

2017-18

Budget Report

Including key performance metrics



Contents

Our financial health

Financial results1

About Brock

Message from leadership2

Governance at Brock University3

Board of Trustees3

Senate4

Brock's Mission Statement (Pullout 1)ii

Brock's valuesii

Integrated Strategic Plan and Strategic Mandate Agreementii

The big pictureiv

Budget development

Process and objectives9

Framework

Budget environment17

Government policy17

Enrolment18

Ourselves19

Review

Financial update21

Historical timeline22

Space considerations (Pullout 2)i

Budget details

Funding budget25

Revenue assumptions25

Operating cost assumptions38

Funding budget by responsibility centre42

Funding budget by responsibility centre leader44

Snapshots

Responsibility centre snapshots47

Teaching Faculties48

Academic support54

Student specific57

Shared services62

Ancillary68

Space71

Global73

Capital

Capital and related projects budget77

Background77

2017-18 capital and related projects overview77

Treasury

Financing83

Reserve summary84

Endowment summary85

Next steps

Looking forward87

Appendices

Appendix A89

Appendix B90

Appendix C91

Appendix D93

Appendix E95

Appendix F96

Appendix G97

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 represent 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

The Fiscal Framework was introduced in 2016-17 to support the process of working towards a structurally balanced budget. This budget report highlights the University's first balanced budget in over a decade. Although this budget is balanced and does not include a mitigation target, there are still a number of risks inherent in the budget, as described below. As such, the mitigation measures consistent with 2016-17 are still in effect.

The budget environment continues to be dominated by issues of enrolment as well as the grant funding from the Ministry of Advanced Education and Skills Development (MAESD). The challenging enrolment environment has proven to be an issue that Brock has had to face head on. The unadjusted enrolment forecast for 2017-18 estimates a decline in undergraduate headcount of 267 students. Consequently, a deeper dive on enrolment occurred, where it was noted our retention currently ranks 14th in the Province. As a result, an incremental tuition target of \$3 million, represented in headcount by between 255 and 390 students depending on the mix of international versus domestic students, was added to the budget. Achieving this in one year might be a stretch goal and is one of the reasons why the mitigation measures have remained in effect.

Over the past few years, the Ontario government has been developing a new grant funding formula which will be in effect for 2017-18. Overall, with the changes to the operating grants, Brock is budgeting to receive, approximately, its 2016-17 grant in 2017-18, plus a \$1.3 million pick-up in grant revenue related to graduate students that needs to be negotiated upon through Strategic Mandate Agreement (SMA) discussions with MAESD. Achieving this is a budget risk and represents another reason why the mitigation measures have remained in effect.

This report seeks to document the path and process of establishing the budget amid the current environment – by continuing a process that connects financial and non-financial data through metrics reporting and providing comparisons of our University to other comprehensive universities in Canada. This report also discusses the next phase of the University's budget reporting, developing a revenue and expense allocation model.

As the budget environment continues to develop, we remind readers of this report that 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 continue to all work together to make 2017-18 another year to be proud of.

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 2017-18 is illustrated in the table to the right. It identifies a balanced budget as compared with the 2016-17 mitigation target of \$3.9 million. At the time of preparing the budget report, fiscal 2016-17 has not been completed; however, we are projecting, through our second trimester reporting (T2) for fiscal 2016-17, 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) | 2017-18 Budget | 2016-17 Budget | 2015-16 Actual |
| Revenue | | | |
| Student fees | 167,875 | 157,635 | 151,382 |
| Grant revenue | 96,326 | 92,152 | 93,201 |
| Internal chargebacks | 8,792 | 8,473 | 7,522 |
| Inter-fund revenue | 3,138 | 3,658 | 2,585 |
| Other revenue | 47,826 | 45,893 | 46,728 |
| Total revenues | 323,957 | 307,811 | 301,418 |
| Operating costs | | | |
| Personnel costs | (213,337) | (202,903) | (193,777) |
| Inter-fund expense | (18,192) | (18,785) | (17,700) |
| Other operating costs | (92,428) | (90,043) | (85,431) |
| Total operating costs | (323,957) | (311,731) | (296,908) |
| Mitigation target | | 3,920 | |
| Funding surplus | - | - | 4,510 |

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 average of the 14 other Canadian comprehensive universities.

| By student headcount | Brock | | | Median ⁽¹⁾ | | Average ⁽¹⁾ | |
|---|---------------------|------------|------------|-----------------------|------------|------------------------|------------|
| | April 2017 Forecast | April 2016 | April 2015 | April 2016 | April 2015 | April 2016 | April 2015 |
| Student fees (primarily tuition) ⁽²⁾ | 8.44 | 8.20 | 7.75 | 8.36 | 8.20 | 8.26 | 7.79 |
| Grant | 5.94 | 5.87 | 5.91 | 9.69 | 10.52 | 10.74 | 11.09 |
| Personnel costs | 10.74 | 10.60 | 10.26 | 13.47 | 12.89 | 13.65 | 13.48 |
| Scholarships | 0.94 | 0.99 | 0.94 | 1.26 | 1.14 | 1.36 | 1.38 |
| Interest on long-term debt | 0.39 | 0.40 | 0.40 | 0.27 | 0.31 | 0.27 | 0.28 |
| Investment income | 0.06 | 0.06 | 0.09 | 0.42 | 0.67 | 0.49 | 0.67 |

(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 fairly in line with other comprehensive universities on student 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 ⁽¹⁾ | | | Median ⁽²⁾ | | Weighted average ⁽²⁾ | |
|---|----------------------|------------|------------|-----------------------|------------|---------------------------------|------------|
| | April 2017 Forecast | April 2016 | April 2015 | April 2016 | April 2015 | April 2016 | April 2015 |
| Primary reserve ratio | 10.0% | 11.7% | 11.9% | 24.9% | 28.3% | 37.6% | 38.2% |
| Debt burden ratio | 3.0% | 3.1% | 3.2% | 2.5% | 2.6% | 3.1% | 3.0% |
| Interest burden % | 2.5% | 2.6% | 2.7% | 1.8% | 1.8% | 1.6% | 1.6% |
| Interest coverage | 2.90 | 3.35 | 4.55 | 3.49 | 6.76 | 5.81 | 5.98 |
| Viability ratio | 22.2% | 24.5% | 23.8% | 133.9% | 185.0% | 101.8% | 122.4% |
| Net operating revenues ratio | 4.3% | 7.5% | 9.2% | 10.1% | 7.6% | 15.7% | 9.7% |
| Employee future benefits per student ⁽³⁾ | N/A | \$(1.12) | \$(0.56) | \$(3.46) | \$(3.40) | \$(3.26) | \$(2.71) |
| Endowment per student headcount | \$4.54 | \$4.50 | \$4.34 | \$6.96 | \$7.12 | \$6.89 | \$7.03 |

(1) Certain ratios have been restated to align with the Council of Ontario Universities (COU) metrics to improve comparability across various reporting agencies.
(2) Calculated using financial information from 14 other comprehensive universities.
(3) The employee future benefit reserve per student of \$0.05 has been excluded from Brock's April 2015 figure for comparative purposes.

Refer to page 84 for explanations of the debt-related financial health metrics and Appendix G for metric definitions.

Message from leadership



Tom Traves, President and Vice-Chancellor



Thomas Dunk, Provost and Vice-President Academic



Joffre Mercier, Vice-President, Research



Brian Hutchings, Vice-President, Administration

Congratulations to everyone for their hard work in developing our first balanced budget in over 10 years. Thank you for your considerable time this year and in recent years on matters of financial sustainability.

Now, like any budget there are risks. Our most significant risk to continuing to achieve financial sustainability is enrolment. As you will read in this budget report, certain assumptions have been made and a renewed emphasis on retention has emerged. To support the student experience, this budget has invested in people, retention, recruiting, experiential learning, the library and a number of significant capital initiatives. These initiatives include the Goodman School of Business building and the Brock LINC, where faculty and students will be able to work collaboratively to bring ideas to life.

Moving forward, the educational landscape continues to adjust, most recently through the Strategic Mandate Agreement (SMA) with the Ministry of Advanced Education and Skills Development (MAESD). At the time of writing this message, the University continues to be in discussions with the MAESD, regarding a new SMA. It is believed that this budget has been developed to help us achieve the commitments under discussion with the MAESD regarding this new SMA.

We recognize people continue to look 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. In terms of budget development, the next stage will be a move towards a revenue and expense allocation budgeting model. A committee of Deans and the Provost has been established to move these discussions forward.

Given the current fiscal framework we operate in and while this budget is balanced, we do not expect implementing this budget to be easy. There still may need to be decisions made in-year should we not achieve our enrolment forecasts or SMA and related grant expectations with the MAESD. For this reason, the mitigation efforts of the past couple of years remain.

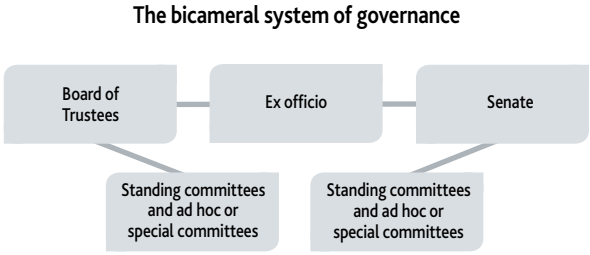
To all that have been involved and/or touched by the financial planning and budgeting process in recent years, we continue to make a lot of progress, and we thank you for your cooperation and efforts. We hope this document can be used as a continuation in that process.



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.

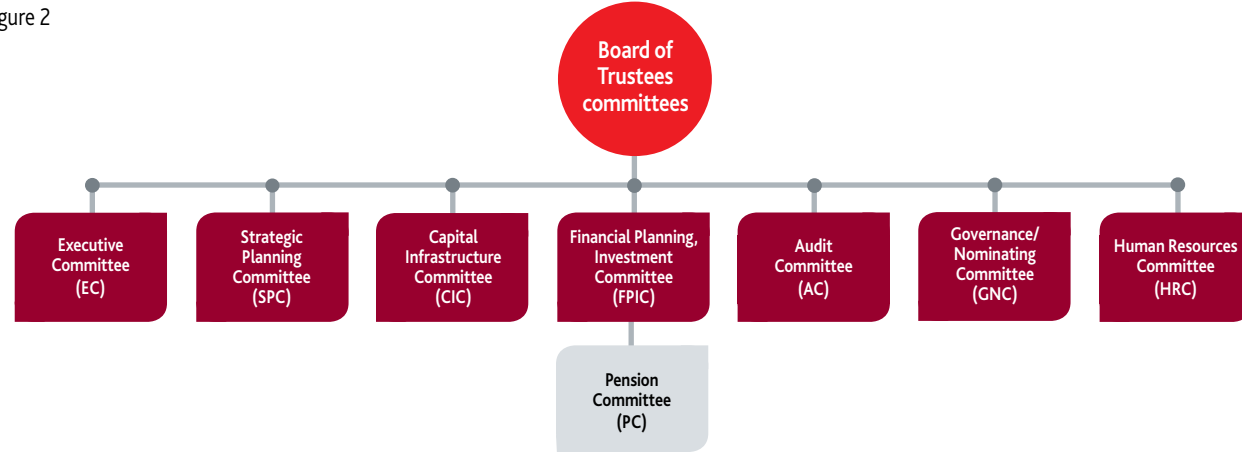
Figure 1



Board of Trustees

The Board consists of 26 members, including 17 community members elected by the Board, as well as two 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.

Figure 2



2016-17 Board of Trustees members

- Mark Arthur (Chair – EC and SPC; lay member – FPIC)
- Michele-Elise Burnett (lay member – SPC and CIC)
- Gary Comerford (Chair-Elect/Vice-Chair)
- Shirley Cheechoo (Chancellor)
- Trevor Cooper (lay member – CIC and AC)
- Mario De Divitiis (lay member – HRC and SPC)
- John Fisher (Vice-Chair – CIC; lay member – FPIC)
- Kristine Freudenthaler (Chair – CIC and EC; lay member – AC)
- Patrick Foster (undergraduate student member – SPC)
- Gloria Gallagher (staff member – EC and CIC)
- Dennis Hewko (Chair – EC and FPIC; lay member – SPC)
- Scott Henderson (faculty member – CIC)
- Shannon Kitchings (graduate student member – EC and CIC)
- Beverley Morden (Vice-Chair – HRC; lay member – SPC)
- Diane Miller (faculty member – EC and SPC)
- Marco Marrone (Vice-Chair – FPIC; lay member – CIC)
- Miriam Richards (faculty member – SPC)
- William (Bill) Rickers (Chair – EC and AC; lay member – CIC)
- John Suk (Chair of the Board)
- Kristen Smith (staff member – SPC)
- Leanne Standryk (Chair – EC and HRC; lay member – GNC)
- Mary De Sousa (lay member – FPIC and GNC)
- Tom Traves (Interim President and Vice-Chancellor)
- Robin Williams (Vice-Chair – SPC; lay member – HRC)
- Elisabeth Zimmermann (Chair – EC and GNC; lay member – FPIC)
- John Zoccoli (Vice-Chair – AC; lay member CIC)

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 all of whom are elected by their respective constituencies. There are also 20 ex officio members of the Senate.

67

2016-17 Senate members Members ex officio

- Shirley Cheechoo (Chancellor)
- Tom Traves (Interim President and Vice-Chancellor)
- Thomas Dunk (Interim Provost and Vice-President, Academic)
- Joffre Mercier (Interim Vice-President, Research)
- Greg Finn (Vice-Provost and Associate Vice-President, Academic)
- Anna Lathrop (Vice-Provost, Teaching, Learning and Student Success)
- James Mandigo (Vice-Provost, Enrolment Management and International)
- Barry Wright (Interim Dean, Goodman School of Business)
- Alan Castle (Acting Dean, Faculty of Mathematics and Science)
- David Siegel (Interim Dean, Faculty of Education)
- Ingrid Makus (Interim Dean, Faculty of Social Sciences)
- Carol Merriam (Dean, Faculty of Humanities)
- Peter Tiidus (Dean, Faculty of Applied Health Sciences)
- Jens Coorssen (Dean, Faculty of Graduate Studies)
- Geraldine Jones (Registrar)
- Mark Robertson (University Librarian)
- John Suk (Chair, Board of Trustees)
- Faisal Hejazi (BUSU, Vice-President, Finance and Administration)
- Thomas Winger (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).

20

Full-time teaching staff/professional librarian representatives

- Irene Blayer (FOH)
- Jonah Butovsky (FOSS)
- Poling Bork (FMS)
- Christene Carpenter-Cleland (FMS)
- Maureen Connolly (AHS)
- Christine Daigle (FOH)
- Spy Dénommé-Welch (FOE)
- Tamara El-Hoss (FOH)
- Bareket Falk (AHS)
- Allison Glazebrook (FOH)
- Heather Gordon (FMS)
- Ian Gibson (Library)
- Scott Henderson (FOSS)
- Nota Klentrou (AHS)
- Jennifer Li (GSB)
- Bozidar Mitrovic (FMS)
- Christie Milliken (FOSS)
- Daniel Malleck (AHS)
- Laurie Morrison (Library)
- Tanya Martini (FOSS)
- Roberto Nickel (FOH)
- Shauna Pomerantz (FOSS)
- Linda Rose-Krasnor (FOSS)
- Lynn Rempel (AHS)
- Matthew Royal (FOH)
- Miriam Richards (FMS)
- Barbara Sainty (GSB)
- Larry Savage (FOSS)
- Sid Segalowitz (FOSS)
- Susan Sydor (FOE)
- David Whitehead (GSB)
- Heather Whipple (Library)
- Michelle Webber (FOSS)
- Sakoieta Widrick (FOE)
- Terrance Wade (AHS)
- Vera Woloshyn (FOE)

36

Representatives of the Board of Trustees

- Gary Comerford
- Mario De Divitiis

2

Alumni Association representative

- James O'Brien

1

Undergraduate student representatives

- Amalia Banava
- Madi Fuller
- Ahmed Jawa
- Kingsley Nwogu
- Zoya Rajput
- Jeremy Steinhausen

6

Graduate student representatives

- Emily Guertin
- Charissa Sanche

2

Planning, Priorities and Budget Advisory Committee

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

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

The following are the 2016-17 PPBAC members:

Members

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

Students

- Julian Petrachenko – graduate student
- Faisal Hejazi – undergraduate student

Ex officio

- Scott Henderson (FOSS) – Senate Chair
- Tom Traves – Interim President and Vice-Chancellor
- Tom Dunk – Interim Provost and Vice-President, Academic
- Greg Finn – Vice-Provost and Associate Vice-President, Academic
- Peter Tiidus (AHS) – Faculty Dean
- Alan Castle (FMS) – Faculty Dean
- Martin Kusy (GSB) – BUFA observer (non-voting)

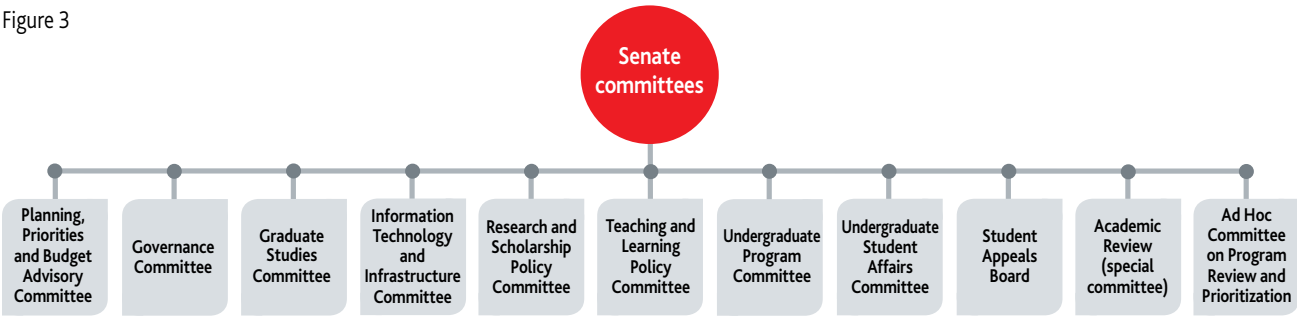
16

7

2

7

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. 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 Advanced Education and Skills Developments' (MAESD), previously the Ministry Training, Colleges and Universities', request that every college and university in Ontario prepare a document that would articulate the mandate and vision of each institution. Brock is currently in the process of establishing it's 2017-2020 SMA. Consultations began in early 2016 and the final SMA will be submitted to the MAESD this summer.

Brock's 2014-17 SMA, which was in place and informed the 2017-18 budget process, was the culmination of a sustained process of integrated strategic planning and was informed by the Integrated Strategic Plan. The SMA detailed pillars/priorities, as shown. 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 Transdisciplinary Research Hubs and Developing New Graduate and Undergraduate Programs. The five Transdisciplinary hubs created are: Brock-Niagara Centre for Health and Well-Being; Institute for Advanced Bio-manufacturing; Lifespan Development Research Institute; Social Justice Research Institute; and Sustainability: A Transdisciplinary 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 BioLink; the Centre for Healthy Development; and the Centre for Lifespan Development Research.

Crowds gathered in front of Schmon Tower to sign a steel beam slated to be included in the Goodman School of Business expansion project.





Introducing the 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.

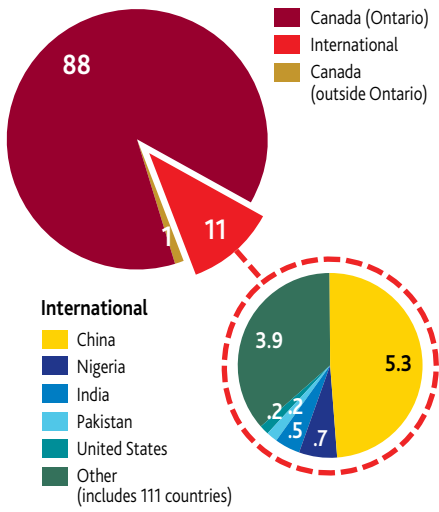
The goal is to continue the process of providing meaningful data points to help establish a foundation to explain the “why” behind the revenue and expense values and the outcomes the budget supports. It was hoped that the next evaluation would be to provide benchmarking and targets in the operations. 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

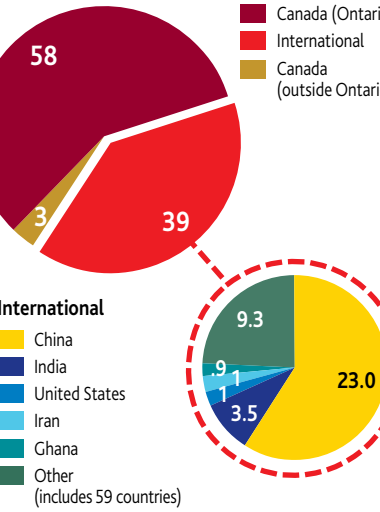
The second “pullout” after page 21 presents a timeline that includes some major events impacting our financial experience since 1999-2000, when the move to a comprehensive university was proposed and endorsed.

