

2016-17

Trimester 1 Report

May 1, 2016 to August 31, 2016



Message from leadership

This report is designed to encourage thoughtful discussion and suggestions for future planning purposes. It covers the period from May 1, 2016 to August 31, 2016. It is designed to link financial and operational information in an increasingly transparent manner. Input and recommendations for future budget decisions are encouraged and can be emailed to budgetreport@brocku.ca

We started the year with a mitigation target to eliminate an anticipated budget deficit of \$3.9 million on a funding basis. In the recent past we have managed similar challenges by exceeding tuition and operating grant forecasts while also gathering savings from hiring delays and some reduction of budgeted expenses as the year progressed and we gained greater confidence in our budget forecasts.

This year, however, readers will note that the undergraduate enrolment forecast is less than budget by 107 students, mostly as a result of a smaller first year class. This impacts tuition, operating grant and ancillary revenue projections. It also poses problems for future budget planning and will require careful attention as we develop strategies for 2017-18. These efforts will be further complicated by the Province's announced plan for a new tuition framework and revisions to the operating grant model.

Currently, the budget forecast for 2016-17 is a deficit of \$4.7 million. Making up this gap without any changes to the current budget may not be possible. In the past, year end savings and underspending have allowed us to mitigate shortfalls of this character. We are examining this situation carefully, but it is too early to say whether we will enjoy a similar result at year end.



Tom Traves, Interim President and Vice-Chancellor



Thomas Dunk, Interim Provost and Vice-President Academic



Joffre Mercier, Interim Vice-President, Research



Brian Hutchings, Vice-President, Administration

Contents

Message from leadership	2
Our financial health	
Financial results	3
Timeline	
May to August 2016	4
Taking a closer look at some of the numbers	
Financial review of funding results	9
Tuition and enrolment	10
Operating grants	13
Our people	14
Pension	16
Unit budgets and forecasts	18
Our debt	20
Capital	21
Capital fund balance activity	22
Trimester one and remaining year activity	23
Funding forecast presented in accordance with NFPS	24
Internally restricted reserves	25
Statement of operations metrics	26
Financial health metrics	26

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This report contains certain forward-looking information. In preparing the Trimester 1 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.

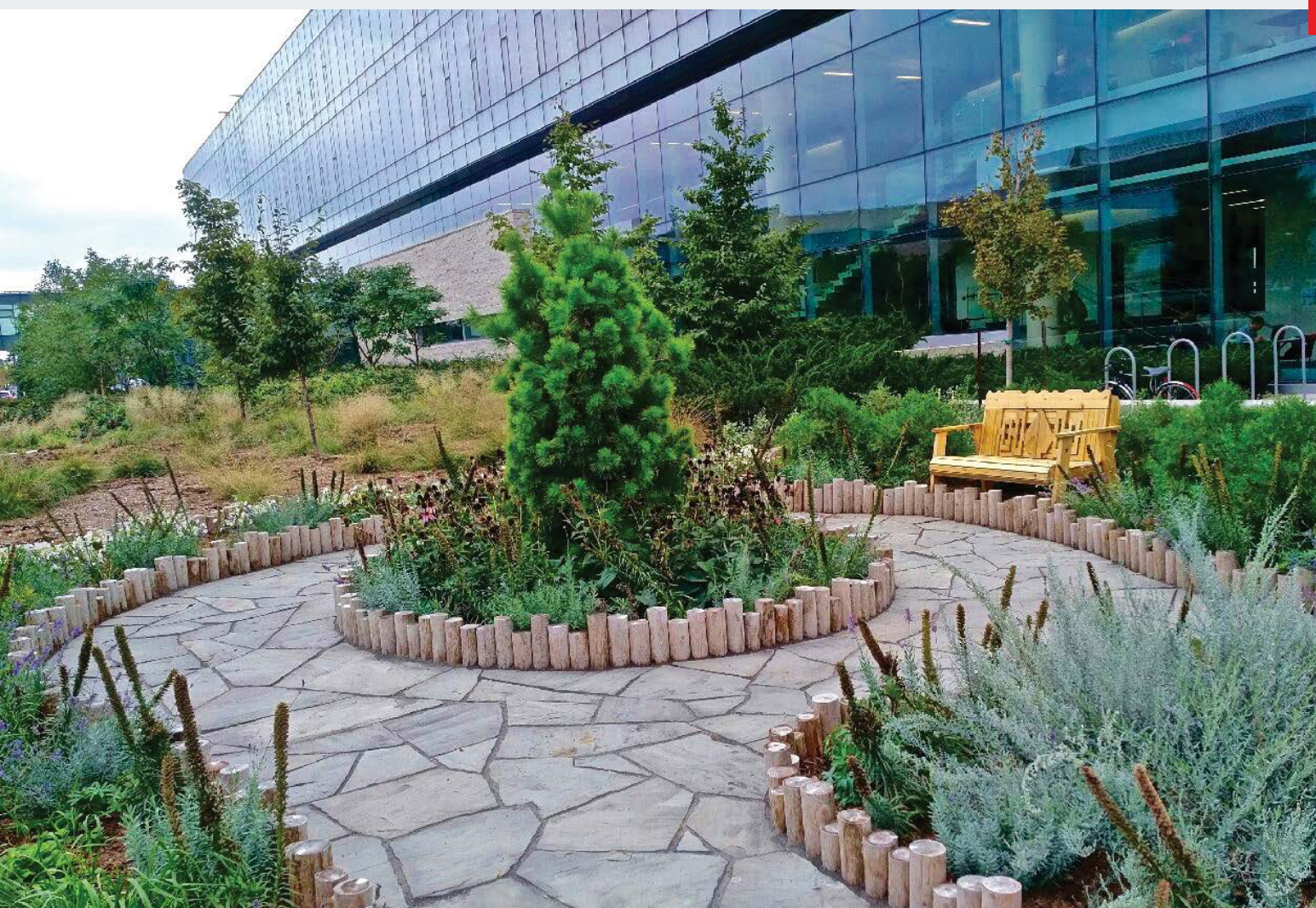
Financial results

The following table illustrates the Trimester one forecast for the University compared to budget and prior year actual. The information is presented on a funding basis, which represents committed cash, and based on the audited financial statements prepared in accordance with accounting standards for not for-profit organizations (NFPS). A reconciliation of the two presentations can be found on [page 24](#).

Figure 1

(\$000s)	Funding 2016-17 Forecast	Funding 2016-17 Budget	NFPS 2016-17 Forecast	NFPS 2016-17 Budget	Funding 2015-16 Actual	NFPS 2015-16 Actual
Revenue						
Student fees	155,857	157,635	155,857	157,635	151,471	151,471
Grant revenue	92,474	92,152	91,610	91,288	93,326	92,462
Internal chargebacks	8,103	8,059			7,522	
Inter-fund revenue	3,467	3,544			683	
Other revenue	45,833	45,907	69,850	70,001	48,705	69,107
Total revenue	305,734	307,297	317,317	318,924	301,707	313,040
Operating costs						
Personnel costs	(201,234)	(202,803)	(202,121)	(204,490)	(194,580)	(195,754)
Inter-fund expenses	(19,583)	(18,654)			(11,314)	
Other operating costs	(89,613)	(89,760)	(118,694)	(118,056)	(91,303)	(110,871)
Total operating costs	(310,430)	(311,217)	(320,815)	(322,546)	(297,197)	(306,625)
Mitigation target		3,920		3,920		
Funding surplus (deficit)	(4,696)	-	(3,498)	298	4,510	6,415

(Note: Certain reclassifications were made to the 2016-17 budget and 2015-16 actuals as compared to the figures presented in the 2016-17 Budget Report and the 2015-16 Annual Report, as part of the conversion to the new finance system – Workday. These reclassifications will be detailed in the 2017-18 Budget Report.)





