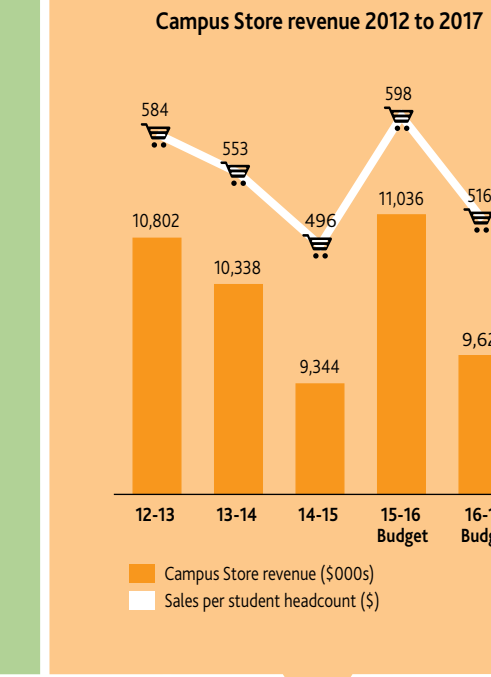
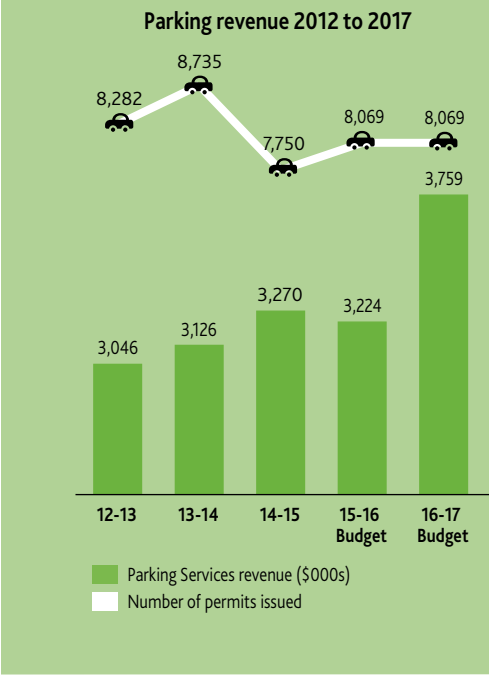
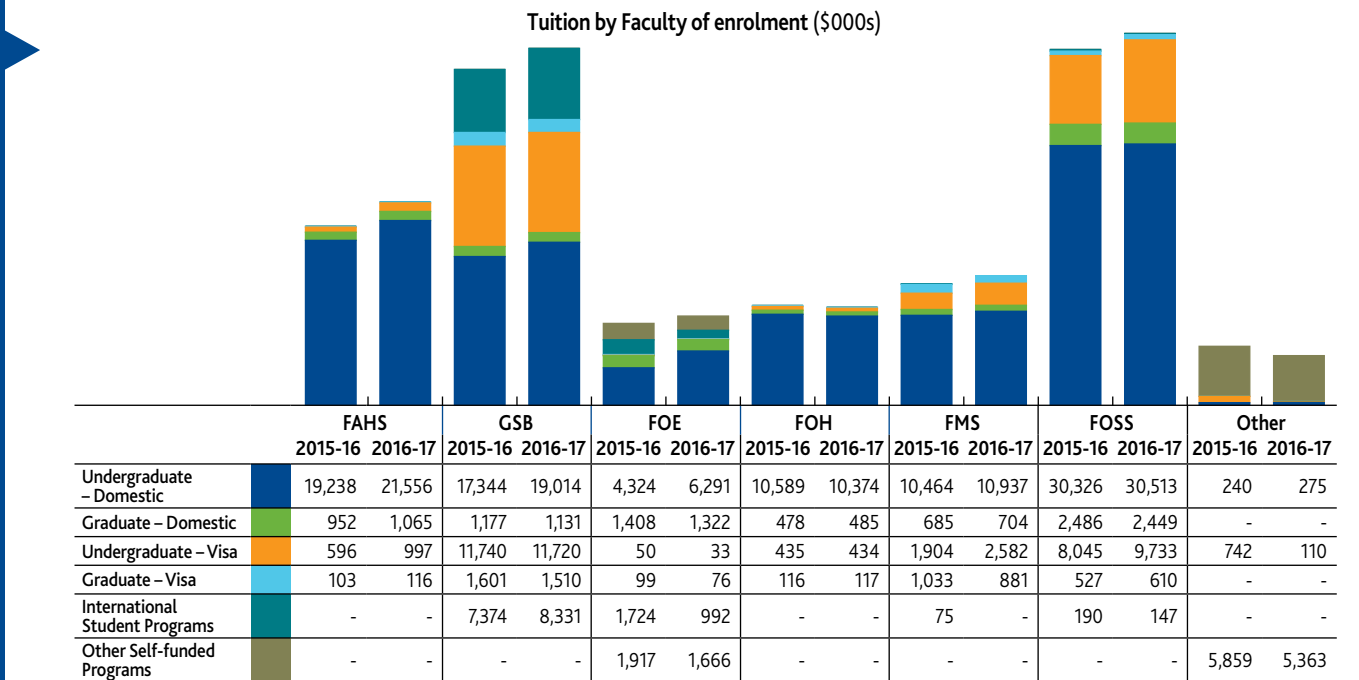
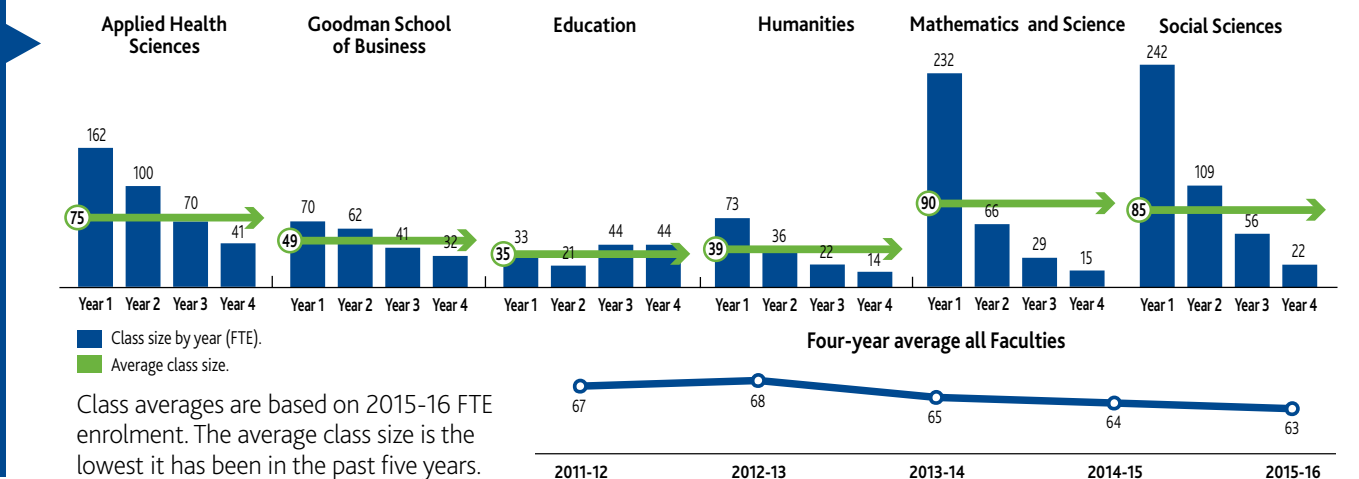
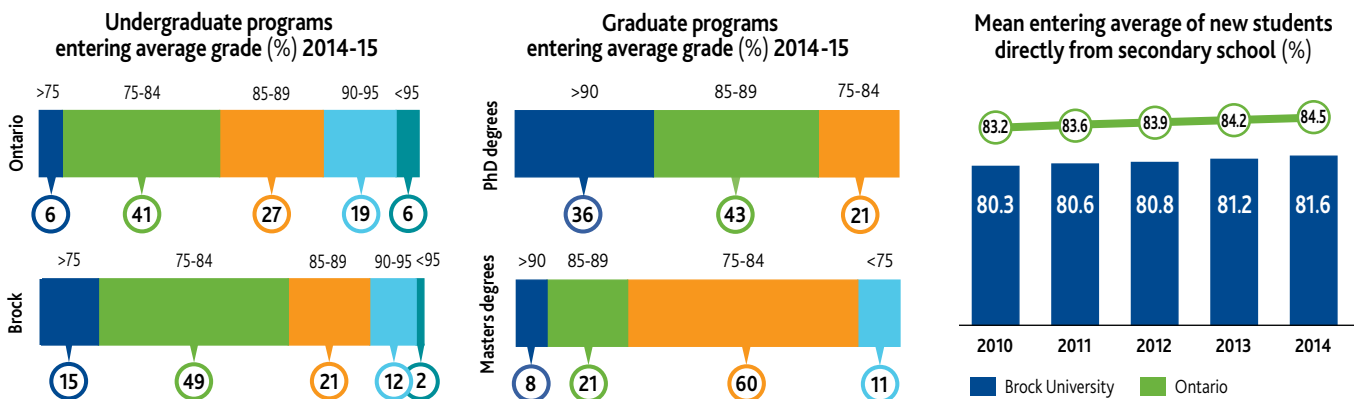
| | 2011-12 | 2012-13 | 2013-14 | 2014-15 | 2015-16 |
|---------------|---------------|---------------|---------------|---------------|---------------|
| Undergraduate | 15,207 | 15,400 | 15,724 | 15,835 | 15,578 |
| Graduate | 1,180 | 1,315 | 1,415 | 1,382 | 1,380 |
| Total | 16,387 | 16,715 | 17,139 | 17,217 | 16,958 |

91% of Brock undergraduate students were employed within six months of graduation.
Source: MTCU Undergraduate 2012 Employment Survey.

95% of Brock undergraduate students were employed within two years of graduation.
Source: MTCU Undergraduate 2012 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.

60% 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 in 2013).
Source: 2016 Canadian Graduate and Professional Student Survey.



| Personnel group ⁽¹⁾ (\$000s) | 2016-17 Budget Salary/wage | 2016-17 Budget Benefits | 2016-17 Budget Total personnel costs | 2015-16 Budget Salary/wage | 2015-16 Budget Benefits | 2015-16 Budget Total personnel costs |
|---|----------------------------|-------------------------|--------------------------------------|----------------------------|-------------------------|--------------------------------------|
| Faculty and professional librarians | 86,541 | 16,789 | 103,330 | 83,590 | 15,882 | 99,472 |
| Admin/professional | 38,979 | 9,717 | 48,696 | 38,148 | 9,300 | 47,448 |
| CUPE 4207 – Unit 1 | 12,459 | 1,345 | 13,804 | 12,535 | 1,793 | 14,328 |
| OSSTF | 8,921 | 2,626 | 11,547 | 8,921 | 2,552 | 11,473 |
| CUPE 1295 FT | 6,770 | 2,183 | 8,953 | 6,661 | 2,126 | 8,787 |
| SAC | 4,133 | 738 | 4,871 | 3,942 | 691 | 4,633 |
| Other | 11,276 | 1,692 | 12,968 | 12,277 | 1,549 | 13,826 |
| Total | 169,079 | 35,090 | 204,169 | 166,074 | 33,893 | 199,967 |

(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.



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 2016-17 budget process was one of consultation with Senior Administrative Council (multiple updates), the Finance Committee of Academic Deans (multiple meetings), the Senate Planning, Priorities and Budget Advisory Committee (multiple meetings), in addition to numerous unit specific meetings. Every effort was made to ensure the budget was consistent with the academic mission of the University, and that it worked towards the Integrated Strategic Plan and the Strategic Mandate Agreement.

This budget was developed under the direction of the May 7, 2015 Board of Trustees two-part motion:

“That the President be given a mandate to:

1. Ensure the University funding budget for 2015-16 and all subsequent years are prepared and presented as balanced. If a balanced funding budget cannot be achieved when presented to the Board of Trustees for approval, the deficit can be presented as a mitigation target provided a plan to achieve the mitigation target is included.
2. Manage the affairs of the University in order for it to achieve, or do better than, the funding budget.”

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.

In the last couple of years it has been 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 last year and we kept to that time frame this year. We thank all units for meeting the requirements of the timeline. This timeline allows the budget to be completed for approval at the May 5, 2016 Board of Trustees meeting to coincide with the start of our fiscal year running from May 1 to April 30.

The approach taken to establish the 2016-17 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

With a \$3.9 million deficit budgeted for the 2016-17 fiscal year, the mitigation measures of fiscal 2015-16 will remain in effect. However, the University's long-term growth and development should not be limited to the mitigation actions. That being said, certain areas will need investment for the University to continue to develop even though we are facing budget constraints. Thus, this section was developed to provide additional information in areas where new investment is critically needed. This section provides no priority to any of the functions, tasks or programs identified.

Operations

Some critical and significant operating investments have been made. Examples of these investments include support for new enrolment initiatives, support of scholarships and financial awards, increased support for the Faculty of Applied Health Sciences and Campus Security Services, additional Library acquisitions, enhancements to the Marketing and Communications budget and support of Co-op, Career Services and Experiential Education initiatives.

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 includes a new Vice-Provost, Enrolment Management and International position, \$50,000 for a refreshed booth at the Ontario University Fair (OUF) and \$125,000 to support international marketing and development. For more information on enrolment see the Enrolment discussion as part of the Budget Environment section of this report starting on page 17.



Student Services

- Net direct operating budget ⁽¹⁾: \$6.4 million
- OG FTE ⁽²⁾: 149.3
- Strategic investment: \$0.289 million

brocku.ca/student-services

\$1,600,000 was invested into the Faculty of Applied Health Sciences, recognizing the growing student demand in these programs. The investment includes additional resources to support additional courses and their respective part-time teaching budgets, a degree for professionals offered by the Department of Recreation and Leisure in Toronto, as well as two new Master's programs, Master of Professional Kinesiology and Master of Public Health. The Dean has identified this strategic investment provides funding to expand offerings and support small group learning.



Faculty of Applied Health Sciences

- Net direct operating budget ⁽¹⁾: \$19.7 million
- OG FTE ⁽²⁾: 113.5
- Strategic investment: \$1.6 million

brocku.ca/applied-health-sciences

The Library acquisitions budget in 2016-17 was increased by \$750,000. Further, additional funds were invested to support the 24-hour extended Library hours during exam times as well as to relocate materials not used on a regular basis to an off-site, high-density, environmentally-controlled facility, in order to empty up to four half floors for future student use. We know the Library is important to both teaching and research and for this reason the Fiscal Framework also establishes a goal to move the funding of Library acquisitions to be within the top five of comprehensive Universities as rated in the Maclean's University survey.



Library

- Net direct operating budget ⁽¹⁾: \$9.2 million (\$3.8 million of which is acquisitions)
- OG FTE ⁽²⁾: 49.5
- Strategic investment: \$0.87 million

brocku.ca/library

A combined increase of 72 per cent in the Marketing and Communications budget was observed due to a \$450,000 strategic investment to support new marketing initiatives for re-branding (\$300,000 is from the Provost Strategic Initiative Fund). This investment is intended to help advance the Brock brand and ensure we are communicating the many amazing accomplishments that people are achieving.




Marketing and Communications

- Net direct operating budget ⁽¹⁾: \$2.0 million
- OG FTE ⁽²⁾: 12.0
- Strategic investment: \$0.45 million

brocku.ca/marketing-communications

To support the increased demand of co-op programs and experiential education and to better provide students with career-related services, \$618,000 was invested to support Co-op, Career Services and Experiential Education initiatives (\$206,000 from the Provost Strategic Initiative Fund). This is an increase of seven per cent over the prior year and includes five new positions.




Co-op, Career and Experiential Education

- Net direct operating budget ⁽¹⁾: \$1.2 million
- OG FTE ⁽²⁾: 34.0
- Strategic investment: \$0.6 million
- Note: In 2016-17, the Goodman Career Development Office merged with Co-op, Career Services and Experiential Education to achieve maximum synergy.

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

In order to maintain a safe environment for all students, faculty, staff and other community members, a \$150,000 strategic investment was made to Campus Security Services. This investment supports the 24/7 security monitoring of the University and the emergency management plan, which includes one new position and capital equipment acquisitions.



Campus Security Services

- Net direct operating budget ⁽¹⁾: \$2.5 million
- OG FTE ⁽²⁾: 18.0
- Strategic investment: \$0.15 million


brocku.ca/campus-security

In addition to these investments, the President has committed to hiring a new sexual violence response coordinator. This individual will work in concert with the human rights and equity officer, and thereby provide a central point of contact for all complaints about sexual violence and harassment. This role will include handling complaints and providing education and support to all members of the Brock community.

Infrastructure

Some critical and significant infrastructure investments include the new finance system, the expansion and renovation plans for the Goodman School of Business and improvement of information technology on campus.

Although there have been enhancements and modifications made to the finance system throughout the years, the current system has been in place for 30 years, and was failing, resulting in significant impacts to operations across the University. Workday, which will replace the current finance system, is a modern cloud-based system which will bring significant efficiencies to the University's operation. Partnered with our Deloitte implementers, the new system will go live on May 3, 2016 with the following impacts: online expense reimbursement and purchasing requisition submission and approval and the ability to see source documents online, with full reporting to be enhanced over the next year.




New finance system

- Total project budget: \$4.8 million
- Funding sources: \$1 million in 2015-16 ITS capital and related project budget, \$2.8 million additional reserved in April 2015-16, and \$1 million in 2016-17 ITS capital and related project budget.

brocku.ca/workday/

(1) Net direct operating budget equals revenue minus expenses for 2016-17 fiscal year. These budgets do not allocate overhead costs (i.e. support services, space etc.).
(2) OG FTE represents 2016-17 budgeted ongoing staff and faculty full-time equivalent positions – excludes temporary contract workers and includes any budgeted but unfilled position.

As we continue to improve our teaching, study and work space, a \$22 million project for renovating and expanding the Goodman School of Business is expected to start in May 2016 and be completed in late 2018. The project will grow Goodman School of Business from its current 50,526 sq. ft. to 76,758 sq. ft. as well as provide major upgrades of existing space. This major infrastructure project along with an additional \$2 million for furniture and equipment for the building as well as \$2.1 million for deferred maintenance on the older portions of the building, were approved and included in the 2015-16 capital budget after the 2015-16 Budget Book was prepared and approved. The financial information for this project has been reported in the quarterly 2015-16 reporting as well as the year-end reporting for 2015-16, yet to be published.



Goodman School of Business building

- New building construction budget: \$22 million
- Furniture and equipment budget: \$2 million
- Deferred maintenance budget: \$2.1 million
- Funding sources: \$14 million in donations (most of which has been secured); \$10 million from the MTCU and \$2.1 million pre-encumbrance of the 2017-18 capital and related project budget.

brocku.ca/business

Further, in order to support information technology needs on campus, \$639,000 was invested to the capital and related project budget primarily for Human Resources and Student Information Systems.


The full 2016-17 capital and related projects plan can be found starting on page 79.

3. Support ongoing initiatives

This budget continues to support the ongoing initiatives of the University. We added this section to the budget report last year and continue to maintain it because 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 helps ensure we remember what areas this budget continues to support. As part of the Budget Details section of this report, Figure 35 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 additional information on each of the individual units grouped into these categories in the section on Responsibility centres on pages 49 to 75. 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 section provides additional information in areas where there have been questions. This section provides no priority to any of the functions, tasks, or programs identified.

The Cool Climate Oenology and Viticulture Institute (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.



CCOVI

- Net direct operating budget ⁽¹⁾: \$0.6 million
- Where this is budgeted: Research Services
- OG FTE ⁽²⁾: 9.2

brocku.ca/ccovi
cuvee.ca

The Brock University E-Learning Initiative is an investment in pedagogical innovation that enhances the academic experience of our students, affords them the flexibility of any time/any place learning and offers faculty members the opportunity to explore new approaches to learning and teaching.



E-Learning Initiative

- Net direct operating budget ⁽¹⁾: \$0.5 million
- Where this is budgeted: Centre for Pedagogical Innovation
- New online courses expected in 2016-17: 14

brocku.ca/pedagogical-innovation/elearning-initiative

Brock’s five transdisciplinary hubs are incubators of innovation and bridges to the community. The following are the 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.




Transdisciplinary Research

- Net direct operating budget ⁽¹⁾: \$1.0 million
- Where this is budgeted: Research Services

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

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.



Science Stores, Machine Shop and Electronics Shop

- Net direct operating budget ⁽¹⁾: \$1.0 million
- Where this is budgeted: Faculty of Mathematics and Science
- OG FTE ⁽²⁾: 10.6

brocku.ca/mathematics-science/departments-and-centres/sciencestores
brocku.ca/mathematics-science/faculty-staff/tenure-and-promotion/mathematics-science/faculty-staff/math-services

The Department of Development and Alumni Relations is responsible for Brock’s philanthropic activity, alumni engagement and capital fundraising campaigns.



Development and Alumni Relations

- Net direct operating budget ⁽¹⁾: \$1.7 million
- Five-year average annual funds raised (2011-12 to 2015-16 as of Dec. 31, 2015) \$9.87 million
- OG FTE ⁽²⁾: 18

brocku.ca/bold-new-brock

(1) Net direct operating budget equals revenue minus expenses for 2016-17 fiscal year. These budgets do not allocate overhead costs (i.e. support services, space etc.).
(2) OG FTE represents 2016-17 budgeted ongoing staff and faculty full-time equivalent positions – excludes temporary contract workers and includes any budgeted but unfilled position.



The mission statement of Brock athletics is to enrich the overall student life experience by providing quality sport programs and leadership in the pursuit of athletic excellence. It provides students with the opportunity to take part in athletics both as participants and fans.



Brock Athletics and Intramurals

- Number of teams: 39 teams and 803 athletes
- Number of intramural teams and athletes: 784 teams and 6,750 participants
- Net direct operating budget of the Department of Athletics and Recreation: \$0.8 million

brocku.ca/recreation-services
gobadgers.ca

The majority of the utilities are shown in the Utilities, Taxes and Insurance responsibility centre on page 72.



Utilities

- Hydro: \$0.90 million 2016-17 budget; \$0.77 million 2015-16 budget
- Heating and cooling: \$4.1 million 2016-17 budget; \$4.39 million 2015-16 budget
- Water: \$2.27 million 2016-17 budget; \$2.11 million 2015-16 budget

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

The majority of the scholarships, bursaries and student awards are shown in the Scholarships, Bursaries and Student Awards responsibility centre on page 73. These funds represent just over six per cent of total revenue.



Scholarships, Bursaries and Student Awards

- Undergraduate: \$12.1 million
- Graduate \$7.4 million
- Funding sources: \$18.0 million (93%) operating costs and \$1.5 million (7%) endowment.

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



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

In the prior year the budget process and timetable was moved up to conclude in May. This timeline continued into this budget cycle. To everyone involved in the budget development, congratulations and thank you for making this budget timeline possible.

Following last year's Budget Report, this year's report continues linkage of financial and non-financial data and additional budget details.

We suspect this information will generate discussion, which is encouraged. The fiscal framework and current revenue and expense allocation project will be continuing this discussion.

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.

As time passes and we continue to experience a mitigation target, it is believed that the budget will continue to 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





Budget environment

The budget environment for the University is dominated by government policy, enrolment, and dare we say, ourselves. These same factors were identified in last year’s budget report and continue today.

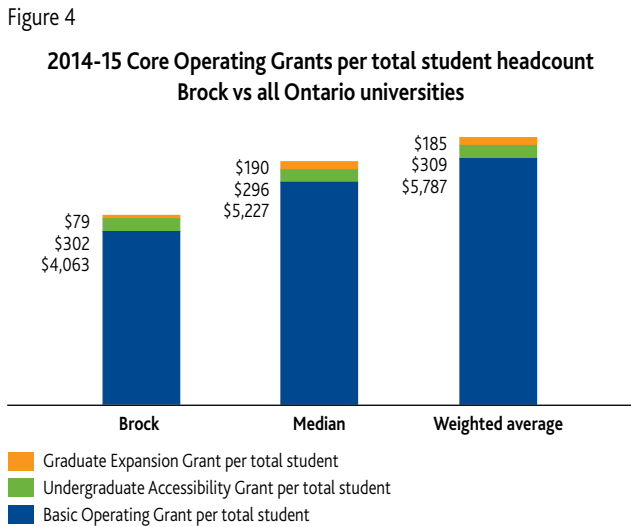
The topics identified in this section should not detract from the emphasis put on the Strategic Mandate Agreement or Integrated Strategic Plan. This discussion on the budget environment only serves to highlight three areas that significantly impact the fiscal framework and budget development.

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 (Cairns), the Marilyn I. Walker School of Fine and Performing Arts (MIWSFPA) building, and most recently the new Goodman School of Business Building. The Province has also made significant pledges in the area of deferred maintenance to increase our funding from approximately \$609,000 in 2013-14 to \$2.2 million in 2018-19. This funding is reflected in this 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 (note: the core operating grants represent the Basic Operating Grant, the Undergraduate Accessibility Grant and the Graduate Expansion Grant.) 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. In aggregate it is estimated these changes have cost the University in the neighbourhood of \$30 million in lost revenue over the past three years. While all the changes have been difficult, the most problematic policy impacting us today is that there has been no inflation on the operating grants in a decade,

yet the costs they fund are all increasing by at least the rate of inflation. This means that approximately 33 per cent of our revenue will not see an increase at all, assuming our enrolment stays flat.

Going forward, the Province is currently in the process of renewing its funding framework. Recognizing at this time that the Province has developed nothing more than points for consideration, the budget was developed with the funding model that exists today. Readers may also find it interesting that based on a recent internal review, we now believe we receive virtually the lowest core operating grants per student and per BIU from the Province when compared to all other universities in Ontario (see Figure 4).

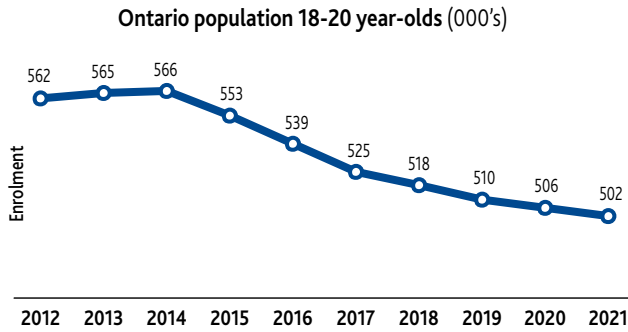


Readers may ask how this is possible. Many might be unaware that approximately 88 per cent (based on 2016-17 budget) of the core operating grants are actually fixed regardless of enrolment changes (read more on page 32). In the future and as the Province’s review of its funding framework unfolds, discussions will need to continue regarding this differential. It may be of interest, if we were funded for each student on the BIU formula or by FTE we could stand to receive between \$9.5 million and \$9.7 million (see page 28 of the Fiscal Framework document) more in grants than we currently do. In addition to these financial restraints, it has also been noted that through the Province’s new program-approval processes tied to the SMA, the Province has reduced our ability to chart our own course on program development and offerings, whereby the path to approval of new programs now requires extensive provincial review.

Enrolment

Concern regarding enrolment growth domestically was highlighted during the 2015-16 budget process, both by last year's application numbers from first-choice applicants to Brock being down 12.7 per cent, as well as by the anticipated reduction in Ontario's population of students between the ages of 18-20, as shown in the Statistics Canada data (see Figure 5).