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

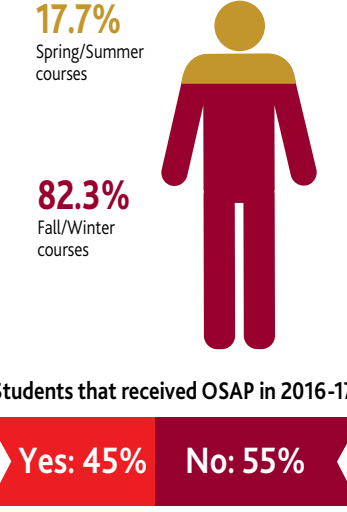
2016 headcount of undergraduate students (%)



2016 headcount of graduate students (%)



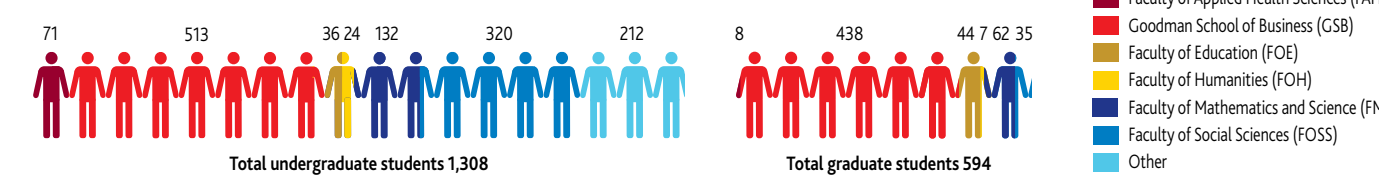
Full course equivalents (FCE) offered



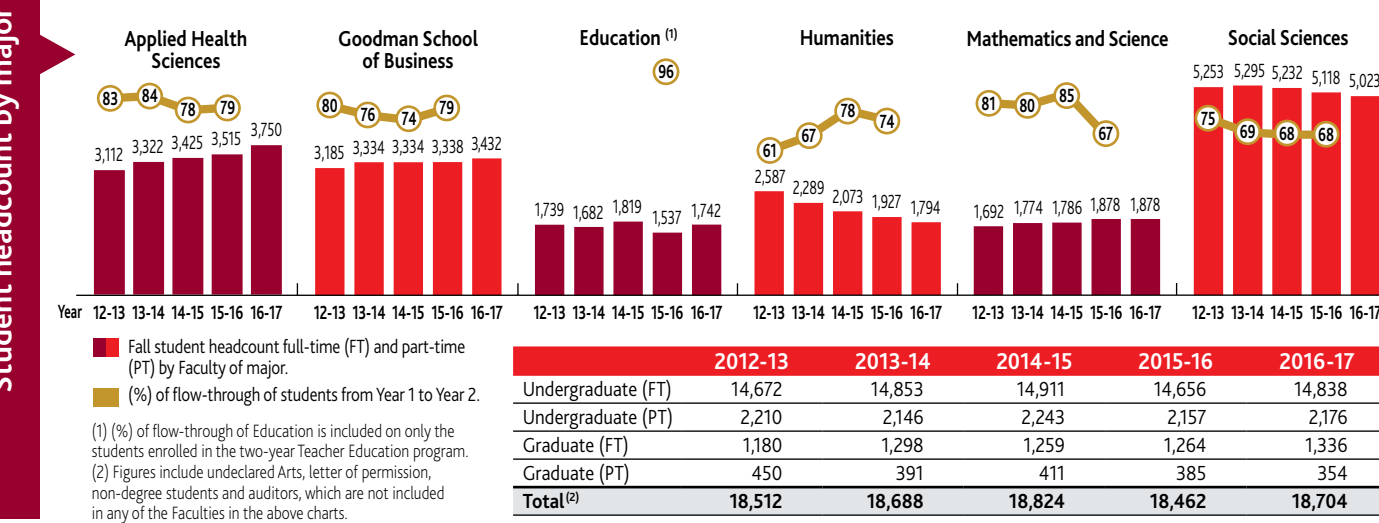
Students that received OSAP in 2016-17



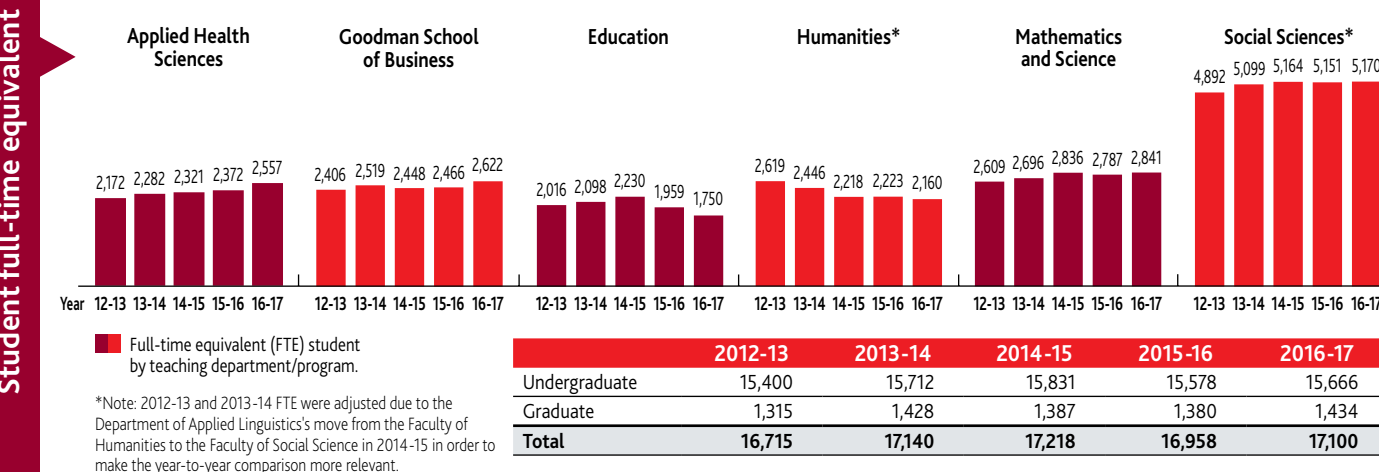
2016 international student headcount by Faculty



Student headcount by major



Student full-time equivalent



| Personnel group ⁽¹⁾ (\$000s) | 2017-18 Budget | | | 2016-17 Budget | | |
|--|----------------|---------------|-----------------------|----------------|---------------|-----------------------|
| | Salary/wage | Benefits | Total personnel costs | Salary/wage | Benefits | Total personnel costs |
| Faculty and professional librarians | 88,600 | 19,448 | 108,048 | 86,347 | 16,420 | 102,767 |
| Admin/professional | 40,140 | 10,444 | 50,584 | 38,453 | 9,496 | 47,949 |
| CUPE 4207 – Unit 1 | 13,409 | 1,446 | 14,855 | 12,459 | 1,379 | 13,838 |
| OSSTF | 8,305 | 2,521 | 10,826 | 8,728 | 2,574 | 11,302 |
| CUPE 1295 FT | 6,803 | 2,240 | 9,043 | 6,685 | 2,156 | 8,841 |
| SAC | 4,627 | 929 | 5,556 | 4,282 | 791 | 5,073 |
| Other | 13,308 | 2,017 | 15,325 | 12,231 | 1,802 | 14,033 |
| Total | 175,192 | 39,045 | 214,237 | 169,185 | 34,618 | 203,803 |
| Transfer to employee future benefits reserve (EFB) | | (900) | (900) | | (900) | (900) |
| Total personnel | 175,192 | 38,145 | 213,337 | 169,185 | 33,718 | 202,903 |

⁽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 and stipend transfers.

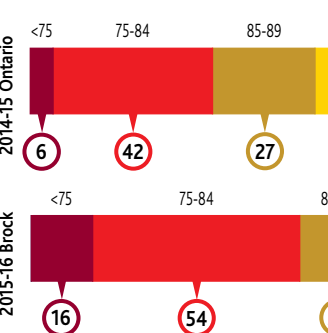
90% of Brock undergraduate students were employed within six months of graduation.
Source: 2015 Ontario University Graduate Survey.

95% of Brock undergraduate students were employed within two years of graduation.
Source: 2015 Ontario University Graduate Survey.

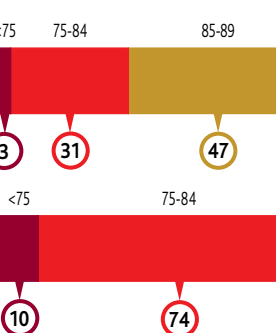
84% of fourth-year Brock undergraduate students rated the quality of their overall experience at Brock as very good or excellent (vs. Ontario average of 77 per cent).
Source: 2014 National Survey of Student Engagement.

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.

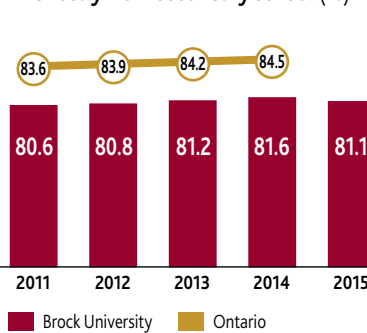
Undergraduate programs entering average grade (%)



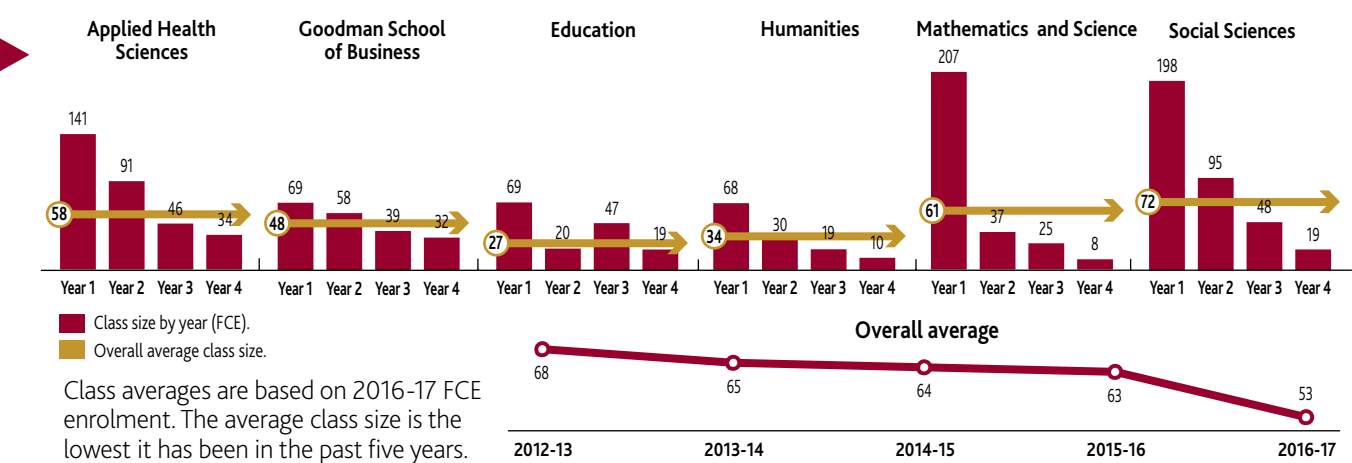
Graduate programs entering average grade (%) 2016-17



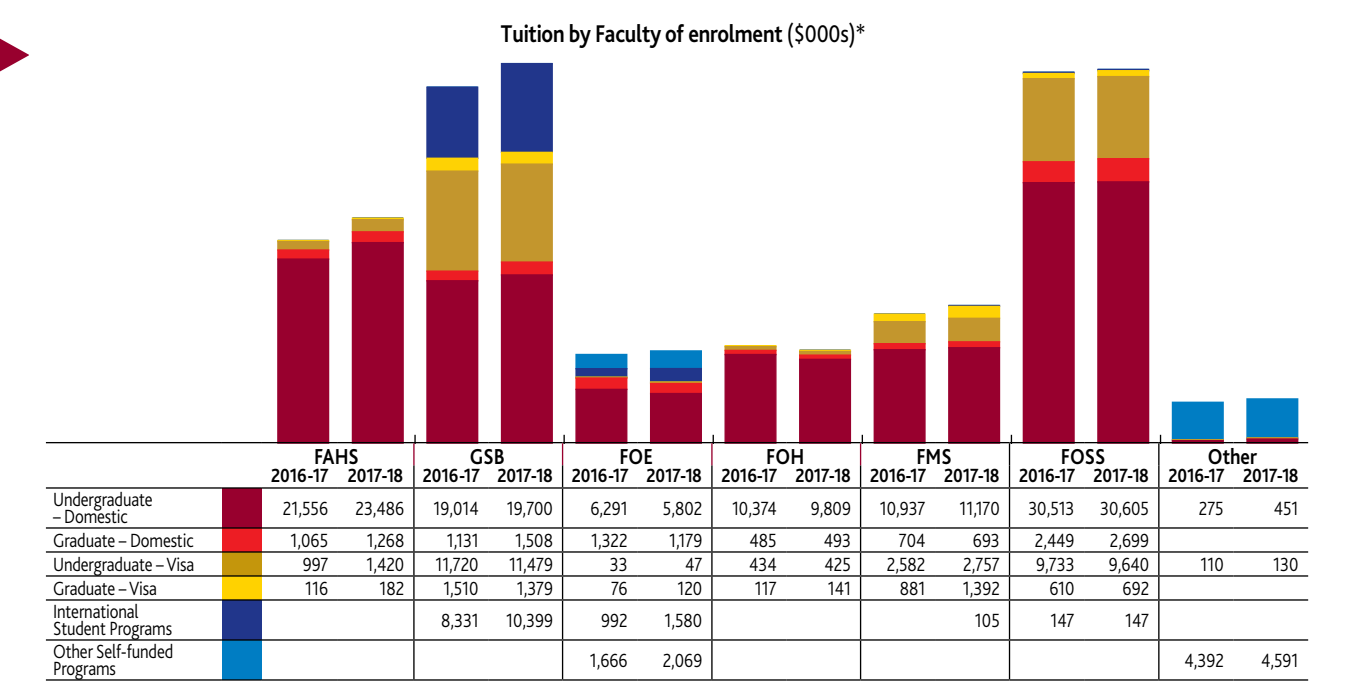
Mean entering average of new students directly from secondary school (%)



Class size

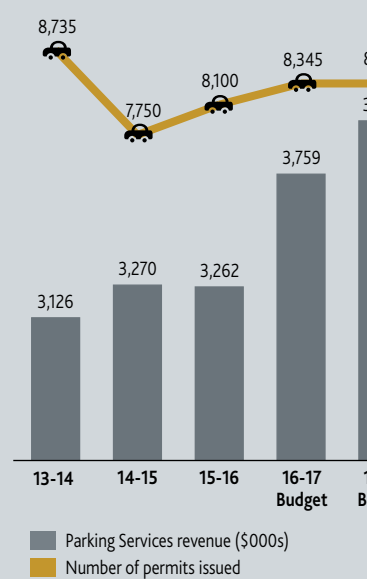


Tuition

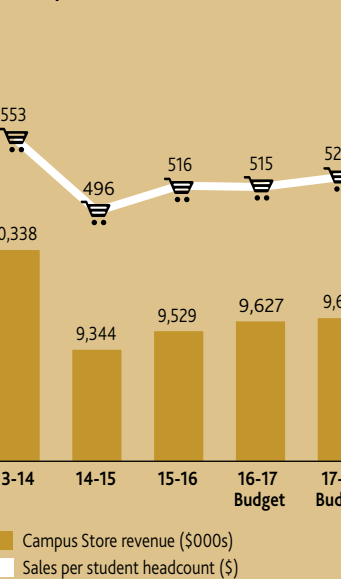


* Does not include the additional \$3 million tuition dollars budgeted for retention. Please see page 30 for more details.

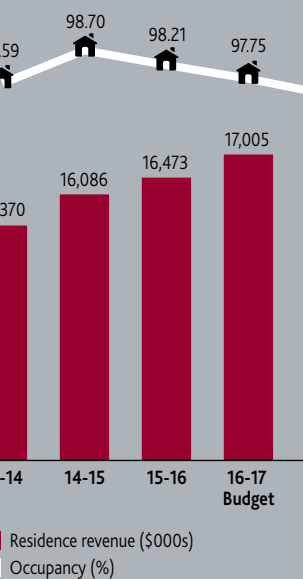
Parking revenue 2013 to 2018



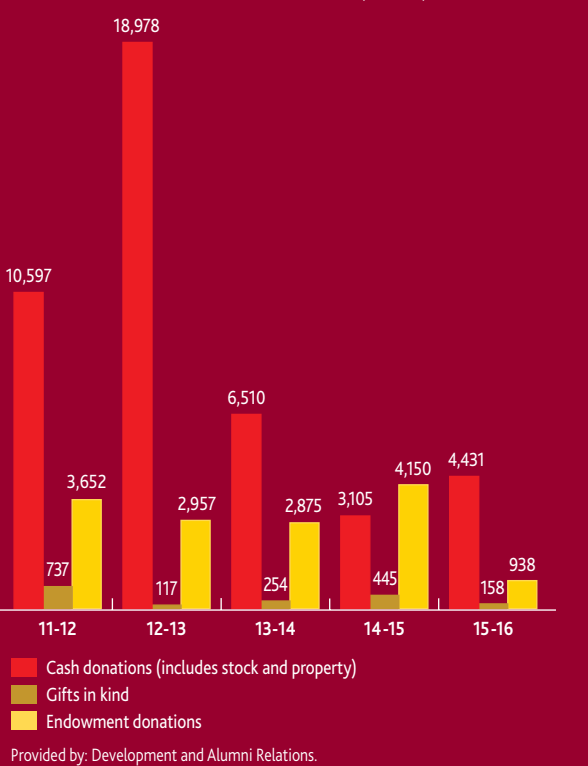
Campus Store revenue 2013 to 2018



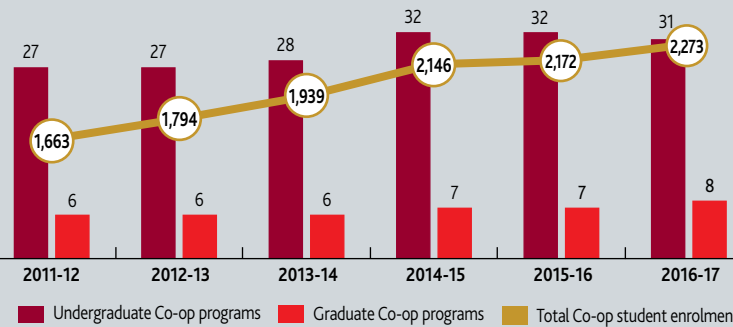
Residence revenue 2013 to 2018



Donations 2011 to 2016 (\$000s)



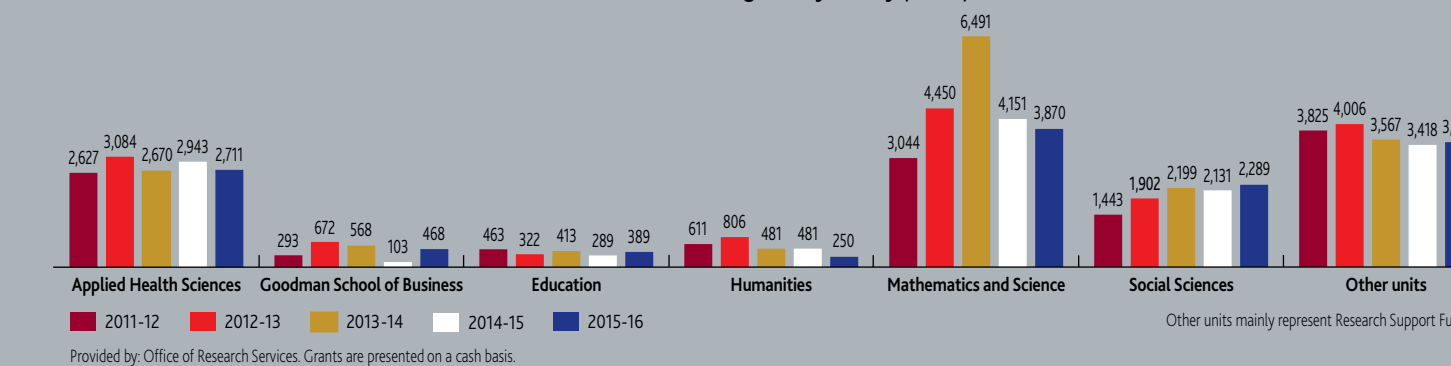
Co-op programs and enrolment



2011-16 external research grants (\$000s)



2011-16 external research grants by Faculty (\$000s)



Other units mainly represent Research Support Funds.