4 Brock spreads Principal's Scholarships across Niagara. brocku.ca/brock-news/2016/05/principals-scholarship-recipients-hope-to-continue-outreach-as-they-enter-university/



3 Grad student Terrance McDonald, presents research at international cinema and media studies conference. brocku.ca/brock-news/2016/05/grad-student-presents-research-at-cinema-and-media-studies-conference/



7 Workday, Brock's new financial system, officially launched Wednesday, May 4. brocku.ca/brock-news/2016/05/workday-goes-live/



3 Brock grad Christian Di Vincenzo (BBA '13), to represent Canada at creativity festival in Cannes. brocku.ca/brock-news/2016/05/brock-grad-to-represent-canada-at-creativity-festival-in-cannes/



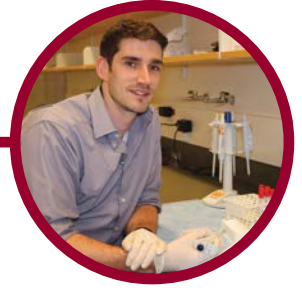
3 Brock prof David Hutchison, receives international award for innovative teaching. brocku.ca/brock-news/2016/05/brock-prof-receives-prestigious-award-for-innovative-teaching/



6 The Carroll Scholarship will help students from Africa access MA in political science. brocku.ca/brock-news/2016/05/the-carroll-scholarship-will-help-students-from-africa-access-ma-in-political-science/



4 Brock earns Gold Status for 'green' custodial work. brocku.ca/brock-news/2016/05/brock-earns-gold-status-for-green-custodial-work/



3 Doctoral research supports holistic approach to treating inflammation in spinal cord patients. brocku.ca/brock-news/2016/05/doctoral-research-supports-holistic-approach-to-treating-inflammation-in-spinal-cord-patients/



2 Cate Talaue (BA '15), is the first of three people to complete the entire Brock Campus-Wide Co-Curriculum (CWC). brocku.ca/brock-news/2016/05/getting-the-most-out-of-the-brock-experience/



3 Brock set to welcome the world as Canada wins bid for global wine summit. brocku.ca/brock-news/2016/05/brock-prepares-to-welcome-the-world-as-canada-wins-bid-for-global-wine-summit/

Brock University's Integrated Strategic Plan:

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.



2 Brock grad Kyle Fraser (BSc '14, BEd '14) headed to space academy for teachers.
brocku.ca/brock-news/2016/06/brock-grad-headed-to-space-academy-for-teachers/



1 Staff, faculty and student leaders pay tribute to President Jack Lightstone.
brocku.ca/brock-news/2016/06/staff-faculty-and-student-leaders-pay-tribute-to-lightstone/



4 Students Antwi Boasiako and Rebecca Lepore recognized for hard work at Brock and beyond.
brocku.ca/brock-news/2016/06/students-recognized-for-hard-work-at-brock-and-beyond/



3 Grad Brodie Hague, combines love of the beach with sustainability research.
brocku.ca/brock-news/2016/06/grad-combines-love-of-the-beach-with-sustainability-research/



3 Brock University team finalists in national photo competition with thermal image.
brocku.ca/brock-news/2016/06/brock-university-team-finalists-in-national-photo-competition/



3 Weakening permafrost yields prehistoric remains: Kevin Turner, Brock hydrologist.
brocku.ca/brock-news/2016/06/weakening-permafrost-yields-prehistoric-remains-brock-university-hydrologist/



2 Professor Paula Gardner integrates meditation into the classroom.
brocku.ca/brock-news/2016/06/prof-integrating-meditation-into-the-classroom/

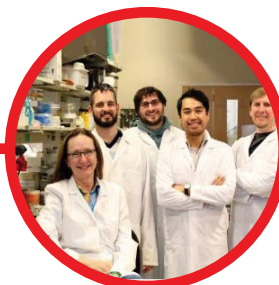
6 University bringing together three departments to create Brock International
brocku.ca/brock-news/2016/06/university-bringing-together-three-departments-to-create-brock-international/



4 Youth University teaches thousands of young people the value of education and transferrable skills.
brocku.ca/brock-news/2016/06/brock-youth-university-teaching-thousands-the-value-of-education-and-transferrable-skills/



4 Brock Prof's own prize rewards excellence in course on humane animal studies.
brocku.ca/brock-news/2016/06/profs-own-prize-rewards-excellence-in-course-on-humane-animal-studies/



3 Professor, Fiona Hunter and her work on Zika has been the focus of massive media attention around the world.
brocku.ca/brock-news/2016/06/zeroing-in-on-zika/



3 20 years later: A grape and wine research success story made in Canada.
brocku.ca/brock-news/2016/06/today-its-a-grape-and-wine-research-success-story-that-was-made-in-canada/



3 Brock researchers receive \$2.4 million in funds from federal science granting agency NSERC.
brock-news/2016/06/brock-researchers-receive-2-4-million-in-funds-from-federal-science-granting-agency-nserc/



4 Roadway renamed to honour Indigenous leader and Brock supporter Suzanne Rochon-Burnett.
brocku.ca/brock-news/2016/06/roadway-renamed-to-honour-indigenous-leader-and-brock-supporter/



4 New Brock scholarship opens a door for Middle East women.
brocku.ca/brock-news/2016/06/new-brock-scholarship-opens-a-door-for-middle-east-women/



4 Brock University supporter and benefactor Ned Goodman appointed to the Order of Canada.
brocku.ca/brock-news/2016/06/ned-goodman-appointed-to-the-order-of-canada/



2 Alumna sees PALS program she helped start, benefit her students.
brocku.ca/brock-news/2016/07/alumna-sees-program-she-helped-start-benefit-her-students/



2 Malisa Kurtz first grad of Interdisciplinary Humanities PhD.
brocku.ca/brock-news/2016/07/malisa-kurtz-first-grad-of-interdisciplinary-humanities-phd/

1
Brock names Sarah Pennisi the new director for revamped student services model
brocku.ca/brock-news/2016/07/brock-names-new-director-for-revamped-student-services-model/



3 Lauren Serianni a Brock student, wins national labour studies award for the second year in a row.
brocku.ca/brock-news/2016/07/brock-student-wins-national-labour-studies-award-for-the-second-year-in-a-row/



3 Brock research team studies the evolution of circus performers.
brocku.ca/brock-news/2016/07/brock-research-team-studies-the-evolution-of-circus-performers/



4 Apprenticing with Raptors leaves lasting impact on Brock's men's basketball coach Charles Kissi's development.
brocku.ca/brock-news/2016/07/brock-in-the-news-july-9-15/



3 Brock receives \$1.43 million from CIHR for research on adolescent risk-taking behaviours.
brocku.ca/brock-news/2016/07/brock-receives-1-43-million-from-cihr-for-research-on-adolescent-risk-taking-behaviours/



2 Nunavut student heading to Brock after earning TD scholarship for her leadership efforts.
brocku.ca/brock-news/2016/07/nunavut-student-heading-to-brock-after-earning-td-scholarship-for-her-leadership-efforts/



3 Brock led team discovers way of tapping into and testing Earth's prehistoric air.
brocku.ca/brock-news/2016/07/brock-university-led-team-discovers-way-of-tapping-into-and-testing-earths-prehistoric-air/



2 Naomi Cermak legacy will continue to inspire through memorial scholarship.
brocku.ca/brock-news/2016/07/naomi-cermak-legacy-will-continue-to-inspire-through-memorial-scholarship/



3 Brock grad Michael Chatfield topping Amazon charts with sci-fi books.
brocku.ca/brock-news/2016/07/brock-grad-topping-amazon-charts-with-sci-fi-books/



3 Animal cruelty investigators working in 'shocking conditions,' report led by Brock prof Kendra Coulter.
[brocku.ca/brock-news/2016/07/and
brocku.ca/brock-news/2016/07/brock-labour-expert-releases-first-study-of-animal-cruelty-investigation-work-in-ontario/](http://brocku.ca/brock-news/2016/07/and-brocku.ca/brock-news/2016/07/brock-labour-expert-releases-first-study-of-animal-cruelty-investigation-work-in-ontario/)



2 Athletes and coaches headed to Olympic and Paralympic Games in Rio.
brocku.ca/brock-news/2016/07/brock-to-celebrate-athletes-and-coaches-headed-to-olympic-and-paralympic-games-in-rio/



2 SPMA internship takes Brock student Josh Gordon to Olympics in Rio.
brocku.ca/brock-news/2016/08/spma-internship-takes-student-to-olympics-in-rio/

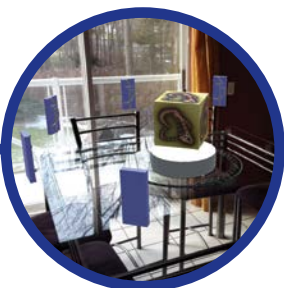
3 Grad student Kari Lustig studying how sleep impacts perception with help of NSERC grant.
brocku.ca/brock-news/2016/08/grad-student-studying-how-sleep-impacts-perception-with-help-of-nserc-grant/