Figure 5



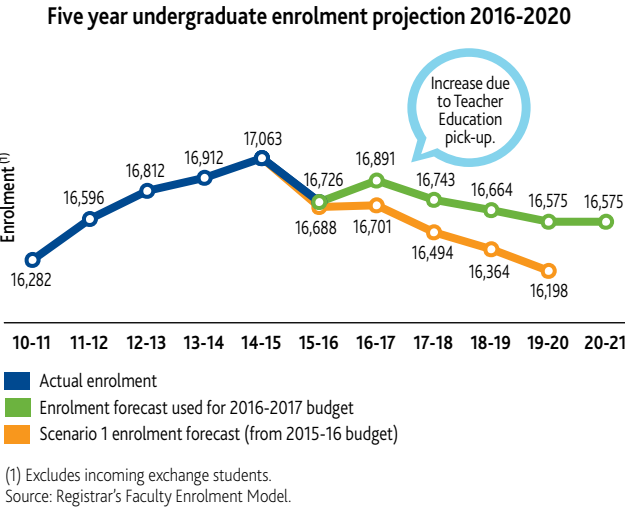
Source: Statistics Canada.

In light of this information, as part of the 2015-16 budgeting process, the Office of the Registrar created two comprehensive multi-year undergraduate enrolment forecasts, accounting for change in admission intake more than one year into the future. This model was informed and updated by the Strategic Enrolment Management plan. The first scenario, which was used to forecast the tuition and grant revenue for the 2015-16 budget, forecasted 2015-16 intake flat to 2014-15 with subsequent academic years being modelled on the Ontario population projections, including the impact of the Faculty of Education changes. This resulted in a forecasted decline of 375 students in 2015-16. The second scenario had the same assumptions, with the exception of the 2015-16 intake, which was forecast to reduce by 110 students.

Actual experience in 2015-16 saw us meeting our objective of flat intake and enrolment. In addition, given the application levels experienced as of February 2016, which saw them relatively flat to 2015-16 (1.14 per cent increase), the expectation is that we could maintain flat or slightly increase intake and enrolment in 2016-17 rather than the decline as forecasted in Scenario 1 described above. In other words, Scenario 1's forecast of declining enrolment has been pushed out one year and then continues to follow the population decline in outlying years, as shown in Figure 6. The reason for the increase in 2016-17 is because it reflects the rebound in

the Faculty of Education enrolment. Remember, the Province temporarily cut the intake in 2015-16 to create capacity so it could change the length of the teacher education program from one year to two. If we look past this, other enrolment is projected to decline.

Figure 6



(1) Excludes incoming exchange students.
Source: Registrar's Faculty Enrolment Model.

In addition to the systematic risks of population decline addressed by the Office of the Registrar's enrolment scenarios (illustrated by arrow 1 in Figure 7), it is important to realize that there are a number of other factors affecting enrolment. As noted in the "pullout," the Faculty of Humanities student headcount enrolment is down approximately 800 students over the past five years, while all other Faculties have been flat or seen growth in enrolment. 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 Figure 7). This ultimately may mean that the decrease is realized disproportionately across Faculties.

Figure 7

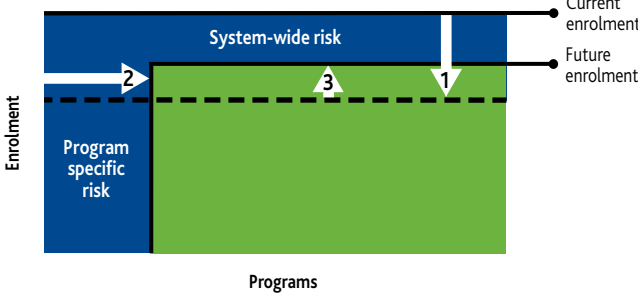
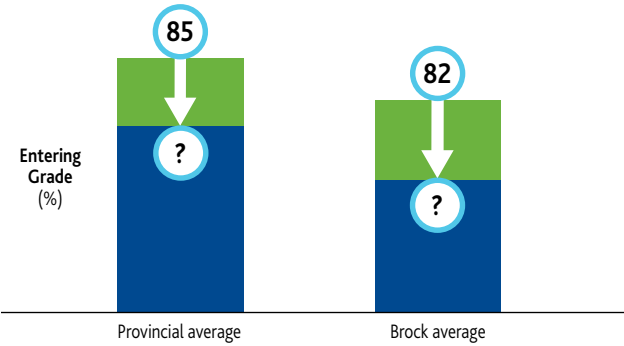


Figure 8

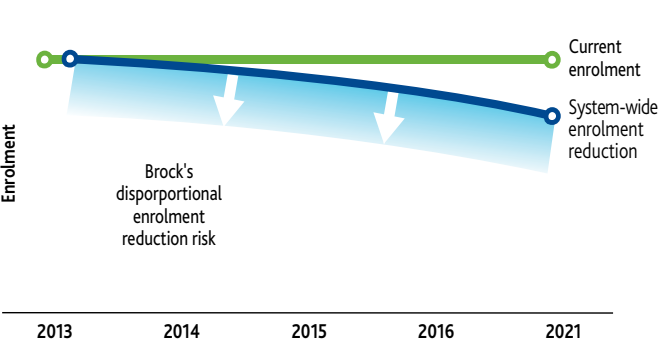


Of further concern is what is illustrated in Figures 8 and 9. These figures address the question: "What if an enrolment decline is not felt proportionally by all Ontario universities?" It is possible that we could see a disproportional drop in student enrolment compared to other universities because, as Figure 8 illustrates, our average entering grade is already lower compared to other Ontario universities.

If other universities lower their entering average requirement to maintain enrolment, we will need to assess our response. We could see something similar to Figure 9 if we experience a disproportional enrolment decrease.

The reality is that predicting enrolment 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 continued willingness to get involved in recruiting. This said, the Academic Program Review identifies that we have programs with low enrolment and for those programs we need to assess next steps. 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 – 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.

Figure 9



Ourselves

So why talk about "ourselves" as an aspect of the current fiscal environment? It's because we all 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 resources are allocated. 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 continues, 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 87. 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 "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 2015-16, that we will meet our mitigation target of \$3.9 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. The six-month hiring freeze and natural turnover continued to keep salary and benefits costs below budget.
2. The budget did not reflect the shift in BIU funding that occurred because certain lower BIU funded programs experienced declining enrolment and higher BIU funded programs experienced increasing enrolment.
3. The budget incorporated a lower one-time teacher's education grant than actually realized.

At year end, this projection will be updated to actual results in the Annual Report.

Unfortunately, while we meet the mitigation target in fiscal 2015-16 to balance the budget, we will still be budgeting a mitigation target in fiscal 2016-17 of \$3.9 million.

The 2016-17 budget was established with certain key assumptions:

1. 164 student headcount increase in undergraduate students and 25 student headcount increase in graduate students.
2. No further change in the Province's tuition or grant policy, although it should be recognized the Province is working on a new policy in this area.

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

1. The largest is personnel costs. The Fiscal Framework document identifies we spend 72 per cent of our operating costs on personnel costs compared to 68 per cent at other Ontario comprehensive universities (based on COFO reporting). When the development of this budget started, an initial goal of trying to hold the personnel cost line flat was set. The rationale was to try and continue to find efficiencies to start a process identified in the Fiscal Framework document to move us

to 70 per cent of our operating costs spent on personnel (based on COFO reporting) over a number of years. This aspiration proved premature as this budget actually projects a \$4.2 million increase in personnel costs. For this reason, and given the mitigation target now being established, the 2017-18 budget starts today.

2. The Faculty of Education has seen its revenue projections in the Med ISP program decrease substantially. The current budget has revenue almost equal to expenses. This has resulted in an \$463,000 reduction in the program's contribution to the Faculty of Education.
3. The English as a Second Language (ESL) program has also seen a reduction in enrolment. This budget has seen its financial contribution decline by \$614,000.

To tackle the mitigation target in fiscal 2016-17, the following mitigation measures of fiscal 2015-16 will remain in effect:

- Six-month hiring delay (exceptions by Presidential approval).
- All unspent salary, wage and benefit amounts to contribute to deficit reduction.
- Maintaining the expanded 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.

We will also be looking to see if the work of many can exceed enrolment 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, the "Looking forward" section can be found on page 87, which further reviews this topic and links future planning to the Fiscal Framework.

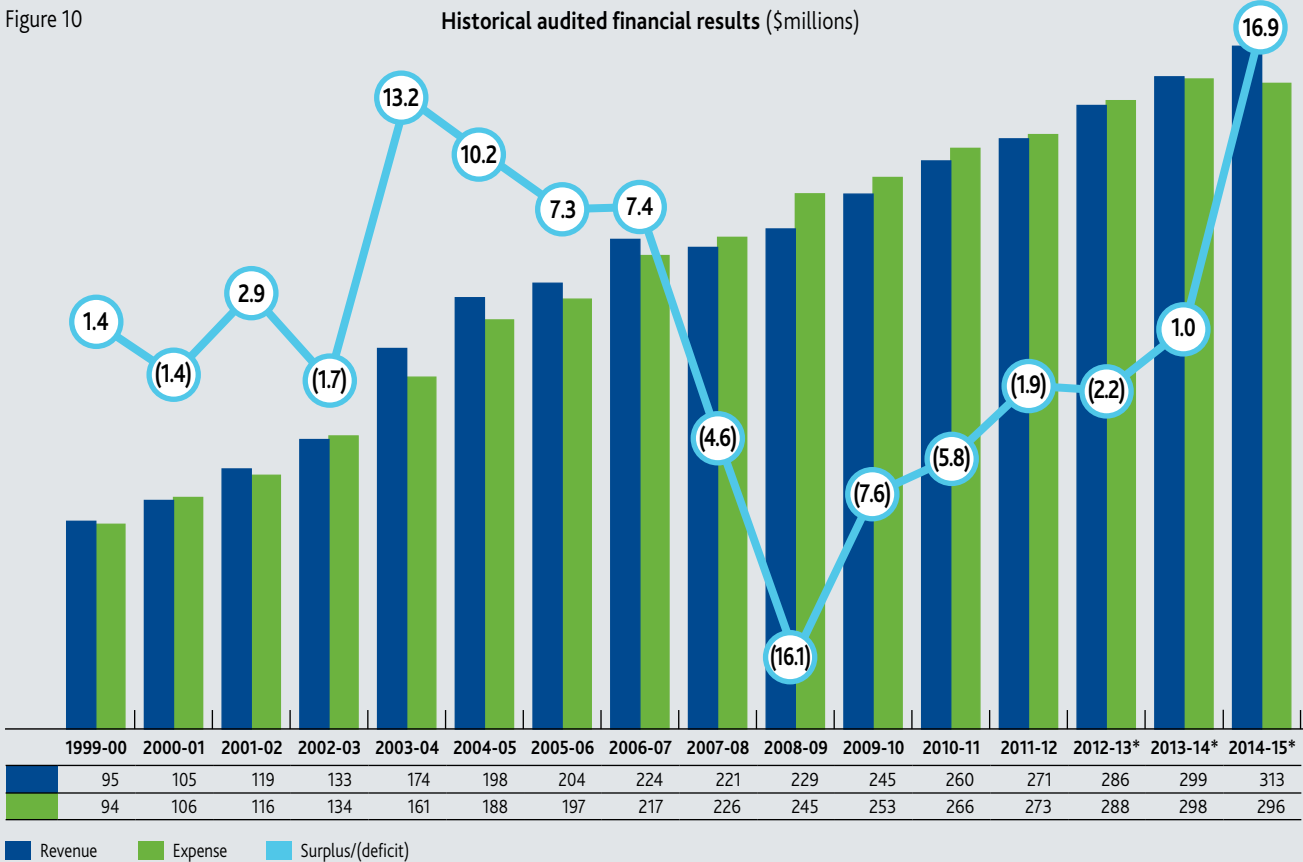


Historical timeline

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 an undergraduate and graduate student headcount and a faculty, professional librarian 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 2015-16 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). The staff headcount figures are from the Human Resources Information System (HRIS) and represent headcount as of Oct. 1 of each year.

Figure 10



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 2014-15).
*These figures do not reflect the mark-to-market changes in the pension valuation resulting from recent CICA Handbook section changes.

Space considerations

The following charts present two different ways of examining space at the University. Figure 12 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 2016. 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. Figure 13 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 October 2015, which determined that Brock has \$145 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, MIWSFPA 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 0.18, which translates to “poor”.

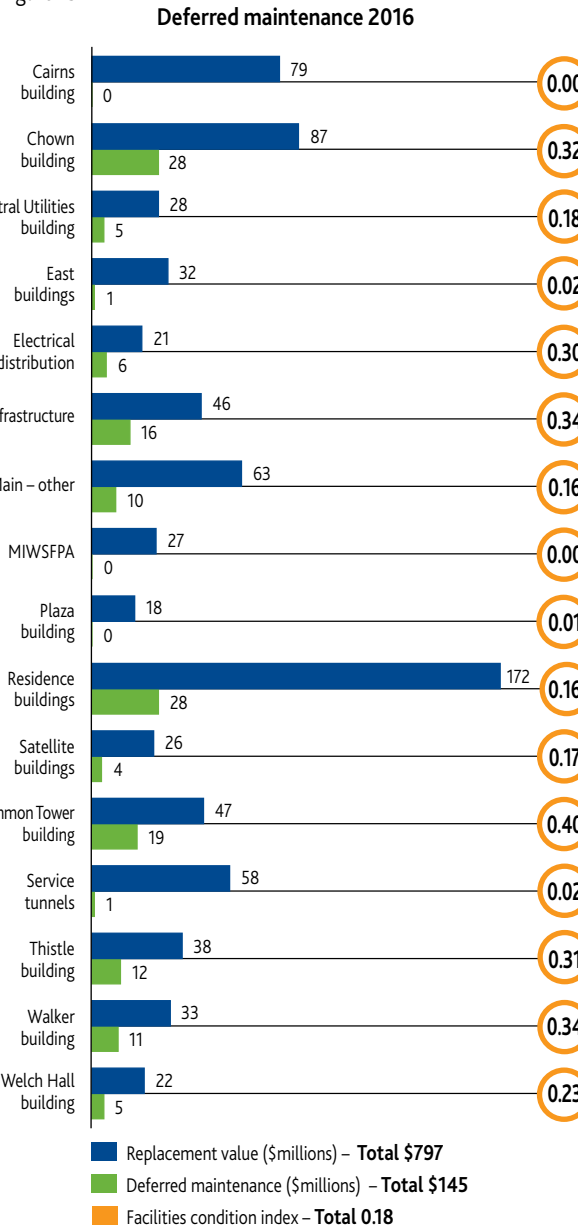
Figure 12

Space usage

| Category | Estimate 2016 | | Actual 2013 ⁽¹⁾ | |
|---|---------------------|-------------|----------------------------|-------------|
| | Metres ² | % | Metres ² | % |
| Classroom facilities | 12,175 | 5% | 10,479 | 5% |
| Laboratory – undergraduate | 10,536 | 5% | 9,098 | 4% |
| Research laboratory space | 11,534 | 5% | 11,442 | 5% |
| Academic departmental office and related | 18,451 | 8% | 18,305 | 9% |
| Campus study space and library facilities | 8,821 | 4% | 10,235 | 5% |
| Athletic/recreation space | 10,840 | 5% | 10,932 | 5% |
| Food service | 5,698 | 3% | 4,970 | 2% |
| Bookstore and other merchandising facilities | 2,154 | 1% | 2,204 | 1% |
| Plant maintenance | 2,534 | 1% | 2,167 | 1% |
| Central administrative office and related | 10,017 | 4% | 9,821 | 5% |
| Central services | 2,070 | 1% | 2,170 | 1% |
| Health service facilities | 393 | 0% | 354 | 0% |
| Common use and student activity space | 2,735 | 1% | 2,236 | 1% |
| Assembly and exhibition facilities | 3,411 | 2% | 3,818 | 2% |
| Residential space | 48,029 | 22% | 44,460 | 21% |
| Animal space | 141 | 0% | 141 | 0% |
| Other University facilities | 1,753 | 1% | 1,741 | 1% |
| Health science clinical facilities | 587 | 0% | 474 | 0% |
| Net non-assignable square metres (nnasm) ⁽²⁾ | 71,062 | 32% | 67,659 | 32% |
| Total | 222,941 | 100% | 212,706 | 100% |

(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). 2016 estimate data is included as an updated comparison to 2013 data. 2016 data includes Marilyn I. Walker School of Fine and Performing Arts.
(2) Nnasm includes items such as central utility plants, corridors, stairwells, elevators and service tunnels.

Figure 13

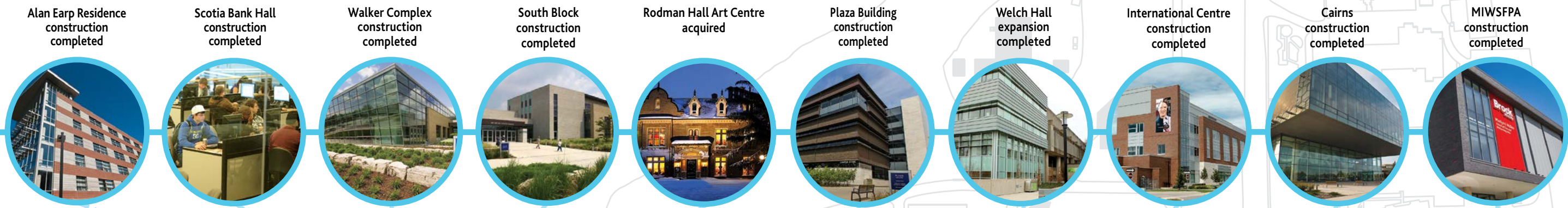


Source: VFA Asset List Report, 2010-2015

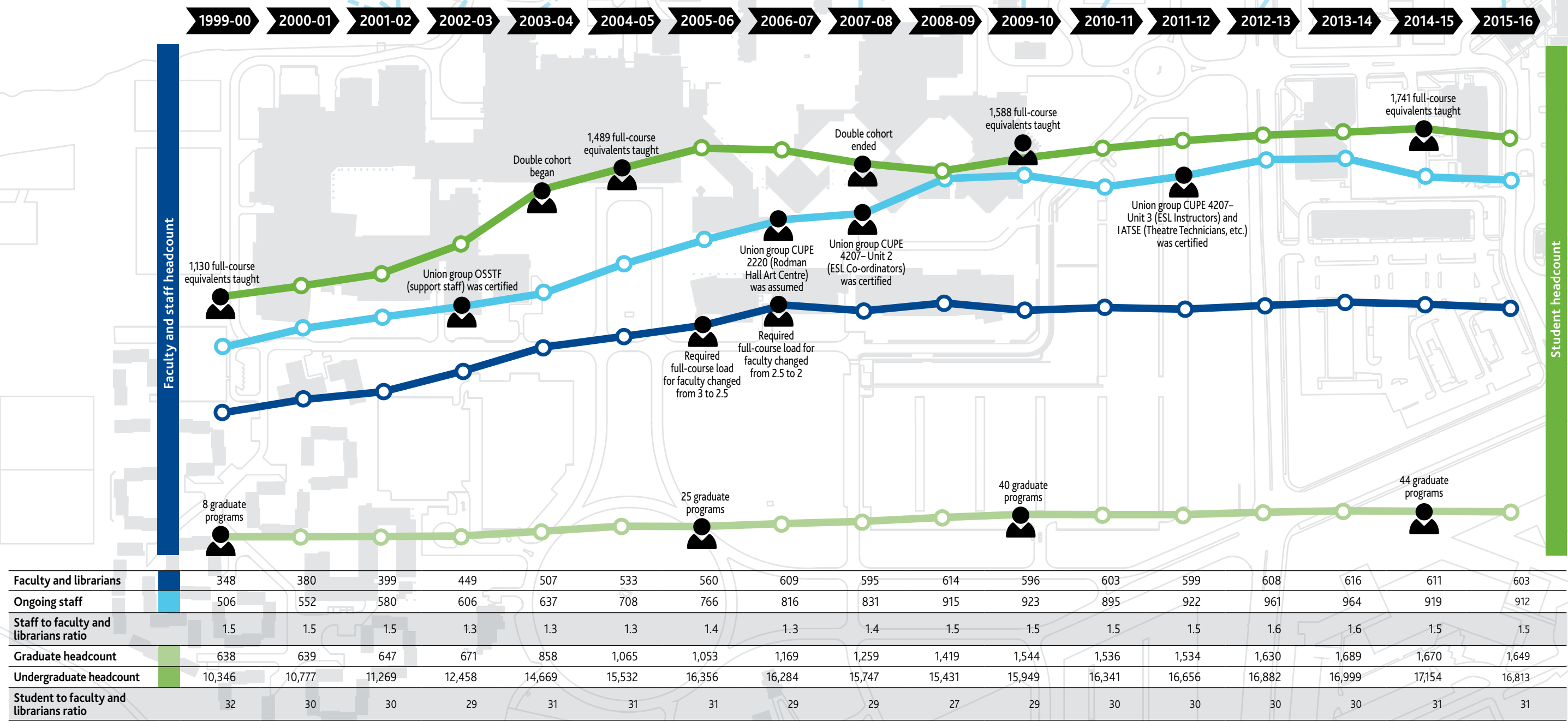
Definitions

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-other: Includes Brock Research and Innovation Centre, Hamilton campus and Rodman Hall Art Centre.

Figure 11



Historical timeline



Source: Brock Facts. Visit brocku.ca/institutional-analysis/brock-facts



Funding budget

The funding budget is used to communicate revenue targets and expense approvals. It fundamentally tracks where cash has been allocated. Figure 14 details the funding budget for 2016-17 in comparison to the 2015-16 budget and 2014-15 actual. Some reclassifications were made to the 2015-16 budget for comparison purposes when the funding deficit was not impacted. See Appendix C for reconciliation of these reclassifications.

Figure 14

| (\$000s) | 2016-17 Budget | 2015-16 Budget | 2014-15 Actual |
|-----------------------|-------------------|-------------------|-------------------|
| Revenue | | | |
| Student fees | 158,610 | 151,030 | 145,946 |
| Grant revenue | 92,358 | 91,014 | 94,594 |
| Internal chargebacks | 7,752 | 7,690 | 7,111 |
| Other revenue | 47,481 | 47,359 | 51,134 |
| Total revenues | 306,201 | 297,093 | 298,785 |
| Operating costs | | | |
| Personnel costs | (204,169) | (199,967) | (193,865) |
| Other operating costs | (105,952) | (101,063) | (97,406) |
| Total operating costs | (310,121) | (301,030) | (291,271) |
| Mitigation target | 3,920 | 3,937 | |
| Funding surplus | - | - | 7,514 |

Revenue assumptions

Student fees

Student fees include both tuition and fee revenue and represent 52 per cent of total revenue. Student fees are budgeted to be \$158.6 million for 2016-17, which is detailed in Figure 15. Student fees are projected to increase by \$7.6 million over the 2015-16 budget and \$12.7 million as compared to 2014-15 actual.

Figure 15

| (\$000s) | 2016-17 Budget | 2015-16 Budget | 2014-15 Actual |
|--------------------|-------------------|-------------------|-------------------|
| Tuition | 151,534 | 143,841 | 140,167 |
| Fee revenue | 7,076 | 7,189 | 5,779 |
| Total student fees | 158,610 | 151,030 | 145,946 |



Tuition revenue

Tuition revenue, defined as a fee charged for educational instruction, is budgeted to be \$7.7 million over the 2015-16 budget and \$11.4 million over 2014-15 actual.

The increase in budgeted tuition revenue is the result of both increases in tuition rates as well as growth in enrolment. This increase in enrolment is driven by new programs coming online in 2016-17 as well as the Teacher Education program second year starting. Overall, we are holding the line on enrolment despite a decline in Humanities. 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, Figure 16 details the tuition revenue by program type, separated by where the tuition is reported.

Figure 16

| (\$000s) | 2016-17 Budget | 2015-16 Budget | 2014-15 Actual | |
|---|----------------|----------------|----------------|-----|
| Total tuition revenue budgeted in University Global | | | | |
| | 135,035 | 126,702 | 122,594 | (1) |
| Tuition revenue budgeted in respective departments | | | | |
| Professional Master Preparation Certificate (Business) (PMPC) | 668 | 675 | 635 | (2) |
| International Master of Business Administration (IMBA) | 5,901 | 5,190 | 5,208 | (2) |
| International Master of Accountancy (IMAcc) | 1,762 | 1,509 | 1,614 | (2) |
| Masters Preparation Certificate in Education (MPCE) | 270 | 472 | 477 | (3) |
| International Master of Education (MEd) | 722 | 1,252 | 1,460 | (3) |
| Master of Arts Applied Linguistics (MA LING) | 147 | 190 | 184 | (4) |
| International Master of Science in Materials Science | | 75 | | (5) |
| Total international student programs (ISP)s | | | | |
| | 9,470 | 9,363 | 9,578 | |
| Continuing Teacher Education – Additional Qualifications (AQ) | 662 | 792 | 901 | (3) |
| Center for Adult Education and Community Outreach (CAECO) * | 905 | 975 | 1,146 | (3) |
| Other Education programs | 99 | 150 | 228 | (3) |
| Intensive English Language Program (IELP) | 4,120 | 4,640 | 4,562 | (6) |
| Summer English Language Program (SELP) | 272 | 303 | 331 | (6) |
| Non-credit programs (e.g. Youth University) | 971 | 916 | 827 | (7) |
| Total other self-funded programs | | | | |
| | 7,029 | 7,776 | 7,995 | |
| Tuition revenue budgeted in respective department | | | | |
| | 16,499 | 17,139 | 17,573 | |
| Total tuition revenue | | | | |
| | 151,534 | 143,841 | 140,167 | |

* 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).



Figure 17

| (\$000s) | 2016-17 Budget | 2015-16 Budget |
|---|----------------|----------------|
| Tuition revenue budgeted in University Global | | |
| Undergraduate – domestic | | |
| Faculty of Applied Health Sciences | 21,556 | 19,238 |
| Goodman School of Business | 19,014 | 17,344 |
| Faculty of Education | 6,291 | 4,324 |
| Faculty of Humanities | 10,374 | 10,589 |
| Faculty of Mathematics and Science | 10,937 | 10,464 |
| Faculty of Social Sciences and Undeclared Arts | 30,513 | 30,326 |
| No Faculty | 275 | 240 |
| Total undergraduate – domestic | | |
| | 98,960 | 92,525 |
| Graduate – domestic | | |
| Faculty of Applied Health Sciences | 1,065 | 952 |
| Goodman School of Business | 1,131 | 1,177 |
| Faculty of Education | 1,322 | 1,408 |
| Faculty of Humanities | 485 | 478 |
| Faculty of Mathematics and Science | 704 | 685 |
| Faculty of Social Sciences | 2,449 | 2,486 |
| Total graduate – domestic | | |
| | 7,156 | 7,186 |
| Total domestic | | |
| | 106,116 | 99,711 |
| Undergraduate – VISA | | |
| Faculty of Applied Health Sciences | 997 | 596 |
| Goodman School of Business | 11,720 | 11,740 |
| Faculty of Education | 33 | 50 |
| Faculty of Humanities | 434 | 435 |
| Faculty of Mathematics and Science | 2,582 | 1,904 |
| Faculty of Social Sciences and Undeclared Arts | 9,733 | 8,045 |
| No Faculty | 110 | 742 |
| Total undergraduate – VISA | | |
| | 25,609 | 23,512 |
| Graduate – VISA | | |
| Faculty of Applied Health Sciences | 116 | 103 |
| Goodman School of Business | 1,510 | 1,601 |
| Faculty of Education | 76 | 99 |
| Faculty of Humanities | 117 | 116 |
| Faculty of Mathematics and Science | 881 | 1,033 |
| Faculty of Social Sciences | 610 | 527 |
| Total graduate – VISA | | |
| | 3,310 | 3,479 |
| Total VISA | | |
| | 28,919 | 26,991 |
| Total tuition revenue budgeted in University Global | | |
| | 135,035 | 126,702 |

New to the budget report in 2015-16, 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). 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 2016-17 and 2015-16 budgeted global tuition revenue is detailed in Figure 17 by Faculty of major, segregated by graduate/undergraduate and domestic/VISA.