Process and objectives

The budget is 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 2017-18 budget process was one of consultation with the 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, certain 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.

As established two years ago, the timeline for the budget process allows the budget to be completed for approval at the May 4, 2017 Board of Trustees meeting to coincide with the start of our fiscal year – running from May 1 to April 30. We thank all units for meeting the requirements of the timeline.

The approach taken to establish the 2017-18 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 the current Strategic Mandate Agreement (as identified earlier in this budget report).

2. Provide new investment where critically needed

Although the 2017-18 budget is balanced, given the risks identified in the Executive Summary and more fully explained in the Budget Environment section of this report, the mitigation measures of fiscal 2016-17 will remain in effect. However, the long-term growth and development of the University should not be limited to the mitigation actions. Certain areas will need investment for the University to continue to develop. Thus, this section provides 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 included as part of the 2017-18 budget. Examples of these investments include support for new enrolment and retention initiatives, increased support for the Faculty of Applied Health Sciences, additional Library acquisitions, funding of the new finance system operations and support of Human Rights and Equity 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 and retention initiatives, both domestic and international. This investment includes a new Director position for Brock International, \$200,000 additional English language support for international students, modifications to the international undergraduate commissions to increase competitiveness, an additional international relationship manager position, a digital marketing test project to raise international brand awareness and three new recruitment officer positions focusing on domestic recruitment. For more information on enrolment, see the Enrolment discussion as part of the Budget Environment section of this report starting on page 17.



Brock International, including ESL Services

- Net direct operating budget ⁽¹⁾: \$1.4 million
- OG FTE ⁽²⁾: 57.3
- Strategic investment: \$1.0 million

brocku.ca/brock-international



Registrar, including recruitment and liaison

- Net direct operating budget ⁽¹⁾: \$3.0 million
- OG FTE ⁽²⁾: 44.8
- Strategic investment: \$0.3 million

brocku.ca/registrar/

Recognizing the growing student demand, \$1,032,000 was invested into the Faculty of Applied Health Sciences. The investment includes increases in support staff, funding in areas such as experiential learning, laboratory support and graduate program support, two additional Faculty positions in programs of growth – Sport Management and Health Sciences, specifically Medical Sciences and Public Health – as well as resources to support additional courses and their respective part-time teaching budgets.



Faculty of Applied Health Sciences

- Net direct operating budget ⁽¹⁾: \$20.8 million
- OG FTE ⁽²⁾: 117.4
- Strategic investment: \$1.0 million

brocku.ca/applied-health-sciences

The Library acquisitions budget in 2017-18 was increased by \$378,000. 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 Maclean's University survey.



Library acquisitions

- Net direct operating budget ⁽¹⁾: \$4.2 million
- Strategic investment \$0.378 million
- Where is this budgeted: Library

brocku.ca/library

Brock's new cloud-based Finance system, Workday, went live in May 2016. This system introduced online expense reimbursement and purchase requisition submission and approvals, the ability to view source documents online, and improved and expanded reporting capabilities. The 2017-18 budget provides funding for the ongoing operating costs for this system of \$500,000. Note: Both Financial Services and Information Technology Services (other than Workday operations) saw decreases in their funding, due in part to this investment.



Workday operations

- Net direct operating budget ⁽¹⁾: \$0.5 million
- OG FTE ⁽²⁾: 2.0
- Where is this budgeted: Information Technology Services

brocku.ca/workday/

Brock's Human Rights and Equity Services funding increased by \$229,000 in the 2017-18 budget. The new sexual violence response co-ordinator position and related costs were established in September 2016 (new to the 2017-18 budget) to provide support to the Brock community members who are affected by sexual violence and to offer education and training on sexual violence prevention and response. In addition, the 2017-18 budget also includes a new human rights and equity co-ordinator position who will be responsible for intake and response to human rights complaints as well as focusing on education and awareness.



Human Rights and Equity Services

- Net direct operating budget: \$0.43 million
- OG FTE ⁽¹⁾: 4.0
- Strategic investment: \$0.229 million
- Where is this budgeted: Shared Services Support

brocku.ca/human-rights/

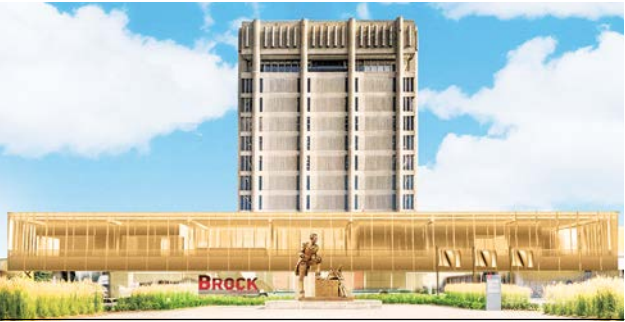
Infrastructure

Some critical and significant infrastructure investments include the Brock LINC project and Brock District Energy Efficiency Project (DEEP) – funded in part from the Government of Canada's Post-Secondary Institutions Strategic Investment Fund (SIF), the Goodman School of Business renovation and expansion, deferred maintenance across campus including residences, the new Human Resources information system, classroom modernization projects, and improvement of several areas of Brock's information technology.

The Brock LINC project will see a major facelift in the outdoor space in front of the Schmon Tower, with an enclosed atrium that includes collaborative and digital innovation space, as well as a second level to house and expand commercialization activities.

Brock LINC

- Total construction budget: \$19.3 million
 - Funding sources: \$8.5 million SIF, \$4.9 million pre-encumbrance of the 2018-19 capital and related project budget, \$3.0 million in donations, \$1.5 million of surplus from previous years' capital and related project budgets, and \$1.4 million from the 2017-18 capital and related project budget
- brocku.ca/brock-news/2017/03/board-of-trustees-meeting-highlights-atrium-and-upgraded-power-projects-moving-forward/



(1) Net direct operating budget equals revenue minus expenses for 2017-18 fiscal year. These budgets do not allocate overhead costs (i.e. support services, space etc.).
(2) OG FTE represents 2017-18 budgeted ongoing staff and faculty full-time equivalent positions – excludes temporary contract workers and includes any budgeted but unfilled position.

The Brock District Energy Efficiency Project (DEEP) will provide significant upgrades in the heart of the University's power system, with a significant upgrade to Brock's cogeneration power plant, including replacement of natural gas powered engines with higher capacity and more environmentally friendly versions, as well as replacement of potable water pipes. It is estimated to provide \$0.5 million annually in savings which will support the ongoing future deferred maintenance needs of the new Brock LINC and the Goodman School of Business building in accordance with the ratios proposed in the Fiscal Framework.

Brock DEEP

- Total construction budget: \$10.8 million
- Funding sources: \$5.2 million SIF, \$2.6 million from the 2017-18 capital and related project budget (\$1.3 million of which is Facilities Renewal Program Funds), \$1.3 million of pre-encumbrance of the 2018-19 capital and related project budget, \$1.0 million of one-time Facilities Renewal Program Funds received in 2016-17, \$0.3 million of the general 2016-17 Facilities Renewal Program Funds (reallocated mid-year from other projects), \$0.3 million from the sale of equipment and \$0.1 million reallocated from a 2015-16 capital project.

brocku.ca/brock-news/2017/03/board-of-trustees-meeting-highlights-atrium-and-upgraded-power-projects-moving-forward/



In May 2016, a \$22-million project for renovating and expanding the Goodman School of Business began. As described in the 2016-17 Budget Report, as part of the funding for this project, \$2.1 million of the 2017-18 capital and related project budget was pre-encumbered. For full funding information of this project refer to page 12 of the 2016-17 Budget Report.

The 2017-18 capital and related project budget includes \$2.1 million of investments in residences, of which \$1.6 million represents deferred maintenance projects. The investments range from proximity card access upgrades to renewals of the DeCew and Village residences to furniture replacements.

Human Resources (HR) currently runs on old legacy systems and homegrown applications that are beyond end of life, are considered high risk, and require replacement as soon as possible. The HR component of Workday, which will replace the current HR system. It is a modern cloud-based system which will provide a truly unified system that will create efficiencies, resource reallocation, improved access to information and better HR services delivered.



New Human Resources system

- Total project budget: \$7.2 million
- Assessment and pre-implementation budget: \$0.8 million
- Implementation budget: \$6.4 million
- Funding sources: \$0.8 million 2016-17 capital and related projects budget, \$2.3 million 2017-18 capital and related projects budget and \$4.1 of pre-encumbrance of the 2018-19 and 2019-20 capital and related projects budget.

The full 2017-18 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. Often we “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 31 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 47 to 75. These pages provide information on the various Units of the University and the 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 \$0.5 million⁽¹⁾
- Where this is budgeted: transfer from Research Services to the research with no external obligation fund.

brocku.ca/ccovi
cuvee.ca

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. The total funding commitment was \$5.0 million with each hub receiving \$200,000 per year starting in 2013-14 to 2016-17. In 2017-18, the funding will be \$50,000 for each hub with the remaining \$750,000 to be funded in 2018-19 or through year-end surplus if available.



Transdisciplinary Research

- Net direct operating budget⁽¹⁾: \$0.25 million
- Where this is budgeted: transfer from Research Services to the research with no external obligation fund.

brocku.ca/transdisciplinarity/

(1) Net direct operating budget equals revenue minus expenses for 2017-18 fiscal year. These budgets do not allocate overhead costs (i.e. support services, space etc.).
(2) OG FTE represents 2017-18 budgeted ongoing staff and faculty full-time equivalent positions – excludes temporary contract workers and includes any budgeted but unfilled position.

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 (2012-13 to 2016-17 as of April 4, 2017) \$8.6 million
- OG FTE⁽²⁾: 18.0

brocku.ca/bold-new-brock

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.

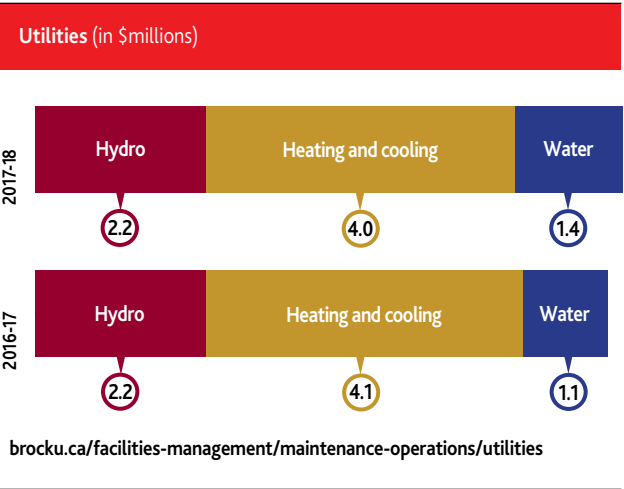


Brock Athletics and Intramurals


- Number of athletic teams and athletes: 43 teams and 842 athletes
- Number of intramurals and athletes: 750 teams and 3,385 athletes
- Net direct operating budget of Brock Sports⁽¹⁾: \$0.8 million

gobadgers.ca

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



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 \$12.9 million
- Graduate: \$7.9 million
- Funding sources: \$19 million (91%) operating costs and \$1.8 million (9%) endowment.

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

As part of the 2016-17 budget, strategic investments were made from the Provost Strategic Investment Fund to Marketing and Communications (\$300,000) and Co-op, Career Services and Experiential Education (\$206,000). In 2017-18, due to their significance to the University, these investments have been added to the base budget. For further details of these investments refer to pages 10-11 in the 2016-17 Budget Report.

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

In the recent years, 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.

Furthermore, this year's report continues the linkage of financial and non-financial data and additional budget details. We suspect this information will generate discussion, which is encouraged.

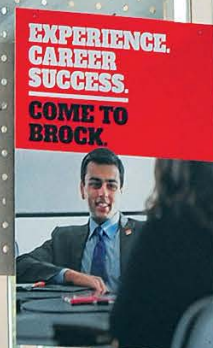
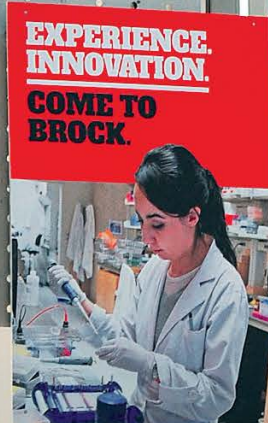
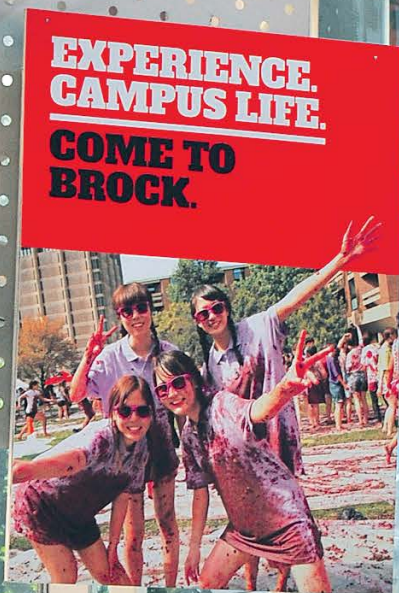
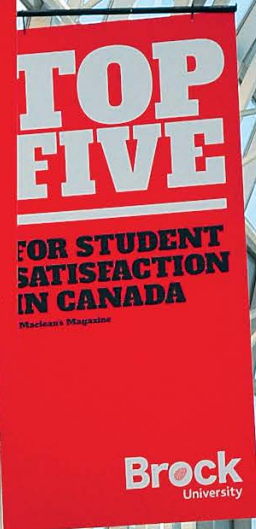
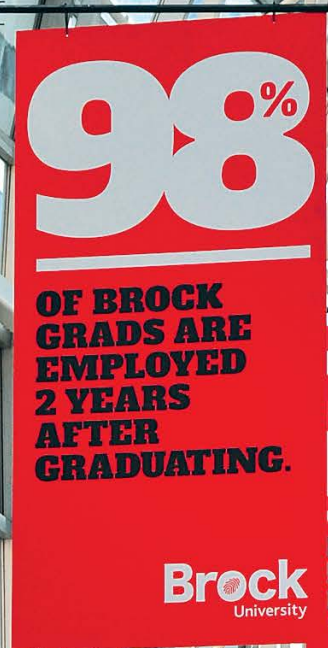
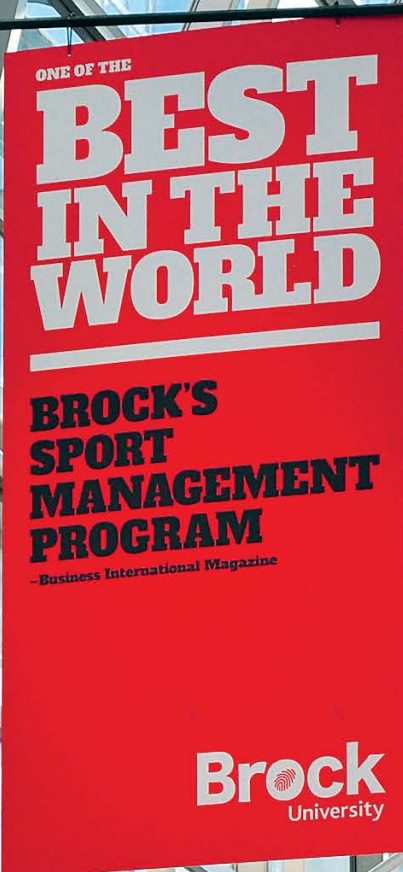
It is anticipated that future budget reports will continue to build and add to the financial and non-financial data disclosed herein. Discussing both financial and non-

financial data together will help support ongoing efforts to ensure a fiscally responsible budget while paying close attention to quality and academic outcomes.

We suspect the next leap in budget development will be a move towards a revenue and expense allocation budgeting model. A committee of Deans and the Provost has been established to move these discussions forward. It is hoped that the efforts made throughout the development of this budget have enhanced its accountability, understandability and transparency. Feedback is always encouraged and welcomed, and can be directed to budgetreport@brocku.ca



Brock's new advertising campaign spread its message of experience and success in Toronto's Skywalk area of Union Station, the Pearson Express station and the Metro Toronto Convention Centre.



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

A lot has changed over the past year with respect to government policy. Brock continues to appreciate its strong and collaborative relationship with the Province of Ontario through the Ministry of Advanced Education and Skills Development (MAESD) and acknowledges the decisions being made by the MAESD as they too are working towards a goal of eliminating their own budget deficits. Despite the MAESD's fiscal constraint, they continue to add to the list of Brock projects they back with funding support, most recently through a commitment to the \$11-million DEEP project, funded in part by the Government of Canada's Strategic Investment Fund and by the Province of Ontario. The DEEP project is a significant upgrade to Brock's cogeneration power plant. See page 12 for more details on this project.

During 2016, the MAESD announced a commitment to transform the Ontario Student Assistance Program (OSAP) which will make average tuition free for students whose families make less than \$50,000 per annum. In addition, students from families that earn more will receive more generous grants and loans. The MAESD called upon universities and colleges to join with them in a pilot project to develop a "net tuition" offer and billing to students using integrated OSAP data unique to each student. Brock answered the MAESD's call and joined with them and many other institutions to assist in developing the "net tuition" system during 2017-18. Net tuition offers and billings will be mandatory for 2018-19. To assist in planning for tuition costs and its impact on net tuition, the MAESD extended the previous tuition guidelines for 2017-18 and 2018-19, capping the overall tuition rate increase at three per cent. It's also providing a \$150,000 grant, to assist in preparing for the new tuition system.

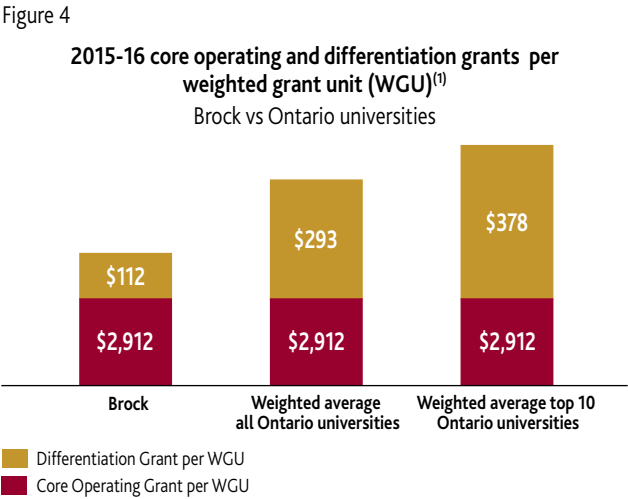
Entering 2017-18 the MAESD has released a redesigned funding model for universities. Reforms to the funding model are focused on the following principles: improving student outcomes; driving differentiation by linking funding to strategic mandate agreements; and providing stability to institutions through a funding model which provides predictable funding and supports enrolment planning during a period of projected demographic change and enrolment decline.

The new university funding model has three major categories of funding:

- A Core Operating Grant (COG) where institutions will receive a base level of operating funding based on a specific level of eligible university enrolment or Weighted Grant Units (WGU). The COG will be governed by an enrolment corridor mechanism (see pages 32-33 for a more detailed explanation of the new government grant model);
- A new Differentiation Envelope with a performance portion to allow funding to be allocated based on performance against metrics in priority areas, as well as mission-related funding; and
- Special Purpose Grants to address government and system-wide priorities such as improving access for Indigenous learners and students with disabilities.