4 Upcoming Brock-led national fundraising walk to focus on healthy sleep awareness.
brocku.ca/brock-news/2016/08/upcoming-brock-led-national-fundraising-walk-to-focus-on-healthy-sleep-awareness/



4 Prime Minister Justin Trudeau is added to list of Badgers fans (with Brock alumnus Chris Ventura, BA '12).
brocku.ca/brock-news/2016/08/add-pm-justin-trudeau-to-list-of-badgers-fans/



3 Brock augmented reality project by Prof John Bonnett to be displayed at this year's CNE.
brocku.ca/brock-news/2016/08/brock-augmented-reality-project-to-be-displayed-at-this-years-cne/



3 Brock's Autism Spectrum Disorder Camp celebrates 20 years (hosted more than 2,000 participants.)
brocku.ca/brock-news/2016/08/brocks-autism-spectrum-disorder-camp-celebrates-20-years/



3 Brock Prof Zopito Marini received the national award for his research related to bullying and victimization.
brocku.ca/brock-news/2016/08/memorial-award-meaningful-personally-and-professionally/



3 Brock University chemist Paul Zelisko and chemical company create new 'green' metal coating.
brocku.ca/brock-news/2016/08/brock-university-chemist-and-chemical-company-create-new-green-metal-coating/



4 Recruitment and Liaison Services gives Brock presence at largest comic and gaming event in Canada.
brocku.ca/brock-news/2016/08/brock-to-have-presence-at-largest-comic-and-gaming-event-in-canada/



6 Goodman School of Business partners with business school in South Korea on exchange program.
brocku.ca/brock-news/2016/08/goodman-school-of-business-partners-with-business-school-in-south-korea-on-exchange-program/

Brock University's Integrated Strategic Plan:

Strategic priorities

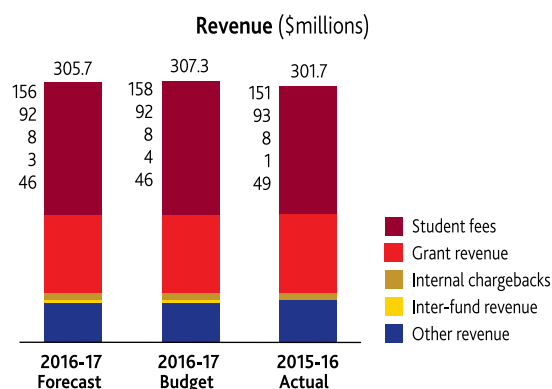
- 1** Ensure Brock is a preferred place to work and study.
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Taking a closer look at some of the numbers

Financial review of funding results

Figure 2



Revenue

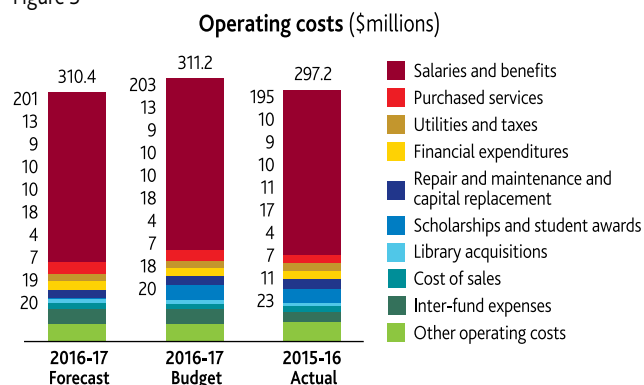
Revenue forecast is \$1.6 million below budget. The driving factor for this decline is the lower than budgeted enrolment, causing global tuition's forecast to be \$2.5 million behind budget. ESL tuition also saw decline, with a forecast of \$0.6 million behind, while international student programs (ISP) tuition revenue is forecast \$1.1 million over budget. Overall grant and other revenue is fairly flat to budget with lower forecasted ancillary revenue of \$1.4 million offset by forecasted \$0.7 million one-time funding related to tax rebates which are to be transferred to the contingency reserve.

Expense

Overall, operating costs are forecast \$0.8 million below budget. Personnel costs are forecast \$1.6 million less than budget which is expected given the mitigation measures currently in place and is consistent with past experience. After the contingency reserve transfer for the one-time tax rebates of \$0.7 million, other operating costs are fairly flat to budget. An observation noted is at Aug. 31 personnel costs are only 31 per cent spent and other operating costs (excluding inter-funding expenses) are only 28 per cent spent.

It should be noted that starting in this Trimester 1 Report, we are now separately reporting inter-fund revenue and expenses. These transactions represent transfers between funds, including transfers to and from reserves. As such, the 2015-16 funding actual transfers as detailed on pages 44-45 of the 2015-16 Annual Report (net of \$10,631) are also being separately reported for comparative purposes.

Figure 3



Tuition and enrolment

Figure 4 below details forecasted tuition revenue by program type, separated by where the tuition is reported. The majority of tuition is reported in University Global, which is further detailed based on Faculty of major (teaching Faculty of enrolment) in Figure 5.

Figure 4: Tuition by reporting unit

(\$000s)	2016-17 Forecast	2016-17 Budget	2015-16 Actual	Listed below
Total tuition revenue in University Global	132,552	135,035	127,953	(1)
Tuition revenue budgeted in respective departments				
Professional Masters Preparation Program (Business) (PMPP)	802	668	612	(2)
International Masters Business Administration (IMBA)	6,843	5,901	5,558	(2)
International Master of Accountancy (IMAcc)	1,528	1,762	1,450	(2)
Masters Preparation Certificate in Education (MPCE)	486	270	265	(3)
International Masters of Education (MED)	851	722	1,118	(3)
Masters of Arts Applied Linguistics (MA LING)	53	147	163	(4)
Total International Student Programs (ISP)s	10,563	9,470	9,166	
Continuing Teacher Education – Additional Qualifications (AQ)	785	662	952	(3)
Center for Adult Education and Community Outreach (CAECO)*	1,017	905	1,082	(3)
Other Education programs	113	99	74	(3)
Intensive English Language Program (IELP)	3,353	4,120	3,754	(5)
Summer English Language Program (SELP)	461	272	317	(5)
Total other self-funded programs	5,729	6,058	6,179	
Tuition revenue in respective department	16,292	15,528	15,345	
Total tuition revenue	148,844	150,563	143,298	
Fee revenue	7,013	7,072	8,173	
Total student fees	155,857	157,635	151,471	

* 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) Student Services.

Overall forecasted tuition revenue was lower than budget by \$1.7 million. International student program (ISP) tuition saw an increase of \$1.1 million over budget driving mainly from the International MBA program resulting from higher than budgeted enrolment in this program. However offsetting this increase was a decline in ESL tuition revenue of \$0.6 million as compared to budget.

Global tuition was the main factor in the lower than budgeted tuition, which saw forecast missing budget by \$2.5 million. As figure 7 details, the undergraduate enrolment targets as set out in the budget were missed by a headcount of 107, 95 domestic and 12 international. In fact, domestic enrolment actually saw an overall decline in headcount of seven over the 2015-16 actual headcount. This decline of seven students would have been larger if not for the teacher's education enrolment

returning to a more normalized level. Remember, the Province temporarily cut intake in 2015-16 to create capacity so it could change the length of program from one year to two. Although the risk of missing the tuition target was identified at the time the budget was being developed, missing budgeted tuition due to enrolment is new territory for us. It further signals the need for reflection going forward, especially considering out-going years are expected to have increased pressure on enrolment due to demographic trends.

On the graduate side, enrolment is forecast to beat budget by a headcount of 18, with Masters up 19.5 over budget and PhDs down 1.5. Although grant revenue could be forecast, the impact to graduate tuition could not be forecasted at this time due to the lack of visibility of the program mix.