Overall, tuition budgeted in University Global increased by \$8.3 million as a result of the following:

- 2015-16 Budget** \$126.7 million
- \$1.2 million – 15-16 Budget to 15-16 **Actual** (note: actual tuition was not yet finalized at the time of writing)
 - \$4.6 million – **Rate impact** (\$3.3 million domestic and \$1.3 million VISA)
 - \$2.5 million – **Enrolment impact** – (\$1 million Faculty of Education – undergraduate and \$1.7 million VISA – undergraduate)

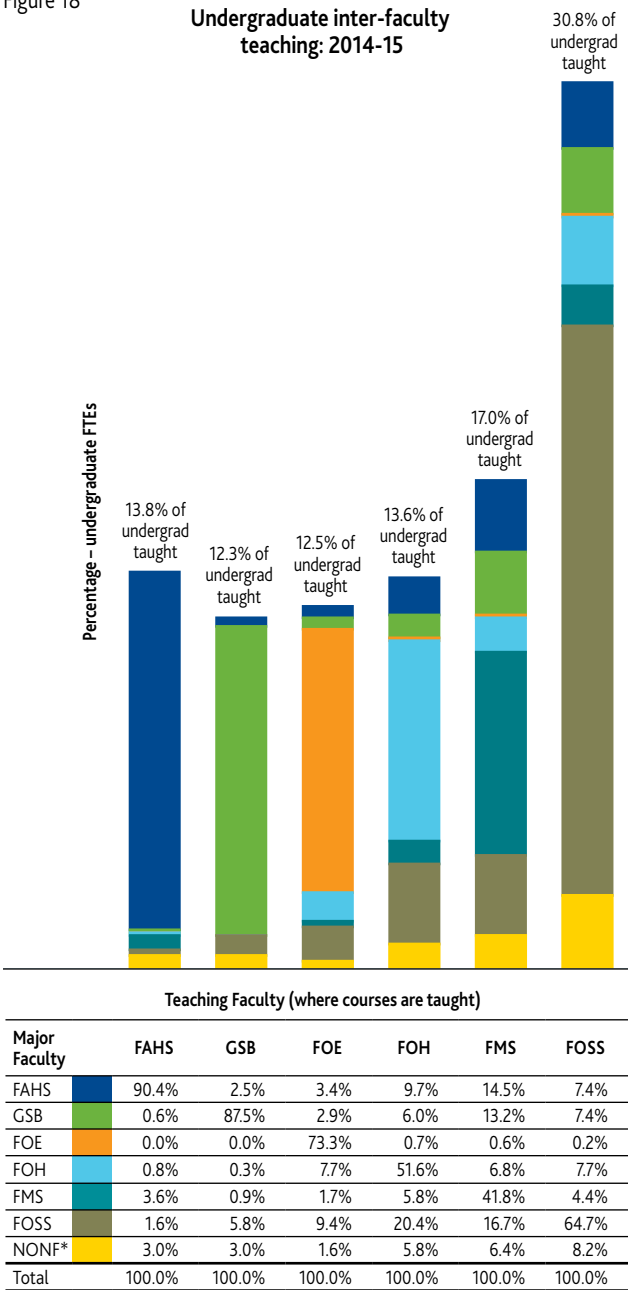
2016-17 Budget \$135.0 million





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, Figure 18 details the proportion of undergraduate students taking courses by the Faculty of the courses being taught in 2014-15. As an example to help interpret the chart, the Faculty of Applied Health Sciences (FAHS) teaches 13.8 per cent of the total undergraduate courses taught at the University. Of the students taking those FAHS courses, 90.4 per cent are students with a FAHS major, 0.6 per cent are students with a Goodman School of Business major, and so forth.

Figure 18



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.

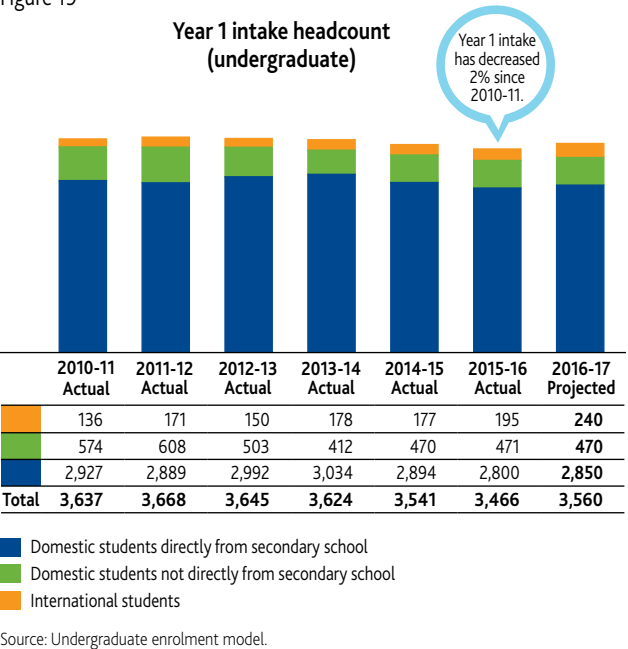
Although there have been modifications in how the tuition revenue is reported and analyzed, the process for budgeting tuition revenue has not really changed and still consists of two key considerations – enrolment and fees.

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: Figure 19 displays the headcount projections for undergraduate Year 1 (full time) intake as compared to prior years.

Figure 19



The projected intake figures are influenced by the applications received, which have increased by 1.14 per cent in 2016-17 compared to 2015-16 as shown in Figure 20. Readers should note this change reflects all applications directly from secondary school; however, first choice applications for this group were actually down four per cent at the time of writing this report.

Figure 20: Applications directly from secondary school

| Faculty | 2016-17 | 2015-16 | % Chg |
|----------------------------|---------|---------|--------|
| Applied Health Sciences | 4,210 | 4,092 | 2.88% |
| Goodman School of Business | 3,262 | 3,188 | 2.32% |
| Humanities | 1,411 | 1,565 | -9.84% |
| Mathematics and Science | 2,000 | 1,914 | 4.49% |
| Social Sciences | 3,971 | 3,927 | 1.12% |
| Total applications | 14,854 | 14,686 | 1.14% |
| Offer rate | 74% | | |
| Yield rate | 27% | | |
| Resulting intake | 2,800 | | |

Source: February 101 OUAC report; BrockDB Admissions Dataset for faculty distribution (Feb.).

As shown in Figure 19, intake targets used in the 2016-17 budget were slightly increased compared to 2015-16 actuals. Given the applications experience, mix of programs offered, mix of students offered (domestic and international), recruiting techniques, and timing of offers, Brock’s overall yield rate will have to increase to hit the intake targets for 2016-17.

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, Figure 21 shows the return or retention rates of students who entered the University directly from secondary school in 2014 into the 2015-16 year.

Figure 21

| 2015-16 domestic directly from secondary school cohort | # students | % students |
|--|------------|------------|
| Entered in 2014 as Year 1 | 2,894 | |
| Activity in 2015-16 | | |
| Returned full-time as a Year 1 student | 863 | 30% |
| Returned full-time as a Year 2 student | 1,645 | 57% |
| Returned as part-time Year 1 student | 37 | 1% |
| Returned as part-time Year 2 student | 20 | 1% |
| Not registered | 329 | 11% |
| Total | 2,894 | 100% |

Source: Undergraduate enrolment model.

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 2015-16, the 2016-17 budget projects an undergraduate headcount increase of 164 or 1.1 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:

Figure 22

| Faculty | Domestic | Visa | Total | % change |
|------------------------------------|----------|------|-------|----------|
| Faculty of Applied Health Sciences | 91 | 1 | 92 | 2.7% |
| Goodman School of Business | 38 | 37 | 75 | 2.7% |
| Faculty of Education | 159 | | 159 | 13.2% |
| Faculty of Humanities | (159) | (3) | (162) | (8.7%) |
| Faculty of Mathematics and Science | 23 | 10 | 33 | 1.8% |
| Faculty of Social Sciences | (64) | 31 | (33) | (0.7%) |
| Total | 88 | 76 | 164 | 1.1% |

The increase in undergraduate headcount translates to an increase in FTE of 174, 159 of which relates to the Faculty of Education.

i. Enrolment projections – graduate

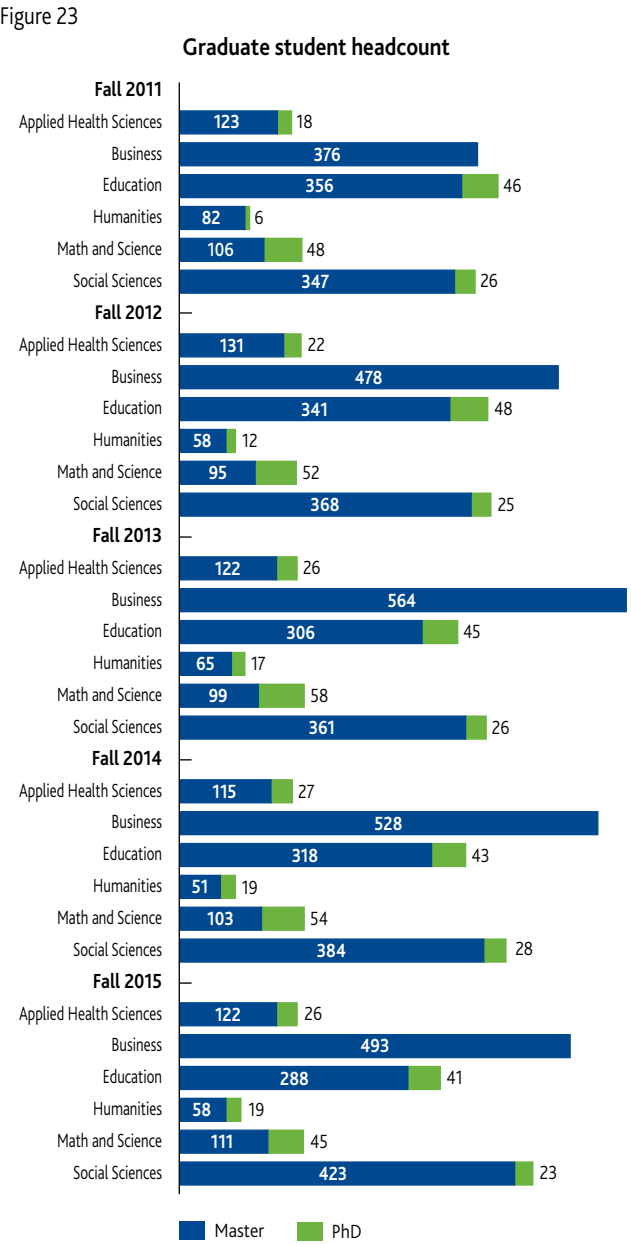
Graduate enrolment, in general, for the purposes of the 2016-17 budget, was held consistent to the actual enrolment experienced in 2015-16 with the following exception:

- The Faculty of Applied Heath Sciences is expecting to bring in 20 additional Master’s students and five additional PhD students over 2015-16 as the result of new programs expected to come online in 2016-17.

Figure 23 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 Committee and to the Board of Trustees. Approved tuition fees for 2016-17 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.

Fee revenue

Fee revenue is budgeted to be \$7.1 million, which is \$0.1 million under the 2015-16 budget and \$1.3 million over actual 2014-15. 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 2016-17 ancillary fees retained by the University on Dec. 3, 2015.

University administered ancillary fees are budgeted to be \$3.8 million in 2016-17, which is consistent with the 2015-16 budget and \$0.2 million more than 2014-15 actual. The largest portion of the ancillary fees is the undergraduate Brock University Student Life Fee. This fee was established in 2013-14 as part of the student referendum and is used to support Student Health Services and Athletics and Recreation. This fee is budgeted to generate \$1.6 million in 2016-17, consistent with the 2015-16 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 total ancillary fees is the undergraduate athletic, intramural and recreational program fee (separate from the Student Life Fee). The fee represents \$1.4 million in the 2016-17 budget, consistent with the 2015-16 budget, and is reported in the Recreation Services and Athletics departments. The undergraduate health-services fee is \$0.4 million for

2016-17, consistent with the 2015-16 budget, and is reported in the Student Services Department.

Total graduate ancillary fees are budgeted to generate \$0.24 million in 2016-17, a decrease of \$0.01 million over the 2015-16 budget. The graduate ancillary fees consist of the Health Service fee and Graduate Students’ Mental Health and Wellness fee, (both reported in Health Services) as well as the Zone Fitness Centre Fee, the Athletics Fee and the Recreation Facilities Fee (all three of which are reported as part of the Department of Athletics and Recreation).

Other student fees of \$3.2 million were included as part of fee revenue in the 2016-17 budget (\$3.4 million in 2015-16 budget). Included as part of other student fees is 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 of revenue in 2016-17 and 2015-16 (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 (\$1.2 million in 2015-16 budget) of co-op fees (reported in the Co-op Programs Office), and \$0.8 million (\$1.0 million in 2015-16 budget) of ESL ancillary fees for international students (reported in the Student Services Department). The decrease in the ESL ancillary fee revenue is the result of a decline in ESL enrolment.

Grant revenue

Grant revenue includes operating grants and specific purpose grants and represents 30 per cent of total revenue (31 per cent in 2015-16 budget), and is budgeted to be \$92 million for 2016-17, which is detailed in Figure 24. Grant revenue increased \$1.3 million over the 2015-16 budget and decreased \$2.2 million over actual 2014-15.

Figure 24

| (\$000s) | 2016-17 Budget | 2015-16 Budget | 2014-15 Actual |
|---|----------------|----------------|----------------|
| Operating grants | | | |
| Basic Operating Grant | 64,785 | 71,080 | 71,505 |
| Teacher Education Basic Operating Grant | 5,183 | | |
| Enrolment-based grants | 10,170 | 6,214 | 10,198 |
| General Access and Quality Grant | 3,769 | 3,769 | 3,770 |
| Performance Fund | 700 | 700 | 746 |
| Total operating grants | 84,607 | 81,763 | 86,219 |
| Specific purpose grants | 7,751 | 9,251 | 8,375 |
| Total grant revenue | 92,358 | 91,014 | 94,594 |

Operating grants

- Operating grants represent 28 per cent of the total revenue (28 per cent in 2015-16 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 Grants

- The core of government funding the University receives comes from the Basic Operating Grants, which are 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.
- In 2013-14 the MTCU introduced the International Student Recovery that 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 \$1,410,000 from 2013-14, with an additional reduction of \$141,000 forecast for 2016-17. Overall, since 2012-13 the Basic Operating Grant has been cut by \$3,007,000, due to a number of cuts to different universities' core operating grants as described in the Budget Environment section.
- In 2015-16, as part of the MTCU's change in funding of teacher education, the Teacher Education portion of the Basic Operating Grant was pulled out and calculated separately. The BIU per teacher education student is being reduced from 2.0 to 1.5 over a three-year period starting in 2015-16, with a total anticipated reduction in the overall Basic Operating Grants of \$1.99 million.
- Note: at the time of preparing the budget in 2015-16 it was unclear how the MTCU would be adjusting teacher education funding. It was projected that this reduction would be experienced as part of the Undergraduate Accessibility Grant.
- Since the Teacher Education portion actually came out of the fixed Basic Operating Grant rather than the Undergraduate Accessibility Grant, this adds additional risk as the Undergraduate Accessibility Grant remains larger and thus subject to further decline.
- The 2016-17 total of both Basic Operating Grants is forecast to be \$69,968,000 and is reported as part of the University Global responsibility centre.

Enrolment-based grants

Figure 25

| (\$000s) | 2016-17 Budget | 2015-16 Budget | 2014-15 Actual |
|----------------------------------|----------------|----------------|----------------|
| Undergraduate Accessibility Fund | 5,147 | 1,407 | 5,461 |
| Graduate Expansion Grant | 2,307 | 2,044 | 1,947 |
| Nursing Grant | 2,716 | 2,763 | 2,790 |
| Total enrolment-based grants | 10,170 | 6,214 | 10,198 |

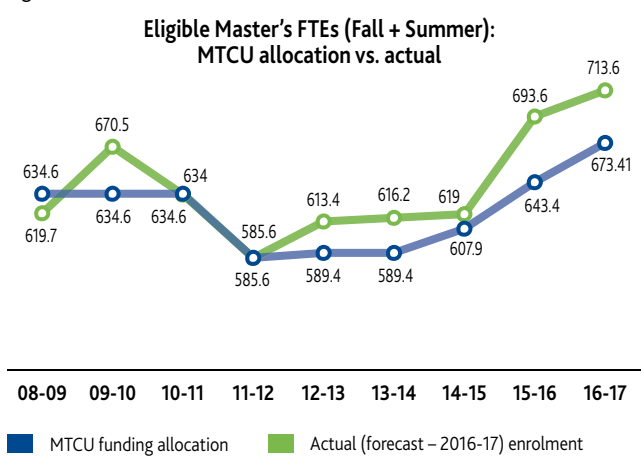
- As detailed in Figure 25, the 2016-17 enrolment-based grants include the Undergraduate Accessibility Fund, the Graduate Expansion Grant and the Nursing Grant. These are estimated at \$10.2 million, which is \$4.0 million higher than the 2015-16 budget and relatively flat to 2014-15 actual. The certainty 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:** 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 grant 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 2016-17, the grant is budgeted at \$5,147,000, up from \$1,407,000 in the 2015-16 budget and down from the grant amount that will actually be received in 2015-16 of \$5,349,000. As mentioned previously, the increase over the 2015-16 budget is the result of incomplete information at the time of preparing the budget regarding the adjustments to the teacher education funding. Note: overall with the respective decline in the Basic Operating Grant this increase does not represent a pick-up.
- The decrease in the projected grant as compared to that expected to be received in 2015-16 is the result of a change in student-mix. Although undergraduate FTE enrolment is expected to increase by 174, the majority of this increase (159) is in Teacher Education, which as a result of an enrolment cap in funding related to teacher education, does not impact this grant. In addition, international FTEs are projected to increase by 74, which is not funded by the MTCU. The remaining domestic enrolment is forecasted to drop by 59 FTE, thus resulting in the expected decline in the Undergraduate Accessibility Fund.
- It is important to remember that the 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 continues to be discussed.



- **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. Brock's 2016-17 graduate enrolment allotment is 673.41 master's FTEs and 111.26 PhD FTEs (vs. 643.41 master's FTEs and 105.08 PhD FTEs funded in 2015-16).
- 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 PhD spots available, up to a maximum of \$490,000 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 2015-16 FTEs. Using this method, the grant is expected to be \$2,716,000, a decrease of \$47,000 over the amount budgeted in 2015-16 and \$74,000 less than the grant actually received in 2014-15.

Figure 26



General Access and Quality Grant

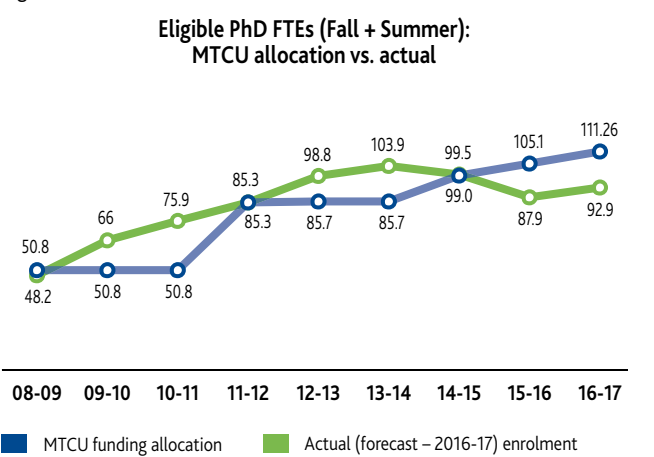
- The MTCU provides funds to universities to increase access to high-quality post-secondary education across the province. Starting in 2015, the previous multi-year accountability agreement (MYAA) has been replaced with the SMA metrics. This document monitors the use of the funds against the goals of access, quality and accountability. These quality funds are not guaranteed to become base funding. Brock University's 2014-17 SMA can be viewed at brocku.ca/webfm_send/32300
- In preparing the 2016-17 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 2015-16 (\$3,769,000) and is reported as part of the University Global responsibility centre.

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/institutional-analysis/pfi

- The 2016-17 funding is budgeted at \$700,000, based on the same level that was received in 2014-15 and budgeted in 2015-16, and is reported as part of the University Global responsibility centre.

Figure 27



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 Figure 28. Budget amounts, in both revenues and offsetting operating costs, have been adjusted to reflect expected funding levels.

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 \$1,750,000 for 2016-17, which is consistent with the 2015-16 budget. For 2016-17 the total Research Support Fund is being recognized as part of the Office of Research Services. In prior years it had been reported in a number of different units within the University. The 2015-16 budget and actual data has been restated to be comparable to the 2016-17 treatment. Please see Appendix C for details on this restatement.

Figure 28

| (\$000s) | 2016-17 Budget | 2015-16 Budget | 2014-15 Actual |
|--|----------------|----------------|----------------|
| Specific-purpose grants | | | |
| Research Support Fund | 1,750 | 1,760 | 1,711 |
| Grant in lieu of Municipal Taxation | 1,080 | 1,080 | 1,102 |
| Facilities Renewal Program Funds | 865 | 882 | 573 |
| Graduate Enrolment Capital Expansion Grant | 750 | 750 | 750 |
| Access Fund for Students with Disabilities | 585 | 599 | 600 |
| First Generation Project Grant | 440 | 440 | 431 |
| Other grants | 2,281 | 3,740 | 3,208 |
| Total specific purpose grants | 7,751 | 9,251 | 8,375 |

- 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 D 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 related grant does not increase with enrolment and incremental enrolment growth is unfunded. The 2016-17 payment is budgeted to be \$1,190,000 (2015-16 actual payment was \$1,215,000) and the grant is budgeted to be \$1,080,000 (2015-16 actual grant received was \$1,080,000); therefore, \$110,000 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.

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 beginning in 2015-16. The plan includes phasing in additional renewal funding – growing to a total investment of \$100 million to colleges and universities annually by 2019-20.
- 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 projected funding level for 2016-17 is \$865,000, which is \$17,000 less than the 2015-16 budget and consistent to the amount actually received in 2015-16.
 - The FRP funds were allocated as part of the total \$3.3 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 77.
 - The grant revenue related to the Facilities Renewal Program Funds is reported in the Capital responsibility centre.
 - In March 2016, the MTCU announced an additional \$44.1 million in one-time FRP top-up funding which will be administered in 2016-17. Brock's portion of this funding is expected to be \$956,000. This information was made available after the budget was prepared and therefore is not included as part of the 2016-17 budget. Options for use of this funding are currently being evaluated and some projects currently funded by tuition and grants may be substituted with these funds while other options will be considered as well.

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 2016-17, the grant is expected to be \$750,000 based on FTEs projected in 2016-17.
- The grant revenue related to the Graduate Enrolment Capital Expansion Grant is shown as part of the University Global 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. Brock's funding for 2016-17 is expected to be \$585,000, which is a decrease of \$14,000 over the 2015-16 budget.
- 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 2016-17 budget for this funding is \$213,000, which is reported in Student Services.
 - The Credit Transfer Institutional Grant, also funded by the MTCU, funds support for post-secondary education transfer mobility initiatives. The 2016-17 budget for this funding is \$234,000, which is reported in Student Services.



- The Provincial Research Overheads Infrastructure Envelope, funded by the MTCU, is budgeted to be \$140,000 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 2016-17.
 - Queen Elizabeth II Ontario Graduate Scholarships in the amount of \$570,000 in 2016-17.
 - Note: these two grants and their offsetting scholarship expenses are included in the Scholarship, Bursaries and Student Awards responsibility centre.
- Included in the total other grants in 2015-16 (\$1,053,000) and 2014-15 (\$578,000) was the Teacher’s Education Transition Funding. This funding was provided to support universities with the implementation of programs that meet the new initial teacher education requirements.

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 2016-17 budgeted internal chargebacks are the following (bracketed figures represent 2015-16 budget):

- Charges for utilities to the Department of Residence of \$1,345,000 (\$1,296,000).
- Printing and Digital Services of \$1,643,000 (\$1,750,000).
- Information Technology Services of \$470,000 (\$811,000).
- Facilities Management Services of \$607,000 (\$707,000).
- Central Receiving and Mail Services of \$260,000 (\$277,000).
- Parking Services of \$69,000 (\$60,000).
- Faculty of Mathematics and Science charges for Machine and Electronic Shop of \$35,000 (\$35,000).
- Marketing and Communications Services of \$15,000 (\$15,000).

Internal chargebacks are in the process of being reviewed. For 2016-17 the long-distance telephone and fax internal charges have been eliminated (previously included in Information Technology Services) as well as certain Facilities Management charges.

Also included in internal chargebacks are inter-departmental transfers of funds to support operations. Included in the 2016-17 budgeted internal chargebacks are the following (bracketed figures represent 2015-16 budget):

- Funding of the Department of Residence’s portion of the capital budget in the amount of \$2,727,000 (\$2,660,000 in 2015-16 budget). See page 77 for details of the capital budget.
- Starting in 2016-17, the management of the Goodman Career Development Office was transferred from the Goodman School of Business to the Co-op, Career and Experiential Education unit. The Goodman School of Business continues to fund this Office and the \$465,000 transfer of funds to the Co-op, Career and Experiential Education unit is included in the 2016-17 internal chargebacks.
- Additional inter-departmental transfers to Recreation Services of \$37,000 (\$37,000), within Athletics of \$35,000, to Health Services of \$26,000 (\$33,000), to Student Life and Community Experience of \$10,000 and within the Goodman School of Business of \$10,000.

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 Figure 29, other revenue is budgeted to be \$47.5 million, an increase of \$0.1 million over the 2015-16 budget and a decrease of \$3.7 million over 2014-15 actual. Revenue from ancillary operations and residence fees will be discussed in the snapshot section of this report on pages 68 and 70, respectively.

Figure 29

| (\$000s) | 2016-17 Budget | 2015-16 Budget | 2014-15 Actual |
|---------------------|----------------|----------------|----------------|
| Ancillary revenue | 16,655 | 17,713 | 15,715 |
| Residence fees | 16,742 | 16,207 | 15,845 |
| Investment income | 800 | 700 | 1,080 |
| Sales and services | 13,284 | 12,739 | 18,494 |
| Total other revenue | 47,481 | 47,359 | 51,134 |

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. A conservative approach was taken for budgeting investment income in 2015-16; however, we stress that the approach taken was a realistic approach giving consideration to real risks to cash flow. Per term billing was in its second year in 2015-16; thus, a reasonable assumption is that more students would be aware of this option going into the fall billing season than were aware of this option the prior year. The average investment balance in the months of September, October, November and December were lower in 2015-16 than the same time the year prior due to an increase in students electing to defer payment for Winter term tuition until January. This pressure on average balance is expected to continue into the upcoming years as students who are accustomed to paying their tuition in full before the fall term, graduate out of the system placing further pressure on operating investment income. However, despite having the ability to defer payment, some students continue to opt into paying their full tuition balance in the fall. Consequently, the



2016-17 budget for investment income has been increased over 2015-16 forecasted income by \$100,000 (to \$800,000) to account for recent experience in student payment behaviours.

Sales and services

Income generated from sales and services represents a wide variety of sources, including the following:

Administrative “fees-for-service” include 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.