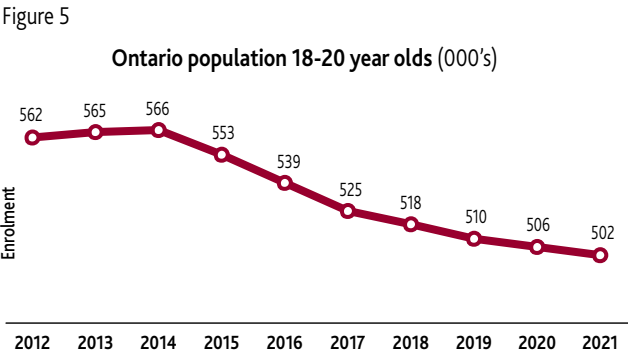
Despite this funding reform, Brock finds itself amongst the lowest funded universities in the province. In fact, based on information provided to universities by the Province in early 2017, Brock is the lowest funded university in the province, with our Differentiation Grant making up only four per cent of our total grant. This compares to the highest funded university, with Differentiation Grant making up 14 per cent of their total funding, and the average funded university, whose differentiation grant makes up nine per cent of its total funding. Bringing Brock's differentiation funding up to the average-funded university would represent approximately \$5 million in additional funding. The range of funding per WGU was provided by the MAESD and is demonstrated in Figure 4. The MAESD has achieved its goal of creating an equal portion of funding per eligible enrolment through the Core Operating Grant; however, inequities in the system still persist and are now captured within the Differentiation Grant Envelope. While this demonstrates an ongoing fiscal challenge for Brock to compete against higher

funded universities, we do recognize that Brock has the lowest proportion of grant at risk compared to those with higher differentiation grants.



Enrolment

Demographic headwinds impacting enrolment growth was brought into the spotlight over recent years. Threats to enrolment exist, such as when Brock experienced three consecutive years of declining application volumes (2013, 2014, 2015), Statistics Canada data forecasting a sustained decline in Ontario's university-aged population (see Figure 5), and the realization that Brock's enrolment growth had plateaued for the first time in seven years. While continuing to meet the challenge of reigning in expenditure growth, Brock found itself facing a new threat to sustainability, having to discover new tactics to succour enrolment.

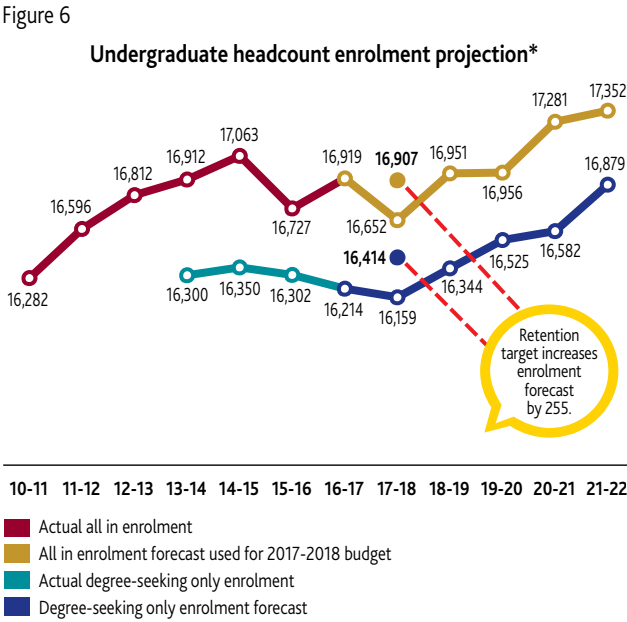


*Note: Degree-seeking undergraduate headcount enrolment decline of 55 excludes letter of permissions, non-degree students, auditors, additional qualifications, and certificates, and is consistent with the Office of the Registrar's presentation to the Board of Trustees in March 2017. The all-in decline in undergraduate enrolment, as driven by the EPM, is 267. All-in enrolment is used throughout this Budget Report, including the budgeting of tuition.

Despite these challenges, the Brock community came together, realizing the problem would not solve itself and that decisions had to be made to ensure Brock's sustainability. One initiative, one Faculty or one department could not overcome this challenge on their own, only collectively as "One Brock" would we find our path to long-term sustainability.

On Nov. 7, 2016, a new online Enrolment Planning Management (EPM) tool was introduced by the Office of the Registrar. This online tool enabled planners to set short and long-term forecasts for various entry points into each unique undergraduate program. The EPM also calculated flow-through rates based upon historical retention percentages.

Approximately 75 per cent of new undergraduate students who enter Brock University do so as a first-year student. However, there are still 25 per cent of students who enter Brock University as a second, third, fourth, or fifth year student, for example teacher education. Based on the EPM, forecasts for new Year 1 entrance registrations (Nov 1.) are up 11 per cent for 2017-18 compared to 2016-17 actual new Year 1 entrance registrations. New-upper year entrances are forecasted to be equal to 2016-17. Total new student enrolments are expected to increase to 5,112 in 2017-18, which compares to 4,699 in 2016-17. Despite this projected 8.8 per cent increase in new undergraduate students for 2017, total degree-seeking enrolments* are still projected to decline by 55 due to historical flow through. As a result of this historical flow through loss as well as the potential additional upper year entrances, the Office of the Registrar has set a target to increase historical retention numbers across each Faculty by three per cent. This increased retention translates to an additional 255 students, assuming an even distribution of domestic and international students. If a lower proportion of international student are retained, for example, if the three per cent increase in retention consists of 20 per cent international students, the retention target to achieve budget would be increased from 255 to 390 students. See Figure 6 for undergraduate enrolment forecasts as well as the historical trend.



University funding is heavily dependant on student enrolment; therefore, universities will naturally compete to maintain or increase their enrolment. Looking forward, we know that competition for students will only increase; therefore, we must continue to challenge ourselves to find new ways to meet and exceed the expectations of the 21st-century learner so that Brock continues to become a preferred place to work and study.

*Note: The enrolment forecast used for the 2017-18 budget is 'all-in' and includes letter of permissions, non-degree students, auditors, additional qualifications, and certificates. These are excluded in the degree-seeking only enrolment as presented by the Office of the Registrar in its March presentation to the Board of Trustees.

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. Obtaining a balanced budget this year does help to minimize this risk. Readers are cautioned that although the budget is balanced, achieving the \$3-million retention target in one year might be a stretch goal. For that reason, enrolment has been discussed above and the "Looking Forward" section outlines other 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 second trimester reporting (T2) for fiscal 2016-17, that we will meet our mitigation target of \$3.9 million. The T2 reporting can be found at brocku.ca/about/university-financials/#reports-2016-17. 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. Budgeted headcount is forecasted to be beat by 53 students. Although the student mix changed in a way that results in lower tuition, operating grant revenue is forecasted to beat budget.
3. ISP revenue came in higher than originally budgeted.

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

Fortunately, for 2017-18, we are showing the first balanced budget in over a decade.

The 2017-18 budget was established with certain key assumptions:

1. The unadjusted enrolment forecast shows a 267 student headcount* decrease in undergraduate students, and increase of four graduate students.
2. An incremental tuition target of \$3 million was added to the budget to directly impact Brock's retention experience. This tuition could translate into an increase in undergraduate headcount between 255, with 50 per cent being international students, and 390, with 20 per cent being international students.
3. No further change in the Province's tuition policy.
4. Grants received in 2017-18, based on the new funding model introduced by the MAESD, will be consistent with those received in 2016-17 plus an additional \$1.3 million pick-up related to graduate students. More information is available on this in the grant section starting on page 32.
5. Annual pension requirements will increase \$2 million due to changes in the discount rate.

Although we are budgeting to have a balanced budget in 2017-18, the following mitigation measures of fiscal 2016-17 will remain in effect due to the risk inherent in the budget and to ensure we remain diligent to meet our target of a balanced budget:

- 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.

Steps are required to continue to permanently eliminate the mitigation measures 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.

The Looking forward section also describes the next phase of the University's budget – a revenue and expense allocation model which is envisioned will integrate as a component of the fiscal framework.

*Note: The unadjusted decline of 267 undergraduate students includes letter of permissions, non-degree students, auditors, additional qualifications and certificates. These are excluded in the degree-seeking enrolment as presented by the Office of the Registrar to the Board of Trustees which forecasted a decline of 55 students.

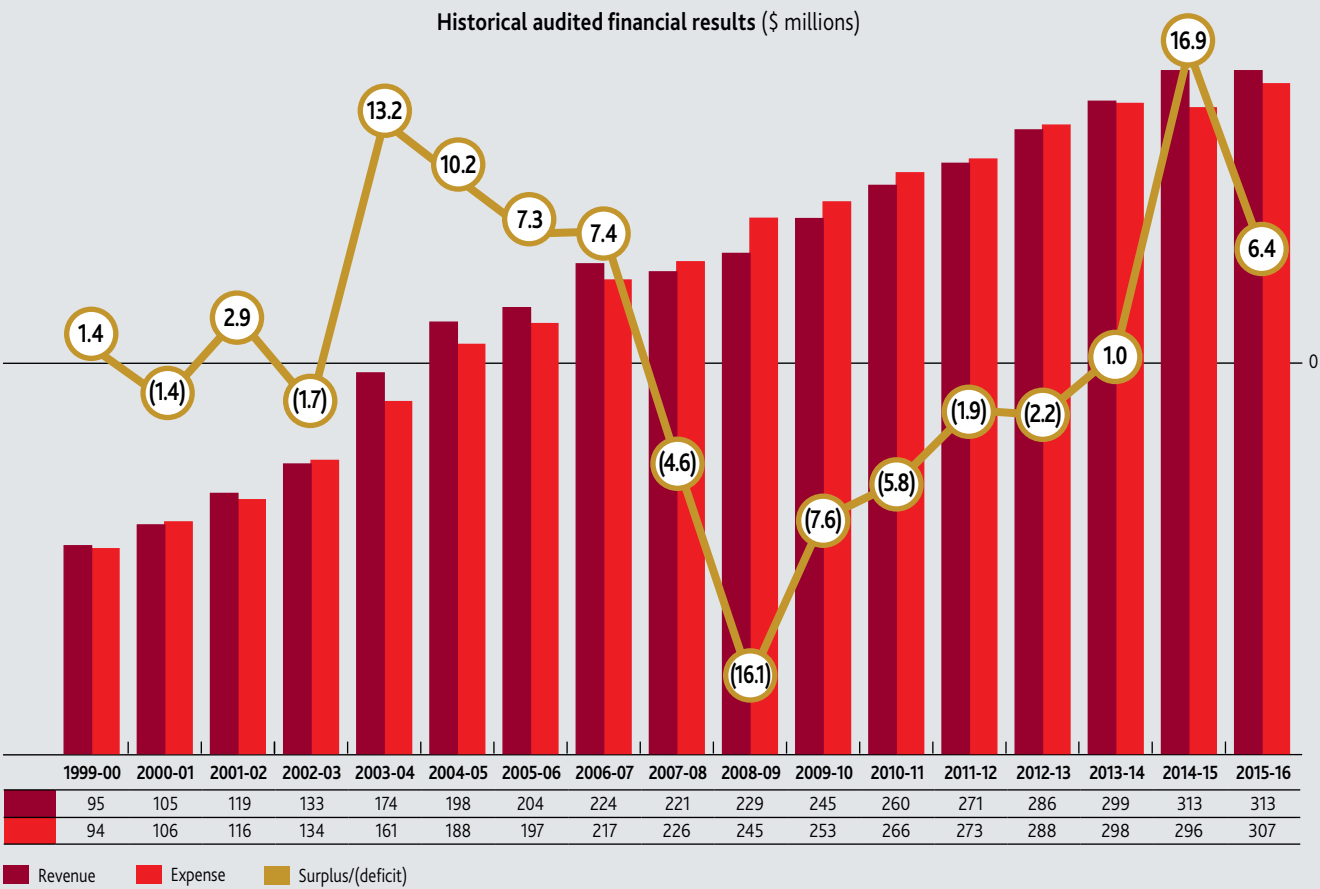


Historical timeline

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 2016-17 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 the 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 7



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 2015-16).

Space considerations

The following charts present two different ways of examining space at the University. Figure 9 details the space usage by category as of 2016, which was prepared for the Council of Ontario Universities’ Survey of Physical Facilities. Only 69 per cent of the University’s space is assignable to specific functions, while 31 per cent is non-assignable, meaning that it relates to items such as utility plants, corridors and hallways. Figure 10 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”.

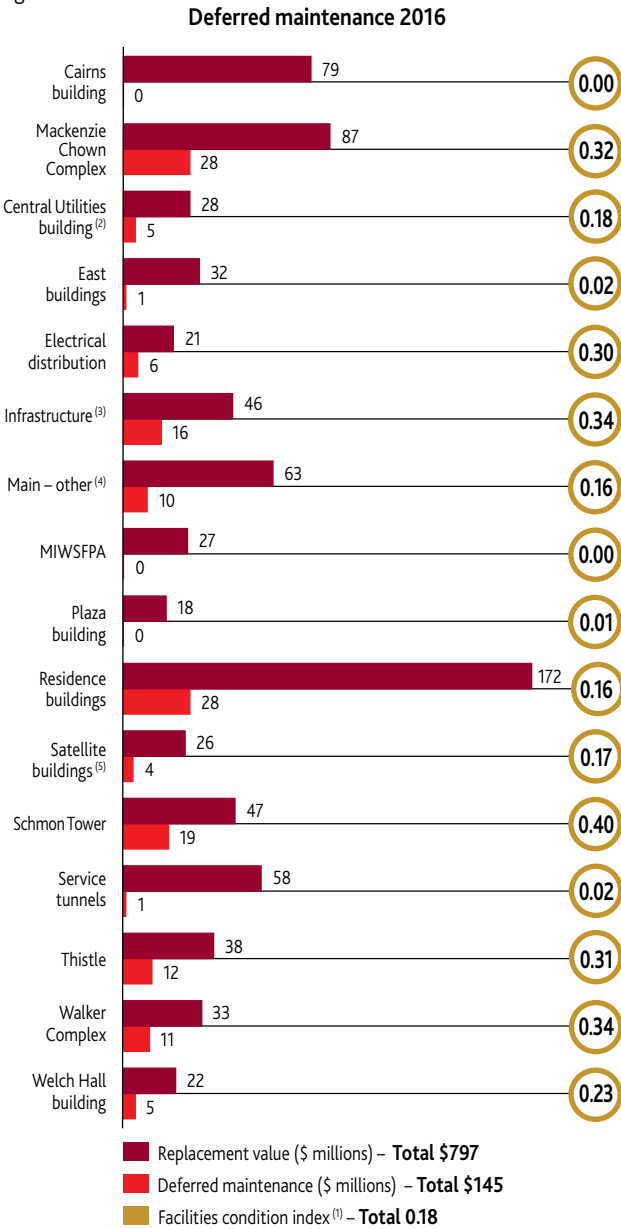
Figure 9

Space usage

| Category | Actual 2016 ⁽¹⁾ | |
|---|----------------------------|-------------|
| | Metres ² | % |
| Classroom facilities | 12,357 | 6% |
| Laboratory – undergraduate | 10,550 | 5% |
| Research laboratory space | 12,663 | 6% |
| Academic departmental office and related | 19,175 | 9% |
| Library facilities and library study space | 6,584 | 3% |
| Athletic/recreation space | 9,164 | 4% |
| Food service | 5,120 | 2% |
| Bookstore and other merchandising facilities | 1,436 | 1% |
| Plant maintenance | 2,544 | 1% |
| Central administrative office and related | 10,194 | 5% |
| Non-library study space | 4,580 | 2% |
| Central services | 3,550 | 2% |
| Health service facilities | 896 | 0% |
| Common use and student activity space | 1,494 | 1% |
| Assembly and exhibition facilities | 3,337 | 1% |
| Residential space | 48,202 | 22% |
| Animal space | 169 | 0% |
| Other University facilities | 2,291 | 1% |
| Health science clinical facilities | 686 | 0% |
| Net non-assignable square metres (NNASM) ⁽²⁾ | 68,129 | 31% |
| Total | 223,121 | 100% |

(1) Actual 2016 data was prepared for the Council of Ontario Universities’ Survey of Physical Facilities. The data is as of Nov. 1, 2016 and 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 10

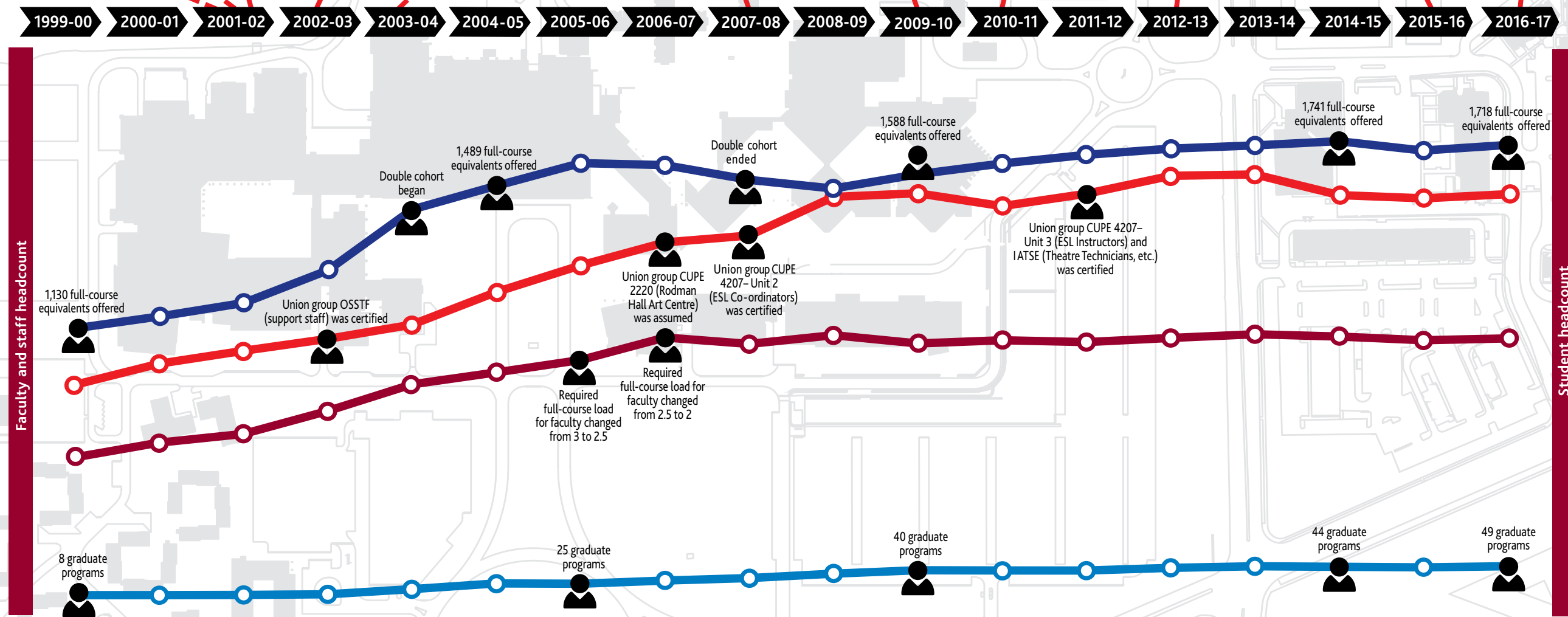


Source: VFA Asset List Report, 2010-2015
(1) Facilities Condition Index (FCI): Represents replacement value divided by deferred maintenance backlog.
(2) Central Utilities Building: Mainly relates to the Cogeneration Facility and also includes Facilities Management offices.
(3) Infrastructure: Includes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

Figure 8

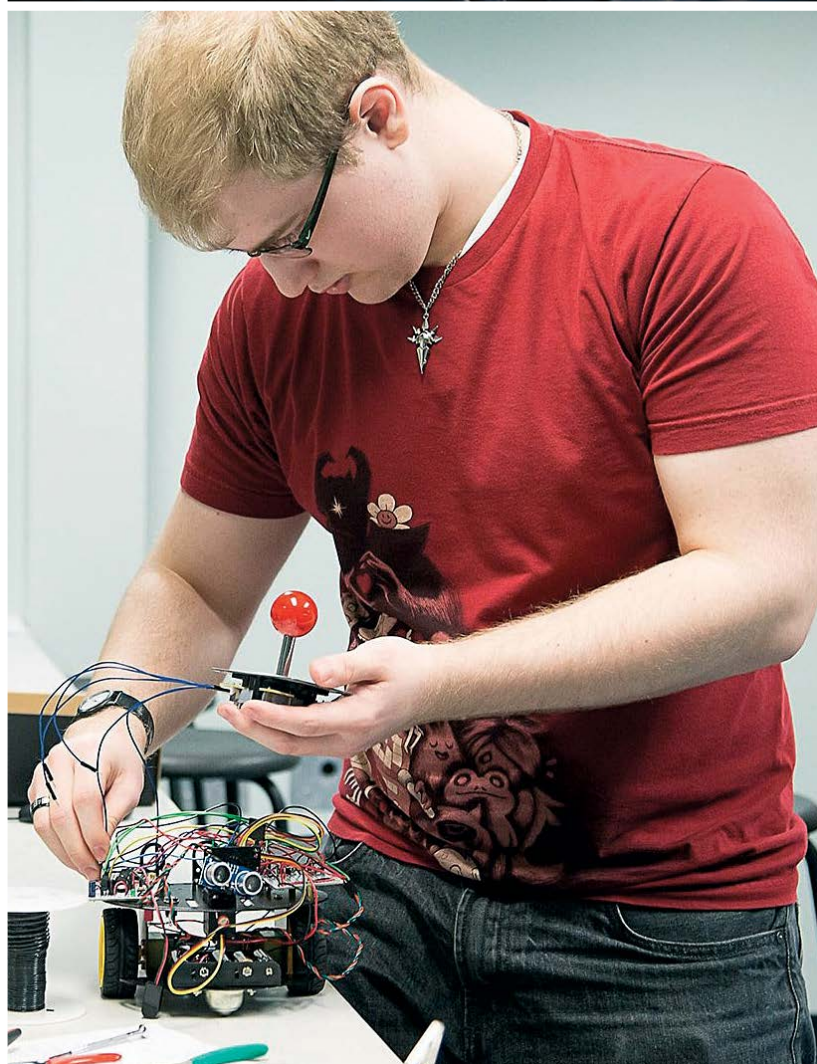


Historical timeline



| | | | | | | | | | | | | | | | | | | |
|---|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| Faculty and librarians | 348 | 380 | 399 | 449 | 507 | 533 | 560 | 609 | 595 | 614 | 596 | 603 | 599 | 608 | 616 | 611 | 603 | 607 |
| Ongoing staff | 506 | 552 | 580 | 606 | 637 | 708 | 766 | 816 | 831 | 915 | 923 | 895 | 922 | 961 | 964 | 919 | 912 | 921 |
| Staff to faculty and librarians ratio | 1.5 | 1.5 | 1.5 | 1.3 | 1.3 | 1.3 | 1.4 | 1.3 | 1.4 | 1.5 | 1.5 | 1.5 | 1.5 | 1.6 | 1.6 | 1.5 | 1.5 | 1.5 |
| Graduate headcount | 638 | 639 | 647 | 671 | 858 | 1,065 | 1,053 | 1,169 | 1,259 | 1,419 | 1,544 | 1,536 | 1,534 | 1,630 | 1,689 | 1,670 | 1,649 | 1,690 |
| Undergraduate headcount | 10,346 | 10,777 | 11,269 | 12,458 | 14,669 | 15,532 | 16,356 | 16,284 | 15,747 | 15,431 | 15,949 | 16,341 | 16,656 | 16,882 | 16,999 | 17,154 | 16,813 | 17,014 |
| Student to faculty and librarians ratio | 32 | 30 | 30 | 29 | 31 | 31 | 31 | 29 | 29 | 27 | 29 | 30 | 30 | 30 | 30 | 31 | 31 | 31 |

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 11 details the funding budget for 2017-18 in comparison to the 2016-17 budget and 2015-16 actual. Some reclassifications were made to the 2016-17 budget for comparison purposes when the funding deficit was not impacted. See Appendix C for reconciliation of these reclassifications.