Figure 5: Tuition revenue in University Global

(\$000s)	2016-17 Actual to Sept 17	2016-17 Budget
Undergraduate – domestic		
Faculty of Applied Health Sciences	22,138	21,556
Goodman School of Business	19,052	19,014
Faculty of Education	5,960	6,291
Faculty of Humanities	10,389	10,374
Faculty of Mathematics and Science	11,138	10,937
Faculty of Social Sciences and Undeclared Arts	30,227	30,513
No Faculty	252	275
Total undergraduate – domestic	99,156	98,960
Graduate – domestic		
Faculty of Applied Health Sciences	956	1,065
Goodman School of Business	1,291	1,131
Faculty of Education	1,078	1,322
Faculty of Humanities	504	485
Faculty of Mathematics and Science	539	704
Faculty of Social Sciences	2,461	2,449
Total graduate – domestic	6,829	7,156
Total domestic	105,985	106,116
Undergraduate – VISA		
Faculty of Applied Health Sciences	1,347	997
Goodman School of Business	10,521	11,720
Faculty of Education	44	33
Faculty of Humanities	524	434
Faculty of Mathematics and Science	2,614	2,582
Faculty of Social Sciences and Undeclared Arts	8,531	9,733
No Faculty	73	110
Total undergraduate – VISA	23,654	25,609
Graduate – VISA		
Faculty of Applied Health Sciences	129	116
Goodman School of Business	1,303	1,510
Faculty of Education	74	76
Faculty of Humanities	102	117
Faculty of Mathematics and Science	857	881
Faculty of Social Sciences	514	610
Total graduate – VISA	2,979	3,310
Total VISA	26,633	28,919
Total tuition revenue in University Global	132,618	135,035
Forecasted Change to April 30, 2017 (1)	(66)	
Total 2016-17 Forecast	132,552	

(1) Forecasted change from Sept. 17 to April 30 includes attrition, back-dated drops, late fall registration for winter term per credit graduate programs, etc.

Figure 6

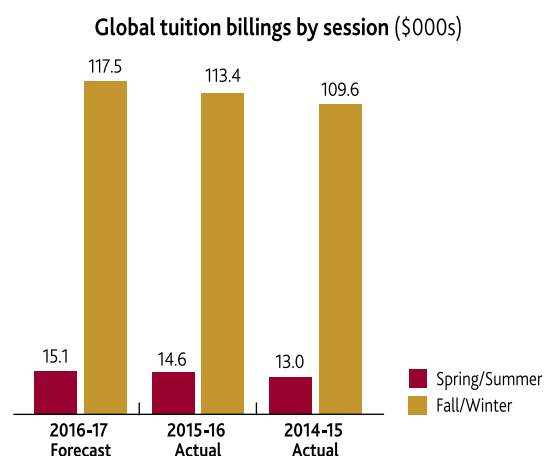


Figure 7: Student enrolment by types

Type	2016-17 Forecast Headcount ⁽¹⁾	2016-17 Forecast FTE ⁽²⁾	2016-17 Budget Headcount ⁽¹⁾	2016-17 Budget FTE ⁽²⁾	2015-16 Actual Headcount ⁽¹⁾	2015-16 Actual FTE ⁽²⁾	2014-15 Actual Headcount ⁽¹⁾	2014-15 Actual FTE ⁽²⁾
Undergraduate – Domestic	15,550	15,671	15,645	15,752	15,557	15,578	15,865	15,835
Undergraduate – Visa	1,320		1,332		1,256	15,578	1,289	15,835
Graduate – Domestic	1,692		1,674		1,088	1,380	1,079	1,382
Graduate – Visa	1,692		1,674		561	1,380	591	1,382
Total	18,562		18,651		18,462	16,958	18,824	17,217

(1) Represents Fall student headcount full-time (FT) and part-time (PT). For a definition refer to pg 88 of the 2016-17 Budget Report.

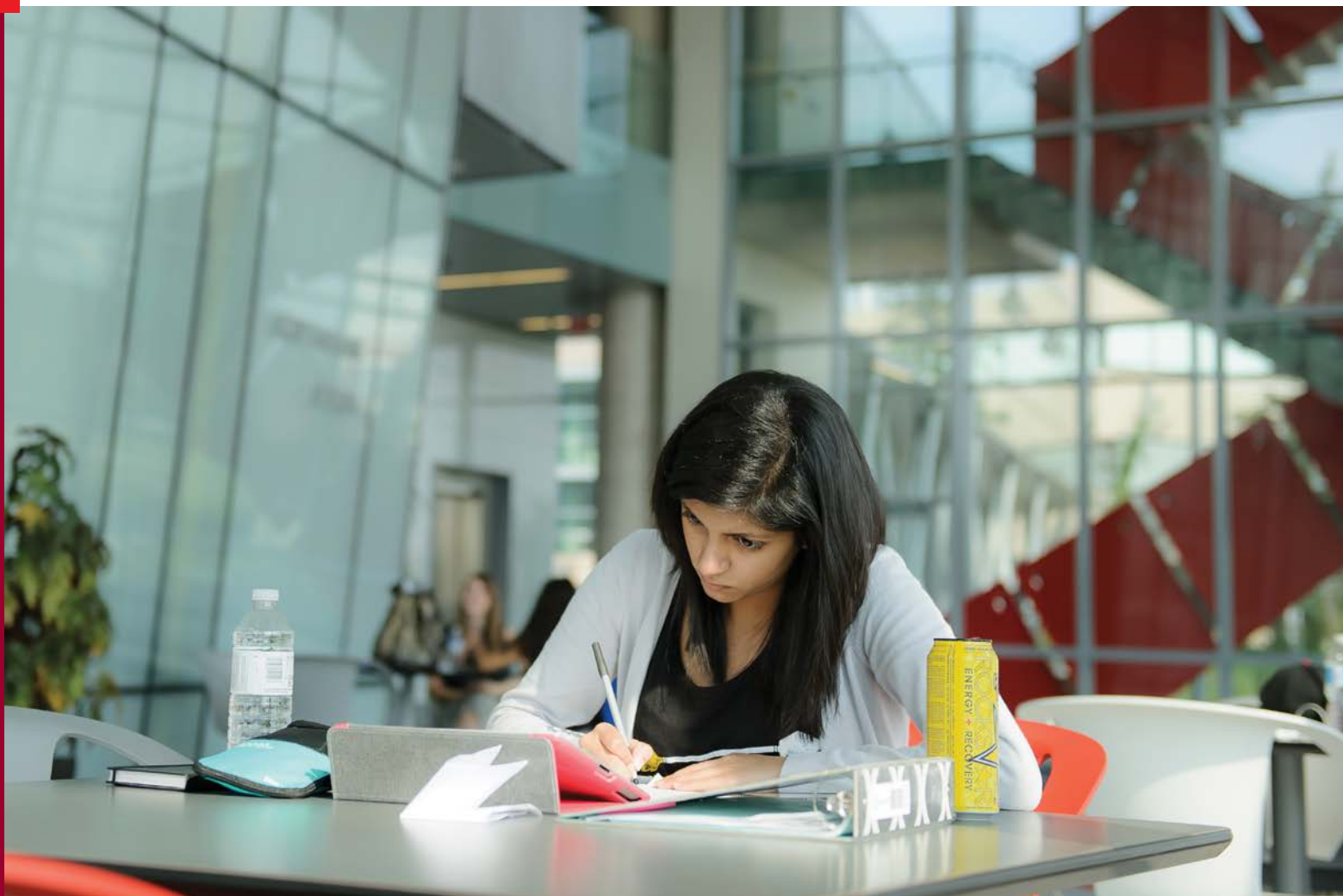
(2) Represents full-time equivalent (FTE) students. For a definition refer to pg 88 of the 2016-17 Budget Report.

Figure 8: Fiscal full-time equivalent enrolment

FFTE ⁽¹⁾	Grant eligible 2015-16	Grant eligible 2014-15	Grant eligible change	Grant ineligible 2015-16	Grant ineligible 2014-15	Grant ineligible change	Total 2015-16	Total 2014-15	Total change
Spring/summer	1,798	1,696	6.0%	972	997	(2.5%)	2,770	2,693	2.9%
Fall	7,369	7,441	(1.0%)	1,297	1,340	(3.2%)	8,666	8,781	(1.3%)
Winter	7,121	7,272	(2.1%)	1,329	1,306	1.8%	8,450	8,578	(1.5%)
Total	16,288	16,409	(0.7%)	3,598	3,643	(1.2%)	19,886	20,052	(0.8%)

Note: An estimate for 2016-17 is not yet available.

(1) Fiscal full-time equivalent enrolment (FFTE) – For a definition refer to page 88 of the 2016-17 Budget Report.