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

Figure 30

| Personnel group ⁽¹⁾ (\$000s) | 2016-17 Budget | | | 2015-16 Budget | | |
|---|----------------|---------------|-----------------------|----------------|---------------|-----------------------|
| | Salary/wage | Benefits | Total personnel costs | Salary/wage | Benefits | Total personnel costs |
| Faculty and professional librarians | 86,541 | 16,789 | 103,330 | 83,590 | 15,882 | 99,472 |
| Admin/professional | 38,979 | 9,717 | 48,696 | 38,148 | 9,300 | 47,448 |
| CUPE 4207 – Unit 1 | 12,459 | 1,345 | 13,804 | 12,535 | 1,793 | 14,328 |
| OSSTF | 8,921 | 2,626 | 11,547 | 8,921 | 2,552 | 11,473 |
| CUPE 1295 FT | 6,770 | 2,183 | 8,953 | 6,661 | 2,126 | 8,787 |
| SAC | 4,133 | 738 | 4,871 | 3,942 | 691 | 4,633 |
| Other | 11,276 | 1,692 | 12,968 | 12,277 | 1,549 | 13,826 |
| Total | 169,079 | 35,090 | 204,169 | 166,074 | 33,893 | 199,967 |

(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.

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 49 of this report, each of the responsibility centres is defined and the corresponding revenue, operating costs and personnel costs are reported.

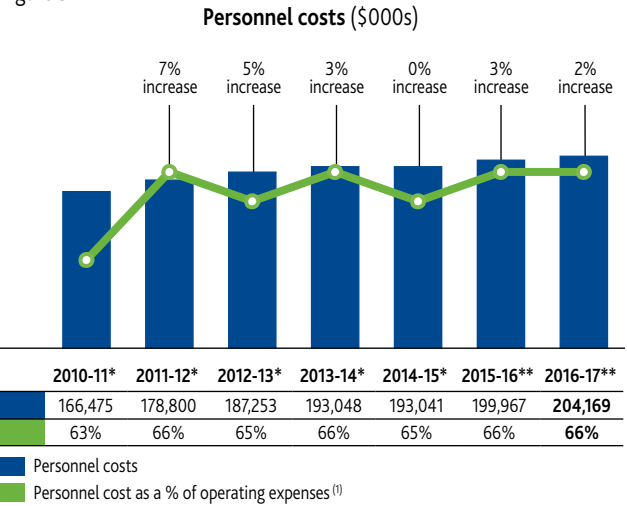
Personnel costs

Personnel costs include both salaries/wages and benefits and represent 66 per cent ⁽¹⁾ of the total funding budgeted costs. Personnel costs are budgeted to be \$204.2 million, an increase of \$4.2 million from the 2015-16 budget and \$10.3 million from 2014-15 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 2016-17 additional payment required for the pension is budgeted to be \$1.7 million (\$1.6 million in 2015-16). Also included in the 2016-17 benefit costs is an allocation for the \$900,000 (\$900,000 in 2015-16) post-retirement benefits reserve.

Figure 30 details personnel costs by employee group and Figure 31 shows personnel costs since 2010-11.

Figure 31



* 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 to 2014-15), 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.

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, 2015 indicated that there is an \$8.1 million asset related to the pension obligation and a \$19.6 million liability related to post-retirement benefits.

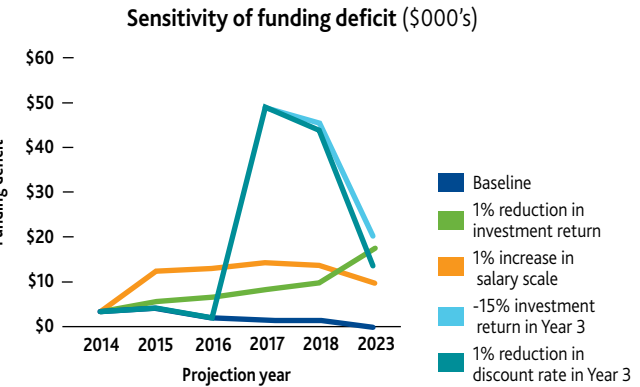
i. Pension

The most recent actuarial pension valuation was completed two years ago 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 the related 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 \$4.4 million in additional pension payments as compared to 2014-15 (\$6.1 million to \$1.7 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).

This improved performance aside, there are risks leading into the next valuation to be performed for July 1, 2017 as demonstrated in Figure 32.

Figure 32



As an example, if we experience a 15 per cent reduction in investment value or a one per cent reduction in the discount rate, the plan could go from almost being fully funded to a \$50 million deficit, which would require a significant increase in operating budget contributions to reduce the deficit. Any variation from the current actuarial valuation will impact the financial forecast and actual results.

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

ii. Post-retirement benefits

Brock University’s Employee Future Benefits liability as at April 30, 2015 was \$19.6 million, which compares to a liability of \$5.5 million found on Brock’s balance sheet 10 years prior to this date. The Figure below describes the nature of these future obligations.

Figure 33

| Employee future benefits (as at April 30, 2015) | (\$000s) |
|---|---------------|
| Retiree benefits | 2,576 |
| Health care spending account | 11,656 |
| Retirement allowance benefits | 746 |
| Sick leave | 488 |
| Disability | 4,180 |
| Total | 19,646 |

As of 2014-15 Brock had a “pay as you go” model to fund immediate requirements of about \$500,000 per year. As the institution ages, continuation of this practice would impact Brock’s financial sustainability. This would occur as people retire, become sick or disabled, and the University becomes obligated to pay these benefits, in addition to the benefits of the replacement employee.

(1) Note: The Fiscal Framework identifies we spend 72 per cent of our operating costs on personnel costs compared to 68 per cent at other Ontario comprehensive Universities and establishes a goal of moving us to 70 per cent of operating costs. This metric is based on COFO reporting and is not directly comparable to a NFPS or funding basis.

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

For these reasons, starting in 2015-16, the budget includes an annual allocation of \$900,000 to begin setting aside assets for this obligation. This amount is in addition to the approximate \$500,000 in “pay as you go” funds already in the budget. The \$900,000 allocation was determined by 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 at a discount rate of six per cent. This 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 and as such half of this amount was determined practical. If a 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 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

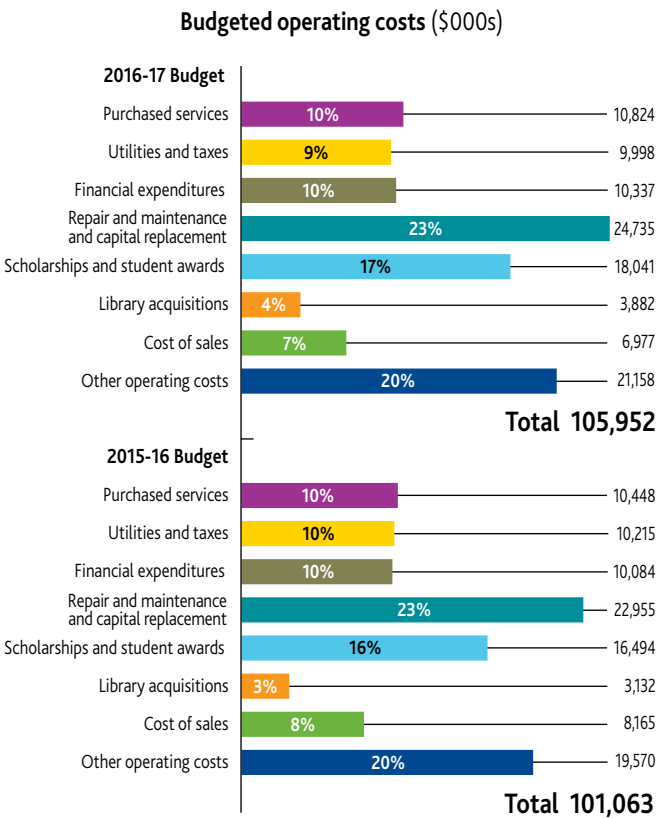
Operating costs

Non-personnel operating costs (operating costs) represent 34 per cent of the total budgeted expenditures of the University. Operating costs increased \$4.9 million over the 2015-16 budget and \$8.5 million over 2014-15 actual. Operating costs have been segregated into eight categories. See Figure 34 for a breakdown by category for both the 2016-17 and 2015-16 budgets.

Purchased services

Purchased services include the following: international recruitment agent commissions, information technology services (including software licences), security services, the payment to the St. Catharines Performing Arts Centre, physician and counselling services, printing and binding

Figure 34



services, facilities outside contractors (i.e. custodial, etc), consulting, legal and audit fees, postal services, and health insurance premiums for ESL students. In 2016-17, the payment to Rodman Hall is also included in purchased services. Note: 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, \$6.75 million (\$6.61 million in 2015-16), are reported in the Utilities, Taxes and Insurance responsibility centre. Refer to page 72 in the Responsibility Centre snapshots section for further discussion. In addition, utilities expenses of \$1.97 million (\$2.32 million in 2015-16), related to specific units are also included, the majority of which is reported in the Department of Residence (\$1.56 million in 2016-17 and \$1.85 million in 2015-16) as well as Conference and Event Services, Hybrid Space and Hospitality Services. It is important to note that a portion of these utility expenses reported in the specific

units, \$1.35 million (\$1.30 million in 2015-16), represent interdepartmental charges and therefore need to be excluded to get an accurate representation of the total University utilities costs. See page 14 for a breakdown of the net utilities costs by type. Also included in utilities and taxes is \$1.28 million (\$1.28 million in 2015-16) related to municipal tax, of which the majority is reported in the Utilities, Taxes and Insurance responsibility centre. See page 36 for further discussion on property taxes and the offsetting Grant in Lieu of Municipal Taxation.

Financial expenditures

The financial expenditures included in the 2016-17 budget represent both the interest and principal payments of the University’s external debt, of which \$4.43 million (\$4.43 million in 2015-16) is reported in the Department of Residence and \$5.91 million (\$5.65 million in 2015-16) is reported in the Financing responsibility centre. Refer to the Financing section on page 72 for a detailed discussion.

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 77-81 of this report. The capital and related project budget includes the deferred maintenance spending of \$3.3 million, which includes the Facilities Renewal Program funds of \$0.86 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 \$10.90 million in 2016-17 (\$9.38 million in 2015-16). The majority of these undergraduate student awards, \$8.96 million (\$7.83 million in 2015-16), are reported in the Scholarships, Bursaries and Student Awards responsibility centre. In addition, included in the undergraduate student awards are \$1.49 million (\$1.29 million in 2015-16) of student tuition waivers.

Refer to page 73 for further discussion. The remaining \$0.45 million (\$0.26 million in 2015-16) is reported in a number of units throughout the University, including the Goodman School of Business, Faculty of Social Sciences, etc.

Graduate student scholarships and student awards, mainly in the form of fellowships, are budgeted to be \$7.14 million (\$7.11 million in 2015-16), the majority of which, \$6.81 million (\$6.60 million in 2015-16) is reported in the Scholarships, Bursaries and Student Awards responsibility centre. In addition, included in the graduate student awards are \$0.15 million (\$0.13 million in 2015-16) of student tuition waivers. Refer to page 73 in the Responsibility Centre snapshots section for further discussion.

Note: Scholarships and student awards do not include scholarships and awards available from endowments, estimated at \$1.46 million in 2016-17 (\$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, and other costs.

Funding budget by responsibility centre

Figure 35 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 49. (Note: certain reclassifications were made to the 2015-16 budget as compared to the figures presented in the 2015-16 Budget Report. See Appendix C for the details of these reclassifications.)

Figure 35: Funding budget by responsibility centre

| (\$000s) | 2016-17 Budget | | | | 2015-16 Budget | | | | 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 | 172 | (19,120) | (754) | (19,702) | | (17,336) | (786) | (18,122) | (1,580) | 50 |
| Goodman School of Business | 9,631 | (24,729) | (3,856) | (18,954) | 8,887 | (24,235) | (2,717) | (18,065) | (889) | 51 |
| Faculty of Education | 2,837 | (16,217) | (1,862) | (15,242) | 4,733 | (16,788) | (2,186) | (14,241) | (1,001) | 52 |
| Faculty of Humanities | 409 | (20,336) | (1,297) | (21,224) | 724 | (21,201) | (1,131) | (21,608) | 384 | 53 |
| Faculty of Mathematics and Science | 133 | (20,378) | (787) | (21,032) | 208 | (19,707) | (841) | (20,340) | (692) | 54 |
| Faculty of Social Sciences | 119 | (34,931) | (1,297) | (36,109) | 204 | (34,086) | (1,332) | (35,214) | (895) | 55 |
| Total Teaching Faculties | 13,301 | (135,711) | (9,853) | (132,263) | 14,756 | (133,353) | (8,993) | (127,590) | (4,673) | |
| Academic Support | | | | | | | | | | |
| Faculty of Graduate Studies | 260 | (1,347) | (188) | (1,275) | 250 | (1,239) | (237) | (1,226) | (49) | 56 |
| Library | 85 | (4,823) | (4,486) | (9,224) | 187 | (4,938) | (3,605) | (8,356) | (868) | 56 |
| Research Services | 2,647 | (2,426) | (1,843) | (1,622) | 2,649 | (2,450) | (1,803) | (1,604) | (18) | 57 |
| Centre for Pedagogical Innovation | 23 | (763) | (180) | (920) | 27 | (838) | (200) | (1,011) | 91 | 59 |
| Centre for the Arts | | | | | 42 | (146) | (662) | (766) | 766 | 59 |
| Total Academic Support | 3,015 | (9,359) | (6,697) | (13,041) | 3,155 | (9,611) | (6,507) | (12,963) | (78) | |
| Student Specific | | | | | | | | | | |
| Student Services | 11,210 | (13,067) | (4,576) | (6,433) | 12,077 | (12,429) | (4,522) | (4,874) | (1,559) | 60 |
| Co-op, Career and Experiential Education | 1,973 | (2,790) | (390) | (1,207) | 1,265 | (2,002) | (213) | (950) | (257) | 62 |
| Athletics and Recreation | 5,333 | (3,720) | (2,442) | (829) | 4,875 | (3,732) | (2,142) | (999) | 170 | 63 |
| Total Student Specific | 18,516 | (19,577) | (7,408) | (8,469) | 18,217 | (18,163) | (6,877) | (6,823) | (1,646) | |

Figure 35 continued

| (\$000s) | 2016-17 Budget | | | | 2015-16 Budget | | | | Change of "Net" amounts | Page ref. |
|--|----------------|-----------------|---------------------|----------|----------------|-----------------|---------------------|----------|-------------------------|-----------|
| | Revenue | Personnel costs | Non-personnel costs | Net | Revenue | Personnel costs | Non-personnel costs | Net | | |
| Shared Services | | | | | | | | | | |
| Leadership | | (3,037) | (583) | (3,620) | 16 | (2,745) | (520) | (3,249) | (371) | 64 |
| Information Technology Services | 581 | (6,003) | (1,878) | (7,300) | 953 | (6,246) | (1,862) | (7,155) | (145) | 64 |
| Financial Services | 123 | (2,073) | (393) | (2,343) | 110 | (1,971) | (415) | (2,276) | (67) | 65 |
| Human Resources | 176 | (2,985) | (618) | (3,427) | 167 | (2,987) | (563) | (3,383) | (44) | 65 |
| Marketing and Communications | 315 | (1,135) | (1,139) | (1,959) | 15 | (1,048) | (689) | (1,722) | (237) | 65 |
| Development and Alumni Relations | 726 | (1,636) | (786) | (1,696) | 812 | (1,655) | (870) | (1,713) | 17 | 66 |
| University Services | 3,068 | (1,466) | (1,822) | (220) | 2,958 | (1,467) | (1,834) | (343) | 123 | 66 |
| Shared Services Support | | (1,326) | (143) | (1,469) | | (1,286) | (151) | (1,437) | (32) | 67 |
| Total Shared Services | 4,989 | (19,661) | (7,362) | (22,034) | 5,031 | (19,405) | (6,904) | (21,278) | (756) | |
| Ancillary | | | | | | | | | | |
| Ancillary Operations | 16,723 | (2,891) | (8,910) | 4,922 | 17,773 | (2,837) | (10,206) | 4,730 | 192 | 68 |
| Department of Residence | 17,005 | (2,605) | (12,960) | 1,440 | 16,493 | (2,523) | (13,036) | 934 | 506 | 70 |
| Total Ancillary | 33,728 | (5,496) | (21,870) | 6,362 | 34,266 | (5,360) | (23,242) | 5,664 | 698 | |
| Space | | | | | | | | | | |
| Facilities Management | 670 | (12,428) | (3,502) | (15,260) | 764 | (12,501) | (3,787) | (15,524) | 264 | 71 |
| Campus Security Services | 70 | (1,437) | (1,089) | (2,456) | 17 | (1,381) | (982) | (2,346) | (110) | 71 |
| Hybrid Space and Performing Arts Centre | 381 | | (970) | (589) | 400 | | (209) | 191 | (780) | 71 |
| Utilities, Taxes and Insurance | 2,721 | | (10,279) | (7,558) | 2,660 | | (9,989) | (7,329) | (229) | 72 |
| Financing | | | (5,930) | (5,930) | | | (5,652) | (5,652) | (278) | 72 |
| Total Space | 3,842 | (13,865) | (21,770) | (31,793) | 3,841 | (13,882) | (20,619) | (30,660) | (1,133) | |
| Global | | | | | | | | | | |
| Scholarships, Bursaries and Student Awards | 992 | | (17,409) | (16,417) | 1,000 | | (15,855) | (14,855) | (1,562) | 73 |
| Capital | 4,591 | | (12,264) | (7,673) | 4,542 | | (11,000) | (6,458) | (1,215) | 74 |
| University Global | 223,227 | (500) | (1,319) | 221,408 | 212,285 | (193) | (1,066) | 211,026 | 10,382 | 75 |
| Total Global | 228,810 | (500) | (30,992) | 197,318 | 217,827 | (193) | (27,921) | 189,713 | 7,605 | |
| Total University | 306,201 | (204,169) | (105,952) | (3,920) | 297,093 | (199,967) | (101,063) | (3,937) | 17 | |

Funding budget by responsibility centre leader

Figure 36 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 have been grouped to whom they report: President; Vice-President, Academic; Vice-President, Administration; Vice-President, Research and Global. Each responsibility centre is described in the Responsibility Centre snapshots section of this report, starting on page 49. (Note: certain reclassifications were made to the 2015-16 budget as compared to the figures presented in the 2015-16 Budget Report. See Appendix C for the details of these reclassifications.)

Figure 36: Funding budget by responsibility centre leader

| (\$000s) | 2016-17 Budget | | | | 2015-16 Budget | | | | Change of "Net" amounts | Page ref. |
|--|----------------|-----------------|---------------------|-----------|----------------|-----------------|---------------------|-----------|-------------------------|-----------|
| | Revenue | Personnel costs | Non-personnel costs | Net | Revenue | Personnel costs | Non-personnel costs | Net | | |
| President | | | | | | | | | | |
| Development and Alumni Relations | 726 | (1,636) | (786) | (1,696) | 812 | (1,655) | (870) | (1,713) | 17 | 66 |
| Leadership (Split)* | | (1,748) | (425) | (2,173) | | (1,711) | (357) | (2,068) | (105) | 64 |
| Shared Services Support (Split)* | | (224) | (18) | (242) | | (220) | (18) | (238) | (4) | 67 |
| Total President | 726 | (3,608) | (1,229) | (4,111) | 812 | (3,586) | (1,245) | (4,019) | (92) | |
| Vice-President, Academic | | | | | | | | | | |
| Faculty of Applied Health Science | 172 | (19,120) | (754) | (19,702) | | (17,336) | (786) | (18,122) | (1,580) | 50 |
| Goodman School of Business | 9,631 | (24,729) | (3,856) | (18,954) | 8,887 | (24,235) | (2,717) | (18,065) | (889) | 51 |
| Faculty of Education | 2,837 | (16,217) | (1,862) | (15,242) | 4,733 | (16,788) | (2,186) | (14,241) | (1,001) | 52 |
| Faculty of Humanities | 409 | (20,336) | (1,297) | (21,224) | 724 | (21,201) | (1,131) | (21,608) | 384 | 53 |
| Faculty of Mathematics and Science | 133 | (20,378) | (787) | (21,032) | 208 | (19,707) | (841) | (20,340) | (692) | 54 |
| Faculty of Social Sciences | 119 | (34,931) | (1,297) | (36,109) | 204 | (34,086) | (1,332) | (35,214) | (895) | 55 |
| Faculty of Graduate Studies | 260 | (1,347) | (188) | (1,275) | 250 | (1,239) | (237) | (1,226) | (49) | 56 |
| Library | 85 | (4,823) | (4,486) | (9,224) | 187 | (4,938) | (3,605) | (8,356) | (868) | 56 |
| Centre for Pedagogical Innovation | 23 | (763) | (180) | (920) | 27 | (838) | (200) | (1,011) | 91 | 59 |
| Co-op, Career and Experiential Education | 1,973 | (2,790) | (390) | (1,207) | 1,265 | (2,002) | (213) | (950) | (257) | 62 |
| Student Services (Split)* | 9,620 | (11,289) | (3,945) | (5,614) | 10,488 | (10,645) | (3,906) | (4,063) | (1,551) | 60 |
| Leadership (Split)* | | (1,289) | (158) | (1,447) | 16 | (1,034) | (163) | (1,181) | (266) | 64 |
| Shared Services Support (Split)* | | (233) | (54) | (287) | | (299) | (39) | (338) | 51 | 67 |
| Total Vice-President, Academic | 25,262 | (158,245) | (19,254) | (152,237) | 26,989 | (154,348) | (17,356) | (144,715) | (7,522) | |

Figure 36 continued

| (\$000s) | 2016-17 Budget | | | | 2015-16 Budget | | | | Change of "Net" amounts | Page ref. |
|--|----------------|-----------------|---------------------|----------|----------------|-----------------|---------------------|----------|-------------------------|-----------|
| | Revenue | Personnel costs | Non-personnel costs | Net | Revenue | Personnel costs | Non-personnel costs | Net | | |
| Vice-President, Administration | | | | | | | | | | |
| Athletics and Recreation | 5,333 | (3,720) | (2,442) | (829) | 4,875 | (3,732) | (2,142) | (999) | 170 | 63 |
| Information Technology Services | 581 | (6,003) | (1,878) | (7,300) | 953 | (6,246) | (1,862) | (7,155) | (145) | 64 |
| Financial Services | 123 | (2,073) | (393) | (2,343) | 110 | (1,971) | (415) | (2,276) | (67) | 65 |
| Human Resources | 176 | (2,985) | (618) | (3,427) | 167 | (2,987) | (563) | (3,383) | (44) | 65 |
| Marketing and Communications | 315 | (1,135) | (1,139) | (1,959) | 15 | (1,048) | (689) | (1,722) | (237) | 65 |
| University Services | 3,068 | (1,466) | (1,822) | (220) | 2,958 | (1,467) | (1,834) | (343) | 123 | 66 |
| Ancillary Operations | 16,723 | (2,891) | (8,910) | 4,922 | 17,773 | (2,837) | (10,206) | 4,730 | 192 | 68 |
| Department of Residence | 17,005 | (2,605) | (12,960) | 1,440 | 16,493 | (2,523) | (13,036) | 934 | 506 | 70 |
| Facilities Management | 670 | (12,428) | (3,502) | (15,260) | 764 | (12,501) | (3,787) | (15,524) | 264 | 71 |
| Campus Security Services | 70 | (1,437) | (1,089) | (2,456) | 17 | (1,381) | (982) | (2,346) | (110) | 71 |
| Student Services (Split)* | 1,590 | (1,778) | (631) | (819) | 1,589 | (1,784) | (616) | (811) | (8) | 60 |
| Shared Services Support (Split)* | | (869) | (71) | (940) | | (767) | (24) | (791) | (149) | 67 |
| Centre for the Arts | | | | | 42 | (146) | (662) | (766) | 766 | 59 |
| Total Vice-President, Administration | 45,654 | (39,390) | (35,455) | (29,191) | 45,756 | (39,390) | (36,818) | (30,452) | 1,261 | |
| Vice-President, Research | | | | | | | | | | |
| Research Services | 2,647 | (2,426) | (1,843) | (1,622) | 2,649 | (2,450) | (1,803) | (1,604) | (18) | 57 |
| Total Vice-President, Research | 2,647 | (2,426) | (1,843) | (1,622) | 2,649 | (2,450) | (1,803) | (1,604) | (18) | |
| Global | | | | | | | | | | |
| Hybrid Space and Performing Arts Centre | 381 | | (970) | (589) | 400 | | (209) | 191 | (780) | 71 |
| Utilities, Taxes and Insurance | 2,721 | | (10,279) | (7,558) | 2,660 | | (9,989) | (7,329) | (229) | 72 |
| Financing | | | (5,930) | (5,930) | | | (5,652) | (5,652) | (278) | 72 |
| Scholarships, Bursaries and Student Awards | 992 | | (17,409) | (16,417) | 1,000 | | (15,855) | (14,855) | (1,562) | 73 |
| Capital | 4,591 | | (12,264) | (7,673) | 4,542 | | (11,000) | (6,458) | (1,215) | 74 |
| University Global | 223,227 | (500) | (1,319) | 221,408 | 212,285 | (193) | (1,066) | 211,026 | 10,382 | 75 |
| Shared Services Support (Split)* | | | | | | | (70) | (70) | 70 | 67 |
| Total Global | 231,912 | (500) | (48,171) | 183,241 | 220,887 | (193) | (43,841) | 176,853 | 6,388 | |
| Total University | 306,201 | (204,169) | (105,952) | (3,920) | 297,093 | (199,967) | (101,063) | (3,937) | 17 | |

* Refer to Page 64, 67 and 60 for details on the split within Leadership, Shared Services Support and Student Services.



These Faculty of Education students, hope to create a fun and engaging classroom environment, to connect with children.

Responsibility centre snapshots

The following “snapshots” presents 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 27) 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 26 and 37) 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 2016-17 budget. For example, the majority of utility costs are shown collectively as part of the Utilities, Taxes and Insurance responsibility centre on page 72, and scholarships, bursaries and student awards are reported as part of the Scholarships, Bursaries and Student Awards responsibility centre on page 73. 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 these cash flows.

The following “snapshots” also detail the ongoing (OG) faculty and staff full-time equivalent (FTE) positions within in each unit. The FTE of an on-going faculty/staff member is calculated based on whether they are full-time, part-time, seasonal, etc. For example, an ongoing part-time position that works 17.5 hours per week would be counted as 0.5 FTE; whereas a full-time position would be counted as 1 FTE. In addition, the FTE 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.



Teaching Faculties

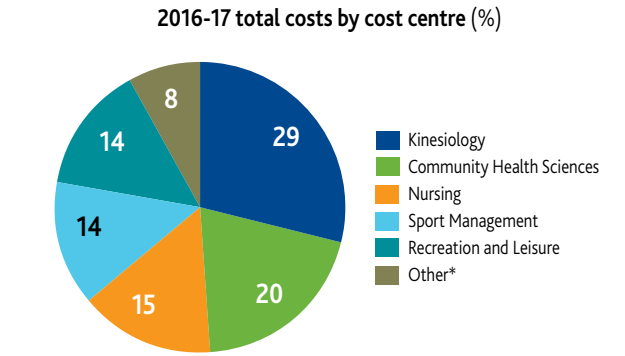


Faculty of Applied Health Sciences

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, physical activity and well-being, serving as agents of change that translate the vision into everyday practice. For more information on the FAHS, visit the Faculty website at brocku.ca/applied-health-sciences and the 2014-15 Annual Report at issuu.com/fahscommunicationsofficer/docs/fahs-annual-report-2014-15.