Figure 11

| (\$000s) | 2017-18 Budget | 2016-17 Budget | 2015-16 Actual |
|------------------------------|-------------------|-------------------|-------------------|
| Revenue | | | |
| Student fees | 167,875 | 157,635 | 151,382 |
| Grant revenue | 96,326 | 92,152 | 93,201 |
| Internal chargebacks | 8,792 | 8,473 | 7,522 |
| Inter-fund revenue | 3,138 | 3,658 | 2,585 |
| Other revenue | 47,826 | 45,893 | 46,728 |
| Total revenues | 323,957 | 307,811 | 301,418 |
| Operating costs | | | |
| Personnel costs | (213,337) | (202,903) | (193,777) |
| Inter-fund expense | (18,192) | (18,785) | (17,700) |
| Other operating costs | (92,428) | (90,043) | (85,431) |
| Total operating costs | (323,957) | (311,731) | (296,908) |
| Mitigation target | | 3,920 | |
| Funding surplus | - | - | 4,510 |

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 \$167.9 million for 2017-18, which is detailed in Figure 12. Student fees are projected to increase by \$10.2 million over the 2016-17 budget and \$16.5 million as compared to 2015-16 actual.

Figure 12

| (\$000s) | 2017-18 Budget | 2016-17 Budget | 2015-16 Actual |
|---------------------------|-------------------|-------------------|-------------------|
| Tuition | 160,558 | 150,563 | 143,298 |
| Fee revenue | 7,317 | 7,072 | 8,084 |
| Total student fees | 167,875 | 157,635 | 151,382 |

Tuition revenue

Tuition revenue, defined as a fee charged for educational instruction, is budgeted to be \$160.6 million, \$10.0 million over the 2016-17 budget and \$17.3 million over 2015-16 actual.

Of the total tuition revenue, \$141.7 million (\$135.0 million in 2016-17) is budgeted in the University Global responsibility centre, the remaining \$18.9 million (\$15.5 million) is budgeted in the Faculties as well as Brock International. Figure 13 details the tuition revenue by program type, separated by where the tuition is reported. Overall, international student programs (ISPs) saw an increase of \$2.8 million over the 2016-17 budget, with the largest growth being in the International Masters of Business Administration program (IMBA) of \$1.9 million. This increase in IMBA revenue was driven both by rate increases and enrolment. See Appendix B for approved tuition fee increases.

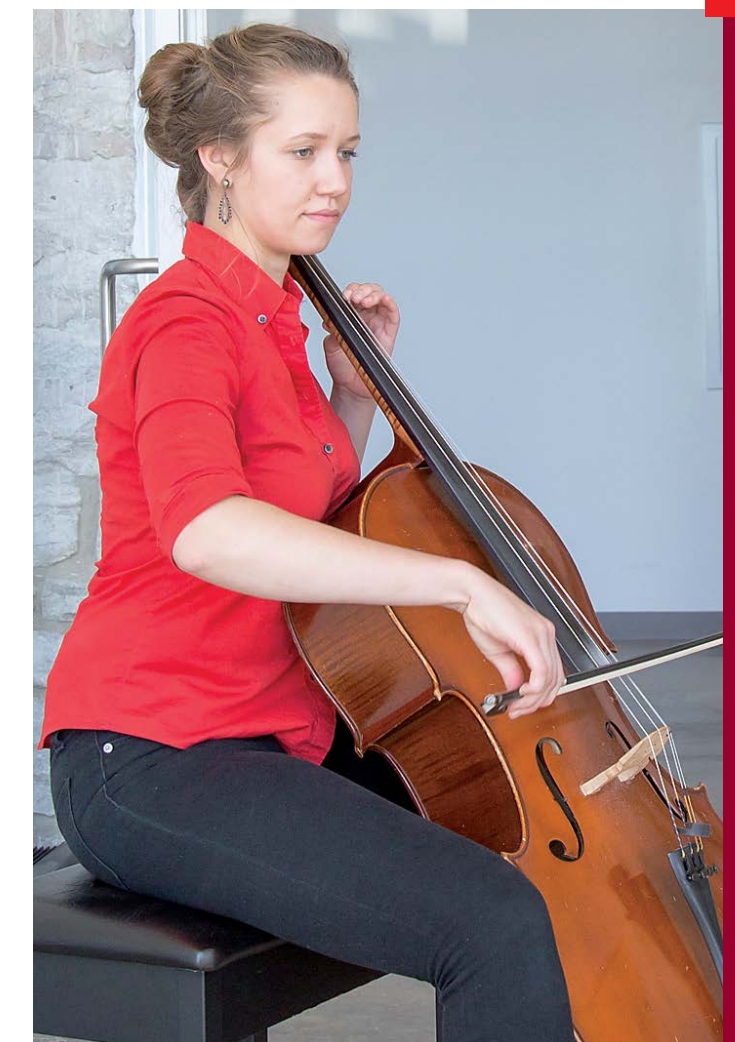


Figure 13

| (\$000s) | 2017-18 Budget | 2016-17 Budget | 2015-16 Actual | |
|---|----------------|----------------|----------------|-----|
| Total tuition revenue budgeted in University Global | | | | |
| | 141,667 | 135,035 | 127,953 | (1) |
| Tuition revenue budgeted in respective departments | | | | |
| Professional Master Preparation Certificate (Business) (PMPC) | 801 | 668 | 612 | (2) |
| International Master of Business Administration (IMBA) | 7,763 | 5,901 | 5,558 | (2) |
| International Master of Accountancy (IMAcc) | 1,835 | 1,762 | 1,450 | (2) |
| Master's Preparation Certificate in Education (MPCE) | 419 | 270 | 265 | (3) |
| International Master of Education (MEd) | 1,161 | 722 | 1,118 | (3) |
| Master of Arts Applied Linguistics (MA LING) | 147 | 147 | 163 | (4) |
| International Master of Science in Materials Science | 105 | | | (5) |
| Total international student programs (ISP)s | 12,231 | 9,470 | 9,166 | |
| Continuing Teacher Education – Additional Qualifications (AQ) | 950 | 662 | 952 | (3) |
| Center for Adult Education and Community Outreach (CAECO) * | 920 | 905 | 1,082 | (3) |
| Other Education programs | 199 | 99 | 74 | (3) |
| Intensive English Language Program (IELP) | 4,230 | 4,120 | 3,754 | (6) |
| Summer English Language Program (SELP) | 361 | 272 | 317 | (6) |
| Total other self-funded programs | 6,660 | 6,058 | 6,179 | |
| Tuition revenue budgeted in respective department | 18,891 | 15,528 | 15,345 | |
| Total tuition revenue | 160,558 | 150,563 | 143,298 | |

* 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) Brock International.



Figure 14

| (\$000s) | 2017-18 Budget | 2016-17 Budget |
|---|----------------|----------------|
| Tuition revenue budgeted in University Global | | |
| Undergraduate – domestic | | |
| Faculty of Applied Health Sciences | 23,486 | 21,556 |
| Goodman School of Business | 19,700 | 19,014 |
| Faculty of Education | 5,802 | 6,291 |
| Faculty of Humanities | 9,809 | 10,374 |
| Faculty of Mathematics and Science | 11,170 | 10,937 |
| Faculty of Social Sciences and undeclared arts | 30,605 | 30,513 |
| Other ⁽¹⁾ | 451 | 275 |
| Total undergraduate – domestic | 101,023 | 98,960 |
| Graduate – domestic | | |
| Faculty of Applied Health Sciences | 1,268 | 1,065 |
| Goodman School of Business | 1,508 | 1,131 |
| Faculty of Education | 1,179 | 1,322 |
| Faculty of Humanities | 493 | 485 |
| Faculty of Mathematics and Science | 693 | 704 |
| Faculty of Social Sciences | 2,699 | 2,449 |
| Total graduate – domestic | 7,840 | 7,156 |
| Total domestic | 108,863 | 106,116 |
| Undergraduate – international | | |
| Faculty of Applied Health Sciences | 1,420 | 997 |
| Goodman School of Business | 11,479 | 11,720 |
| Faculty of Education | 47 | 33 |
| Faculty of Humanities | 425 | 434 |
| Faculty of Mathematics and Science | 2,757 | 2,582 |
| Faculty of Social Sciences and undeclared arts | 9,640 | 9,733 |
| Other ⁽¹⁾ | 130 | 110 |
| Total undergraduate – international | 25,898 | 25,609 |
| Graduate – International | | |
| Faculty of Applied Health Sciences | 182 | 116 |
| Goodman School of Business | 1,379 | 1,510 |
| Faculty of Education | 120 | 76 |
| Faculty of Humanities | 141 | 117 |
| Faculty of Mathematics and Science | 1,392 | 881 |
| Faculty of Social Sciences | 692 | 610 |
| Total graduate – international | 3,906 | 3,310 |
| Total international | 29,804 | 28,919 |
| Retention target | 3,000 | - |
| Total tuition revenue budgeted in University Global | 141,667 | 135,035 |

(1) Includes letter of permission, non-degree students and auditors.

The increase in budgeted Global tuition of \$6.63 million over the 2016-17 budget is mainly a result of tuition rate increases. Figure 14 details this change by Faculty of major, segregated by graduate/undergraduate and domestic/international. Figure 15 reconciles the 2017-18 budgeted tuition from 2016-17.

Figure 15

2016-17 Budget \$135.0 million

- (\$0.8 million) – 2016-17 Budget to 2016-17 Actual (note: actual tuition was not yet finalized at the time of writing)
- \$5.7 million – Rate impact (\$3.4 million domestic and \$2.3 million international)
- (\$1.2 million) – Enrolment impact (\$0.8 million domestic undergrad and \$0.8 million international undergrad offset by a pickup in graduate enrolment \$0.2 million domestic and \$0.2 million international)
- \$3.0 million – Retention target tuition

2017-18 Budget \$141.7 million





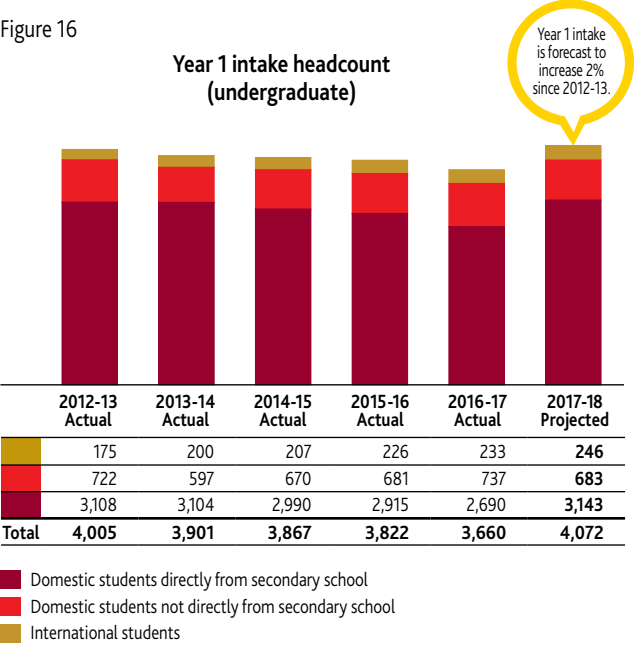
The process for budgeting tuition revenue consists of two key considerations – enrolment and fees.

i. Enrolment projections – undergraduate (initial assumption)

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 16 displays the headcount projections for undergraduate Year 1 (full-time) intake as compared to prior years.

Figure 16



Source: Enrolment Planning Model (EPM).

As shown in Figure 17, Brock's applications directly from secondary school increased by only 0.06 per cent, with the most notable increases in the Faculty of Humanities where applications increased 12.7 per cent year over year. The Goodman School of Business and the Faculty of Math and Science saw declines. Brock's applicants* for 2017-18 actually increased 2.2 per cent year over year.

Figure 17: Applications directly from secondary school

| Faculty | 2017-18 | 2016-17 | % Change |
|----------------------------|---------|---------|----------|
| Applied Health Sciences | 4,334 | 4,235 | 2.34% |
| Goodman School of Business | 3,124 | 3,361 | -7.05% |
| Humanities | 1,628 | 1,445 | 12.66% |
| Mathematics and Science | 2,180 | 2,117 | 2.98% |
| Social Sciences | 4,033 | 4,132 | -2.40% |
| Total applications | 15,299 | 15,290 | 0.06% |
| Total applicants* | 13,926 | 14,237 | 2.23% |
| Offer rate | 71% | | |
| Yield rate | 26% | | |
| Resulting intake | 2,689 | | |

Source: PowerBI Admissions dashboard.

Another promising trend is that first choice applicants* increased 8.7 per cent, with the Faculty of Mathematics and Sciences and the Faculty of Humanities, realizing more than a 20 per cent increase in first-choice applicants year over year. Growth in first-choice applicants* was also seen in strategic areas of experiential learning (e.g., Co-op, Concurrent Education), International students and local students. For Graduate Studies, early application numbers indicate an increase of 742 applications over last year (549 of which are international applications). There are also twice as many international offers already accepted relative to the same time last year.

As shown in Figure 16, intake targets used in the 2017-18 budget were increased compared to 2016-17 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 2017-18.

As more fully described in the Budget Environment section of this report, this year, through the introduction of the new online Enrolment Planning Management (EPM) tool, intake targets were established with collaboration and consultation with units across the University, including the Faculties.

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

* Note: Applicant information was obtained from Internal Application data as of Feb. 2, 2017 and is consistent with that reported in the Registrar's report to the Board of Trustees in March 2017.



undergraduate headcount. This retention behaviour is determined by reviewing historical enrolment patterns. As an example, Figure 18 shows the return or retention rates of students who entered the University directly from secondary school in 2015 into the 2016-17 year.

Figure 18

| 2016-17 domestic directly from secondary school cohort | # students | % students |
|--|------------|------------|
| Entered in 2015 as Year 1 | 2,863 | |
| Activity in 2016-17 | | |
| Returned full-time as a Year 1 student | 772 | 27% |
| Returned full-time as a Year 2 student | 1,699 | 59% |
| Returned as part-time Year 1 student | 34 | 1% |
| Returned as part-time Year 2 student | 24 | 1% |
| Not registered | 334 | 12% |
| Total | 2,863 | 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. See Appendix A for definitions of measures of enrolment.

Enrolment continues to be an area of pressure for Brock. Despite the increase in projected Year 1 intake headcount, the unadjusted enrolment forecast for 2017-18 indicated a decline in undergraduate headcount of 267 students versus actual enrolment experienced in 2016-17 due to historical retention and progression rates. This headcount decline is detailed in Figure 19, which also represents a decline of 151 FTEs and a decline in tuition revenue of \$1.2 million. Consequently, a deeper dive on enrolment occurred. It was noted our retention currently ranks 14th in the Province. As a result, an incremental tuition target of \$3 million was added to the budget. This additional \$3 million represents an increase in retention of three per cent, and translates to an increase in headcount of between 255, with 50 per cent being international students, and 390, with 20 per cent being international students. The plan for this improvement in retention is currently being finalized, with involvement from many areas throughout the University.

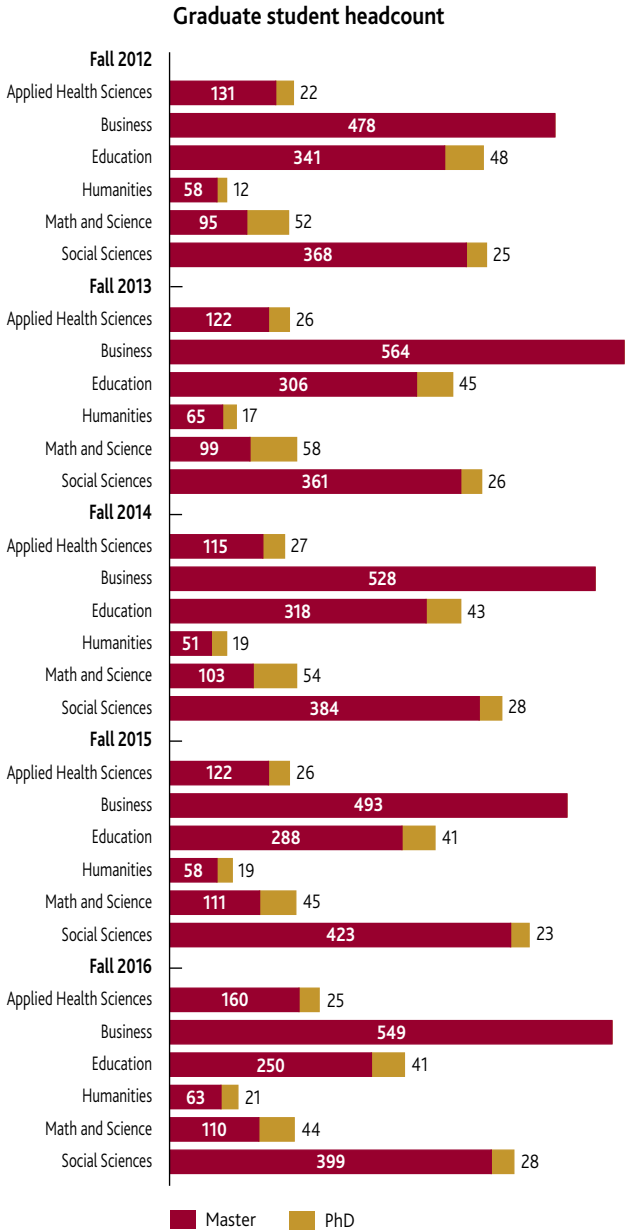
Figure 19: 2017-18 change in forecasted headcount over 2016-17 Actual

| Faculty | Domestic | International | Total | % change |
|---|----------|---------------|-------|----------|
| Faculty of Applied Health Sciences | 165 | (1) | 164 | 4.7% |
| Goodman School of Business | (19) | (4) | (23) | (0.8%) |
| Faculty of Education | (133) | | (133) | (9.2%) |
| Faculty of Humanities | (130) | (6) | (136) | (7.9%) |
| Faculty of Mathematics and Science | (39) | (15) | (54) | (2.9%) |
| Faculty of Social Sciences | (74) | (24) | (98) | (2.2%) |
| No Faculty | 13 | | 13 | 1.3% |
| Total unadjusted change over 2016-17 enrolment | (217) | (50) | (267) | (1.6%) |
| Adjusted enrolment forecast (20% international) | 390 | | 123 | 0.7% |
| Adjusted enrolment forecast (50% international) | 255 | | (12) | (0.1%) |

ii. Enrolment projections – graduate

Graduate headcount (not including ISPs) is forecasted to increase by two additional Master’s students and two additional PhD students versus actual enrolment experienced in 2016-17. The largest growth was seen in full-time domestic Master’s students in the Applied Health Sciences (up 10), Goodman School of Business (up 10), and Social Sciences (up 10), offset by declines in part-time domestic Master’s students in Education (down 17) and Social Sciences (down 13). Figure 20 details the historical graduate enrolment by Faculty (including ISPs).