Operating grants

As detailed in Figure 9 below, over the last number of years grant revenue has been on the decline. The majority of grant revenue is generated from the Basic Operating Grant which represents 76 per cent of the general operating grants and 70 per cent of all grant revenue based on the 2016-17 forecast which has decreased from 83 per cent and 76 per cent in 2013-14. This reduction in the basic operating grant has been due to a range of saving measures the government introduced over the past number of years. Then in 2015-16 as part of their change in funding of teacher education, the Teacher Education portion of the Basic Operating Grant was pulled out and calculated separately including the reduction of the BIU for each teacher education student from 2.0 to 1.5 over a three-year period. The total overall anticipated reduction due to this change is \$1.99 million.

In addition, the Undergraduate Accessibility Fund has also seen declines. This grant is variable and changes with the number of students, with the University only receiving grant if there is positive domestic growth over the base year. Although the forecast for this grant is showing an

increase over budget of \$0.2 million, this is as a result of the variance due to enrolment mix between the 2015-16 grant estimate at the time of preparing the budget and the actual grant received, which would have resulted in a budgeted grant of \$5,621 million. As such, excluding this variance, the undergraduate enrolment grant actually saw a decline of \$0.3 million due to the decline in forecasted undergraduate enrolment, as previously discussed.

The Graduate Expansion grant was forecast to increase slightly over the budget due to the increase in forecasted enrolment. At this point Brock has 60 unfunded Masters FTEs (over the maximum), equating to approximately \$0.6 million and Brock is under the maximum funded PhD FTEs by 20, equating to approximately \$0.5 million.

Specific purpose grants have remained fairly consistent over the last few years with the main change due to Teacher's Education Transition Funding in 2015-16 (\$1.1 million) and 2014-15 (\$0.6 million).

It should also be noted that the Ontario government is currently looking at a new grant funding model which could greatly impact Brock's funding going forward.

Figure 9: General operations grants

(\$000s)	2016-17 Forecast	2016-17 Budget	2015-16 Actual	2014-15 Actual	2013-14 Actual
Fixed operating grants					
Basic Operating Grant	64,785	64,785	68,768	71,505	72,772
Program specific grants					
Teacher Education Basic Operating Grant	5,183	5,183			
Nursing Grant	2,716	2,716	2,797	2,790	2,955
	7,899	7,899	2,797	2,790	2,955
Enrolment-based grants					
Undergraduate Accessibility Fund	5,365	5,147	5,824	5,461	5,440
Graduate Expansion Grant	2,363	2,307	2,019	1,947	1,879
	7,728	7,454	7,843	7,408	7,319
Other general operating grants					
General Access and Quality Grant	3,769	3,769	3,719	3,770	3,766
Performance Fund	700	700	762	746	701
	4,469	4,469	4,481	4,516	4,467
Total general operating grants	84,881	84,607	83,889	86,219	87,513
Specific purpose grants	7,593	7,545	9,437	8,367	7,811
Total grant revenue	92,474	92,152	93,326	94,586	95,324

Our people

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

Figure 10: **Personnel costs**

Personnel group ⁽¹⁾ (\$000s)	Forecast 2016-17 Salary/wage	Forecast 2016-17 Benefits	Forecast 2016-17 Total personal costs	Total personal costs Budget 2016-17	Total personal costs Actual 2015-16	Total personal costs Actual 2014-15
Faculty and Professional Librarians	85,785	16,634	102,419	102,767	99,742	96,884
Admin/Professional	38,083	9,242	47,325	48,249	45,478	44,629
CUPE 4207 – Unit 1	12,115	1,249	13,364	13,838	13,316	13,136
OSSTF	8,462	2,491	10,953	11,302	10,801	10,816
CUPE 1295 FT	6,619	2,134	8,753	8,841	8,494	8,310
SAC	4,950	828	5,778	5,074	4,636	4,718
Other	11,723	1,819	13,542	13,632	13,013	15,602
Total	167,737	34,397	202,134	203,703	195,480	194,095
Transfer to employee future benefits reserve (EFB)		(900)	(900)	(900)	(900)	(900)
Total Personnel	167,737	33,497	201,234	202,803	194,580	193,195

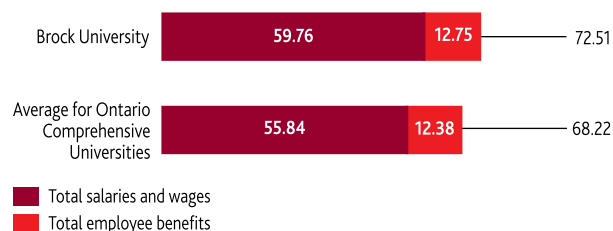
(1) **Faculty & Professional Librarians** – BUFA members, Professional Librarians, Associate Deans, Associate Vice-Presidents of Research and Associate Librarian; **Admin/Professional** – administrative/professional and exempt staff; **CUPE 4207 – Unit 1** – instructors, teaching assistants, lab demonstrators,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

As overall personnel cost per student, we continue to show very competitively to other Ontario Comprehensive Universities (see statement of operations metrics pg. 26); however, as shown in Figure 11, as a percentage of the total operating budget we continue to spend more on personnel costs as compared to other comprehensive universities.

Please note that Figure 11 is based on 2014-15 Council of Ontario Finance Officers (COFO) reporting of expenses. Although comparative information for 2015-16 is not yet available, Brock University's salary and benefits as a percent of expenses for 2015-16 has not changed significantly. Also interesting to note, as detailed in Figure 12, the majority of personnel costs lie directly under the Provost (78 per cent) and the Vice-President, Administration (19 per cent).



Figure 11

Total salary and benefits as a percent of expenses* (%)

*Based on 2014-15 COFO reporting of expenses.

Figure 12

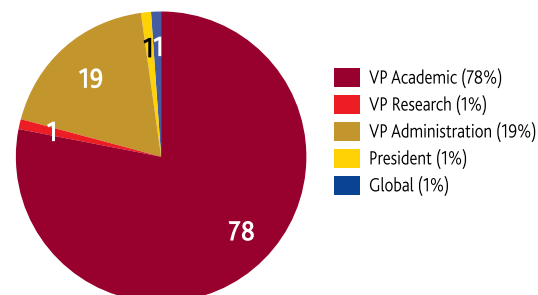
Personnel costs by responsibility centre leader 2016-17 Forecast (%)

Figure 13 below brings teaching revenue and personnel costs by teaching faculty together. It illustrates on a cost basis some significant ratio differences. These ratio differences align with those seen on a student to faculty ratio as illustrated in the 2016-17 Fiscal Framework report on page 13.

Figure 13:

Personnel costs (\$000s)	2016-17 Forecast Faculty and Professional Librarians	2016-17 Forecast CUPE 4207 – Unit 1 and non-union instructors ⁽²⁾	Global tuition revenue ⁽¹⁾ 2016-17 Budget	Ratio
Faculty of Applied Health Sciences	14,113	2,813	23,734	1.40
Goodman School of Business	20,948	1,086	33,375	1.51
Faculty of Education	9,607	3,339	7,722	0.60
Faculty of Humanities	14,812	2,595	11,410	0.66
Faculty of Mathematics and Science	13,739	2,489	15,104	0.93
Faculty of Social Sciences	26,845	4,941	43,305	1.36
Library and Other Units	2,355	182		
No Faculty			385	
Total	102,419	17,445	135,035	

(1) Tuition revenue is shown on a per teaching Faculty basis based on Faculty of major (teaching Faculty of enrolment).

(2) Non-union instructors personnel costs are included in "other" in Figure 10.



Pension

The pension plan continues to be a topic of interest at our University and for many Universities across the Province. Our plan has continued to experience positive returns over the past couple of years as illustrated in Figure 14. As previously communicated the plan was 99.1 per cent funded on a going concern basis and 105 per cent on a solvency basis at July 1, 2014. Every three years the financial health of the plan is recalculated and this will occur again in July 1, 2017. In preparation we performed a "stress test" at Aug. 1, 2016 on the pension plan on various scenarios as illustrated in Figure 15. The baseline scenario now reflects a discount at of 5.4 per cent vs. 6 per cent as at July 1, 2014 with a go forward salary assumption of 3.25 per cent. In this scenario the pension plan would see a liability on a going concern basis of approximately \$15 million representing a funding level of 96 per cent. This would result in

additional annual payments to the plan of approximately \$2 million. Ultimately the discount rate will be set after looking at the macro investment environment, what other Universities are doing, and at the advice of our actuaries.