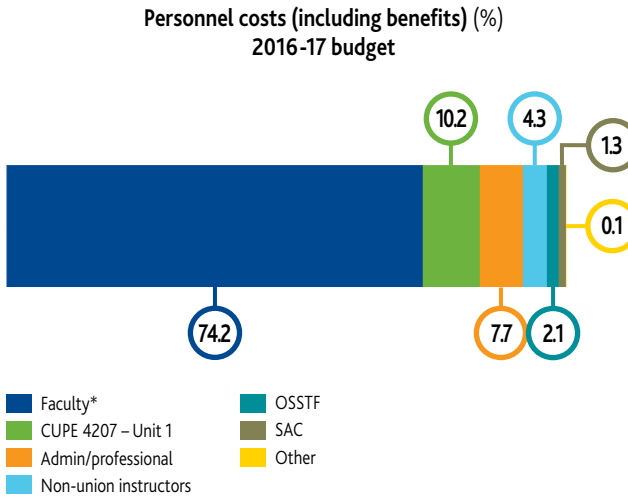
| (\$000s) | 2016-17 Budget | 2015-16 Budget | 2014-15 Actual |
|-------------------------------|----------------|----------------|----------------|
| Revenue | 172 | | 47 |
| Personnel costs | (19,120) 96.2% | (17,336) 95.7% | (16,030) 95.8% |
| Operating costs | (754) 3.8% | (786) 4.3% | (696) 4.2% |
| Total costs | (19,874) 100% | (18,122) 100% | (16,726) 100% |
| Net | (19,702) | (18,122) | (16,679) |
| FTE – faculty ⁽¹⁾ | 87.3 | 82.5 | |
| OG FTE – staff ⁽²⁾ | 26.2 | 26.8 | |

(1) Full-time equivalent (FTE) faculty represents Brock University Faculty Association (BUFA) positions and Associate Deans (both filled and unfilled positions). Faculty on sabbatical are represented as 1 FTE.
(2) Ongoing (OG) FTE staff represents budgeted OG staff (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.

| | 2016-17 Budget | 2015-16 Actual | 2014-15 Actual | 2013-14 Actual |
|----------------------------------|----------------|----------------|----------------|----------------|
| Undergraduate average class size | | | | |
| Overall | | 75.0 | 76.5 | 74.4 |
| Year 1 | | 162.2 | 149.7 | 178.0 |
| Year 2 | | 100.3 | 107.9 | 104.9 |
| Year 3 | | 70.0 | 69.2 | 69.4 |
| Year 4 | | 41.0 | 44.5 | 38.9 |
| Headcount by major (Nov. 1) | | | | |
| Undergraduate | 3,459 | 3,367 | 3,283 | 3,174 |
| Graduate | 173 | 148 | 142 | 148 |
| FTE students taught | | | | |
| Undergraduate | | 2,235 | 2,194 | 2,147 |
| Graduate | | 137 | 127 | 135 |



*Note: BUFA positions and associate deans.



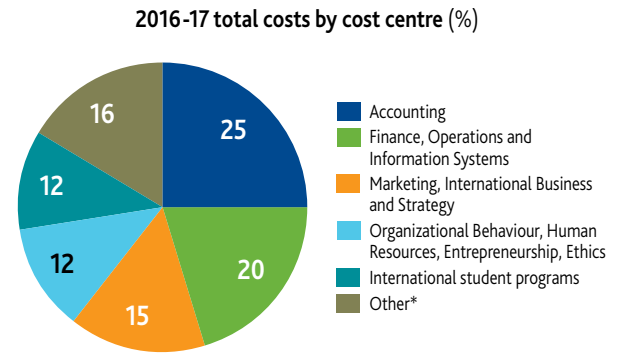
Goodman School of Business

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 \$8,471,000 of student fees (\$7,504,000 in 2015-16). Operating costs include \$1,271,000 of purchased services (\$850,000 in 2015-16), \$158,000 of capital replacement and repairs and maintenance costs (\$136,000 in 2015-16) and \$367,000 of scholarships and student awards (\$353,000 in 2015-16).

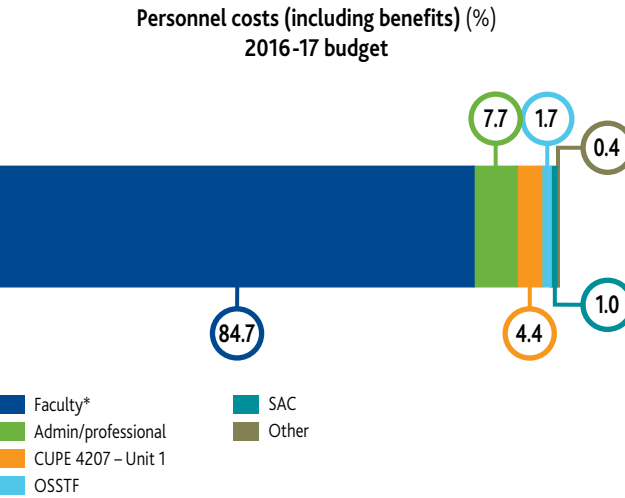
| (\$000s) | 2016-17 Budget | 2015-16 Budget | 2014-15 Actual |
|-------------------------------|----------------|----------------|----------------|
| Revenue | 9,631 | 8,887 | 8,899 |
| Personnel costs | (24,729) 86.5% | (24,235) 89.9% | (23,014) 88.4% |
| Operating costs | (3,856) 13.5% | (2,717) 10.1% | (3,008) 11.6% |
| Total costs | (28,585) 100% | (26,952) 100% | (26,022) 100% |
| Net | (18,954) | (18,065) | (17,123) |
| FTE – faculty ⁽¹⁾ | 95.3 | 94.8 | |
| OG FTE – staff ⁽²⁾ | 36.0 | 30.0 | |

(1) Full-time equivalent (FTE) faculty represents Brock University Faculty Association (BUFA) positions and Associate Deans (both filled and unfilled positions). Faculty on sabbatical are represented as 1 FTE.
(2) Ongoing (OG) FTE staff represents budgeted OG staff (both filled and unfilled positions) – excludes temporary contract workers.

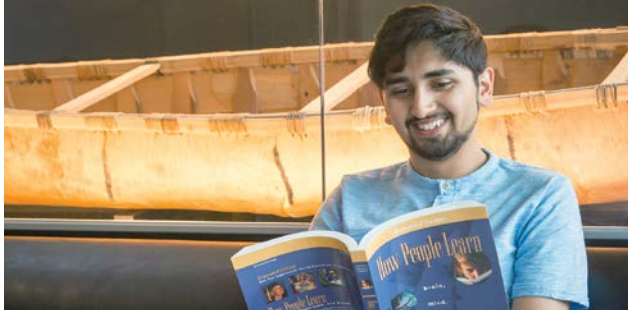


*Note: The Other category for each of the Faculty snapshots includes the dean's office as well as any other departments not already included in the chart.

| | 2016-17 Budget | 2015-16 Actual | 2014-15 Actual | 2013-14 Actual |
|----------------------------------|----------------|----------------|----------------|----------------|
| Undergraduate average class size | | | | |
| Overall | | 49.0 | 49.0 | 52.6 |
| Year 1 | | 69.7 | 70.7 | 70.9 |
| Year 2 | | 62.0 | 59.5 | 63.3 |
| Year 3 | | 40.8 | 40.9 | 46.0 |
| Year 4 | | 31.5 | 34.3 | 35.8 |
| Headcount by major (Nov. 1) | | | | |
| Undergraduate | 2,920 | 2,845 | 2,806 | 2,770 |
| Graduate | 493 | 493 | 528 | 564 |
| FTE students taught | | | | |
| Undergraduate | | 2,003 | 1,953 | 1,980 |
| Graduate | | 463 | 496 | 538 |



*Note: BUFA positions and associate deans.



Faculty of Education

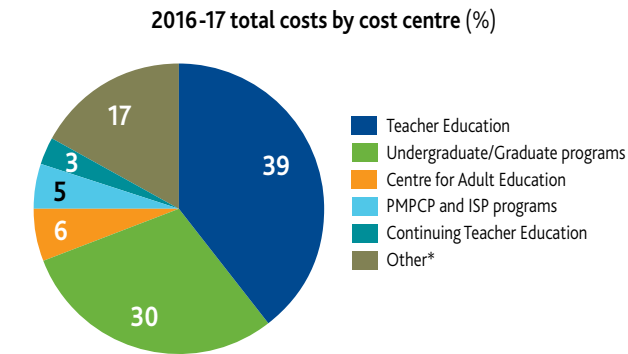
The Faculty of Education focuses on learning as a force of positive change. Grounded in theory and oriented toward practice, the Faculty is a community of learners having an impact on the field of education, on the Faculty's disciplines, on the lives of students and on the communities the University 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 \$2,658,000 of student fees (\$3,641,000 in 2015-16). Operating costs include \$272,000 of purchased services (\$295,000 in 2015-16), \$117,000 of capital replacement and repairs and maintenance costs (\$111,000 in 2015-16), and \$160,000 of scholarships and student awards (\$181,000 in 2015-16).

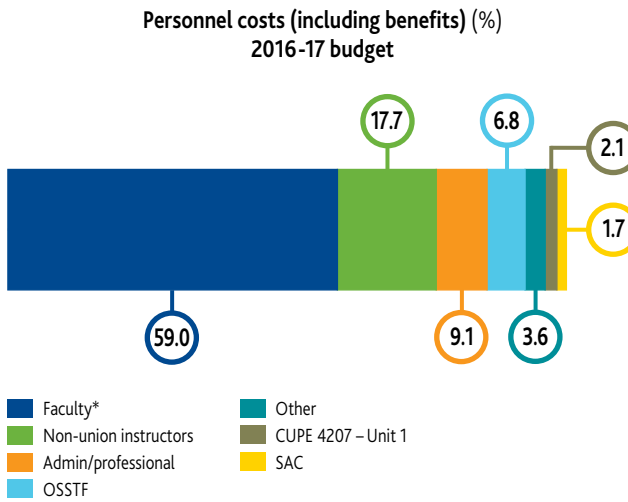
| (\$000s) | 2016-17 Budget | 2015-16 Budget | 2014-15 Actual |
|-------------------------------|-------------------|-------------------|-------------------|
| Revenue | 2,837 | 4,733 | 4,994 |
| Personnel costs | (16,217) 89.7% | (16,788) 88.5% | (16,970) 91.4% |
| Operating costs | (1,862) 10.3% | (2,186) 11.5% | (1,596) 8.6% |
| Total costs | (18,079) 100% | (18,974) 100% | (18,566) 100% |
| Net | (15,242) | (14,241) | (13,572) |
| FTE – faculty ⁽¹⁾ | 60.6 | 62.5 | |
| OG FTE – staff ⁽²⁾ | 38.0 | 35.5 | |

(1) Full-time equivalent (FTE) faculty represents Brock University Faculty Association (BUFA) positions and Associate Deans (both filled and unfilled positions). Faculty on sabbatical are represented as 1 FTE.
(2) Ongoing (OG) FTE staff represents budgeted OG staff (both filled and unfilled positions) – excludes temporary contract workers.

| | 2016-17 Budget | 2015-16 Actual | 2014-15 Actual | 2013-14 Actual |
|---|-------------------|-------------------|-------------------|-------------------|
| Undergraduate average class size (ABST, EDUC and ADED Year 1-3 courses) | | | | |
| Overall | | 34.6 | 36.7 | 45.7 |
| Year 1 | | 33.4 | 31.8 | 36.5 |
| Year 2 | | 20.5 | 21.7 | 35.3 |
| Year 3 | | 43.5 | 45.0 | 59.7 |
| Year 4 | | 43.5 | 52.8 | 52.7 |
| Headcount by major (Nov. 1) | | | | |
| Undergraduate | 1,367 | 1,208 | 1,458 | 1,331 |
| Graduate | 329 | 329 | 361 | 351 |
| FTE students taught | | | | |
| Undergraduate | | 1,747 | 1,993 | 1,867 |
| Graduate | | 212 | 237 | 231 |



*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.

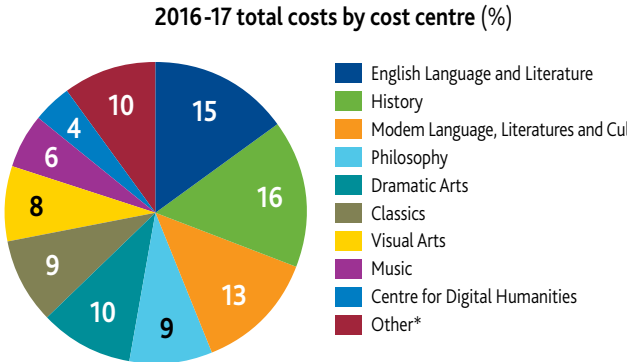
Faculty of Humanities

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 and develop excellent problem-solving and communication skills, and serves 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 \$398,000 of spending allocations from the MIWSFPA Endowment Fund (\$435,000 in 2015-16). Operating costs include \$465,000 of purchased services, \$400,000 of which represents Rodman Hall support (\$90,000 in 2015-16), and \$106,000 of repairs and maintenance and capital replacement costs (\$143,000 in 2015-16).

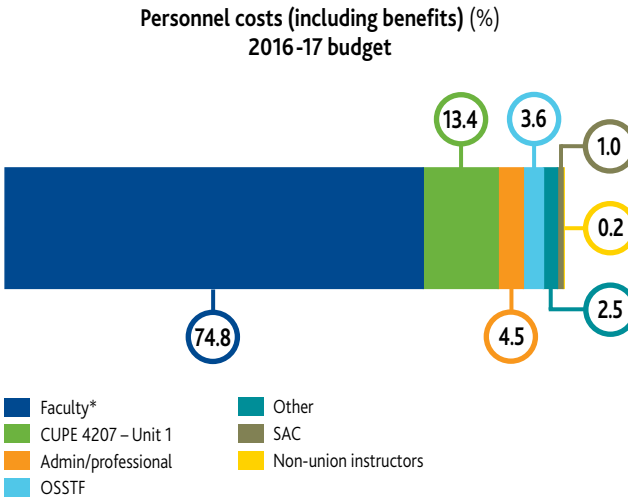
| (\$000s) | 2016-17 Budget | 2015-16 Budget | 2014-15 Actual |
|-------------------------------|-------------------|-------------------|-------------------|
| Revenue | 409 | 724 | 539 |
| Personnel costs | (20,336) 94.0% | (21,201) 94.9% | (20,077) 94.9% |
| Operating costs | (1,297) 6.0% | (1,131) 5.1% | (1,072) 5.1% |
| Total costs | (21,633) 100% | (22,332) 100% | (21,149) 100% |
| Net | (21,224) | (21,608) | (20,610) |
| FTE – faculty ⁽¹⁾ | 97.3 | 102.7 | |
| OG FTE – staff ⁽²⁾ | 27.4 | 32.4 | |

(1) Full-time equivalent (FTE) faculty represents Brock University Faculty Association (BUFA) positions and Associate Deans (both filled and unfilled positions). Faculty on sabbatical are represented as 1 FTE.
(2) Ongoing (OG) FTE staff represents budgeted OG staff (both filled and unfilled positions) – excludes temporary contract workers.

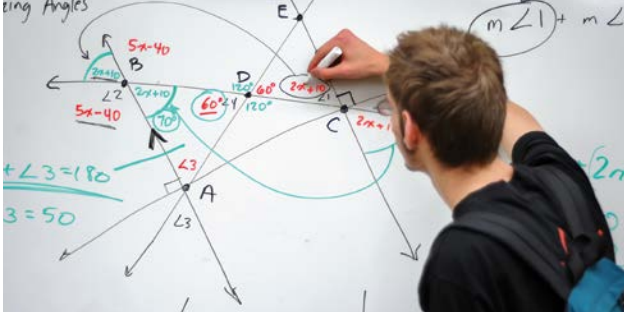


*Note: The Other category for each of the Faculty snapshots includes the dean's office as well as any other departments not already included in the chart.

| | 2016-17 Budget | 2015-16 Actual | 2014-15 Actual | 2013-14 Actual |
|----------------------------------|-------------------|-------------------|-------------------|-------------------|
| Undergraduate average class size | | | | |
| Overall | | 39.3 | 39.3 | 44.1 |
| Year 1 | | 73.3 | 76.6 | 83.6 |
| Year 2 | | 35.7 | 33.9 | 40.8 |
| Year 3 | | 22.4 | 21.9 | 25.8 |
| Year 4 | | 13.9 | 13.4 | 15.8 |
| Headcount by major (Nov. 1) | | | | |
| Undergraduate | 1,688 | 1,850 | 2,003 | 2,221 |
| Graduate | 77 | 77 | 70 | 68 |
| FTE students taught | | | | |
| Undergraduate | | 2,148 | 2,149 | 2,379 |
| Graduate | | 76 | 69 | 67 |



*Note: BUFA positions and associate deans.



Faculty of Mathematics and Science

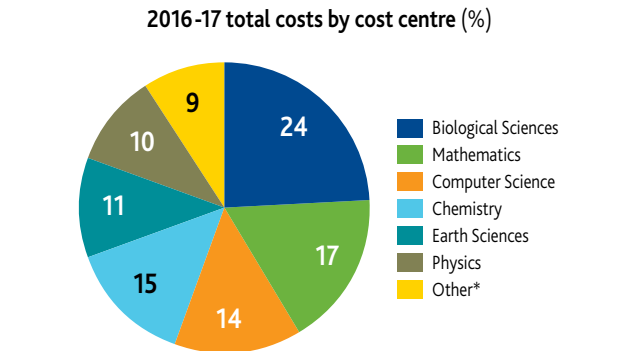
The Faculty of Mathematics and Science develops and delivers programs (many with a co-op option) and courses to provide knowledge and hands-on experiences that serve as a strong foundation for its students. It also promotes science awareness and provides outreach activities. For information on the Faculty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

Note: Operating costs include \$303,000 of repairs and maintenance and capital replacement costs (\$324,000 in 2015-16).

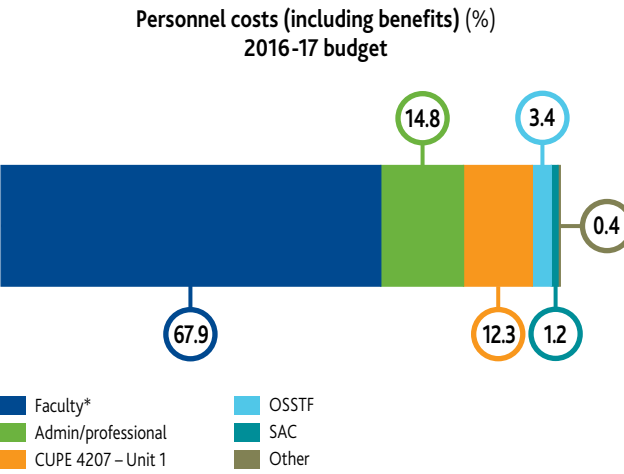
| (\$000s) | 2016-17 Budget | 2015-16 Budget | 2014-15 Actual |
|-------------------------------|----------------|----------------|----------------|
| Revenue | 133 | 208 | 138 |
| Personnel costs | (20,378) 96.3% | (19,707) 95.9% | (18,774) 96.1% |
| Operating costs | (787) 3.7% | (841) 4.1% | (760) 3.9% |
| Total costs | (21,165) 100% | (20,548) 100% | (19,534) 100% |
| Net | (21,032) | (20,340) | (19,396) |
| FTE – faculty ⁽¹⁾ | 76.4 | 74.7 | |
| OG FTE – staff ⁽²⁾ | 46.6 | 46.0 | |

(1) Full-time equivalent (FTE) faculty represents Brock University Faculty Association (BUFA) positions and Associate Deans (both filled and unfilled positions). Faculty on sabbatical are represented as 1 FTE.
(2) Ongoing (OG) FTE staff represents budgeted OG staff (both filled and unfilled positions) – excludes temporary contract workers.

| | 2016-17 Budget | 2015-16 Actual | 2014-15 Actual | 2013-14 Actual |
|----------------------------------|----------------|----------------|----------------|----------------|
| Undergraduate average class size | | | | |
| Overall | | 89.5 | 92.2 | 89.9 |
| Year 1 | | 232.4 | 237.7 | 229.2 |
| Year 2 | | 66.0 | 63.9 | 63.2 |
| Year 3 | | 28.7 | 28.7 | 29.4 |
| Year 4 | | 15.1 | 15.0 | 14.5 |
| Headcount by major (Nov. 1) | | | | |
| Undergraduate | 1,755 | 1,722 | 1,629 | 1,617 |
| Graduate | 156 | 156 | 157 | 157 |
| FTE students taught | | | | |
| Undergraduate | | 2,634 | 2,684 | 2,542 |
| Graduate | | 153 | 152 | 154 |



*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.

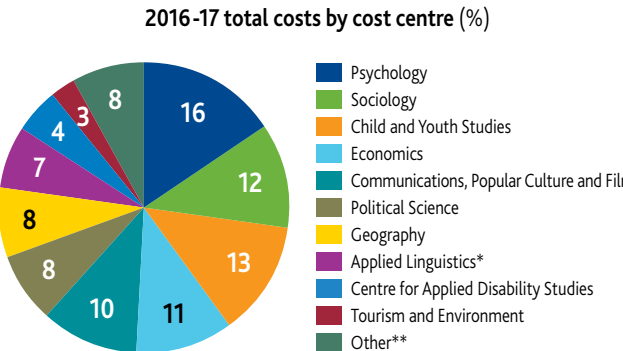
Faculty of Social Sciences

The social sciences are innovative and exciting fields of study that explore a wide variety of social phenomena through multiple lenses. They prepare students to be engaged citizens and lead towards many career possibilities. The Faculty includes classical disciplines such as Economics, Geography and Tourism Studies, 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, and 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 \$147,000 of student fees (\$190,000 in 2015-16). Operating costs include \$151,000 of capital replacement and repairs and maintenance costs (\$141,000 in 2015-16) and \$113,000 of purchased services (\$118,000 in 2015-16).

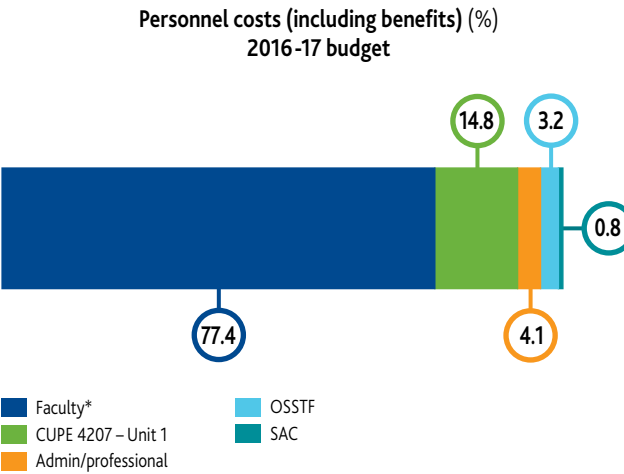
| (\$000s) | 2016-17 Budget | 2015-16 Budget | 2014-15 Actual |
|-------------------------------|----------------|----------------|----------------|
| Revenue | 119 | 204 | 279 |
| Personnel costs | (34,931) 96.4% | (34,086) 96.2% | (32,503) 96.4% |
| Operating costs | (1,297) 3.6% | (1,332) 3.8% | (1,209) 3.6% |
| Total costs | (36,228) 100% | (35,418) 100% | (33,712) 100% |
| Net | (36,109) | (35,214) | (33,433) |
| FTE – faculty ⁽¹⁾ | 161.1 | 161.2 | |
| OG FTE – staff ⁽²⁾ | 36.7 | 35.4 | |

(1) Full-time equivalent (FTE) faculty represents Brock University Faculty Association (BUFA) positions and Associate Deans (both filled and unfilled positions). Faculty on sabbatical are represented as 1 FTE.
(2) Ongoing (OG) FTE staff represents budgeted OG staff (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.

| | 2016-17 Budget | 2015-16 Actual | 2014-15 Actual | 2013-14 Actual |
|----------------------------------|----------------|----------------|----------------|----------------|
| Undergraduate average class size | | | | |
| Overall | | 85.0 | 83.7 | 84.2 |
| Year 1 | | 242.2 | 229.1 | 318.2 |
| Year 2 | | 109.4 | 109.6 | 109.0 |
| Year 3 | | 55.9 | 53.0 | 49.3 |
| Year 4 | | 21.9 | 21.0 | 19.9 |
| Headcount by major (Nov. 1) | | | | |
| Undergraduate | 4,639 | 4,672 | 4,820 | 4,894 |
| Graduate | 446 | 446 | 412 | 401 |
| FTE students taught | | | | |
| Undergraduate | | 4,811 | 4,862 | 4,809 |
| Graduate | | 340 | 301 | 289 |



*Note: BUFA positions and associate deans.

Academic support

Faculty of Graduate Studies

| (\$000s) | 2016-17 Budget | 2015-16 Budget | 2014-15 Actual |
|-------------------------------|-------------------|-------------------|-------------------|
| Revenue | 260 | 250 | 204 |
| Personnel costs | (1,347) 87.8% | (1,239) 83.9% | (1,186) 82.1% |
| Operating costs | (188) 12.2% | (237) 16.1% | (259) 17.9% |
| Total costs | (1,535) 100% | (1,476) 100% | (1,445) 100% |
| Net | (1,275) | (1,226) | (1,241) |
| OG FTE – staff ⁽¹⁾ | 13.0 | 13.0 | |

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

The University’s graduate students are engaged in cutting-edge research that makes a real difference to the quality of human life. Brock’s graduate programs, through the direction of the Faculty of Graduate Studies, 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 (2012) 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) | 2016-17 Budget | 2015-16 Budget | 2014-15 Actual |
|-------------------------------|-------------------|-------------------|-------------------|
| Revenue | 85 | 187 | 187 |
| Personnel costs | (4,823) 51.8% | (4,938) 57.8% | (4,726) 59.0% |
| Operating costs | (4,486) 48.2% | (3,605) 42.2% | (3,284) 41.0% |
| Total costs | (9,309) 100% | (8,543) 100% | (8,010) 100% |
| Net | (9,224) | (8,356) | (7,823) |
| FTE – faculty ⁽¹⁾ | 16.9 | 18.1 | |
| OG FTE – staff ⁽²⁾ | 32.6 | 33.7 | |

(1) Full-time equivalent (FTE) faculty represents Brock University Faculty Association (BUFA) positions and Associate Deans (both filled and unfilled positions). Faculty on sabbatical are represented as 1 FTE.
(2) Ongoing (OG) FTE staff represents budgeted OG staff (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: Operating costs include \$3,838,000 of acquisitions (\$3,088,000 in 2015-16) and \$464,000 of purchased services (\$335,000 in 2015-16).

Research Services

| (\$000s) | 2016-17 Budget | 2015-16 Budget | 2014-15 Actual |
|-------------------------------|-------------------|-------------------|-------------------|
| Revenue | 2,647 | 2,649 | 2,195 |
| Personnel costs | (2,426) 56.8% | (2,450) 57.6% | (2,039) 53.2% |
| Operating costs | (1,843) 43.2% | (1,803) 42.4% | (1,795) 46.8% |
| Total costs | (4,269) 100% | (4,253) 100% | (3,834) 100% |
| Net | (1,622) | (1,604) | (1,639) |
| OG FTE – staff ⁽¹⁾ | 27.7 | 28.0 | |

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

Research Services, as defined in the 2016-17 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

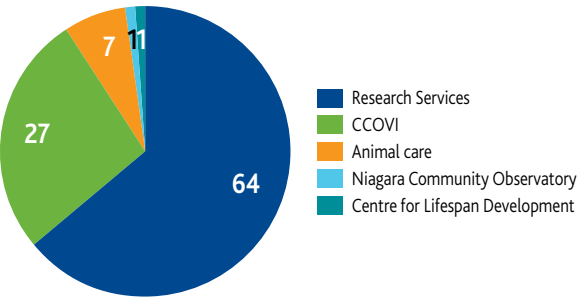
CCOVI is Brock’s flagship transdisciplinary institute. CCOVI’s research, continuing education and outreach are based on three pillars – quality, innovation and sustainability – that attend to the needs of individuals, organizations and institutions involved with the grape and wine industry across Canada 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 around 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 \$2,215,000 of grant revenue related to the Research Support Fund and the Provincial Overheads Infrastructure Envelope (\$2,298,000 in 2015-16). Operating costs include \$1,000,000 of funding for transdisciplinary hubs (\$1,000,000 in 2015-16).