Figure 20



iii. Fee and rate setting

Fee revenue is budgeted to be \$7.3 million, which is \$0.2 million higher than the 2016-17 budget and \$0.8 million under actual 2015-16. 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 2017-18 ancillary fees retained by the University on Dec. 1, 2016.

University administered ancillary fees are budgeted to be \$4.0 million in 2017-18, which is higher than the 2016-17 budget by \$0.2 million, due mainly to rate increases. The largest portion of the ancillary fees is the undergraduate Brock University Student Life Fee. This fee is budgeted to generate \$1.6 million in 2017-18 (\$1.6 million in 2016-17), with \$1.2 million reported as part of Brock Sports and \$0.4 million in Health Services. 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 \$1.5 million in the 2017-18 budget (\$1.4 million in 2016-17), and is reported in Brock Sports. The undergraduate health services fee is \$0.4 million in 2017-18 (\$0.4 million in 2016-17), and is reported in Health Services. The recreation facilities fee of \$0.2 million (\$0.2 million in 2016-17) is also reported as part of ancillary fees.

Total graduate ancillary fees are budgeted to generate \$0.3 million in 2017-18, an increase of \$0.01 million over the 2016-17 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 Brock Sports).

Other student fees of \$3.3 million were included as part of fee revenue in the 2017-18 budget (\$3.2 million in 2016-17).

Included as part of other student fees is the International Student Recovery Fee, which was introduced by the MAESD 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 \$1.0 million of revenue in 2017-18 (directly offset by a reduction in the Basic Operating Grant). The fee is reported as part of the University Global responsibility centre. In addition \$0.3 million related to this fee is shown as part of the tuition revenue for ISP programs. 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 \$1.4 million (\$1.2 million in 2016-17 budget) of co-op fees (reported in the Co-op Programs Office), and \$0.7 million (\$0.8 million in 2016-17 budget) of ESL ancillary fees for international students (reported in Brock International). 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, represents 30 per cent of total revenue (30 per cent in 2016-17 budget), and is budgeted to be \$96.3 million for 2017-18, which is detailed in Figure 21. Grant revenue increased \$4.2 million over the 2016-17 budget and \$3.1 million over actual 2015-16.

Figure 21

| (\$000s) | 2017-18 Budget | 2016-17 Budget | 2015-16 Actual |
|--|----------------|----------------|----------------|
| Operating grants | | | |
| Core Operating Grant | 82,000 | | |
| Differentiation Grant Envelope | 4,633 | | |
| Basic Operating Grant (including Teacher Education) | | 71,433 | 69,820 |
| Undergraduate Accessibility Fund | | 5,147 | 5,824 |
| Graduate Expansion Grant | | 2,307 | 2,019 |
| General Access and Quality Grant | | 3,769 | 3,719 |
| Performance Fund | | 700 | 762 |
| Provincial Research Overhead Infrastructure Envelope | | 140 | 147 |
| International Student Recovery | (1,465) | (1,465) | (1,052) |
| Nursing Grant | 2,813 | 2,716 | 2,797 |
| Total operating grants | 87,981 | 84,747 | 84,036 |
| Specific purpose grants | 8,345 | 7,405 | 9,165 |
| Total grant revenue | 96,326 | 92,152 | 93,201 |

Operating grants

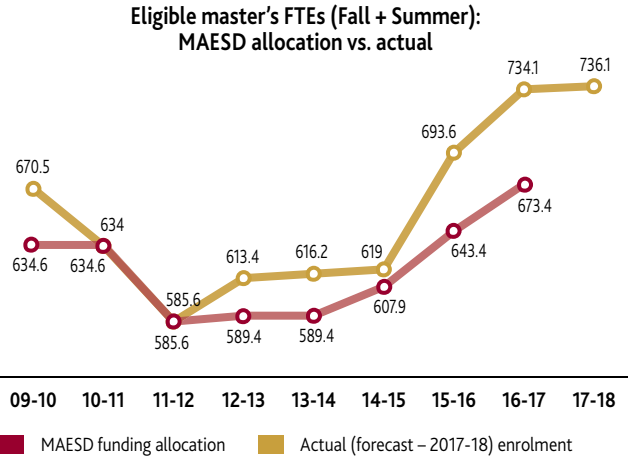
Operating grants represent 27 per cent of the total revenue (28 per cent in 2016-17 budget). Historically they have been general purpose and could be partially impacted by enrolment shifts. As discussed previously, the Ministry of Advanced Education and Skills Development (MAESD) recently introduced a new university funding model for 2017-18. Through this new model, a number of the operating grants received in prior years have effectively been combined and re-allocated into two new grants – the Core Operating Grant (COG) and the Differentiation Grant Envelope, as detailed in Figure 21. Please refer to the Budget Environment section of this report for further details on the background of these new grants.

Core Operating Grant (COG) and Differentiation Grant Envelope

As noted above, the following operating grants received in previous years will not continue as separate grants but will be reallocated to create the new COG and Differentiation Grant: the Basic Operating Grant, including the Teacher Education portion, the Undergraduate Accessibility Fund, the Graduate Expansion Grant, the General Access and Quality Grant, the Performance Fund, and the Provincial Research Overhead Infrastructure Envelope. This creates the new funding base for the 2017-18 year.

In general, the MAESD has stated that the funding base for 2017-18 will remain the same as actually received in 2016-17. For full details on the history of Brock's operating grants please refer to the 2016-17 Budget Report. For 2017-18 this funding base is budgeted to be \$86.6 million, and is reported in the University Global responsibility centre. At the time of preparing this report, our current estimate of the above-noted operating grants to be received in 2016-17 is \$85.3 million. The pick-up in grant revenue versus 2016-17 is related to graduate students and is currently being negotiated with the MAESD through the SMA process. Figures 22 and 23 detail Brock's master's and PhD FTEs for the past eight years, as well the funding allotments used to determine the Graduate Expansion grant up until 2016-17. It is currently estimated that in 2016-17 there will be 60.7 unfunded master's FTEs, and 19.9 unfilled PhD allotments. These unfunded master's and unfilled PhDs are part of the current negotiations with the MAESD. If the results of these negotiations are not sufficient, further negotiations with the MAESD regrading other grants may be required to fill this funding gap.

Figure 22



Calculation of the COG:

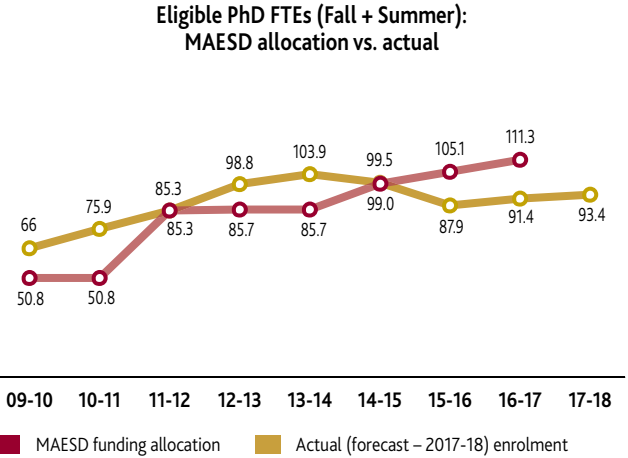
As part of the reform, a new measure of enrolment for each program type was created, termed weighted grant units (WGU). The WGU per undergraduate program ranges from one for general arts to 12.9 for Medicine. Each university's WGUs multiplied by the rate per WGU for 2017-18 of \$2,912 determines the COG for 2017-18, based on preliminary information provided by the MAESD in early 2017. The difference between this calculated COG and the funding base represents the university's Differentiation Grant Envelope. For Brock, the COG is budgeted to be \$82 million and the Differentiation Grant Envelope is budgeted to be \$4.6 million. It is important to note that, based on information provided to universities by the Province in early 2017, Brock is the lowest funded university in the province. Please refer to the Budget Environment section of this report for further details.

MAESD has asserted that the COG will deliver a predicable and stable level of funding for each institution through a corridor system, beginning in 2017-18. This corridor system means that changes to enrolment within a range of +3 per cent and -3 per cent will not change the funding level for at least three years. At which point, a new Strategic Mandate Agreement will be set and changes to this grant can be negotiated. Therefore, it is important to understand that this means there is no automatic additional funding for incremental increases in enrolment for at least the next three years.

International Student Recovery

In 2013-14, the MAESD 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

Figure 23



reduction in operating grants continues in the university funding model. This reduction, budgeted for 2017-18, is \$1,465,000, consistent with the 2016-17 budget and reported in the University Global responsibility centre.

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 2016-17 FTEs. Using this method, the grant is expected to be \$2,813,000, an increase of \$97,000 over the 2016-17 budget and \$16,000 more than the grant actually received in 2015-16.



Specific-purpose grants

The University receives a number of grants, mainly funded by the provincial or federal governments, for specific purposes which are detailed in Figure 24.

Figure 24

| (\$000s) | 2017-18 Budget | 2016-17 Budget | 2015-16 Actual |
|--|-------------------|-------------------|-------------------|
| Specific-purpose grants | | | |
| Research Support Fund | 1,750 | 1,780 | 1,711 |
| Facilities Renewal Program Funds | 1,298 | 864 | 864 |
| Grant in Lieu of Municipal Taxation | 1,081 | 1,080 | 1,098 |
| Graduate Enrolment Capital Expansion Grant | 750 | 750 | 750 |
| Access Fund for Students with Disabilities | 515 | 585 | 585 |
| First Generation Project Grant | 440 | 440 | 433 |
| Other grants | 2,511 | 1,906 | 3,724 |
| Total specific purpose grants | 8,345 | 7,405 | 9,165 |

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 2017-18, which is \$30,000 less than the 2016-17 budget and is reported as part of the Office of Research Services.

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.

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 2017-18 is \$1,298,000, which is \$434,000 greater than the 2016-17 budget and the amount actually received in 2015-16. The FRP funds were allocated as part of the total \$7.1 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 MAESD announced an additional \$44.1 million in one-time FRP top-up funding which has been administered in 2016-17. Brock’s portion of this funding is \$956,000. This one-time funding was used in the funding of the Brock DEEP project.

Grant in Lieu of Municipal Taxation

The MAESD 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. The 2017-18 tax payments are budgeted to be \$1,216,000 (2016-17 actual payment was \$1,167,000)

and the grant is budgeted to be \$1,081,000 (2016-17 actual grant received was \$1,081,000); therefore, \$135,000 is budgeted to be unfunded through this grant. 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.

Graduate Enrolment Capital Expansion Grant

The MAESD 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 2017-18, the grant is expected to be \$750,000, based on FTEs projected in 2017-18. 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 MAESD 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 2017-18 is expected to be \$515,000, which is a decrease of \$70,000 over the 2016-17 budget. The grant revenue related to the Access Fund for Students with Disabilities is shown as part of Student Wellness and Accessibility.

First Generation Project Grant

The MAESD 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 Success Centre.

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 MAESD supports Aboriginal students through funding for student support initiatives, academic enrichment and partnership initiatives. The 2017-18 budget for this funding is \$336,000, which is reported in Student Success Centre.
 - The Credit Transfer Institutional Grant, also funded by the MAESD, funds support for post-secondary education transfer mobility initiatives. The 2017-18 budget for this funding is \$205,000, which is reported in The Office of the Registrar.
 - The eCampus Ontario grant funded by the Ontario government will help the University to create an online four-year bachelor’s degree program in Adult Education. The 2017-18 budget for this grant is \$250,000 and is reported in Centre for Pedagogical Innovation.
 - The Net Tuition Implementation grant funded by MAESD will assist the University in preparing for the new net tuition system. The 2017-18 budget for this grant is \$150,000, which is reported in University Global.
 - Also included in other specific-purpose grants are the following: funding from the Government of Ontario’s Oncampus Entrepreneurship Activities program,

provincial student bursaries, Women’s Campus Safety grant (MAESD) and other smaller special grants. The revenue related to these grants is shown as part of a number of departments, including the Goodman School of Business, the Scholarship, Bursaries and Student Awards responsibility centre, Student Wellness and Accessibility, Brock International, Faculty of Humanities, etc.

- In addition to the grants detailed above, the MAESD provides two-third funding for the following scholarships:
- Ontario Trillium Scholarships in the amount of \$213,000 – in 2017-18.
 - Queen Elizabeth II Ontario Graduate Scholarships – in the amount of \$580,000 in 2017-18.
 - Note: These two grants and their offsetting scholarship expenses are included in the Scholarship, Bursaries and Student Awards responsibility centre.

Included in the other grants in 2015-16 (\$1,506,000) was the Teacher 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 or goods received from other units. The offsetting expenses are within operating costs of those units that received the service. Internal chargeback revenue is budgeted to be \$8.79 million in 2017-18:
- Charges for utilities mainly to the Department of Residence of \$1,455,000 (\$1,359,000 in 2016-17).
 - Printing and photocopying of \$1,300,000 (\$1,340,000 in 2016-17).
 - Information Technology Services of \$364,000 (\$470,000 in 2016-17), mainly to the Department of Residence.
 - Facilities Management Services of \$569,000 (\$607,000 in 2016-17).
 - Postage services of \$234,000 (\$260,000 in 2016-17).
 - Stationary chargebacks \$256,000 (\$303,000 in 2016-17).
 - Goods from the Campus Store of \$125,000 (Campus Store internal chargeback revenue was not separately budgeted for in 2016-17).
 - Parking Services of \$86,000 (\$69,000 in 2016-17).
 - Faculty of Mathematics and Science charges for Machine and Electronic Shop and Mass Spectrometer/Nuclear Magnetic Resonance charges of \$74,000 (\$41,000 in 2016-17).

- Also included in internal chargebacks are inter-departmental transfers of funds to support operations. Included in the 2017-18 budgeted internal chargebacks are the following:
- Funding of the Department of Residence and Parking Services’ portions of the capital budget in the amount of \$2,795,000 and \$410,000 respectively (\$2,726,500 and \$400,000 in 2016-17 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 \$417,000 (\$465,000 in 2016-17) transfer of funds to the Co-op, Career and Experiential Education unit is included in the 2017-18 internal chargebacks.
 - Additional inter-departmental transfers include transfers to University Global from the Faculties in the amount of \$335,000 relating to the International Student Recovery Fee for international student programs and transfers from ESL to Health Services and Athletics and Recreation of \$28,000 respectively for ancillary fees.
- Inter-fund revenue**
- Inter-fund revenue represents transfers from various funds, including reserves, to support operating activities. Inter-fund revenue is budgeted to be \$3.14 million in 2017-18:
- Spending allocations from the Marilyn I. Walker School of Fine and Performing Arts Endowment Fund (\$417,000) and Goodman Family Foundation’s donation (\$729,000).
 - Transfers from Canada Research Chairs’ grants from the Government of Canada to fund a portion of the salaries of the Chair holders (\$997,000).
 - Transfer from the Provost Strategic Initiative Fund for recruitment, relocation and start-up costs of new faculty members (\$699,000).
 - Recovery from the endowment fund for costs directly related to the administration of the endowment funds (\$241,000).

Other revenue

Other revenue comes from ancillary operations, including residence fees, investment income and sales and services, and represents 15 per cent of total revenue. As detailed in Figure 25, other revenue is budgeted to be \$47.8 million, an increase of \$1.9 million over the 2016-17 budget and an

increase of \$1.1 million over 2015-16 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 25

| (\$000s) | 2017-18 Budget | 2016-17 Budget | 2015-16 Actual |
|--------------------------------|-------------------|-------------------|-------------------|
| Residence fees | 17,073 | 16,688 | 16,192 |
| Other ancillary revenue | 17,803 | 17,376 | 16,084 |
| Total ancillary revenue | 34,876 | 34,064 | 32,276 |
| Investment income | 1,201 | 1,087 | 971 |
| Sales and services | 11,749 | 10,742 | 13,481 |
| Total other revenue | 47,826 | 45,893 | 46,728 |

Investment income

Investment income represents the interest that the University receives on short-term investments of \$900,000 (\$800,000 in 2016-17). The increase in short-term investment income over the 2016-17 budget is the result of the experience in student payment behaviours over the last year. Also included in investment income is the interest on the sinking fund investments of \$301,000 (\$287,000 in 2016-17). This sinking fund interest, net of administration fees, is transferred to an internally restricted reserve as part of inter-fund expenses. Note: The revenue and expense related to the Sinking fund for 2015-16 actual was netted in operating costs.

Sales and services

Income generated from sales and services represents a wide variety of sources, including the following: Youth University program fees; Ontario University Application Centre revenue; fees charged on student accounts, including interest; affinity revenue; recreation and athletic fee revenue, including aquatic centre revenue (including instructional fees), intramural fees and Zone memberships; administrative “fees-for-service,” including transcript printing fees, applications to graduate to cover gown rentals, letters of permission and graduate studies application fees; health insurance reimbursement; sponsorship revenue; rental income (e.g. Heritage Place Plaza); chargebacks to external units, including utilities; contributions from the pension plan for pension-related expenses; revenue from programs such as Smart Start, BOOST, Centre for Innovation, Management and Enterprise Education (CIMEE), and international learning programs; student printing fees and instructional manual sales; fees for landlords to advertise on Brock’s off campus-living website; as well as donation revenue.

Figure 26

| Personnel group ⁽¹⁾ (\$000s) | 2017-18 Budget | | | 2016-17 Budget | | |
|--|----------------|---------------|-----------------------|----------------|---------------|-----------------------|
| | Salary/wage | Benefits | Total personnel costs | Salary/wage | Benefits | Total personnel costs |
| Faculty and professional librarians | 88,600 | 19,448 | 108,048 | 86,347 | 16,420 | 102,767 |
| Admin/professional | 40,140 | 10,444 | 50,584 | 38,453 | 9,496 | 47,949 |
| CUPE 4207 – Unit 1 | 13,409 | 1,446 | 14,855 | 12,459 | 1,379 | 13,838 |
| OSSTF | 8,305 | 2,521 | 10,826 | 8,728 | 2,574 | 11,302 |
| CUPE 1295 FT | 6,803 | 2,240 | 9,043 | 6,685 | 2,156 | 8,841 |
| SAC | 4,627 | 929 | 5,556 | 4,282 | 791 | 5,073 |
| Other | 13,308 | 2,017 | 15,325 | 12,231 | 1,802 | 14,033 |
| Total | 175,192 | 39,045 | 214,237 | 169,185 | 34,618 | 203,803 |
| Transfer to employee future benefits reserve (EFB) | | (900) | (900) | | (900) | (900) |
| Total personnel | 175,192 | 38,145 | 213,337 | 169,185 | 33,718 | 202,903 |

(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 and stipend transfers.

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.