Figure 14

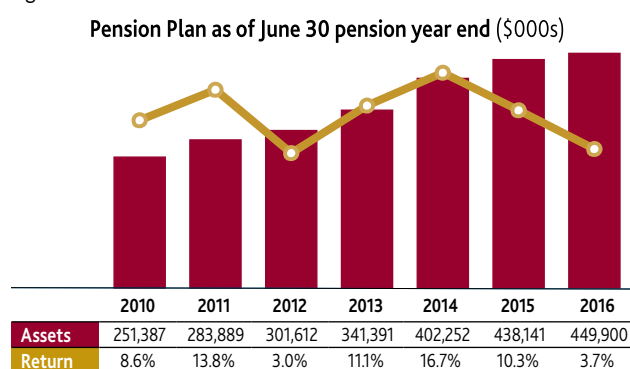
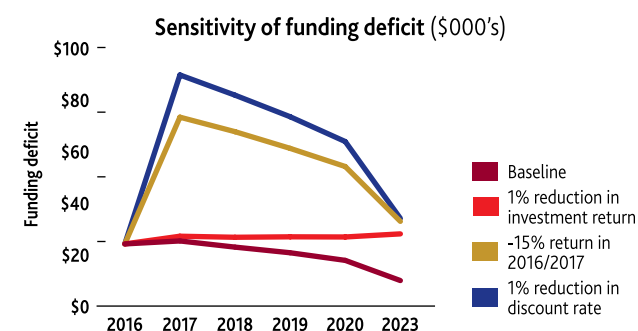


Figure 15



The following initiatives have been undertaken to mitigate risk and maintain the health of the plan for all stakeholders:

Figure 16: Mitigation options

Risk type	Mitigation strategy
Pension deficit, funding level and volatility	Planning is ongoing to make additional payments into the pension plan to fund the deficit. The Province supports 50/50 funding. Other risk management strategies are also supportive of this risk
Currency risk	While currently the pension plan has no currency hedges, a US dollar hedging strategy is in place.
Asset mismatch risk	An asset liability study has been performed to inform the investment strategy.
Equity return risk	Investment managers are monitored utilizing subject matter experts. Investment managers are selected to help project on the downside. A recent change to global managers was enacted (moved from Aberdeen to Mawer and Carnegie). Diversification into alternative asset classes is ongoing. Recommendations to diversify into real estate investments are being considered. Ultimately lower returns and lower interest rates would mean higher payments into the plan.



Unit budgets and forecasts

Funding budget by responsibility centre

Figure 17 details the funding budget and forecast 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. (Note: Certain reclassifications were made to the 2016-17 budget as compared to the figures presented in the 2016-17 Budget Report as part of the conversion to the new finance system – Workday, as well as an allocation from University Global related to administrative rate increases. These reclassifications will be detailed in the 2017-18 Budget Report.)

Figure 17: Funding budget by responsibility centre

(\$000s)	2016-17 Forecast Revenue	2016-17 Forecast Personnel costs	2016-17 Forecast Non-personnel costs	2016-17 Forecast Net	2016-17 Budget Revenue	2016-17 Budget Personnel costs	2016-17 Budget Non-personnel costs	2016-17 Budget Net	Change of "Net" amounts
Teaching Faculties									
Faculty of Applied Health Sciences	329	(18,901)	(734)	(19,306)	174	(19,186)	(750)	(19,762)	456
Faculty of Education	3,441	(16,437)	(1,857)	(14,853)	2,837	(16,293)	(1,869)	(15,325)	472
Faculty of Humanities	409	(19,483)	(1,360)	(20,434)	410	(20,346)	(1,301)	(21,237)	803
Faculty of Math & Science	121	(20,355)	(784)	(21,018)	131	(20,441)	(786)	(21,096)	78
Faculty of Social Sciences	18	(34,283)	(1,305)	(35,570)	119	(34,944)	(1,305)	(36,130)	560
Goodman School of Business	10,649	(24,960)	(3,824)	(18,135)	9,667	(24,760)	(3,889)	(18,982)	847
Total Teaching Faculties	14,967	(134,419)	(9,864)	(129,316)	13,338	(135,970)	(9,900)	(132,532)	3,216
Academic Support									
Centre for Pedagogical Innovation	11	(784)	(180)	(953)	23	(792)	(180)	(949)	(4)
Faculty of Graduate Studies	260	(1,219)	(316)	(1,275)	260	(1,354)	(188)	(1,282)	7
Library	91	(4,809)	(4,481)	(9,199)	85	(4,845)	(4,486)	(9,246)	47
Research services	2,241	(1,399)	(2,341)	(1,499)	2,256	(1,560)	(2,338)	(1,642)	143
Total Academic Support	2,603	(8,211)	(7,318)	(12,926)	2,624	(8,551)	(7,192)	(13,119)	193
Student Specific									
Athletics and Recreation	5,308	(3,949)	(2,281)	(922)	5,311	(3,856)	(2,343)	(888)	(34)
Co-op, Career Services and Experiential Learning	2,006	(2,573)	(383)	(950)	1,973	(2,830)	(374)	(1,231)	281
Student Services	10,497	(12,125)	(4,326)	(5,954)	11,203	(12,646)	(4,347)	(5,790)	(164)
Total Student Specific	17,811	(18,647)	(6,990)	(7,826)	18,487	(19,332)	(7,064)	(7,909)	83

Figure 17 continued

(\$000s)	2016-17 Forecast Revenue	2016-17 Forecast Personnel costs	2016-17 Forecast Non-personnel costs	2016-17 Forecast Net	2016-17 Budget Revenue	2016-17 Budget Personnel costs	2016-17 Budget Non-personnel costs	2016-17 Budget Net	Change of "Net" amounts
Shared Services									
Development & Alumni Relations	724	(1,639)	(815)	(1,730)	726	(1,656)	(815)	(1,745)	15
Financial Services	160	(2,801)	(462)	(3,103)	130	(2,764)	(446)	(3,080)	(23)
Human Resources	224	(3,235)	(680)	(3,691)	220	(3,412)	(766)	(3,958)	267
Information Technology Services	575	(5,914)	(1,833)	(7,172)	581	(6,076)	(1,878)	(7,373)	201
Leadership	16	(2,662)	(581)	(3,227)		(2,659)	(500)	(3,159)	(68)
Marketing and Communications	315	(1,135)	(1,139)	(1,959)	315	(1,148)	(1,139)	(1,972)	13
Shared Services Support	-	(1,339)	(289)	(1,628)		(1,340)	(207)	(1,547)	(81)
University Services	3,084	(1,500)	(1,800)	(216)	3,068	(1,476)	(1,822)	(230)	14
Total Shared Services	5,098	(20,225)	(7,599)	(22,726)	5,040	(20,531)	(7,573)	(23,064)	338
Ancillary									
Ancillary Operations	16,509	(2,581)	(8,815)	5,113	17,189	(2,638)	(8,907)	5,644	(531)
Department of Residence	16,259	(2,842)	(13,440)	(23)	17,005	(2,893)	(13,547)	565	(588)
Total Ancillary	32,768	(5,423)	(22,255)	5,090	34,194	(5,531)	(22,454)	6,209	(1,119)
Space									
Campus Security Services	63	(1,437)	(1,098)	(2,472)	70	(1,455)	(1,089)	(2,474)	2
Facilities Management	703	(12,274)	(3,665)	(15,236)	670	(12,469)	(3,495)	(15,294)	58
Financing	287		(6,217)	(5,930)	287		(6,217)	(5,930)	
Hybrid Space and Performing Arts Centre	336		(964)	(628)	381		(989)	(608)	(20)
Utilities, Taxes & Insurances	2,768		(10,230)	(7,462)	2,721		(10,279)	(7,558)	96
Total Space	4,157	(13,711)	(22,174)	(31,728)	4,129	(13,924)	(22,069)	(31,864)	136
Global									
Capital	4,591		(12,264)	(7,673)	4,591		(12,264)	(7,673)	
Scholarships, Bursaries and Student Awards	1,005		(15,361)	(14,356)	992		(15,785)	(14,793)	437
University Global	222,734	(598)	(5,371)	216,765	223,902	1,036	(4,113)	220,825	(4,060)
Total Global	228,330	(598)	(32,996)	194,736	229,485	1,036	(32,162)	198,359	(3,623)
Total University	305,734	(201,234)	(109,196)	(4,696)	307,297	(202,803)	(108,414)	(3,920)	(776)

Our debt

Figure 18 details the current and projected external debt of the University. It does not reflect any new external debt going forward. At the time of writing this report, there are no approved projects that would require additional debt financing and as such no new debt has been reflected.