The above costs do not reflect the direct revenue or expenses of research as noted on page 49. Nor do they reflect the research portion of Faculty members’ salary and benefits (standardly 40 per cent) and other overhead related costs. Faculty members’ salary and benefits are reflected in the Teaching Faculties.

2016-17 total costs by cost centre (%)





Centre for Pedagogical Innovation

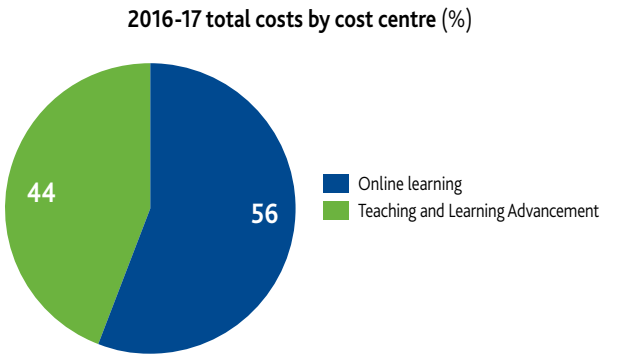
| (\$000s) | 2016-17 Budget | 2015-16 Budget | 2014-15 Actual |
|-------------------------------|-------------------|-------------------|-------------------|
| Revenue | 23 | 27 | 14 |
| Personnel costs | (763) 80.9% | (838) 80.7% | (815) 87.9% |
| Operating costs | (180) 19.1% | (200) 19.3% | (112) 12.1% |
| Total costs | (943) 100% | (1,038) 100% | (927) 100% |
| Net | (920) | (1,011) | (913) |
| OG FTE – staff ⁽¹⁾ | 7.0 | 8.5 | |

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

Centre for Pedagogical Innovation (CPI), as defined in the 2016-17 budget, includes teaching and learning advancement and online 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

As part of the 2016-17 budget process, Service Learning separated from CPI and was divided between Co-op, Career and Experiential Education and Student Life and Community Experience.



Centre for the Arts

| (\$000s) | 2016-17 Budget | 2015-16 Budget | 2014-15 Actual |
|-------------------------------|-------------------|-------------------|-------------------|
| Revenue | | 42 | 1,635 |
| Personnel costs | 0.0% | (146) 18.1% | (967) 45.1% |
| Operating costs | 0.0% | (662) 81.9% | (1,176) 54.9% |
| Total costs | 0.0% | (808) 100% | (2,143) 100% |
| Net | - | (766) | (508) |
| OG FTE – staff ⁽¹⁾ | | 1.7 | |

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

The Centre for the Arts was a nationally recognized, not-for-profit performing arts facility. Its last season at Brock ran until the end of June 2015. The centre was transferred to the City of St. Catharines. A multi-year agreement was made 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 payment for 2016-17 is reported as part of the Hybrid Space and Performing Arts Centre unit.

Student specific

Student Services

Student Services, as defined in the 2016-17 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 Student Awards and Financial Aid Office and Health Services are under the Vice-President, Administration’s responsibility centre, whereas other units are under the Vice-President, Academic’s responsibility centre (see page 46).

The Office of the Registrar and Student Awards and Financial Aid Office (SAFA)

| (\$000s) | 2016-17 Budget | 2015-16 Budget | 2014-15 Actual |
|-------------------------------|----------------|----------------|----------------|
| Revenue | 2,009 | 2,093 | 1,945 |
| Personnel costs | (4,486) 79.6% | (4,269) 81.0% | (3,983) 80.9% |
| Operating costs | (1,151) 20.4% | (1,003) 19.0% | (939) 19.1% |
| Total costs | (5,637) 100% | (5,272) 100% | (4,922) 100% |
| Net | (3,628) | (3,179) | (2,977) |
| OG FTE – staff ⁽¹⁾ | 51.3 | 58.2 | |

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

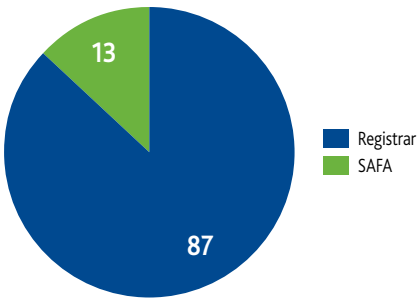
The Office of the Registrar provides a wide range of services, including recruitment, admissions, registration and maintenance of the student information systems; examinations and scheduling; grade reporting and degree audit; academic advising; and Convocation. It issues official academic transcripts 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 \$234,000 of grant revenue (\$274,000 in 2015-16). 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.

2016-17 total costs by cost centre (%)



Student Life Services

| (\$000s) | 2016-17 Budget | 2015-16 Budget | 2014-15 Actual |
|-------------------------------|----------------|----------------|----------------|
| Revenue | 3,435 | 3,433 | 3,543 |
| Personnel costs | (4,265) 73.3% | (3,974) 72.5% | (3,837) 70.1% |
| Operating costs | (1,553) 26.7% | (1,504) 27.5% | (1,638) 29.9% |
| Total costs | (5,818) 100% | (5,478) 100% | (5,475) 100% |
| Net | (2,383) | (2,045) | (1,932) |
| OG FTE – staff ⁽¹⁾ | 41.7 | 41.5 | |

(1) Ongoing (OG) FTE staff represents budgeted OG staff (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, academic support, Aboriginal student services and services for students with disabilities. For information on the SDC, visit brocku.ca/student-development-centre

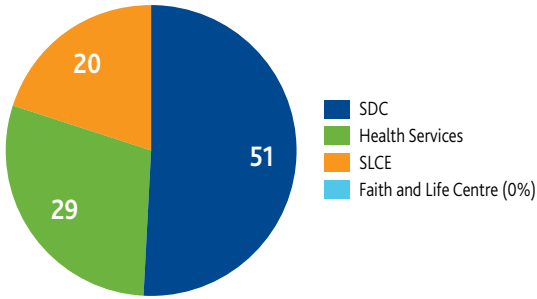
Health Services supports student health by providing an on-campus medical clinic, health promotion programs and wellness education at the health and wellness centre as well as strategic medical and academic partnerships. For information on Health Services, visit brocku.ca/health-services

Student Life and Community Experience (SLCE) offers programs and services that support student success through co-curricular and extra-curricular campus activities, leadership development, volunteerism, off-campus living, and student rights and responsibilities. SLCE 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 \$1,364,000 of grant revenue (\$1,380,000 in 2015-16) and \$909,000 of student fees (\$901,000 in 2015-16). Operating costs include \$1,007,000 of purchased services (\$993,000 in 2015-16).

2016-17 total costs by cost centre (%)



Student Services – International

| (\$000s) | 2016-17 Budget | 2015-16 Budget | 2014-15 Actual |
|-------------------------------|----------------|----------------|----------------|
| Revenue | 5,766 | 6,551 | 6,349 |
| Personnel costs | (4,316) 69.7% | (4,186) 67.5% | (4,315) 72.8% |
| Operating costs | (1,872) 30.3% | (2,015) 32.5% | (1,609) 27.2% |
| Total costs | (6,188) 100% | (6,201) 100% | (5,924) 100% |
| Net | (422) | 350 | 425 |
| OG FTE – staff ⁽¹⁾ | 56.3 | 56.2 | |

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

Student Services – International, as defined in the 2016-17 budget, includes English as a Second Language (ESL) Services, the Office of International Market Development (IMD), and Brock International Services.

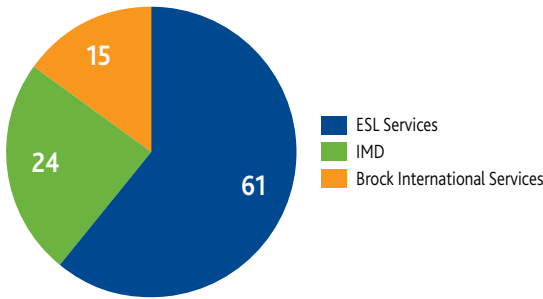
ESL Services offers English courses to students from all over the world through a mixture of formal classroom settings (including IELP and SELP programs), and socio-cultural activities. For information on ESL Services, visit brocku.ca/esl-services

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. For information on Brock International Services, visit brocku.ca/brock-international-services

Note: Revenue includes \$5,197,000 of student fees (\$5,921,000 in 2015-16) and \$145,000 of grant revenue (\$142,000 in 2015-16). Operating Costs include \$1,024,000 of purchased services (\$1,126,000 in 2015-16).

2016-17 total costs by cost centre (%)



Co-op, Career and Experiential Education

| (\$000s) | 2016-17 Budget | 2015-16 Budget | 2014-15 Actual |
|-------------------------------|----------------|----------------|----------------|
| Revenue | 1,973 | 1,265 | 1,376 |
| Personnel costs | (2,790) 87.7% | (2,002) 90.4% | (1,627) 90.3% |
| Operating costs | (390) 12.3% | (213) 9.6% | (174) 9.7% |
| Total costs | (3,180) 100% | (2,215) 100% | (1,801) 100% |
| Net | (1,207) | (950) | (425) |
| OG FTE – staff ⁽¹⁾ | 34.0 | 25.6 | |

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

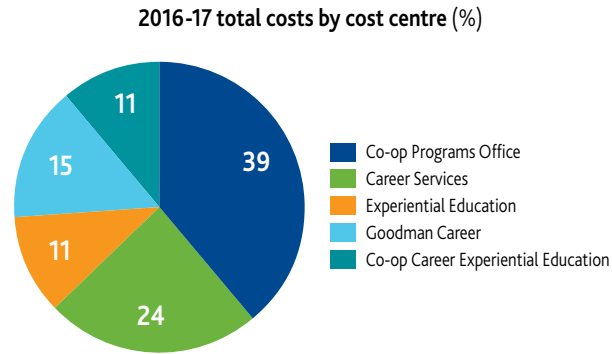
Co-operative education offers a valuable opportunity for students to enhance their education by acquiring career-related work experience before graduation. Undergraduate and graduate students gain practical experience, develop a network of contacts and obtain a better understanding of careers in their 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. For 2016-17, the net operating costs of the Goodman Career Development Office, including four on-going FTE staff positions, was moved from the Goodman School of Business and is now included in this unit (as well as offering the offsetting funding revenue). This office helps business and accounting students navigate the career planning process from first year to graduation. For more information on Goodman Career Development office, visit brocku.ca/business/career

Experiential Education promotes faculty, staff, students and community partners working together to provide opportunities for students to apply their classroom learning through hands-on, real-world experience. Undergraduate and graduate students reflect on their experiences in order to build skills, realize competencies, and contribute to the community, both within Niagara and beyond, in order to prepare for their careers and build beneficial connections that will help along the way. Experiential opportunities range from internships, placements, field courses, service-learning, labs and more, and are available in every Faculty at Brock. For more information on service-learning, visit brocku.ca/service-learning



Note: Revenue includes \$1,208,000 of student fees (\$1,168,000 in 2015-16). 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. In addition, the 2016-17 budget includes \$465,000 of internal chargeback revenue from the Goodman School of Business to support the Goodman Career Development Office.



Athletics and Recreation

| (\$000s) | 2016-17 Budget | 2015-16 Budget | 2014-15 Actual |
|-------------------------------|----------------|----------------|----------------|
| Revenue | 5,333 | 4,875 | 5,014 |
| Personnel costs | (3,720) 60.4% | (3,732) 63.5% | (3,391) 58.7% |
| Operating costs | (2,442) 39.6% | (2,142) 36.5% | (2,385) 41.3% |
| Total costs | (6,162) 100% | (5,874) 100% | (5,776) 100% |
| Net | (829) | (999) | (762) |
| OG FTE – staff ⁽¹⁾ | 27.2 | 28.7 | |

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

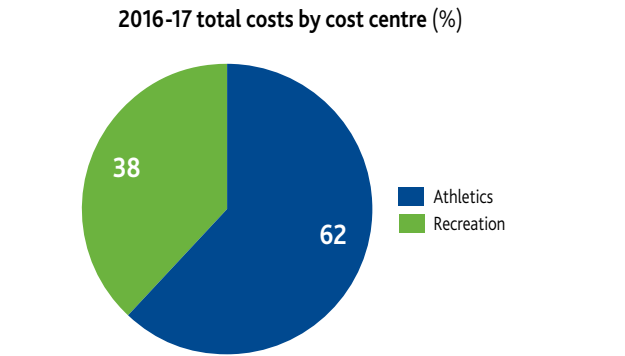
The Department of Athletics and Recreation provides programming for nearly 20,000 Brock students, staff, faculty and members of the community through intramurals, fitness programming, aquatics, certification programs, day camps, inclusive children’s programming and more. The department operates facilities in the Walker Complex, including nine gymnasium courts, 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, seven playing fields and the new artificial turf field. It also provides support for academic classes, varsity programming and competition, University activities and 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 800 students (39 teams both varsity and sports clubs) the opportunity to participate in intercollegiate athletics. Varsity teams include baseball (M), basketball (M, 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 (M, W) and wrestling (M, W). Sports clubs include: ball hockey, equestrian, figure skating, track and field, ringette, ultimate Frisbee, women’s lacrosse, power lifting, fast pitch and cheerleading. 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 \$2,921,000 of student fees (\$2,910,000 in 2015-16). Operating costs include \$239,000 capital replacement and repairs and maintenance costs (\$239,000 in 2015-16), and \$246,000 of purchased services (\$235,000 in 2015-16).



Shared services

Leadership

| (\$000s) | 2016-17 Budget | 2015-16 Budget | 2014-15 Actual |
|-------------------------------|----------------|----------------|----------------|
| Revenue | | 16 | 120 |
| Personnel costs | (3,037) 83.9% | (2,745) 84.1% | (2,809) 84.7% |
| Operating costs | (583) 16.1% | (520) 15.9% | (506) 15.3% |
| Total costs | (3,620) 100% | (3,265) 100% | (3,315) 100% |
| Net | (3,620) | (3,249) | (3,195) |
| OG FTE – staff ⁽¹⁾ | 17.0 | 16.0 | |

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

Leadership, as defined in the 2016-17 budget, represents a number of the Offices of Senior Administration as well as the operating costs of the Board of Trustees and Senate. Under the President’s responsibility centre, it includes the offices of the President; the Vice-President, Administration; the Provost and Vice-President, Academic; and the Vice-President, Research (Note: see the Research Services responsibility centre for revenue and costs of the rest of the Research Department); as well as the operating costs of the Board of Trustees and Senate. Under the Vice-President, Academic’s responsibility centre, there are the Vice-Provost and Associate Vice- President, Academic; Vice-Provost Teaching and Learning; the Vice-Provost Enrollment Management and International; and Faculty Relations.

Note: Operating costs include \$178,000 of purchased services (\$178,000 in 2015-16).

Information Technology Services

| (\$000s) | 2016-17 Budget | 2015-16 Budget | 2014-15 Actual |
|-------------------------------|----------------|----------------|----------------|
| Revenue | 581 | 953 | 866 |
| Personnel costs | (6,003) 76.2% | (6,246) 77.0% | (5,817) 77.2% |
| Operating costs | (1,878) 23.8% | (1,862) 23.0% | (1,715) 22.8% |
| Total costs | (7,881) 100% | (8,108) 100% | (7,532) 100% |
| Net | (7,300) | (7,155) | (6,666) |
| OG FTE – staff ⁽¹⁾ | 63.4 | 65.7 | |

(1) Ongoing (OG) FTE staff represents budgeted OG staff (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 and 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 \$470,000 of revenue related to internal charges to other departments (\$811,000 in 2015-16). Operating costs include \$1,553,000 capital replacement and repairs and maintenance costs (\$1,252,000 in 2015-16), and \$203,000 of purchased services (\$483,000 in 2015-16).

In addition to the budget above, \$4,177,000 in Information Technology Services projects are budgeted in the Capital responsibility centre. Details on these expenditures can be found on page 79.

Financial Services

| (\$000s) | 2016-17 Budget | 2015-16 Budget | 2014-15 Actual |
|-------------------------------|----------------|----------------|----------------|
| Revenue | 123 | 110 | 208 |
| Personnel costs | (2,073) 84.1% | (1,971) 82.6% | (1,896) 70.7% |
| Operating costs | (393) 15.9% | (415) 17.4% | (784) 29.3% |
| Total costs | (2,466) 100% | (2,386) 100% | (2,680) 100% |
| Net | (2,343) | (2,276) | (2,472) |
| OG FTE – staff ⁽¹⁾ | 26.9 | 24.0 | |

(1) Ongoing (OG) FTE staff represents budgeted OG staff (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 various operating units. For information on the Finance Department, visit brocku.ca/finance

Note: Operating costs include \$197,000 of purchased services (\$209,000 in 2015-16).

Human Resources

| (\$000s) | 2016-17 Budget | 2015-16 Budget | 2014-15 Actual |
|-------------------------------|----------------|----------------|----------------|
| Revenue | 176 | 167 | 26 |
| Personnel costs | (2,985) 82.8% | (2,987) 84.1% | (2,459) 81.3% |
| Operating costs | (618) 17.2% | (563) 15.9% | (567) 18.7% |
| Total costs | (3,603) 100% | (3,550) 100% | (3,026) 100% |
| Net | (3,427) | (3,383) | (3,000) |
| OG FTE – staff ⁽¹⁾ | 33.0 | 32.5 | |

(1) Ongoing (OG) FTE staff represents budgeted OG staff (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 and Accessibility (AODA). For the 2016-17 budget, Human Rights and Equity Services are shown in Shared Services Support. For information on Human Resources visit brocku.ca/hr

Note: Operating costs include \$299,000 of purchased services (\$263,000 in 2015-16).

University Marketing and Communications

| (\$000s) | 2016-17 Budget | 2015-16 Budget | 2014-15 Actual |
|-------------------------------|----------------|----------------|----------------|
| Revenue | 315 | 15 | 7 |
| Personnel costs | (1,135) 49.9% | (1,048) 60.3% | (884) 57.4% |
| Operating costs | (1,139) 50.1% | (689) 39.7% | (656) 42.6% |
| Total costs | (2,274) 100% | (1,737) 100% | (1,540) 100% |
| Net | (1,959) | (1,722) | (1,533) |
| OG FTE – staff ⁽¹⁾ | 12.0 | 12.0 | |

(1) Ongoing (OG) FTE staff represents budgeted OG staff (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



Nadia Senchuk
Brock graduate
MBA ('07)
Owner, Leaning Post Wines



Development and Alumni Relations

| (\$000s) | 2016-17 Budget | 2015-16 Budget | 2014-15 Actual |
|-------------------------------|-------------------|-------------------|-------------------|
| Revenue | 726 | 812 | 851 |
| Personnel costs | (1,636) 67.5% | (1,655) 65.5% | (1,390) 64.2% |
| Operating costs | (786) 32.5% | (870) 34.5% | (774) 35.8% |
| Total costs | (2,422) 100% | (2,525) 100% | (2,164) 100% |
| Net | (1,696) | (1,713) | (1,313) |
| OG FTE – staff ⁽¹⁾ | 18.0 | 19.0 | |

(1) Ongoing (OG) FTE staff represents budgeted OG staff (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 maintaining records to stay in touch with Brock’s 90,000 alumni. Brock recently completed the Bold New Brock fundraising campaign, which raised \$94 million for a wide range of University projects including the Cairns Family Health and Bioscience Research Complex, the Marilyn I. Walker School for Fine and Performing Arts, and the Goodman School of Business. The department works with a volunteer Alumni Association Board of Directors and assists with fundraising events such as the President’s Golf Tournament and Cuvée Grand Tasting. For more information please visit brocku.ca/bold-new-brock and brocku.ca/alumni

University Services

| (\$000s) | 2016-17 Budget | 2015-16 Budget | 2014-15 Actual |
|-------------------------------|-------------------|-------------------|-------------------|
| Revenue | 3,068 | 2,958 | 2,664 |
| Personnel costs | (1,466) 44.6% | (1,467) 44.4% | (1,371) 46.9% |
| Operating costs | (1,822) 55.4% | (1,834) 55.6% | (1,555) 53.1% |
| Total costs | (3,288) 100% | (3,301) 100% | (2,926) 100% |
| Net | (220) | (343) | (262) |
| OG FTE – staff ⁽¹⁾ | 17.5 | 17.5 | |

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

University Services, as defined in the 2016-17 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

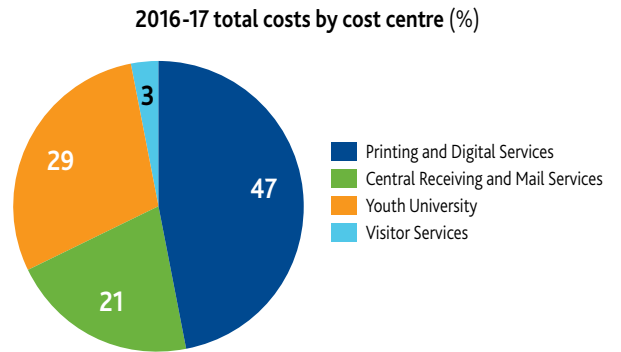
requirements. For information on Printing and Digital Services, visit brocku.ca/printing

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 outreach initiative committed to inspiring and preparing all youth and families for lifelong education in the 21st century. Through unique programs, partnerships, and research it brings over 6,000 Brock students, youth, and families together to learn about the foundational skills and knowledge needed to succeed in work, life, and citizenship. Special areas of focus include: 21st century skills (including collaboration, communication, and creative problem solving), leadership, and STEAM content areas (including science, technology, engineering, arts, and mathematics). For more information, visit brocku.ca/youth-university and brocku.ca/community-learning

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

Note: Revenue includes \$941,000 of student fees related to Youth University Programs (\$891,000 in 2015-16), \$1,903,000 of revenue related to internal charges to other departments (Printing and Digital Services and Mail Services) (\$2,027,000 in 2015-16). Operating costs include \$1,184,000 of purchased services (\$1,142,000 in 2015-16).



Shared Services Support

| (\$000s) | 2016-17 Budget | 2015-16 Budget | 2014-15 Actual |
|-------------------------------|-------------------|-------------------|-------------------|
| Revenue | | | |
| Personnel costs | (1,326) 90.3% | (1,286) 89.5% | (1,176) 83.4% |
| Operating costs | (143) 9.7% | (151) 10.5% | (234) 16.6% |
| Total costs | (1,469) 100% | (1,437) 100% | (1,410) 100% |
| Net | (1,469) | (1,437) | (1,410) |
| OG FTE – staff ⁽¹⁾ | 14.5 | 14.0 | |

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

Shared Services Support, as defined in the 2016-17 budget, represents the Office of Government Relations, which is under the President’s responsibility centre, the Office of the University Secretariat and the Internal Audit Department, which are under the Vice-President, Administration’s responsibility centre, and Institutional Analysis and Planning, which is under the Vice-President, Academic’s responsibility centre.

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

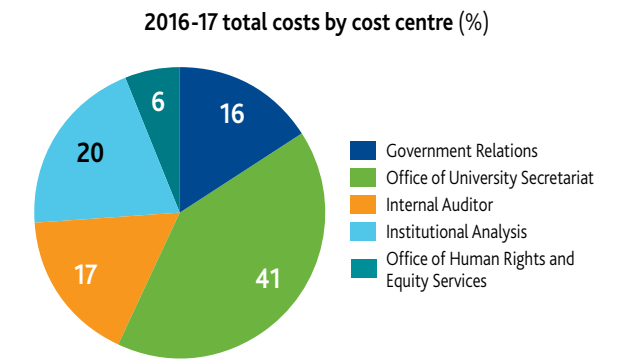
The Office of Government Relations represents the University in a range of activities that includes stewardship of all three levels of government; monitoring, analyzing, and disseminating information about relevant government initiatives; providing support for the development, submission and presentation 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

Human Rights and Equity Services is a resource for all members of the Brock community to provide information, education, assistance and advice on a wide variety of issues related to harassment and discrimination. For more information on the Office of Human Rights and Equity Services visit brocku.ca/human-rights



Ancillary Operations

Ancillary Operations, as defined in the 2016-17 budget, includes the Campus Store, Parking Services, Conference Services and Hospitality Services. Overall, Ancillary Operations is expected to contribute \$4.92 million (\$4.73 in 2015-16) to the University. Note: For the purposes of this report, net expenses of the Office of the Associate Vice-President, University Services has been allocated to the departments within Ancillary Operations.

Campus Store

The Campus Store is the sole retailer at Brock University, operating three store locations across campus. Specializing in providing affordable textbook options for students, the Campus Store is committed to ensuring that Brock University students have the tools they need to be successful in the classroom. Celebrating all things Brock, the Campus Store is also the home of the Brock University and Badger brands. Whether gearing up for a game or studying for a test, the Campus Store is a cornerstone of the student life experience at Brock University. For more information please visit campusstore.brocku.ca

Note: operating costs include \$6,892,000 of cost of sales (\$8,088,000 in 2015-16).

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 on the east side of Glenridge Avenue, plus the MIWSFPA downtown location and the Hamilton campus. For information on Parking Services, visit brocku.ca/parking-services

Note: operating costs include \$243,000 of repairs and maintenance and capital replacement costs (\$273,000 in 2015-16) and \$275,000 purchased services (\$259,000 in 2015-16).

Conference Services

Conference 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 \$387,000 of utility costs (\$416,000 in 2015-16) and \$114,000 of repairs and maintenance and capital replacement costs (\$137,000 in 2015-16).

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. 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 \$380,000 of capital replacement and repairs and maintenance costs (\$407,000 in 2015-16).

| (\$000s) | Campus Store | Parking Services | Conference and Event Services | Hospitality Services | Total Ancillary Operations |
|------------------------------------|--------------|------------------|-------------------------------|----------------------|----------------------------|
| 2016-17 Budget | | | | | |
| Revenue | 9,627 | 3,759 | 1,532 | 1,805 | 16,723 |
| Personnel costs | (1,420) | (483) | (636) | (352) | (2,891) |
| Operating costs* | (7,143) | (588) | (574) | (605) | (8,910) |
| Total costs | (8,563) | (1,071) | (1,210) | (957) | (11,801) |
| Net | 1,064 | 2,688 | 322 | 848 | 4,922 |
| 2015-16 Budget | | | | | |
| Revenue | 11,036 | 3,224 | 1,711 | 1,802 | 17,773 |
| Personnel costs | (1,347) | (473) | (670) | (347) | (2,837) |
| Operating costs* | (8,335) | (608) | (632) | (631) | (10,206) |
| Total costs | (9,682) | (1,081) | (1,302) | (978) | (13,043) |
| Net | 1,354 | 2,143 | 409 | 824 | 4,730 |
| 2014-15 Actual | | | | | |
| Revenue | 9,344 | 3,270 | 1,567 | 1,595 | 15,776 |
| Personnel costs | (1,120) | (429) | (605) | (364) | (2,518) |
| Operating costs* | (7,269) | (535) | (568) | (532) | (8,904) |
| Total costs | (8,389) | (964) | (1,173) | (896) | (11,422) |
| Net | 955 | 2,306 | 394 | 699 | 4,354 |
| OG FTE – staff ^{(1), (2)} | | | | | |
| 2016-17 Budget | 14.0 | 4.0 | 7.3 | 3.5 | 31.3 |
| 2015-16 Budget | 13.0 | 4.0 | 7.3 | 3.5 | 30.3 |

(1) Ongoing (OG) FTE staff represents budgeted OG staff (both filled and unfilled positions) – excludes temporary contract workers.
(2) Included in total Ancillary Operations OG – FTE is 2.5 FTE (in the Office of Associate Vice-President, University Services) which have not been allocated to any Ancillary operation.
* 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) | 2016-17 Budget | 2015-16 Budget | 2014-15 Actual |
|-------------------------------|-------------------|-------------------|-------------------|
| Revenue | 17,005 | 16,493 | 16,086 |
| Personnel costs | (2,605) 16.7% | (2,523) 16.2% | (2,310) 16.6% |
| Operating costs | (12,960) 83.3% | (13,036) 83.8% | (11,579) 83.4% |
| Total costs | (15,565) 100% | (15,559) 100% | (13,889) 100% |
| Net | 1,440 | 934 | 2,197 |
| OG FTE – staff ⁽¹⁾ | 27.3 | 26.8 | |

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

The Department of Residences is responsible for almost 2,500 students within seven residence complexes in a well-managed, safe and supportive environment. There are four traditional-style residences, two townhouse-style residences and one suite-style residence. 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. 4, 2015. The overall average residence fee revenue increased 2.57 per cent, ranging from .65 per cent to 3.69 per cent depending on residence and bed type. Approved residence fees for 2016-17 can be found at brocku.ca/residence/residence-admissions/fees

Note: Revenue includes \$16,742,000 of residence fees (\$16,207,000 in 2015-16). Operating costs include \$4,432,000 of financial expenditures (\$4,432,000 in 2015-16); \$1,561,000 of utility costs (\$1,855,000 in 2015-16); \$4,611,000 of capital replacement and repairs and maintenance costs, including Residence’s contribution to the capital and related projects budget of \$2,726,500 (\$4,094,000 in 2015-16); \$1,429,000 of rent related to the Quarry View and Gateway Suites residences (\$1,304,000 in 2015-16); and \$537,000 of purchased services (\$942,000 in 2015-16).