Personnel costs

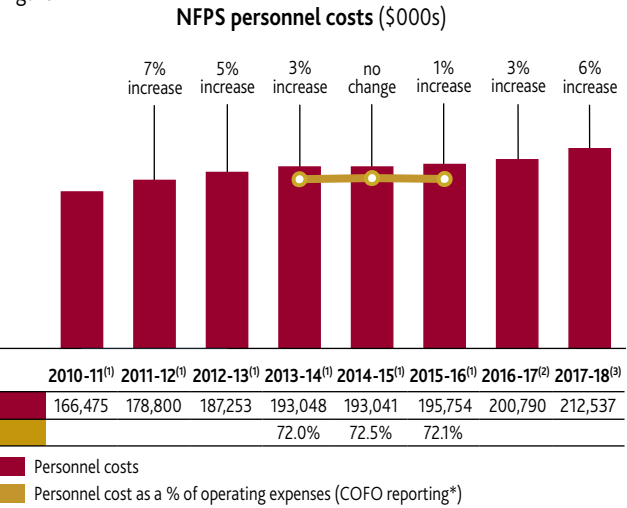
Personnel costs include both salaries/wages and benefits and represent 66 per cent of the total funding budgeted costs. If capital, debt and related non-day-to-day expenses are excluded personnel costs equal 72 per cent of operating costs. * Personnel costs are budgeted to be \$213.3 million, an increase of \$10.4 million from the 2016-17 budget and \$19.6 million from 2015-16 actual.

Benefit costs include employer contributions to the Brock University Pension Plan, dental, medical and statutory taxes (CPP, EI, EHT and WSIB). These benefit costs have been increasing, as many of these costs are a percentage of the employees’ base salary and are impacted by inflationary factors. Included in benefit costs is funding of the Brock University Pension Plan obligation. The 2017-18 additional payment required for the pension is budgeted to be \$4.0 million (\$1.7 million in 2016-17). Also included in the 2017-18 benefit costs is an allocation for the \$900,000 (\$900,000 in 2016-17) post-retirement benefits reserve.

Figure 26 details personnel costs by employee group and Figure 27 shows personnel costs since 2010-11.

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

Figure 27



(1) Represents figures prepared in accordance with Canadian generally accepted accounting principles for not-for-profit organizations NFPS (2009-10 to 2010-11), in accordance with Canadian accounting standards for not-for-profit organizations (2011-12 to 2015-16), and have been audited by KPMG LLP (independent auditors). 2015-16 figure includes a reclassification between operating expenses and salaries and benefits made for comparative purposes.
(2) Represents trimester two forecast figures.
(3) Represents budget figures.

* Note: The Fiscal Framework identifies that 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.

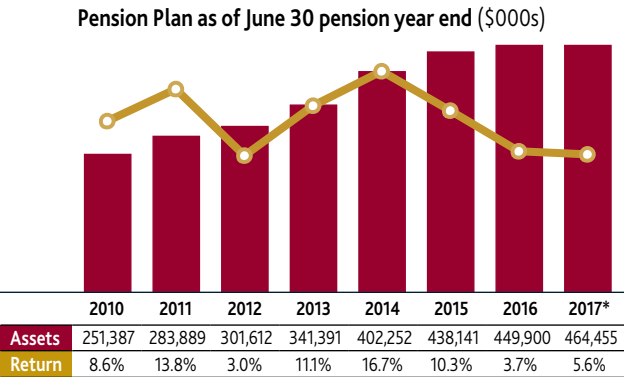
Employee future benefits

Employee future benefits comprise the University’s pension and retirement benefits received by employees post-retirement. The audited financial statements at April 30, 2016 reported a \$22.5-million liability (\$1.7 million related to the pension obligation and \$20.8 million related to post-retirement benefits), which compares to a liability of \$5.0 million found on Brock’s balance sheet 10 years prior to this date.

i. 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 28. 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 is currently planned for July 1, 2017. In preparation, we performed a valuation estimate at Jan. 1, 2017 on the pension plan, testing various assumptions on discount rates and salary growth. These estimates returned going concern deficits ranging from \$12.0 million to \$19.0 million, which compares to a going concern deficit of \$3.6 million at July 1, 2014. The funding shortfall has increased due to the reduction in the discount rate assumption from 6.0 per cent to 5.5 per cent ; however, somewhat mitigated due to pension fund asset performance being greater than expected (ie. 16.2 per cent for the period from July 1, 2014 to Jan. 1, 2017 compared with the assumed 15.7 per cent). These estimates suggested Brock would require approximately \$2.0 million, as compared to \$0.4 million in 2016-17 in additional annual contributions into the pension plan to amortize the going

Figure 28



*Forecast based on Actuals as of Feb. 28, 2017.

concern deficit once the new valuation is filed July 1, 2017. This additional \$2.0 million was factored into the 2017-18 budget. The valuation estimates also considered funding from a solvency basis. Pension plans with a solvency ratio of 0.85 or less are required to file annual valuations instead of triennial valuations. The pension plan has an estimated solvency ratio of 1.06, as such, the next valuation after July 1, 2017 would be required by July 1, 2020. 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, 2016 was \$20.8 million. Figure 29 describes the nature of these future obligations.

Figure 29

| Employee future benefits (as at April 30, 2016) | (\$000s) |
|---|---------------|
| Retiree benefits | 2,704 |
| Health care spending account | 11,943 |
| Retirement allowance benefits | 1,207 |
| Sick leave | 484 |
| Disability | 4,492 |
| Total | 20,830 |

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.

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), including inter-fund expense, represent 34 per cent of the total budgeted expenditures of the University. Operating costs increased \$1.8 million over the 2016-17 budget and \$7.5 million over 2015-16 actual. Operating costs have been segregated into nine categories. See Figure 30 for a breakdown by category for both the 2017-18 and 2016-17 budgets. Please note that there have been changes in the classifications of certain types of expenses as compared to the categories presented in the 2016-17 Budget Report. Refer to Appendix C for details.

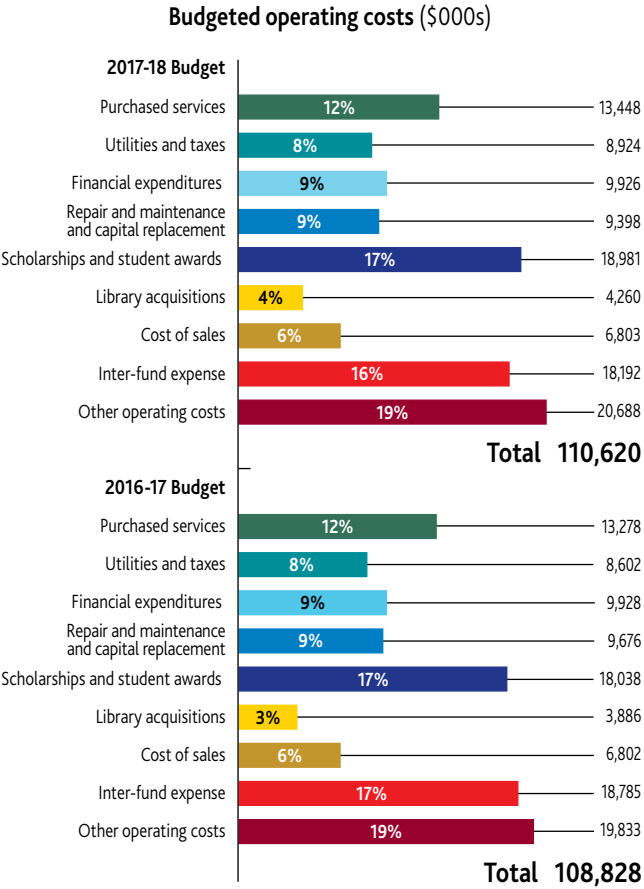
Purchased services

Purchased services include the following: international recruitment agent commissions, residence annual lease payments (Quarryview and Gateway), security services, the payment to the St. Catharines Performing Arts Centre, facilities outside contractors (i.e. custodial and maintenance, etc), foodservice, physician and counselling services, consulting, legal and audit fees and other professional fees, and contracted services. In 2016-17, the payment to Rodman Hall was also included in purchased services.

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, \$7.01 million (\$6.75 million in 2016-17), are reported in the Utilities, Taxes and Insurance responsibility centre. In addition, utility expenses of \$0.61 million (\$0.57

Figure 30



million in 2016-17), are directly reported in specific units, the majority of which is reported in the Department of Residence (\$0.57 million in 2017-18 and \$0.55 million in 2016-17) as well as Heritage Place Plaza and Faculty of Humanities (Rodman Hall). See page 14 for a breakdown of the net utilities costs by type.

Utilities and taxes includes \$1.29 million (\$1.28 million in 2016-17) related to municipal tax, of which the majority is reported in the Utilities, Taxes and Insurance responsibility centre. See page 34 for further discussion on property taxes and the offsetting Grant in Lieu of Municipal Taxation.

Financial expenditures

The financial expenditures included in the 2017-18 budget represent both the interest and principal payments of the University’s external debt, of which \$4.43 million (\$4.43 million in 2016-17) is reported in the Department of Residence and \$5.14 million (\$5.16 million in 2016-17) is reported in the Financing responsibility centre. Refer to the

Financing section on page 72 for a detailed discussion. Also included here are banking charges of \$0.3 million (\$0.3 million in 2016-17), which are spread throughout units in the University.

Repairs and maintenance and capital replacement

Repairs and maintenance and capital replacement costs include \$5.04 million (\$5.26 million in 2016-17) of costs related to performing routine activities related to the maintenance of devices, building and grounds, repairs of devices, buildings and grounds and their related supplies. Also included are \$4.36 million (\$4.42 million in 2016-17) of furniture, equipment and software, and license purchases that are not included in any projects within the capital and related project budget.

Scholarships and student awards

Undergraduate entrance scholarship funding, financial-need bursaries and other student awards are budgeted to be \$11.45 million in 2017-18 (\$10.74 million in 2016-17). The majority of these undergraduate student awards, \$9.68 million (\$8.96 million in 2016-17), are reported in the Scholarships, Bursaries and Student Awards (SBSA) responsibility centre. In addition, included in the undergraduate student awards are \$1.49 million (\$1.49 million in 2016-17) of student tuition waivers, also budgeted SBSA responsibility centre. Refer to page 73 for further discussion. The remaining \$0.28 million (\$0.29 million in 2016-17) 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 \$7.53 million (\$7.30 million in 2016-17), the majority of which – \$7.00 million (\$6.80 million in 2016-17), is reported in the SBSA responsibility centre. In addition, included in the graduate student awards are \$0.15 million (\$0.15 million in 2016-17) of student tuition waivers, also budgeted SBSA responsibility centre. Refer to page 74 in the Responsibility Centre snapshots section for further discussion. The remaining \$0.38 million (\$0.35 million in 2016-17) is reported in a number of units throughout the University, including the Goodman School of Business.

Note: Scholarships and student awards do not include scholarships and awards available from endowments, estimated at \$1.79 million in 2017-18 (\$1.46 million in 2016-17).

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.

Inter-fund expense

Inter-fund expenses represent transfers from the operating budget to other funds within the University. Included in this category is the funding related to the capital and related project budget of \$12.13 million (\$12.31 million in 2016-17) as outlined on pages 79-81 of this report. The capital and related project budget includes the deferred maintenance spending of \$7.1 million, which includes the Facilities Renewal Program funds of \$1.3 million, as well as other capital and related projects. The related interest and principal payments are included as part of the financial expenditures category. Also included in this category are transfers from the Financing responsibility centre to the debt repayment reserve of \$1.02 million (\$0.75 million in 2016-17) and to the sinking fund of \$0.30 million (\$0.29 million in 2016-17); transfers of \$1.24 million (\$2.00 million 2016-17) from Research Services to the research with no external obligation fund for funding of transdisciplinary hubs, CCOVI, the Centre for Lifespan Development, the Niagara Community Observatory and the Match of Minds program; transfers of \$1.31 million (\$1.62 million in 2016-17) from the Faculties, the Library and other units for professional expense reimbursements (PER) and accountable allowances; and a transfer of \$0.9 million (\$0.9 million in 2016-17) to the employee future benefits reserve.

Other operating costs

Other operating costs represent all other costs not included in the above eight categories, including internal chargeback expenses, travel costs, marketing and adverting expenses, other materials and supplies, membership dues and subscriptions, hospitality costs, postage and courier charges, professional development and training, practicum payments, printing and duplicating costs, conference fees, bad debt expense and other costs.

Funding budget by responsibility centre

Figure 31 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 47. (Note: Certain reclassifications were made to the 2016-17 budget as compared to the figures presented in the 2016-17 Budget Report. See Appendix C for the details of these reclassifications.)

Figure 31: Funding budget by responsibility centre

| (\$000s) | 2017-18 Budget | | | | 2016-17 Budget | | | | Difference 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 | 340 | (20,295) | (839) | (20,794) | 174 | (19,186) | (750) | (19,762) | (1,032) | 48 |
| Goodman School of Business | 11,870 | (26,026) | (4,040) | (18,196) | 9,667 | (24,760) | (3,889) | (18,982) | 786 | 49 |
| Faculty of Education | 4,021 | (16,926) | (1,887) | (14,792) | 2,837 | (16,293) | (1,869) | (15,325) | 533 | 50 |
| Faculty of Humanities | 616 | (20,477) | (1,165) | (21,026) | 410 | (20,346) | (1,301) | (21,237) | 211 | 51 |
| Faculty of Mathematics and Science | 658 | (21,005) | (740) | (21,087) | 131 | (20,441) | (786) | (21,096) | 9 | 52 |
| Faculty of Social Sciences | 432 | (35,517) | (1,179) | (36,264) | 119 | (34,922) | (1,305) | (36,108) | (156) | 53 |
| Total Teaching Faculties | 17,937 | (140,246) | (9,850) | (132,159) | 13,338 | (135,948) | (9,900) | (132,510) | 351 | |
| Academic Support | | | | | | | | | | |
| Faculty of Graduate Studies | 310 | (1,284) | (256) | (1,230) | 260 | (1,354) | (188) | (1,282) | 52 | 54 |
| Library | 78 | (4,888) | (4,802) | (9,612) | 85 | (4,845) | (4,486) | (9,246) | (366) | 54 |
| Research Services | 1,986 | (1,545) | (1,644) | (1,203) | 2,116 | (1,560) | (2,338) | (1,782) | 579 | 55 |
| Centre for Pedagogical Innovation | 280 | (849) | (316) | (885) | 23 | (792) | (180) | (949) | 64 | 56 |
| Total Academic Support | 2,654 | (8,566) | (7,018) | (12,930) | 2,484 | (8,551) | (7,192) | (13,259) | 329 | |
| Student Specific | | | | | | | | | | |
| The Office of the Registrar | 2,034 | (3,941) | (1,115) | (3,022) | 2,002 | (3,653) | (1,083) | (2,734) | (288) | 57 |
| Student Life and Community Experience | 219 | (690) | (228) | (699) | 343 | (837) | (322) | (816) | 117 | 57 |
| Student Wellness and Accessibility | 2,409 | (2,685) | (1,145) | (1,421) | 2,261 | (2,673) | (939) | (1,351) | (70) | 58 |
| Student Success Centre | 962 | (1,323) | (163) | (524) | 831 | (1,252) | (132) | (553) | 29 | 59 |
| Brock International | 5,760 | (4,927) | (2,273) | (1,440) | 5,766 | (4,332) | (1,872) | (438) | (1,002) | 59 |
| Co-op, Career and Experiential Education | 1,924 | (3,006) | (387) | (1,469) | 1,973 | (2,830) | (374) | (1,231) | (238) | 60 |
| Brock Sports | 5,850 | (4,229) | (2,470) | (849) | 5,311 | (3,856) | (2,343) | (888) | 39 | 61 |
| Total Student Specific | 19,158 | (20,801) | (7,781) | (9,424) | 18,487 | (19,433) | (7,065) | (8,011) | (1,413) | |

Figure 31 continued

| (\$000s) | 2017-18 Budget | | | | 2016-17 Budget | | | | Difference of "Net" amounts | Page ref. |
|---|----------------|-----------------|---------------------|----------|----------------|-----------------|---------------------|----------|-----------------------------|-----------|
| | Revenue | Personnel costs | Non-personnel costs | Net | Revenue | Personnel costs | Non-personnel costs | Net | | |
| Shared Services | | | | | | | | | | |
| Leadership | | (2,609) | (526) | (3,135) | | (2,659) | (500) | (3,159) | 24 | 62 |
| Information Technology Services | 458 | (5,889) | (2,224) | (7,655) | 581 | (6,098) | (1,878) | (7,395) | (260) | 62 |
| Financial Services | 183 | (2,553) | (441) | (2,811) | 130 | (2,764) | (446) | (3,080) | 269 | 63 |
| Human Resources | 257 | (3,364) | (782) | (3,889) | 220 | (3,320) | (762) | (3,862) | (27) | 63 |
| Marketing and Communications | 15 | (1,157) | (1,132) | (2,274) | 315 | (1,148) | (1,139) | (1,972) | (302) | 64 |
| Development and Alumni Relations | 655 | (1,686) | (619) | (1,650) | 726 | (1,656) | (815) | (1,745) | 95 | 64 |
| University Services | 3,066 | (1,533) | (1,724) | (191) | 3,068 | (1,476) | (1,836) | (244) | 53 | 65 |
| Shared Services Support | | (1,959) | (216) | (2,175) | | (1,433) | (225) | (1,658) | (517) | 66 |
| Total Shared Services | 4,634 | (20,750) | (7,664) | (23,780) | 5,040 | (20,554) | (7,601) | (23,115) | (665) | |
| Ancillary | | | | | | | | | | |
| Ancillary Operations | 17,524 | (2,275) | (9,388) | 5,861 | 17,189 | (2,638) | (9,307) | 5,244 | 617 | 68-69 |
| Department of Residence | 17,560 | (2,870) | (13,549) | 1,141 | 17,005 | (2,904) | (13,547) | 554 | 587 | 70 |
| Total Ancillary | 35,084 | (5,145) | (22,937) | 7,002 | 34,194 | (5,542) | (22,854) | 5,798 | 1,204 | |
| Space | | | | | | | | | | |
| Facilities Management | 659 | (12,255) | (3,405) | (15,001) | 670 | (12,579) | (3,495) | (15,404) | 403 | 71 |
| Campus Security Services | 59 | (1,451) | (1,104) | (2,496) | 70 | (1,455) | (1,089) | (2,474) | (22) | 71 |
| Heritage Place Plaza and Community Agreements | 345 | | (962) | (617) | 381 | | (989) | (608) | (9) | 71 |
| Utilities, Taxes and Insurance | 2,833 | | (10,332) | (7,499) | 2,721 | | (10,279) | (7,558) | 59 | 72 |
| Financing | 301 | | (6,490) | (6,189) | 287 | | (6,217) | (5,930) | (259) | 72 |
| Total Space | 4,197 | (13,706) | (22,293) | (31,802) | 4,129 | (14,034) | (22,069) | (31,974) | 172 | |
| Global | | | | | | | | | | |
| Scholarships, Bursaries and Student Awards | 1,007 | | (18,348) | (17,341) | 992 | | (17,422) | (16,430) | (911) | 73 |
| Capital | 4,503 | | (12,127) | (7,624) | 4,991 | | (12,264) | (7,273) | (351) | 74 |
| University Global | 234,783 | (4,123) | (2,602) | 228,058 | 224,156 | 1,159 | (2,461) | 222,854 | 5,204 | 75 |
| Total Global | 240,293 | (4,123) | (33,077) | 203,093 | 230,139 | 1,159 | (32,147) | 199,151 | 3,942 | |
| Total University | 323,957 | (213,337) | (110,620) | - | 307,811 | (202,903) | (108,828) | (3,920) | 3,920 | |

Funding budget by responsibility centre leader

Figure 32 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 47. (Note: Certain reclassifications were made to the 2016-17 budget as compared to the figures presented in the 2016-17 Budget Report. See Appendix C for the details of these reclassifications.)