Figure 18: **Outstanding debt**

(\$000s) (unless otherwise noted)	Actual April 30, 2014	Actual April 30, 2015	Actual April 30, 2016	Budget April 30, 2017	Forecast April 30, 2018	Forecast April 30, 2019	Forecast April 30, 2020	Forecast April 30, 2021	Forecast April 30, 2022
Bond	93,000	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	20,714
Residence	17,513	16,801	16,037	15,215	14,333	13,385	12,366	11,271	10,095
Marilyn I. Walker School of Fine and Performing Arts (MIWSFPA)		17,400	16,680	15,960	15,240	14,520			
Total debt	137,438	153,470	151,300	149,038	146,682	144,224	127,857	125,894	123,809
Total student FFTE ⁽¹⁾	19,882	20,056	19,885	19,815	19,628	19,530	19,480	19,557	19,557
Total debt/FFTE (in dollars)	\$6,913	\$7,652	\$7,609	\$7,521	\$7,473	\$7,385	\$6,564	\$6,437	\$6,331
Debt reduction strategy									
Sinking fund	4,770	5,462	5,647	6,021	6,322	6,639	6,970	7,319	7,685
Debt repayment reserve		475	950	1,695	2,717	4,020		2,937	6,159
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	12,102	13,436	14,977	16,819	6,970	10,256	13,844
Net debt	132,668	142,238	139,198	135,602	131,705	127,405	120,887	115,638	109,965
Net debt/FFTE (in dollars)	\$6,673	\$7,092	\$7,000	\$6,843	\$6,710	\$6,523	\$6,206	\$5,913	\$5,623

(1) Fiscal full-time enrolment (FFTE) – used for tuition and grant forecasting. For a definition refer to page 88 of the 2016-17 Budget Report.

As set out in the Fiscal Framework document, any new debt capital financing is highly dependent on donations and/or other incremental sources of funding. The fiscal framework does identify that if any debt is recommended that debt only be issued where: 1. The debt is for capital purposes; 2. A strong financial case can be made with significant visibility to a reasonable rate of return that considers capital, maintenance and operating costs; and 3. The capital project is forecasted to be net cash flow positive within two to three years.

In March 2015, the Board of Trustees approved a debt reduction strategy that would see \$0.475 million set aside each year starting in 2014-15. As presented in the 2016-17 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 its 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. When the debt is paid off, the Fiscal Framework identifies the funding being repurposed to support deferred maintenance infrastructure initiatives and the sinking fund to repay the 40-year bullet taken out in 2005 for \$93 million in 2045.

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 on **Page 26**, Figure 29, which also compares these metrics to that of the median and average of other universities in our comprehensive category.

Capital

University infrastructure investment is on-going as we invest in new and current space and technology to support and improve the teaching and learning experience. Figure 19 illustrates the activity with respect to the number of projects and Figure 20 illustrates the activity with respect to the type and dollar amount of projects by Facilities Management (FM) and Information Technology Service (ITS) Projects.

Figure 19: Status of capital projects as of Aug. 31, 2016

(\$000s)	Facilities Management	Information Technology Services
Open projects as of April 31, 2016	195	76
Projects opened to Aug. 31, 2016	63	22
Projects closed/completed to Aug. 31, 2016	(57)	(20)
Remaining projects open to Aug. 31, 2016	201	78

Figure 20: Capital and related project summary

Project type (\$000s)	Revenue/funding	Spending to Aug. 31, 2016	Remaining to spend
Facilities Management			
Above surface/sub – surface utilities and distribution	1,206	(49)	1,157
Adaptations/renovations and major renewal projects	4,996	(1,734)	3,262
AODA* projects	392	(5)	387
Audits and studies	691	(88)	603
Buildings	2,982	(1,066)	1,916
Energy conservation and demand management	120	(7)	113
Major capital projects	55,970	(735)	55,235
New construction and replacement (under \$1M)	39	(13)	26
Residence projects	1,450	(233)	1,217
Roads, parking lots, walkways, structures, surface drainage	235	(9)	226
Vehicles and wheeled equipment	284	(66)	218
Other facilities management projects	19	(2)	17
FM-surplus/deficit	162		162
Total Facilities Management	68,546	(4,007)	64,539
Information Technology Services			
Enterprise software projects	3,077	(824)	2,253
Hardware evergreening and growth projects	2,264	(453)	1,811
IT infrastructure projects	110	(17)	93
IT – surplus/deficit	11		11
Total Information Technology Services	5,462	(1,294)	4,168
Total capital and related projects	74,008	(5,301)	68,707

* AODA – Accessibility for Ontarians with Disabilities.

Capital fund balance activity

Paramount to the Facilities Management project selection is the on-going emphasis to reduce the outstanding deferred maintenance backlog as reported in the condition assessments performed by VFA Inc. The outstanding deferred maintained balance based on the VFA Asset List Report 2010-2015 was \$141 million

which translates into a facilities condition index (FCI) rating of 0.18 which is considered poor compared to other Ontario Universities with an FCI index of 0.10. As a reminder the higher the FCI index the poorer the infrastructure condition. Figure 21 highlights the six largest projects on-going and figure 22 highlights the forecasted activity and ending balance of capital funding for FM and ITS.

Figure 21: Top capital projects by total spend

Type	Project (\$000s)	Revenue/funding	Spending to Aug. 31, 2016	Remaining to spend
FM	Goodman school expansion project	22,000	(1,838)	20,162
FM	Goodman deferred maintenance project	2,131		2,131
FM	Goodman various projects	2,000		2,000
FM	Strategic Investment Fund Grant – Schmon tower student services centre atrium (The Brock Linc)	19,274	(303)	18,971
FM	Strategic Investment Fund Grant – Direct Energy Efficiency Project (DEEP)	10,378		10,378
ITS	Workday Finance System	2,325	(733)	1,592

Figure 22: Capital fund activity

(\$000s)	FM	ITS	Total capital fund	Source
Opening balance (April 30, 2016)	6,927	2,335	9,262	Audited Financial Statements
Transfer from the funding budget (recorded as an expense in operating costs)	8,087	4,177	12,264	2016-17 Budget
Funding from encumbrance reserve	260		260	
Goodman School of Business funding	24,000		24,000	Board of Trustees Approval
Strategic Investment Fund Grant funding	4,065		4,065	Ministry of Advanced Education and Skills Development
Additional one-time Facilities Renewal Program Funds	956		956	Ministry of Advanced Education and Skills Development
Less: forecasted spending	(15,419)	(4,962)	(20,381)	Capital plan
Less: funding projected to be recorded as deferred revenue or pledges outstanding	(29,021)		(29,021)	
Forecasted ending balance (April 30, 2017)	(145)	1,550	1,405	
Components				
Work-in-progress	(145)	500	355	
Reserve		1,050	1,050	
Total	(145)	1,550	1,405	

Trimester one and remaining year activity

This year we moved to trimester reporting which resulted in units preparing forecasts earlier than in prior years. This change was done in an attempt to better match financial reporting with the inherent timing of operations of Brock. We appreciate everyone who contributed to make this report and forecast possible.

Figure 23 below details the in-year activity and forecast on a funding basis for the trimester one. Personnel costs as of Aug. 31 are only 31 per cent spent and other operating costs (excluding inter-funding expenses) are only 28 per cent spent to Aug. 31, which suggests that the trimester one forecast may be slightly aggressive. (Note: since this is the first time reporting by trimester, a comparative to last year is unavailable).