LOWENBERGER RESID



Space

Facilities Management

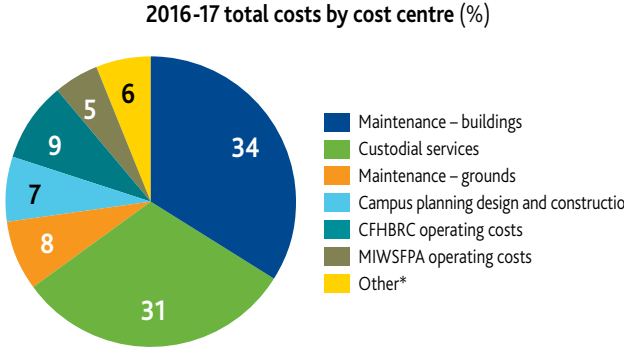
| (\$000s) | 2016-17 Budget | 2015-16 Budget | 2014-15 Actual |
|-------------------------------|-------------------|-------------------|-------------------|
| Revenue | 670 | 764 | 741 |
| Personnel costs | (12,428) 78.0% | (12,501) 76.7% | (11,091) 77.1% |
| Operating costs | (3,502) 22.0% | (3,787) 23.3% | (3,295) 22.9% |
| Total costs | (15,930) 100% | (16,288) 100% | (14,386) 100% |
| Net | (15,260) | (15,524) | (13,645) |
| OG FTE – staff ⁽¹⁾ | 152.0 | 155.2 | |

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

Facilities Management is responsible to provide a safe, clean, accessible and well maintained physical environment for the University community by planning and delivering services that are sustainable and supportive of academic excellence, including: management of campus utilities and the co-generation plant; facility maintenance; grounds maintenance; campus planning, design and construction; project management; code and by-law compliance; and cleaning and non-hazardous waste management. For more information, visit brocku.ca/facilities-management

Note: Revenue includes \$607,000 of revenue related to internal charges to other departments within the University (\$707,000 in 2015-16). Operating costs include \$2,605,000 of capital replacement and repairs and maintenance costs (\$2,803,000 in 2015-16); and \$723,000 of purchased services (\$790,000 in 2015-16). 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 72.

In addition to the budget above, \$8,088,000 in Facilities Management projects are budgeted in the Capital responsibility centre. Details on these expenditures can be found on page 80.



Campus Security Services

| (\$000s) | 2016-17 Budget | 2015-16 Budget | 2014-15 Actual |
|-------------------------------|-------------------|-------------------|-------------------|
| Revenue | 70 | 17 | 18 |
| Personnel costs | (1,437) 56.9% | (1,381) 58.4% | (1,230) 69.0% |
| Operating costs | (1,089) 43.1% | (982) 41.6% | (553) 31.0% |
| Total costs | (2,526) 100% | (2,363) 100% | (1,783) 100% |
| Net | (2,456) | (2,346) | (1,765) |
| OG FTE – staff ⁽¹⁾ | 18.0 | 17.7 | |

(1) Ongoing (OG) FTE staff represents budgeted OG staff (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 \$889,000 of purchased services (\$872,000 in 2015-16).

Hybrid Space and Performing Arts Centre

| (\$000s) | 2016-17 Budget | 2015-16 Budget | 2014-15 Actual |
|-----------------|-------------------|-------------------|-------------------|
| Revenue | 381 | 400 | 375 |
| Operating costs | (970) | (209) | (134) |
| Total costs | (970) | (209) | (134) |
| Net | 589 | 191 | 241 |

Hybrid Space, as defined in the 2016-17 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. Also included as part of Hybrid space is the payment of \$760,000 related to the multi-year agreement with the new St. Catharines Performing Arts Centre, as well as a \$19,000 payment related to sculptures on campus.

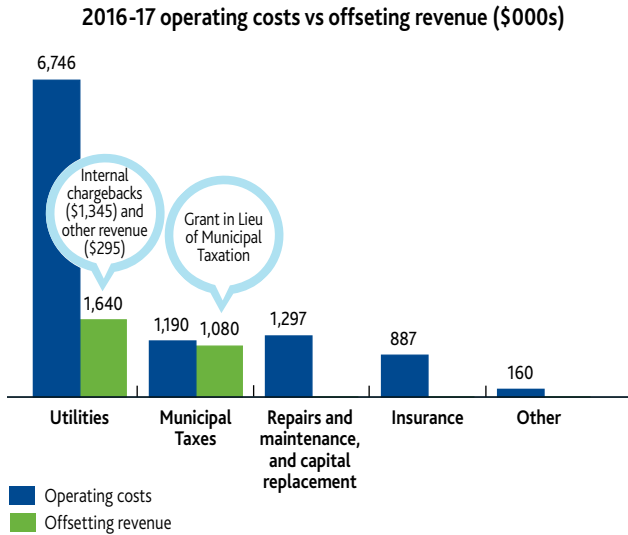
Utilities, Taxes and Insurance

| (\$000s) | 2016-17 Budget | 2015-16 Budget | 2014-15 Actual |
|-----------------|----------------|----------------|----------------|
| Revenue | 2,721 | 2,660 | 2,771 |
| Operating costs | (10,279) | (9,989) | (9,149) |
| Total costs | (10,279) | (9,989) | (9,149) |
| Net | (7,558) | (7,329) | (6,378) |

The Utilities, Taxes and Insurance responsibility centre includes all centrally-billed utility costs of \$6,746,000, which represents the majority of the University's total utility costs (\$8,718,000). Note: The remaining \$1,972,000 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.

Also included in operating costs are municipal taxes (payment in lieu of property taxes) of \$1,190,000, offset by the Grant in Lieu of Municipal Taxes of \$1,080,000. For more details, see page 36.

The remaining operating costs are made up of repairs and maintenance and capital replacement costs of \$1,297,000, the majority of which is related to the University's co-generation plant; insurance costs of \$887,000, and other administrative costs of \$160,000.



Financing

| (\$000s) | 2016-17 Budget | 2015-16 Budget | 2014-15 Actual |
|-----------------|----------------|----------------|----------------|
| Revenue | | | 102 |
| Operating costs | (5,930) | (5,652) | (5,548) |
| Total costs | (5,930) | (5,652) | (5,548) |
| Net | (5,930) | (5,652) | (5,446) |

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) | 2016-17 Budget | | 2015-16 Budget | |
|----------------------------------|----------------|-------------------------|----------------|-------------------------|
| | Financing unit | Department of Residence | Financing unit | Department of Residence |
| Bond – interest | 2,137 | 2,483 | 2,136 | 2,483 |
| Cairns – interest | 1,184 | | 1,217 | |
| Cairns – principal | 720 | | 687 | |
| Residence – interest | | 1,128 | | 1,185 |
| Residence – principal | | 821 | | 765 |
| MIWSFPA building – interest | 399 | | 417 | |
| MIWSFPA building – principal | 720 | | 720 | |
| Debt reduction strategy | 745 | | 475 | |
| Sinking Fund administration fees | 25 | | | |
| Total | 5,930 | 4,432 | 5,652 | 4,433 |

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

See the page 83 for further discussion of Brock's financing strategies and debt outstanding.

Global

Scholarships, Bursaries and Student Awards

| (\$000s) | 2016-17 Budget | 2015-16 Budget | 2014-15 Actual |
|-----------------|----------------|----------------|----------------|
| Revenue | 992 | 1,000 | 1,145 |
| Operating costs | (17,409) | (15,855) | (14,621) |
| Total costs | (17,409) | (15,855) | (14,621) |
| Net | (16,417) | (14,855) | (13,476) |

This unit represents the majority of Brock's undergraduate and graduate scholarships, bursaries and student awards (SBSAs). Of the total SBSAs, \$10,450,000 (\$9,127,000 in 2015-16) relates to support for undergraduate students and \$6,959,000 (\$6,728,000 in 2015-16) 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.

Total undergraduate University-funded SBSAs of \$8,760,000 (\$7,595,000 in 2015-16) are either merit-based or need-based.

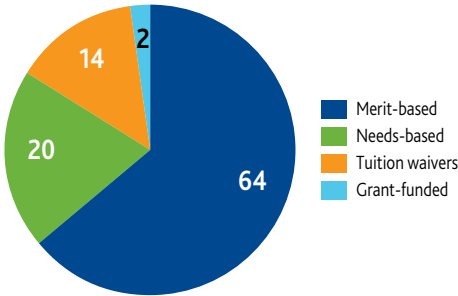
- Merit-based awards are budgeted to be \$6,676,000 (\$5,426,000 in 2015-16). Included in these awards are the Brock Entrance Scholars Awards of \$3,038,000 (\$2,128,000 in 2015-16) and renewals of those scholarships of \$2,250,000 (\$2,270,000 in 2015-16).
- Need-based awards are budgeted to be \$2,084,000 (\$2,169,000 in 2015-16). 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 \$700,000 in 2016-17, an decrease of \$100,000 over 2015-16. Also included in need-based awards is Brock's bursary assistance of \$939,000 (\$972,000 in 2015-16) as well as Brock's entrance bursaries of \$320,000, which increased 20,000 from 2015-16.



Undergraduate student tuition waivers for Brock faculty and staff and their dependents are budgeted to be \$1,492,000 (\$1,295,000 in 2015-16).

Total grant-funded undergraduate SBSAs for 2016-17 are budgeted to be \$199,000 (\$237,000 in 2015-16), which is directly offset in grant revenue.

2016-17 undergraduate scholarships and student awards (%)





Graduate

The majority of graduate SBSAs are in the form of University-funded fellowships of \$4,572,000 (\$4,381,000 in 2015-16). Other graduate SBSAs of \$1,067,000 (\$1,076,000 in 2015-16) 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 \$1,175,000 (\$1,145,000 in 2015-16), with an offsetting grant revenue of \$783,000 (\$763,000 in 2015-16).

Also included in graduate SBSAs are student tuition waivers for Brock faculty and their dependents and Brock staff, which are budgeted to be \$145,000 (\$126,000 in 2015-16).

Note: Additional undergraduate scholarships and awards of \$0.45 million and graduate student awards of \$0.18 million are included in other units throughout the University.

Capital

| (\$000s) | 2016-17 Budget | 2015-16 Budget | 2014-15 Actual |
|-----------------|-----------------|-----------------|----------------|
| Revenue | 4,591 | 4,542 | 3,844 |
| Personnel costs | 0.0% | 0.0% | (300) 2.5% |
| Operating costs | (12,264) 100.0% | (11,000) 100.0% | (11,711) 97.5% |
| Total costs | (12,264) 100% | (11,000) 100% | (12,011) 100% |
| Net | (7,673) | (6,458) | (8,167) |

The Capital responsibility centre represents the total funding of both the Facilities Management projects of \$8,087,500 (\$8,500,000 in 2015-16) and the Information Technology Services projects of \$4,176,500 (\$2,500,000 in 2015-16) in the capital and related project budget.

Offsetting these costs is the contribution of the Department of Residence to the capital and related project budget of \$2,726,500 (\$2,660,000 in 2015-16) and the \$1,000,000 (\$1,000,000 in 2015-16) transfer from capital reserves to fund facilities management projects.

Also included in revenue is Facilities Renewal Program Funds of \$865,000 (\$882,000 in 2015-16). See page 36 for a discussion of these funds.

See pages 77 to 81 for details of the capital and related project budget.

University Global

| (\$000s) | 2016-17 Budget | 2015-16 Budget | 2014-15 Actual |
|-------------------------------|----------------|----------------|----------------|
| Revenue | 223,227 | 212,285 | 215,826 |
| Personnel costs | (500) 27.5% | (193) 15.3% | (4,359) 56.1% |
| Operating costs | (1,319) 72.5% | (1,066) 84.7% | (3,410) 43.9% |
| Total costs | (1,819) 100% | (1,259) 100% | (7,769) 100% |
| Net | 221,408 | 211,026 | 208,057 |
| OG FTE – staff ⁽¹⁾ | | 0.3 | |

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

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 \$135,035,000 (\$126,702,000 in 2015-16) as detailed in Figure 17 on page 27.
- Grant revenue of \$85,358,000 (\$82,832,000 in 2015-16) as follows:
 - Operating grants of \$84,607,000 (\$81,763,000 in 2015-16) – see page 32.
 - Graduate Enrolment Capital Expansion Grant of \$750,000 (\$750,000 in 2015-16) – see page 36.
 - Teacher Education Transition Funding of \$319,000 in 2015-16.

- Investment income of \$800,000 (\$700,000 in 2015-16) – see page 39.
- International Student Recovery Fee of \$1,054,000 (\$1,066,000 in 2015-16) – see page 31.
- Other revenue of \$982,000 (\$984,000 in 2015-16), 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 2016-17, these costs include \$626,000 related to salary and wage increases that are anticipated but not yet awarded or negotiated, and \$174,000 in salaries for individuals that belong to no specific unit. Offsetting these costs are budgeted savings from voluntary reduction of \$300,000.

Operating costs for University Global include the following:

- Recruitment, relocation and startup funds for faculty members and librarians of \$672,000 (\$399,000 in 2015-16).
- Other operating costs of \$646,000 (\$668,000 in 2015-16), which includes University memberships, program review costs, allowances for uncollectable funds, and other University-wide expense items.





Capital and related projects budget

Figures 38 and 39 detail the new capital and related projects budget for 2016-17. This budget was approved on Dec. 3, 2015 by the Board of Trustees after input-gathering from the Brock community. The process to develop this capital and related project budget began in the summer of 2015 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

As with the 2015-16 capital and related projects budget, approving the capital and related projects budget in December allows 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 2015-16 capital and related projects can be found in the 2015-16 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 2015-16 capital and related projects budget will be reserved at April 30, 2016 and be moved into fiscal 2016-17 so the projects can be completed.

2016-17 capital and related projects overview

The 2016-17 capital and related projects budget was approved at \$12,264,000 (Information Technology Services Projects – \$4,176,500; Facilities Management Projects – \$8,087,500). We have made significant progress in recent years in providing funding to support our infrastructure going forward. The 2016-17 capital and related projects budget identified key areas of investment including post-Marilyn I. Walker School moves (\$3.2 million), classroom modernization and renewal (\$0.5 million), facility needs and priority study (\$0.25 million), finance system replacement (\$1.0 million), and core applications development (\$0.6 million). Total deferred maintenance spending included in the 2016-17 capital and related projects budget was \$3.3 million. As noted in the Fiscal Framework, deferred maintenance was temporarily reduced

this year to move up the capital work related to the Marilyn I. Walker School phase 2. The Fiscal Framework illustrates increasing deferred maintenance in subsequent years to more then offset this decrease.

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 (2011-2016) by VFA Inc. determined the University has \$145 million in deferred maintenance requirements (including residences) that have accumulated over a number of years of under-investing. 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. The specific classifications of areas of deferred maintenance are included in Figure 37.

Figure 37: COU VFA Data (as at Oct. 2015)

| | Deferred maintenance (\$000s) | Current replacement value (\$000s) | FCI |
|---------------------------------------|-------------------------------|------------------------------------|------|
| Academic and administrative | | | |
| Main campus | 89,943 | 415,083 | 0.22 |
| East campus | 707 | 32,400 | 0.02 |
| Satellite campus | 4,227 | 52,538 | 0.08 |
| Total academic and administrative | 94,877 | 500,021 | 0.19 |
| Site and utility infrastructure | | | |
| Roadways | 1,137 | 5,028 | 0.23 |
| Parking lots | 1,347 | 8,763 | 0.15 |
| Water supply mains | 2,253 | 4,875 | 0.46 |
| Storm sewer | 2,605 | 7,992 | 0.33 |
| Electrical distribution | 6,162 | 20,887 | 0.30 |
| Service tunnels | 976 | 57,752 | 0.02 |
| Other | 8,323 | 19,574 | 0.43 |
| Total site and utility infrastructure | 22,803 | 124,871 | 0.18 |
| Residence | | | |
| Total residence | 27,669 | 172,390 | 0.16 |
| Total | 145,349 | 797,282 | 0.18 |

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 0.18, which translates to “Poor” (an FCI > 0.15).

Looking back over the past couple of years, the turning point of the capital program really occurred when the Board of Trustees endorsed a motion to invest \$6 million in deferred maintenance in the 2014-15 budget. The intent of the \$6-million contribution was to, at least maintain deferred maintenance and FCI at it’s current levels. Looking forward, the funding model, as detailed in the Fiscal Framework document, forecasts a deferred maintenance funding envelope greater than \$6 million in future years in order to take into account future maintenance needs as well. (Note: the reduced investment

in deferred maintenance in 2016-17 of only \$3.3 fmillion was incorporated into the model). The potential impact the funding model will have on FCI is shown graphically in the Fiscal Framework document, with the FCI having a value of less than 0.15 in 2031-32. Through the forecasted level of investment in deferred maintenance, the FCI is expected to remain constant while the outstanding debt on the MIWSFPA and Cairns buildings are repaid. This is not to say the FCI could not improve in the next 10 years. For example, the projected FCI does not reflect any change in use of properties that could have a significant impact on FCI. If we just consider the planned demolition of the greenhouse (now that the Cairns greenhouse is operational), the deferred maintenance on Taro Hall (that is being addressed through the Goodman School of Business build), the changes to the Rodman Hall organizational structure and Lockhart Drive, it is expected the FCI could improve by approximately 140 basis points alone.

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 2016-17 capital and related projects budget, other units maintain capital replacement and significant repairs and maintenance budgets. The Facilities Management budget (page 71) has \$2,605,000 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 64) also maintains a capital replacement and repairs and maintenance budget of \$1,553,000.

Figure 38: Capital and related project budget – Information Technology Services projects

| Project | Cash flow – 2016-17 | Rationale | Category |
|--|---------------------|-----------------|-------------|
| IT infrastructure | | | |
| Core applications development | 639,000 | Planned renewal | Campus-wide |
| Finance system | 1,000,000 | Enhancement | Campus-wide |
| Payment card industry audit | 60,000 | Compliance | Campus-wide |
| Upgrade TH 300, Gaming Program area and print shop | 155,000 | Enhancement | Campus-wide |
| Hamilton WAN network improvements | 15,000 | Enhancement | Campus-wide |
| Backup server for Video Centre | 10,000 | Enhancement | Campus-wide |
| Total IT infrastructure | 1,879,000 | | |
| IT hardware evergreening (EG) and growth | | | |
| Physical security and paging system improvements | 172,300 | Enhancement | Campus-wide |
| Wireless expansion – WH, SBH and TH | 90,000 | Enhancement | Campus-wide |
| Replace switches in PLZ | 252,000 | Enhancement | Campus-wide |
| Replace edge firewalls (HA) | 200,000 | Enhancement | Campus-wide |
| Replace edge firewalls (HA) – Residence | 235,000 | Enhancement | Residences |
| Infrastructure growth and VPN | 214,000 | Planned renewal | Campus-wide |
| Data Centre and Campus UPS | 80,000 | Enhancement | Campus-wide |
| Replace 228 PCs and 140 monitors | 258,000 | Enhancement | Campus-wide |
| Replace projectors (WH324, GLN162, 164, 212, MCA241) | 15,000 | Enhancement | Campus-wide |
| Replace video conferencing equipment in CRN and Sankey | 31,500 | Enhancement | Campus-wide |
| Upgrade audio and install control unit WH147 | 35,000 | Enhancement | Campus-wide |
| Wireless expansion – Residence – LOW, GBV and EARP | 480,000 | Enhancement | Residences |
| Replace switches in Residence – LOW, GBV and EARP | 110,700 | Enhancement | Residences |
| Remove phones in rooms, deploy 380 phones – Common Rooms | 79,000 | Planned renewal | Residences |
| Replace UPS – Residence | 10,000 | Enhancement | Residences |
| Total IT hardware evergreening and growth | 2,262,500 | | |
| Enterprise software | | | |
| Sharepoint forms engine | 35,000 | Planned renewal | Campus-wide |
| Total Enterprise software | 35,000 | | |
| Total | 4,176,500 | | |

Figure 39: Capital and related project budget – Facilities Management projects

| Project | Deferred Maintenance (DM) | Source of funds/cash flow – 2016-17 | | | Total project costs | Rationale | Category |
|--|---------------------------|---------------------------------------|----------------|-----------------|---------------------|----------------------|---------------|
| | | DM – Facilities Renewal Program Funds | Use of reserve | Other operating | | | |
| Major capital projects | | | | | | | |
| Schmon Tower Student Services Centre Atrium – pre-design | | | | 50,000 | 50,000 | Grant application | Major capital |
| Heritage Plaza – Brock-Niagara Centre for Health and Well-Being – Design Build Statement of Requirements (SOR) | | | | 50,000 | 50,000 | Grant application | Major capital |
| Schmon Tower renewal – feasibility study | 80,000 | | | | 80,000 | Grant application | Major capital |
| International Centre Building Phase 2 – Facility Needs and Priorities (FN&P) study and design update | | | | 20,000 | 20,000 | Grant application | Major capital |
| Third campus entrance and grounds yard relocation – design | | | | 188,312 | 188,312 | Campus plan update | Major capital |
| Total major capital projects | 80,000 | | | 308,312 | 388,312 | | |
| Buildings | | | | | | | |
| Annual controls conversion | 42,500 | | | | 42,500 | Deferred maintenance | Electrical |
| CUB cooling tower renewal | 100,000 | | | | 100,000 | Deferred maintenance | Mechanical |
| High-voltage equipment renewal | 70,600 | 4,400 | | | 75,000 | Deferred maintenance | Electrical |
| 600 V sub-station deficiencies | | 85,000 | | | 85,000 | Deferred maintenance | Electrical |
| Podium roof | | 450,000 | | | 450,000 | Deferred maintenance | Roof |
| MC D-block roof | | 325,000 | | | 325,000 | Deferred maintenance | Roof |
| Central Utilities – training classroom portable | 100,000 | | | | 100,000 | Deferred maintenance | Interior |
| Flooring renewal program | 50,000 | | | | 50,000 | Deferred maintenance | Interior |
| Interior and exterior door renewal | 50,000 | | | | 50,000 | Deferred maintenance | Renovations |
| Alumni greenhouse demolition and site restoration | 75,000 | | | | 75,000 | Improvement | Major capital |
| Total buildings | 488,100 | 864,400 | | | 1,352,500 | | |
| Above surface/sub-surface utilities, drainage, roads and parking lots, sidewalks | | | | | | | |
| University Rd. East from Lot P to Alphonse's | 650,000 | | | | 650,000 | Deferred maintenance | Exterior |
| University Rd. East – Cairns Kiss and Ride | | | | 100,000 | 100,000 | Health and Safety | Exterior |
| Aboriginal Students' Garden | | | | 35,000 | 35,000 | Student Experience | Exterior |
| Capital Contribution – Merrittville Hwy upgrades | | | | 35,000 | 35,000 | Health and Safety | Exterior |
| Total above-surface/sub-surface utilities, etc. | 650,000 | | | 170,000 | 820,000 | | |
| Residence | | | | | | | |
| Village furniture replacement – Phase 2 | | | | 100,000 | 100,000 | Renewal | Interior |
| DeCew furniture replacement – Phase 2 | | | | 100,000 | 100,000 | Renewal | Interior |
| Proximity Card Access System | | | | 124,188 | 124,188 | Accessibility | AODA* |
| Total residence | | | | 324,188 | 324,188 | | |

Figure 39: Capital and related project budget – Facilities Management projects (continued)

| Project | Deferred Maintenance (DM) | Source of funds/cash flow – 2016-17 | | | Total project costs | Rationale | Category |
|--|---------------------------|---------------------------------------|----------------|-----------------|---------------------|-------------------------------|-------------------------|
| | | DM – Facilities Renewal Program Funds | Use of reserve | Other operating | | | |
| Adaptations/renovations and major renewal | | | | | | | |
| Phase 2 – post-MIWSFPA bundle of projects** | 960,000 | | 1,000,000 | 1,240,000 | 3,200,000 | Space reconfiguration | Renovations |
| Centre for Digital Humanities | | | | 270,000 | 270,000 | Renewal | Renovations |
| Classroom modernization and renewal ** | 157,500 | | | 367,500 | 525,000 | CRTTC ⁽¹⁾ priority | Classroom modernization |
| Cairns 400 level alterations-kinesiology grad | | | | 25,000 | 25,000 | Renewal | Renovations |
| One Stop – Student Services | | | | 160,000 | 160,000 | Renewal | Renovations |
| Thirteenth floor Board Room chair replacement | | | | 20,000 | 20,000 | Renewal | Renovations |
| Total adaptations/renovations and major renewal | 1,117,500 | | 1,000,000 | 2,082,500 | 4,200,000 | | |
| AODA* accessible built environment | | | | | | | |
| Single-use accessible washroom call stations | | | | 72,000 | 72,000 | Accessibility | AODA* |
| Academic service counters | | | | 28,000 | 28,000 | Accessibility | AODA* |
| CUB Elevator (design) | | | | 50,000 | 50,000 | Accessibility | AODA* |
| Admin service counters | | | | 27,000 | 27,000 | Accessibility | AODA* |
| Total AODA accessible built environment | | | | 177,000 | 177,000 | | |
| Audits and studies | | | | | | | |
| Facility needs and priorities (FN&P) study | | | | 250,000 | 250,000 | Planning | Study/review |
| Facility condition audit | 75,000 | | | | 75,000 | Planning | Study/review |
| VFA Asset database maintenance services | | | | 20,500 | 20,500 | Planning | Study/review |
| Thistle classrooms – renewal and accessibility study | | | | 75,000 | 75,000 | CRTTC ⁽¹⁾ Priority | Study/review |
| Pond Inlet renovation | | | | 25,000 | 25,000 | Planning | Study/review |
| Capital asset management planning | 30,000 | | | | 30,000 | Planning | Study/review |
| Space audits | | | | 20,000 | 20,000 | Planning | Study/review |
| Total audits | 105,000 | | | 390,500 | 495,500 | | |
| Vehicles | | | | | | | |
| Replace FM 002 (RTV) | | | | 22,000 | 22,000 | Planned Renewal | Transportation |
| Replace FM 023 (CAT IT loader) | | | | 135,000 | 135,000 | Planned Renewal | Transportation |
| Replace FM 028 (Kubota 3680 mower) | | | | 36,000 | 36,000 | Planned Renewal | Transportation |
| Replace FM 057 (full-size van) | | | | 33,500 | 33,500 | Planned Renewal | Transportation |
| Replace FM 060 (full-size van) | | | | 33,500 | 33,500 | Planned Renewal | Transportation |
| Trailer-mounted emergency generator | | | | 70,000 | 70,000 | Planned Renewal | Transportation |
| Total vehicles | | | | 330,000 | 330,000 | | |
| Total | 2,440,600 | 864,400 | 1,000,000 | 3,782,500 | 8,087,500 | | |

* AODA – Accessibility for Ontarians with Disabilities
** Estimated 30% deferred maintenance
(1) CRTTC – Classroom Renewal Teaching and Technology Committee

Deferred Maintenance = \$3,305,000

Total projects funded by the funding budget = \$8,087,500



Financing

Figure 40 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. As set out in the Fiscal Framework document, any new debt capital requirements are highly dependent on donations and/or other incremental sources of funding.

In March 2015, the Board of Trustees approved a debt reduction strategy that would see \$475,000 set aside each year starting in 2014-15. As presented in the Fiscal Framework document, a revised debt reduction strategy was established to repay the loan on the Marilyn I. Walker School of Fine and Performing Arts (MIWSFPA) by it's renewal date in 2019-20; the loan on the Cairns Family Health and Bioscience Research Centre (Cairns) building by 2024-25 and the debt (other than the bond) on residence loans by 2029-30.

This model combines the funding envelopes of deferred maintenance and debt repayment, and increases the total contribution equal to the construction price index (currently factored at 2.5 per cent). The rational for this combination is that both envelopes relate to infrastructure since current spending results in new infrastructure and the debt originally issued allowed for new infrastructure to be built at that time. As the debt is paid off, that infrastructure that was once new now requires deferred

maintenance work. It makes sense to repurpose those debt payments to main infrastructure.

This enhanced debt reduction strategy causes the debt repayment reserve contribution to increase each year with the 2016-17 contribution included in the budget of \$745,000. The 2017-18 contribution increases to \$1,022,000, the 2018-19 contribution will be \$1,303,00 and so on.

Also included in the Fiscal Framework document is a funding plan for the 40-year bullet taken out in 2005 for \$93 million. In 2045, this debt will need to be repaid. The funding plan is based on an annualized rate of return on the sinking fund of five per cent plus additional payments starting when the debt on residence loans (other than the bond) is fully paid in 2029-30.

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.

The requirement for the debt reduction strategy is supported by Brock's key debt metrics found in Figure 41, which also compares these metrics to that of the median and average of other universities in our comprehensive category.

Figure 40: Outstanding debt

| (\$000s) (unless otherwise noted) | Actual 30-April-14 | Actual 30-April-15 | Budget 30-April-16 | Forecast 30-April-17 | Forecast 30-April-18 | Forecast 30-April-19 | Forecast 30-April-20 | Forecast 30-April-21 |
|---|-----------------------|-----------------------|-----------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|
| Bond | 93,000 | 93,000 | 93,000 | 93,000 | 93,000 | 93,000 | 93,000 | 93,000 |
| Cairns | 26,925 | 26,269 | 25,583 | 24,863 | 24,109 | 23,319 | 22,491 | 21,623 |
| Residence | 17,513 | 16,801 | 16,037 | 15,215 | 14,333 | 13,385 | 12,366 | 11,271 |
| Marilyn I. Walker School of Fine and Performing Arts (MIWSFPA) | | 17,400 | 16,680 | 15,960 | 15,240 | 14,520 | | |
| Total debt | 137,438 | 153,471 | 151,300 | 149,039 | 146,682 | 144,224 | 127,857 | 125,895 |
| Total student FFTE | 19,882 | 20,056 | 19,712 | 19,642 | 19,455 | 19,357 | 19,306 | 19,384 |
| Total debt/FFTE (in dollars) | \$6,913 | \$7,652 | \$7,676 | \$7,588 | \$7,540 | \$7,451 | \$6,623 | \$6,495 |
| Debt reduction strategy | | | | | | | | |
| Sinking fund | 4,770 | 5,462 | 5,735 | 6,021 | 6,322 | 6,639 | 6,970 | 7,319 |
| Debt repayment reserve | | 475 | 950 | 1,695 | 2,717 | 4,020 | | 2,937 |
| M. Walker donation – MIWSFPA | | 5,045 | 5,181 | 5,321 | 5,465 | 5,612 | | |
| Other donations – MIWSFPA | | 250 | 324 | 399 | 473 | 548 | | |
| Total assets for debt reduction | 4,770 | 11,232 | 12,190 | 13,436 | 14,977 | 16,818 | 6,970 | 10,256 |
| Net debt | 132,668 | 142,239 | 139,109 | 135,602 | 131,705 | 127,405 | 120,886 | 115,639 |
| Net debt/FFTE (in dollars) | \$6,673 | \$7,092 | \$7,057 | \$6,904 | \$6,770 | \$6,852 | \$6,262 | \$5,966 |

Note: See Appendix A for definition of FFTE.

Reserve summary

Figure 41: Financial health metrics

| | Brock | | Median ⁽¹⁾ | |
|-----------------------|------------|---------------------------|-----------------------|---------------------------|
| | April 2015 | April 2014 ⁽²⁾ | April 2015 | April 2014 ⁽²⁾ |
| Primary reserve ratio | 10.7% | 3.4% | 25.2% | 28.2% |
| Debt burden ratio | 3.2% | 3.6% | 2.8% | 2.0% |
| Interest burden % | 2.7% | 2.5% | 1.9% | 1.8% |
| Interest coverage | 4.6 | 2.4 | 6.8 | 9.0 |
| Viability ratio | 19.8% | 7.0% | 91.6% | 78.9% |

(1) Calculated using financial information from 14 other comprehensive universities.
(2) Metrics have been adjusted to account for reclassifications and restatements of Brock and certain universities in the comparator group.

The debt metrics 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 2015 Brock has approximately 39 days of expendable reserves.
2. The next two ratios describe how Brock utilizes a greater proportion of its annual operating expense to fund debt obligations.
3. The interest coverage ratio measures the ability to fund interest charges from cash generated through operations. This measure has been improving; however, we still 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 almost all its debt with expendable resources, whereas Brock can only pay off 20 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.

As of April 30, 2015, the University has \$30 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:

Figure 42

| Description | Amount (\$000s) |
|--|-----------------|
| Capital and infrastructure projects and reserves | 10,339 |
| Operating project accounts | 1,674 |
| Research funds with no external obligations | 1,538 |
| Start-up funds | 913 |
| Professional expense reimbursement accounts | 2,444 |
| Sinking fund* | 5,462 |
| Employee future benefits | 887 |
| Debt repayment reserve | 475 |
| Contingency reserve | 4,500 |
| Strategic initiative fund | 1,000 |
| Encumbrance reserve | 675 |
| Total | 29,907 |

* Sinking fund includes principal contributions and investment income earned.

Note: Due to the timing of preparing and approving this budget, the information presented above is as of April 30, 2015. This information will be updated for April 30, 2016 and incorporated into the University's 2015-16 Annual Report.

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 2016-17). 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 the past three years is shown in Figure 43.

Figure 43

| (\$000s) | 2014-15 Actual | 2013-14 Actual | 2012-13 Actual |
|-----------------------|----------------|----------------|----------------|
| Opening Endowment | 74,527 | 63,803 | 54,573 |
| Spending | (7,026) * | (1,509) | (1,387) |
| Spending Re-endowment | 111 | 398 | 310 |
| Investment Income | 9,933 | 8,960 | 7,350 |
| New Endowments | 4,150 | 2,875 | 2,957 |
| Ending Endowment | 81,695 | 74,527 | 63,803 |

* Figure includes \$5 million un-endowment of a fund to be allocated to a capital project in accordance with donor wishes.

Figure 44 details the top 10 endowments from 2014-15. Due to the timing of preparing and approving this budget, the information presented is as of April 30, 2015. This information will be updated for April 30, 2016 and incorporated into the University's 2015-16 Annual Report.

In 2016-17, approved endowment spending is \$2.0 million (\$2.0 million in 2015-16), as detailed in Figure 45.

Figure 45

| Endowment | Approved spending (\$000s) | |
|----------------------------|----------------------------|---------|
| | 2016-17 | 2015-16 |
| Undergraduate Scholarships | 562 | 552 |
| Undergraduate Bursaries | 527 | 516 |
| Undergraduate Prizes | 131 | 127 |
| Graduate Awards | 238 | 224 |
| Operating | 170 | 168 |
| Capital | 401 | 437 |
| Total | 2,029 | 2,024 |

Includes the MIWSFPA endowment spending allocation.

Figure 44: Top 10 endowments (2014-15 Actual)

| Amount (\$000s) | Name | Purpose |
|-----------------|--|-------------------------------|
| 15,112 | Marilyn I. Walker SFPA Fund | Supports the MIWSFPA |
| 6,624 | Harrison-Thompson Bursary Trust | Supports Undergraduate Awards |
| 2,147 | Ontario Graduate Fellowship Program | Supports Graduate Awards |
| 2,059 | Brock University Advancement Fund/J. Miller | Supports Research |
| 1,616 | Bluma Appel Entrance Scholarships For Excellence | Supports Graduate Awards |
| 1,604 | Dr. and Mrs. Moriyama Grad Fellowship Fund | Supports Graduate Awards |
| 1,265 | Luigi and Amalia Setacci Award | Supports Undergraduate Awards |
| 1,181 | Ruth Evelyn Williamson Estate | Supports Undergraduate Awards |
| 1,137 | Bluma Appel Bursaries – Excellence in Humanities | Supports Undergraduate Awards |
| 990 | Harrison scholarship | Supports Undergraduate Awards |

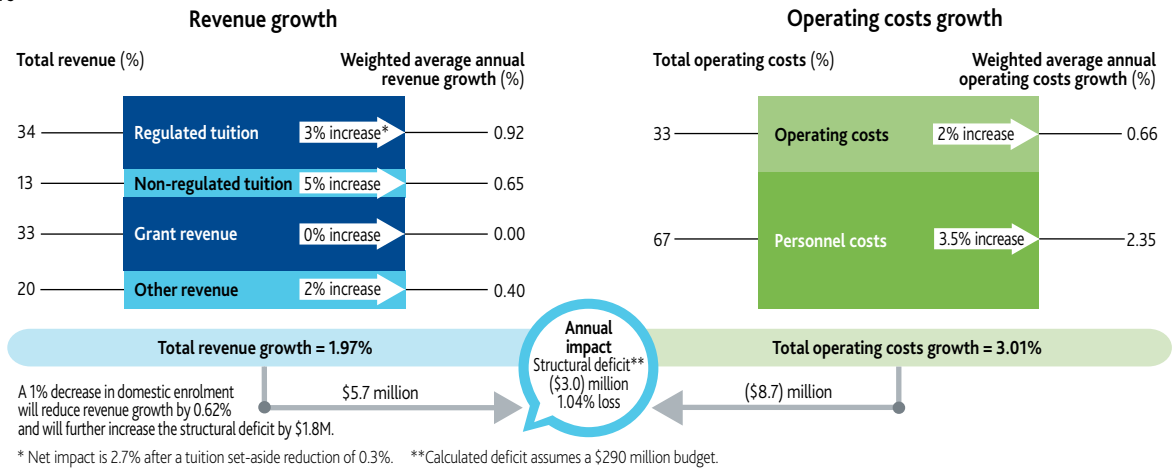




Student Life and Community Experience help to get these future Brock students involved in the grape stomping activities unique to Brock.

Looking forward

Figure 46



The budget for fiscal 2016-17, like the 2015-16 budget, was a significant undertaking. We still have a mitigation target in fiscal 2016-17 of \$3.9 million. In the past three 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.

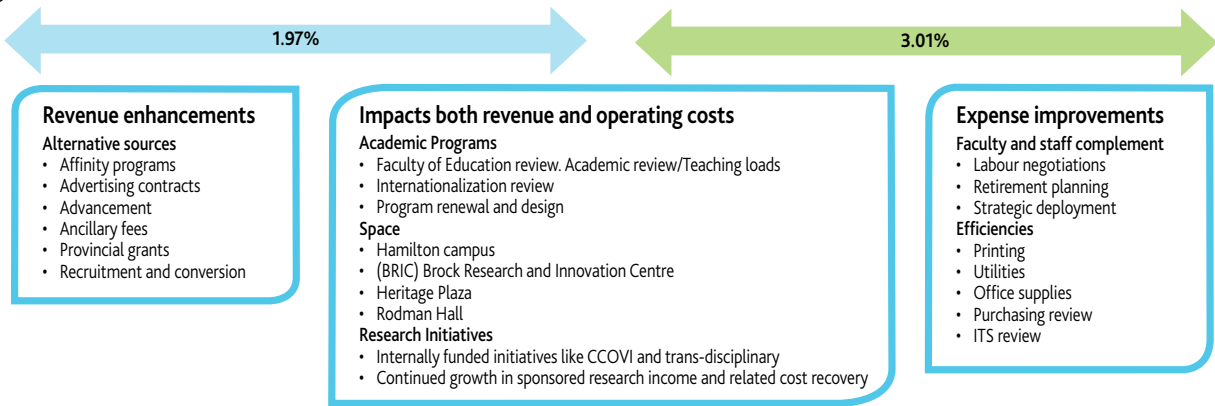
Last year we introduced Figure 46 which illustrates the complexity with our budgetary framework. Going forward, this chart continues to be relevant. Specifically, we are looking at revenue growth of 1.97 per cent and operating costs growth of 3.01 per cent if enrolment levels are constant. This creates 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.

So, what's next? The Senate previously performed an Academic Review, which still needs to be reviewed, and its recommendations considered. Work has begun to transition the revenue and expense allocation model into a budget model. The Deans have agreed to champion this project with the support of Financial Services. As this work continues, it is envisioned this new model will integrate as a component of the fiscal framework.

To this point, this year we introduced a Fiscal Framework document that recognizes our history and budget environment, and using key metrics will help us address the looking forward observations and resource allocation questions to ensure a fiscally sustainable Brock University. As part of this framework, we are taking a closer look at personnel costs within the University and trying to lower the personnel costs as a percentage of operating expenses. Currently personnel costs are at 72 per cent of operating expenses, while other Ontario comprehensive Universities average only 68 per cent, based on the Council of Ontario Finance Officers (COFO) reporting in 2014-15. We are also increasing our investment to the library acquisition funding, scholarships and student awards, and technology needs within the University. These are all evident by increases to the respective budgets in these areas. The strategy of investing is intended to continue to drive the preferred place to study and work strategy.

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

Figure 47



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 FFTEs, part-time = 0.300 FFTEs. Undergraduate and graduate FFTEs 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 2016-17 academic year, detailed in Figure 48, starting in spring of 2016-17, balance competitive pricing pressures with the financial requirements of the University.

Figure 48

| MTCU tuition guidelines | | |
|--|--------------|------------------|
| | Program year | |
| | First year | Continuing years |
| Undergraduate professional* programs (enrolled before 2013-14) | N/A | 4.0% |
| Undergraduate professional* programs (enrolled after 2013-14) | 5.0% | 5.0% |
| Undergraduate arts and science and other programs | 3.0% | 3.0% |
| Graduate programs | 5.0% | 5.0% |
| Average tuition increase** | 3.0% | |
| Brock University board approved 2016-17 rate increases | | |
| | Program year | |
| | First year | Continuing years |
| Undergraduate professional* programs (enrolled before 2013-14) | N/A | 4.0% |
| Undergraduate professional* programs (enrolled after 2013-14) | 5.0% | 5.0% |
| Undergraduate arts and science and other programs | 3.0% | 3.0% |
| Graduate programs | 1.5%~ | 0.0% |
| Average tuition increase** | 3.0% | |

* Undergraduate professional programs include Computer Science and Business.
** Average increase weighted based on enrolment.
~ Except for MBA which will be held at zero per cent and Master of Accountancy (Macc) which will increase by 5 per cent.



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. Figure 49 details the 2016-17 non-government-funded program rates that were proposed to and approved by the Board of Trustees in December 2015.

Figure 49: Brock University board approved 2016-17 rate increases

| International program types | Tuition increase |
|---|------------------|
| Undergraduate international students | 5% |
| Graduate international students | 5%* |
| International Student Programs: | |
| Professional Master’s Preparation Certificate (Business) (PMPC) | 10% |
| International Master of Business Administration (IMBA) | 6% |
| International Master of Accountancy (IMAcc) | 2% |
| Master’s Preparation Certificate in Education (MPCE) | 0% |
| International Master of Education (MEd) | 0% |
| Master of Arts Applied Linguistics (MA LING) | 0% |
| 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 and Master of Accountancy (Macc) which will increase by 10 per cent.

Appendix C

Figure 50: **Reclassifications by responsibility centre**

| (\$000s) | 2015-16 approved budget ⁽¹⁾ | Salary rate increase | Research support reclass. | 2015-16 adjusted budget |
|--|--|----------------------|---------------------------|-------------------------|
| Teaching Faculties | | | | |
| Faculty of Applied Health Science | (18,060) | (25) | (37) | (18,122) |
| Goodman School of Business | (18,007) | (33) | (25) | (18,065) |
| Faculty of Education | (14,189) | (32) | (20) | (14,241) |
| Faculty of Humanities | (21,556) | (20) | (32) | (21,608) |
| Faculty of Mathematics and Science | (20,191) | (49) | (100) | (20,340) |
| Faculty of Social Sciences | (35,128) | (32) | (54) | (35,214) |
| Total Teaching Faculties | (127,131) | (191) | (268) | (127,590) |
| Academic Support | | | | |
| Faculty of Graduate Studies | (1,216) | (10) | | (1,226) |
| Library | (8,055) | (31) | (270) | (8,356) |
| Research Services | (2,432) | (25) | 853 | (1,604) |
| Centre for Pedagogical Innovation | (1,001) | (10) | | (1,011) |
| Centre for the Arts | (765) | (1) | | (766) |
| Total Academic Support | (13,469) | (77) | 583 | (12,963) |
| Student Specific | | | | |
| Student Services | (4,760) | (114) | | (4,874) |
| Co-op and Career Services | (936) | (14) | | (950) |
| Athletics and Recreation | (965) | (34) | | (999) |
| Total Student Specific | (6,661) | (162) | - | (6,823) |
| Shared Services | | | | |
| Leadership | (3,239) | (10) | | (3,249) |
| Information Technology Services | (7,080) | (75) | | (7,155) |
| Financial Services | (2,262) | (14) | | (2,276) |
| Human Resources | (3,275) | (33) | (75) | (3,383) |
| Marketing and Communications | (1,709) | (13) | | (1,722) |
| Development and Alumni Relations | (1,698) | (15) | | (1,713) |
| University Services | (327) | (16) | | (343) |
| Shared Services Support | (1,428) | (9) | | (1,437) |
| Total Shared Services | (21,018) | (185) | (75) | (21,278) |
| Ancillary | | | | |
| Ancillary Operations | 4,756 | (26) | | 4,730 |
| Department of Residence | 940 | (6) | | 934 |
| Total Ancillary | 5,696 | (32) | - | 5,664 |
| Space | | | | |
| Facilities Management | (15,242) | (42) | (240) | (15,524) |
| Campus Security Services | (2,328) | (18) | | (2,346) |
| Hybrid Space | 191 | | | 191 |
| Utilities, Taxes and Insurance | (7,329) | | | (7,329) |
| Financing | (5,652) | | | (5,652) |
| Total Space | (30,360) | (60) | (240) | (30,660) |
| Global | | | | |
| Scholarships, Bursaries and Student Awards | (14,855) | | | (14,855) |
| Capital | (6,458) | | | (6,458) |
| University Global | 210,319 | 707 | | 211,026 |
| Total Global | 189,006 | 707 | - | 189,713 |
| Total University | (3,937) | - | - | (3,937) |

(1) Agrees to the 2015-16 Budget Report.

Summary of budget adjustments

As a result of certain changes in the approach to preparing the 2016-17 budget, reclassifications were made to the 2015-16 budget as reported in the 2015-16 Budget Report for comparison purposes when the funding deficit was not impacted. Figure 50 and 51 detail these reclassifications by both responsibility centres and function, with a few of the most notable reclassifications highlighted with explanations.

Figure 51: **Reclassifications by function**

| (\$000s) | 2015-16 approved budget ⁽¹⁾ | Reclass. | 2015-16 adjusted budget |
|------------------------------|--|-------------|-------------------------|
| Revenue | | | |
| Student fees | 150,998 | 32 | 151,030 |
| Grant revenue | 90,998 | 16 | 91,014 |
| Internal chargebacks | 7,689 | 1 | 7,690 |
| Other revenue | 47,449 | (90) | 47,359 |
| Total revenues | 297,134 | (41) | 297,093 |
| Operating costs | | | |
| Personnel costs | (200,224) | 257 | (199,967) |
| Other operating costs | (100,847) | (216) | (101,063) |
| Total operating costs | (301,071) | 41 | (301,030) |
| Mitigation target | 3,937 | | 3,937 |
| Funding deficit | - | - | - |

(1) Agrees to the 2015-16 Budget Report.

Reclassifications by responsibility centre

- \$707,000 of personnel cost increases were allocated out from the University global unit to the other units throughout the University during 2015-16 as these specific amounts were not known at the time of preparing the 2015-16 budget. Of this total, \$587,000 related to salary rate increases to administrative/professional staff and \$120,000 related to OSSTF lump sum payments.
- For the purposes of the 2016-17 budget, the Research Support Fund (previously named Federal Indirect Costs Program) was fully reported in Research Services instead of being allocated out to the certain units. For comparative purposes, the 2015-16 Research Support Funds were reclassified from these units back into Research Services. The total amount of this reclassification was \$853,000.

Reclassifications by function

- \$266,000 of operating costs, which were grouped to personnel costs in the 2015-16 approved budget, were identified and reclassified to operating costs in the 2015-16 adjusted budget.
- All remaining adjustments were small reclassifications within cost centres. No further major reclassifications were done for 2015-16.

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. Figures 52 and 53 detail these entries, with explanations following.

Figure 52

| (\$000s) | 2016-17 funding budget | NFPS adjustments | Notes | Re-class. | 2016-17 NFPS budget |
|------------------------|------------------------|------------------|-------|----------------|---------------------|
| Revenue | | | | | |
| Student fees | 158,610 | | | | 158,610 |
| Grant revenue | 92,358 | (864) | 1 | | 91,494 |
| Internal chargebacks | 7,752 | | | (7,752) | |
| Other revenue | 47,481 | 21,253 | 2-6 | | 68,734 |
| Total revenue | 306,201 | 20,389 | | (7,752) | 318,838 |
| Personnel costs | (204,169) | 113 | 10-11 | | (204,056) |
| Operating costs | (105,952) | (20,204) | 2-8 | 7,752 | (118,404) |
| Total costs | (310,121) | (20,091) | | 7,752 | (322,460) |
| Mitigation target | 3,920 | | | | 3,920 |
| Funding surplus | - | 298 | | - | 298 |

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 2016-17 budget.
2. As part of the funding for the capital and related project budget (see page 77), the 2016-17 funding budget includes a \$1.0 million transfer from reserves. In addition, \$589,000 of funding from the Strategic Initiative Fund has been included as revenue in the 2016-17 budget. These transfers from reserves are eliminated as part of the NFPS adjustments as they 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 2016-17 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 (2012-13 to 2014-15).

Figure 53

| Notes | Reconciliation of NFPS adjustments (\$000s) |
|----------------------------------|--|
| 1 | Capital grants (864) |
| 2 | Capital reserve (1,000) |
| 2 | Strategic initiative fund (589) |
| 3 | Amortization of deferred capital contributions 7,560 |
| 4 | Research, including fellowships 12,459 |
| 5 | Endowment and trust spending 2,536 |
| 6 | Sinking Fund 287 |
| Total revenue adjustments | 20,389 |
| 3 | Amortization of capital assets (19,400) |
| 4 | Research, including fellowships (12,459) |
| 5 | Endowment and trust spending (2,536) |
| 7 | Principal payments 2,261 |
| 8 | Capital purchases 11,185 |
| 9 | Funding of reserves – personnel 900 |
| 9 | Funding of reserves – operating 745 |
| 10 | Post-retirement benefits (1,200) |
| 11 | Pension 413 |
| Total costs adjustments | (20,091) |

5. Endowment and trust 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 or trust spending results in a direct offset to the funding budget, this spending is not recorded as part of the funding budget. The 2016-17 approved endowment spending, less the portion already included in the funding budget, has been included as part of the NFPS adjustments, along with the offsetting revenue. An estimate of the 2016-17 trust spending, 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 2016-17 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 2016-17 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 \$11 million in capital purchases budgeted in the 2016-17 budget to actually be capitalized. These capital purchases have been eliminated as part of the NFPS adjustments.
9. The 2016-17 funding budget includes \$0.9 million of funding for the employee future benefit reserve and \$0.745 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 to 2017. 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 \$1.67 million calculated by the University's actuary is recorded as an expense in the funding budget as it represents a cash outflow. However, \$0.413 million of the \$1.7 million represents the estimated "paydown" of the pension liability if the actuarial assumptions are met. The NFPS financial statements require only \$1.257 million to be expensed and the remaining \$0.413 million is shown as reduction to the pension liability and therefore adjusted in the NFPS adjustments.

Explanation of reclassifications

Included as part of total 2016-17 budgeted revenue is \$7.752 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. The 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 |
|---------------------------------------|---|---|
| Information Technology Services (ITS) | Brock joined the Niagara Regional Broadband Network (NRBN) to get preferred pricing via a community/public sector consortium for WAN connectivity. | \$30,000 annually |
| | ITS consolidated the modem pool and rightsized phone lines to usage patterns, implemented the wireless network in residences, resulting in a major decline in service calls by ITS staff to student rooms and replaced the older Spam filtering solution with a cloud based Microsoft tool. | \$19,000 annually |
| Facilities Management | Lighting projects worked on over the past year resulted in upgrades to over 1,000 fixtures across campus with energy efficient replacements. This resulted in savings of 130,000 kwh/yr, rebates of about \$18,000 plus energy savings of about \$20,000/year which offsets the \$100,000 price tag for an overall payback of about four years. | \$38,0000 annually (after payback period) |
| Financial Services | The implementation of the newly designed and negotiated purchasing card program is expected to yield rebates of an additional \$19,000/year as well as provide an improved purchasing and transaction experience for users. | \$19,000 annually |
| Department of Residences | A new laundry contract, effective November, 2015, was entered into. For the current 2015 -16 fiscal year, this will save \$7,500 and will save a full \$15,000 in future years. | \$15,000 annually |
| Campus Store | The dynamic pricing strategy utilizes a daily pricing decision model that is linked through amazon.ca and uses an internet aggregator to continuously survey internet pricing of text books and course materials. By raising or dropping prices daily, the Campus Store has realized a five per cent increase in new text book revenues with slightly fewer new textbooks sold than in the previous year. In addition, Brock receives a small commission if students choose to purchase through amazon.ca | \$53,000 net contribution in 2015-16 |
| | In 2015, the Campus Store outsourced the preparation of custom course materials to a third party. The time-consuming tasks of copyright research and determination of fees due has been eliminated. Sales have increased 16.6 per cent and gross margin dollars have doubled year to date. | \$53,000 net contribution in 2015-16 |
| | The Campus Store has expanded its online capacity to sell required course materials to students through the Campus Store website. This allows for greater efficiency and customer service with options of convenient pick up and delivery options for students. This avoids massive lineups during peak periods. Web sales have increased from \$250,000 last year to \$750,000 in 2015-16. | \$95,000 net contribution in 2015-16 |



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