Figure 23: Funding in-year activity and forecast

(\$000s)	2015-16 Funding actual	2016-17 Funding budget	Activity from May 1 to Aug. 31	Forecast for Sept. 1 to April 30	2016-17 Funding forecast @ Aug. 31
Revenue					
Student fees	151,471	157,635	30,221	125,636	155,857
Grant revenue	93,326	92,152	29,269	63,205	92,474
Internal chargebacks	7,522	8,059	1,235	6,868	8,103
Inter-fund revenue	683	3,544	373	3,094	3,467
Other revenue	48,705	45,907	8,449	37,384	45,833
Total revenues	301,707	307,297	69,547	236,187	305,734
Operating costs					
Personnel costs	(194,580)	(202,803)	(62,331)	(138,903)	(201,234)
Inter-fund expenses	(11,314)	(18,654)	(14,497)	(5,086)	(19,583)
Other operating costs	(91,303)	(89,760)	(25,165)	(64,448)	(89,613)
Total operating costs	(297,197)	(311,217)	(101,993)	(208,437)	(310,430)
Mitigation target		3,920			
Funding surplus (deficit)	4,510	-	(32,446)	27,750	(4,696)



Funding forecast presented in accordance with NFPS

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

to the 2016-17 forecast are consistent with those presented for the 2016-17 budget with an additional adjustment to remove the \$1.0 million transfer to the contingency reserve (included in #8 in Figure 25). Please refer page 91 of the 2016-17 Budget Report for detailed explanations of these adjustments. The reclassification for internal chargebacks was also adjusted to eliminate all forecasted charges between departments within the University as they are not included as part of the NFPS financial statements.

Figure 24

(\$000s)	2016-17 NFPS budget	2016-17 Funding forecast	NFPS adjustments	Note	Eliminate Inter- funding	Eliminate Internal chargebacks	2016-17 NFPS forecast
Revenue							
Student fees	157,635	155,857					155,857
Grant revenue	91,288	92,474	(864)	1			91,610
Internal Chargebacks		8,103				(8,103)	
Inter-fund revenue		3,467	(1,589)	2	(1,878)		
Other revenue	70,001	45,833	22,555	3-5	1,462		69,850
Total revenue	318,924	305,734	20,102		(416)	(8,103)	317,317
Personnel costs	(204,490)	(201,234)	(887)	10-11			(202,121)
Inter-fund expenses		(19,583)	2,932	8-9	16,651		
Operating costs	(118,056)	(89,613)	(20,949)	3-7	(16,235)	8,103	(118,694)
Total costs	(322,546)	(310,430)	(18,904)		416	8,103	(320,815)
Mitigation target	3,920						
Funding surplus	298	(4,696)	1,198		-	-	(3,498)

Figure 25

Note	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
Total revenue adjustments 20,102	
3	Amortization of capital assets (19,400)
4	Research, including fellowships (12,459)
5	Endowment and trust spending (2,536)
6	Principal payments 2,261
7	Capital purchases 11,185
8	Funding of reserves – personnel 900
8	Funding of reserves – operating 1,745
9	Sinking fund 287
10	Post-retirement benefits (1,300)
11	Pension 413
Total costs adjustments (18,904)	

Starting in this Trimester 1 Report, inter-fund revenue and expenses are being reported separately. Since transfers between funds are not reported in the NFPS they have been eliminated. Those eliminations either represent NFPS adjustments or are reclassifications as detailed in the additional column reported in figure 24. Further details of these eliminations will be provided in the 2017-18 Budget Report yet to be published.



Internally restricted reserves

The funding basis is prepared on a committed cash receipts/disbursements accounting basis and recognizes transfers to/from reserves and other funds as revenue / expenses. An example of this is the \$12 million budgeted for the capital and related project program recorded in the funding budget as an operating expense. As a general rule, by budgeting these transfers we can ensure we have not overextended itself and have the actual cash to pay for planned initiatives. In this respect, we maintain a number of internally restricted

reserves. Figure 26 details these reserves as well as their forecasted activity to the end of the year.

The forecast for the operating project accounts, research funds with no external obligations, start-up funds, professional expense reimbursement accounts and encumbrance reserve are forecasted to have no change. While funding from the funding budget does exist for these reserves, the expectation is an equal amount of spending will occur. The change in each of the remaining funds is based on the expected funding/spending in each reserve during the year.

Figure 26: Internally restricted reserve balances

(\$000s)	Opening balance (May 1, 2016)	Forecast increase/(decrease)	Forecasted closing balance (April 30, 2017)
Capital and infrastructure projects and reserves	9,262	(7,857)	1,405
Operating project accounts	1,077		1,077
Research funds with no external obligations	2,089		2,089
Start-up funds	910		910
Professional expense reimbursement accounts	2,546		2,546
Sinking fund	5,647	287	5,934
Employee future benefits reserve	1,826	900	2,726
Debt repayment reserve	950	475	1,425
Contingency reserve	2,001	1,000	3,001
Strategic initiative fund	2,200	(782)	1,418
Encumbrance reserve	1,025		1,025
Total	29,533	(5,977)	23,556

A number of these reserves can be allocated to the Teaching Faculties. Figure 27 below, details the balances of three of these reserves along with the balance of external research grants as of the end of the first trimester – Aug. 31, 2016.

Figure 27: Balances by Faculty as of Aug. 31, 2016

(\$000s)	Research funds with no external obligations	Start-up funds	PER and accountable allowance accounts	External Research Grants	Total
Faculty of Applied Health Sciences	411	496	511	1,018	2,436
Faculty of Education	14	36	385	186	621
Faculty of Humanities	11	32	457	206	706
Faculty of Mathematics and Science	(50)	301	663	2,401	3,315
Faculty of Social Sciences	638	307	881	2,178	4,004
Goodman School of Business	(4)	13	519	562	1,090
Library			34	4	38
Other units	(6)		124	2,823	2,941
Total	1,014	1,185	3,574	9,378	15,151

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.

Figure 28

By student headcount	Brock April 2017 Forecast	Brock April 2016	Brock April 2015	Median ⁽¹⁾ April 2015	Median ⁽¹⁾ April 2014	Average ⁽¹⁾ April 2015	Average ⁽¹⁾ April 2014
Student fees (primarily tuition) ⁽²⁾	8.40	8.20	7.75	8.20	7.89	7.79	7.62
Grant	5.68	5.87	5.91	10.52	16.61	11.09	11.36
Personnel costs	10.89	10.60	10.26	12.89	13.29	13.36	13.37
Scholarships	0.95	0.99	0.94	1.14	1.14	1.38	1.39
Interest on long-term debt	0.40	0.40	0.40	0.31	0.27	0.28	0.27
Investment income	0.06	0.06	0.09	0.67	0.58	0.67	0.65

(1) Calculated using financial information from 14 other comprehensive universities.

(2) Brock 2015 and 2016 metrics have been adjusted to account for reclassifications.

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

Financial health metrics

Figure 29

	Brock April 2017 Forecast	Brock April 2016	Brock April 2015	Median ⁽¹⁾ April 2015	Median ⁽¹⁾ April 2014	Average ⁽¹⁾ April 2015	Average ⁽¹⁾ April 2014
Primary reserve ratio ⁽³⁾	8.2%	11.7%	12.2%	25.2%	28.2%	28.0%	22.6%
Debt burden ratio	3.0%	3.1%	3.2%	2.8%	2.0%	3.0%	2.8%
Interest burden %	2.4%	2.6%	2.7%	1.9%	1.8%	1.6%	1.6%
Interest coverage	2.14	3.35	4.55	6.80	9.00	6.29	7.05
Viability ratio ⁽³⁾	18.3%	24.5%	24.4%	91.6%	78.9%	89.0%	69.5%
Net operating revenues ratio	2.6%	7.5%	9.2%	8.0%	10.0%	10.0%	9.0%
Employee future benefits per student ⁽²⁾	N/A	\$(1.12)	\$(0.61)	\$(3.40)	\$(4.59)	\$(3.55)	\$(4.37)
Endowment per student headcount	\$4.58	\$4.50	\$4.34	\$7.88	\$7.26	\$7.44	\$6.97

(1) Calculated using financial information from 14 other comprehensive universities.

(2) The employee future benefit reserve per student of \$0.05 has been excluded from Brock's April 2015 figure of comparative purposes.

(3) Council of Ontario Universities "COU" includes internally restricted endowments as part of expendable net assets. Brock has excluded endowments from this metric in the past due to the restricted nature of the assets. These ratios have been restated to align with COU metrics to improve comparability across various reporting agencies. See note 10 of Brock's audited financial statements for disclosures on internally and externally restricted endowments.

Refer to page 47 of the 2015-16 Annual Report for explanations of the financial health metrics.



**We are
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