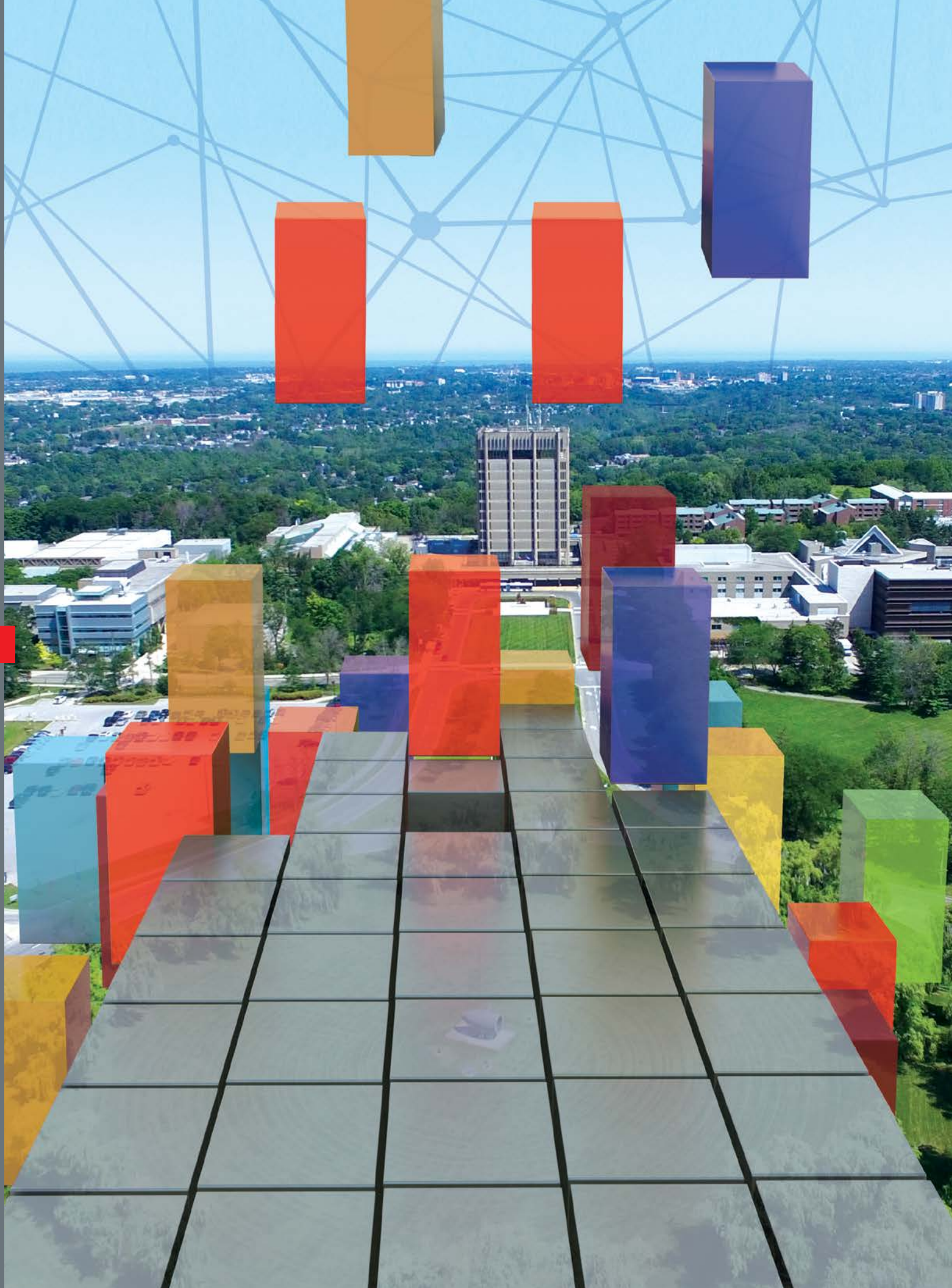
Figure 32: Funding budget by responsibility centre leader

| (\$000s) | 2017-18 Budget | | | | 2016-17 Budget | | | | Difference of "Net" amounts | Page ref. |
|--|----------------|-----------------|---------------------|-----------|----------------|-----------------|---------------------|-----------|-----------------------------|-----------|
| | Revenue | Personnel costs | Non-personnel costs | Net | Revenue | Personnel costs | Non-personnel costs | Net | | |
| President | | | | | | | | | | |
| Development and Alumni Relations | 655 | (1,686) | (619) | (1,650) | 726 | (1,656) | (815) | (1,745) | 95 | 64 |
| Leadership (Split)* | | (1,724) | (465) | (2,189) | | (1,754) | (440) | (2,194) | 5 | 62 |
| Shared Services Support (Split)* | | (265) | (17) | (282) | | (227) | (18) | (245) | (37) | 66 |
| Total President | 655 | (3,675) | (1,101) | (4,121) | 726 | (3,637) | (1,273) | (4,184) | 63 | |
| Vice-President, Academic | | | | | | | | | | |
| Faculty of Applied Health Science | 340 | (20,295) | (839) | (20,794) | 174 | (19,186) | (750) | (19,762) | (1,032) | 48 |
| Goodman School of Business | 11,870 | (26,026) | (4,040) | (18,196) | 9,667 | (24,760) | (3,889) | (18,982) | 786 | 49 |
| Faculty of Education | 4,021 | (16,926) | (1,887) | (14,792) | 2,837 | (16,293) | (1,869) | (15,325) | 533 | 50 |
| Faculty of Humanities | 616 | (20,477) | (1,165) | (21,026) | 410 | (20,346) | (1,301) | (21,237) | 211 | 51 |
| Faculty of Mathematics and Science | 658 | (21,005) | (740) | (21,087) | 131 | (20,441) | (786) | (21,096) | 9 | 52 |
| Faculty of Social Sciences | 432 | (35,517) | (1,179) | (36,264) | 119 | (34,922) | (1,305) | (36,108) | (156) | 53 |
| Faculty of Graduate Studies | 310 | (1,284) | (256) | (1,230) | 260 | (1,354) | (188) | (1,282) | 52 | 54 |
| Library | 78 | (4,888) | (4,802) | (9,612) | 85 | (4,845) | (4,486) | (9,246) | (366) | 54 |
| Centre for Pedagogical Innovation | 280 | (849) | (316) | (885) | 23 | (792) | (180) | (949) | 64 | 56 |
| Co-op, Career and Experiential Education | 1,924 | (3,006) | (387) | (1,469) | 1,973 | (2,830) | (374) | (1,231) | (238) | 60 |
| The Office of the Registrar | 2,034 | (3,941) | (1,115) | (3,022) | 2,002 | (3,653) | (1,083) | (2,734) | (288) | 57 |
| Student Life and Community Experience | 219 | (690) | (228) | (699) | 343 | (837) | (322) | (816) | 117 | 57 |
| Student Wellness and Accessibility | 2,409 | (2,685) | (1,145) | (1,421) | 2,261 | (2,673) | (939) | (1,351) | (70) | 58 |
| Student Success Centre | 962 | (1,323) | (163) | (524) | 831 | (1,252) | (132) | (553) | 29 | 59 |
| Brock International | 5,760 | (4,927) | (2,273) | (1,440) | 5,766 | (4,332) | (1,872) | (438) | (1,002) | 59 |
| Leadership (Split)* | | (885) | (61) | (946) | | (905) | (60) | (965) | 19 | 62 |
| Shared Services Support (Split)* | | (366) | (48) | (414) | | (234) | (53) | (287) | (127) | 66 |
| Total Vice-President, Academic | 31,913 | (165,090) | (20,644) | (153,821) | 26,882 | (159,655) | (19,589) | (152,362) | (1,459) | |

Figure 32 continued

| (\$000s) | 2017-18 Budget | | | | 2016-17 Budget | | | | Difference of "Net" amounts | Page ref. |
|---|----------------|-----------------|---------------------|----------|----------------|-----------------|---------------------|----------|-----------------------------|-----------|
| | Revenue | Personnel costs | Non-personnel costs | Net | Revenue | Personnel costs | Non-personnel costs | Net | | |
| Vice-President, Administration | | | | | | | | | | |
| Brock Sports | 5,850 | (4,229) | (2,470) | (849) | 5,311 | (3,856) | (2,343) | (888) | 39 | 61 |
| Information Technology Services | 458 | (5,889) | (2,224) | (7,655) | 581 | (6,098) | (1,878) | (7,395) | (260) | 62 |
| Financial Services | 183 | (2,553) | (441) | (2,811) | 130 | (2,764) | (446) | (3,080) | 269 | 63 |
| Human Resources | 257 | (3,364) | (782) | (3,889) | 220 | (3,320) | (762) | (3,862) | (27) | 63 |
| Marketing and Communications | 15 | (1,157) | (1,132) | (2,274) | 315 | (1,148) | (1,139) | (1,972) | (302) | 64 |
| University Services | 3,066 | (1,533) | (1,724) | (191) | 3,068 | (1,476) | (1,836) | (244) | 53 | 65 |
| Ancillary Operations | 17,524 | (2,275) | (9,388) | 5,861 | 17,189 | (2,638) | (9,307) | 5,244 | 617 | 68-69 |
| Department of Residence | 17,560 | (2,870) | (13,549) | 1,141 | 17,005 | (2,904) | (13,547) | 554 | 587 | 70 |
| Facilities Management | 659 | (12,255) | (3,405) | (15,001) | 670 | (12,579) | (3,495) | (15,404) | 403 | 71 |
| Campus Security Services | 59 | (1,451) | (1,104) | (2,496) | 70 | (1,455) | (1,089) | (2,474) | (22) | 71 |
| Shared Services Support (Split)* | | (1,328) | (151) | (1,479) | | (972) | (154) | (1,126) | (353) | 66 |
| Total Vice-President, Administration | 45,631 | (38,904) | (36,370) | (29,643) | 44,559 | (39,210) | (35,996) | (30,647) | 1,004 | |
| Vice-President, Research | | | | | | | | | | |
| Research Services | 1,986 | (1,545) | (1,644) | (1,203) | 2,116 | (1,560) | (2,338) | (1,782) | 579 | 55 |
| Total Vice-President, Research | 1,986 | (1,545) | (1,644) | (1,203) | 2,116 | (1,560) | (2,338) | (1,782) | 579 | |
| Global | | | | | | | | | | |
| Heritage Place Plaza and Community Agreements | 345 | | (962) | (617) | 381 | | (989) | (608) | (9) | 71 |
| Utilities, Taxes and Insurance | 2,833 | | (10,332) | (7,499) | 2,721 | | (10,279) | (7,558) | 59 | 72 |
| Financing | 301 | | (6,490) | (6,189) | 287 | | (6,217) | (5,930) | (259) | 72 |
| Scholarships, Bursaries and Student Awards | 1,007 | | (18,348) | (17,341) | 992 | | (17,422) | (16,430) | (911) | 73 |
| Capital | 4,503 | | (12,127) | (7,624) | 4,991 | | (12,264) | (7,273) | (351) | 74 |
| University Global | 234,783 | (4,123) | (2,602) | 228,058 | 224,156 | 1,159 | (2,461) | 222,854 | 5,204 | 75 |
| Total Global | 243,772 | (4,123) | (50,861) | 188,788 | 233,528 | 1,159 | (49,632) | 185,055 | 3,733 | |
| Total University | 323,957 | (213,337) | (110,620) | - | 307,811 | (202,903) | (108,828) | (3,920) | 3,920 | |

* Refer to Page 62 and 66 for details on the split within Leadership and Shared Services Support.



Responsibility centre snapshots

The following “snapshots” present the budgeted revenue and total costs of each of the University’s responsibility centres. Revenue shown in the Faculties does not include an allocation of global tuition (shown on page 27) or operating grant revenue. Revenue shown by the responsibility centre only reflects the tuition, fee and grant revenue specifically reported in the respective centres (described on pages 26 and 34 to 36), 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 2017-18 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. See the “Looking forward” section for further details.

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.

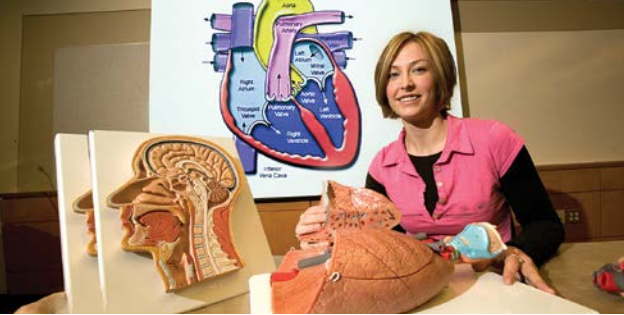
The following “snapshots” also detail the ongoing (OG) faculty and staff full-time equivalent (FTE) positions within each unit. The FTE of an ongoing faculty/staff member is calculated based on whether they are full-time, part-time, seasonal, etc. For example, an ongoing part-time position that works 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 are included in the budget) and represent both filled and unfilled positions.

During 2016-17, there have been a number of reorganizations of units across the University. Reclassifications were made to the 2016-17 budget as reported in the 2016-17 Budget Report for comparison purposes to the 2017-18 Budget, when the funding deficit was not impacted. See Appendix C for details of these adjustments.*

*Note: On April 6, 2017 the university announced that it is updating the way it organizes and delivers a wide range of support, business-oriented and service-based departments, from Residences and Food Services to Parking, Brock Sports, Youth Programs, the Campus Store and Printing Services. Due to the timing of this announcement, responsibility centres and their corresponding budgets have not been updated for this change. Budgets will be reclassified, when net funding budget is not impacted, as part of the 2017-18 trimester reporting.



Teaching Faculties

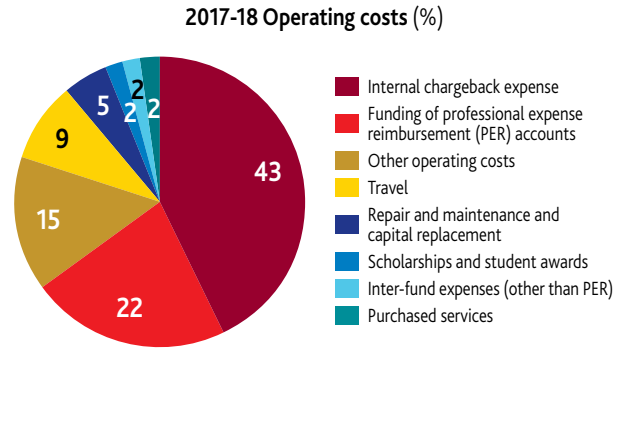


Faculty of Applied Health Sciences

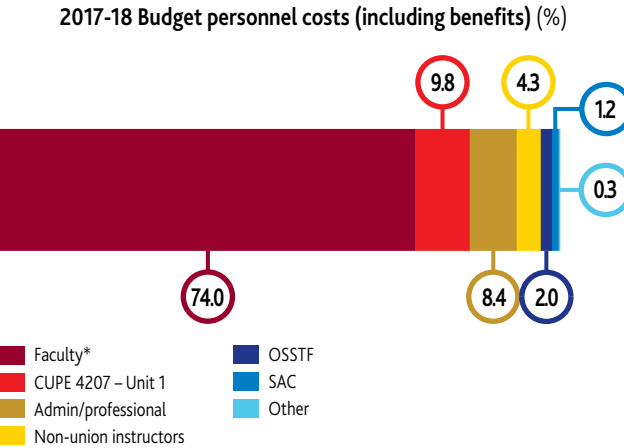
The Faculty of Applied Health Sciences (FAHS) is more than a Faculty. It is the lifeblood that continues to supply the world with individuals capable of making a healthy difference. The Faculty’s vision is clear – it advances the health and well-being of individuals to make the world a healthier place to live. With expertise in a diverse range of health and related fields, its researchers continue to conduct new and innovative studies that range from cancer detection protocols to sport for development initiatives and management issues in amateur and professional sports. Its students and alumni share the Faculty’s passion for health, sport management, physical activity, recreation 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) | 2017-18 Budget | 2016-17 Budget | 2015-16 Actual |
|---------------------------------------|----------------|----------------|----------------|
| Revenue | 340 | 174 | 151 |
| Personnel costs | (20,295) 96.0% | (19,186) 96.2% | (17,115) 96.2% |
| Operating costs | (839) 4.0% | (750) 3.8% | (684) 3.8% |
| Total costs | (21,134) 100% | (19,936) 100% | (17,799) 100% |
| Net | (20,794) | (19,762) | (17,648) |
| OG FTE – Faculty ⁽¹⁾ | 83.8 | 82.3 | |
| FTE – LTA/ILTA Faculty ⁽¹⁾ | 4.4 | 5.0 | |
| OG FTE – Staff ⁽²⁾ | 29.2 | 26.2 | |

(1) Ongoing (OG) Full-time equivalent (FTE) faculty/librarians represents Brock University Faculty Association (BUFA) probationary and tenured faculty and Associate Deans (both filled and unfilled positions). LTA/ILTA represents BUFA limited term and instructional limited term faculty appointments. Faculty on sabbatical are represented as 1 FTE.
(2) OG FTE staff represents budgeted OG staff (both filled and unfilled positions) – excludes temporary contract workers.



| | 2017-18 Budget | 2016-17 Actual | 2015-16 Actual | 2014-15 Actual |
|----------------------------------|----------------|----------------|----------------|----------------|
| Undergraduate average class size | | | | |
| Overall | | 57.8 | 75.0 | 76.5 |
| Year 1 | | 140.6 | 162.2 | 149.7 |
| Year 2 | | 90.9 | 100.3 | 107.9 |
| Year 3 | | 46.0 | 70.0 | 69.2 |
| Year 4 | | 33.5 | 41.0 | 44.5 |
| Headcount by major (Nov. 1) | | | | |
| Undergraduate | 3,729 | 3,565 | 3,367 | 3,283 |
| Graduate | 196 | 185 | 148 | 142 |
| FTE students taught | | | | |
| Undergraduate | | 2,387 | 2,235 | 2,194 |
| Graduate | | 170 | 137 | 127 |



*Note: BUFA positions, BUFA overload and Associate Deans.



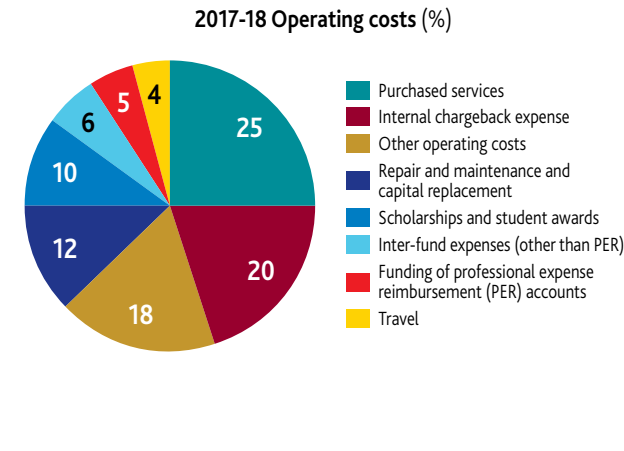
Goodman School of Business

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 the accreditation by the Association to Advance Collegiate Schools of Business (AACSB) International. This means students learn from a school that continually works toward higher standards – standards that translate into the best quality business education available. In today’s business world, students need to stand out and set themselves apart from the rest. Having an outstanding education is just the start. Goodman goes beyond the classroom to provide students with the opportunities and experiences that help them build skills and experiences so they can stand out from the crowd. For more information, visit goodman.brocku.ca

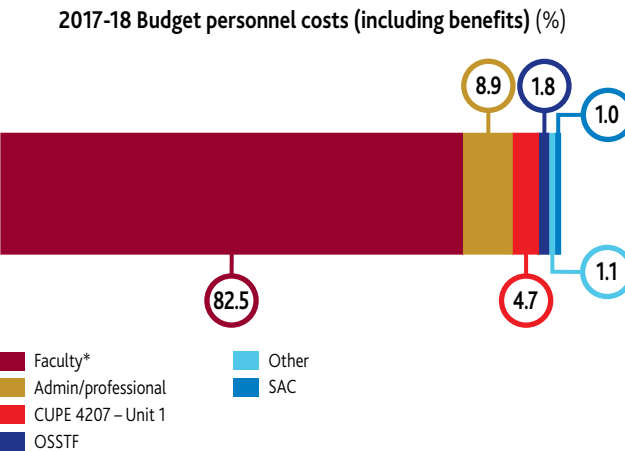
Note: Revenue includes \$10,614,000 of student fees (\$8,507,000 in 2016-17) and \$165,000 of grant revenue (\$75,000 in 2016-17). Operating costs include \$1,001,000 of purchased services (\$879,000 in 2016-17), \$496,000 of repairs and maintenance and capital replacement costs (\$575,000 in 2016-17) and \$405,000 of scholarships and student awards (\$367,000 in 2016-17).

| (\$000s) | 2017-18 Budget | 2016-17 Budget | 2015-16 Actual |
|---------------------------------------|----------------|----------------|----------------|
| Revenue | 11,870 | 9,667 | 9,273 |
| Personnel costs | (26,026) 86.6% | (24,760) 86.4% | (23,704) 89.2% |
| Operating costs | (4,040) 13.4% | (3,889) 13.6% | (2,860) 10.8% |
| Total costs | (30,066) 100% | (28,649) 100% | (26,564) 100% |
| Net | (18,196) | (18,982) | (17,291) |
| OG FTE – Faculty ⁽¹⁾ | 81.4 | 80.3 | |
| FTE – LTA/ILTA Faculty ⁽¹⁾ | 15.0 | 15.0 | |
| OG FTE – Staff ⁽²⁾ | 38.7 | 36.0 | |

(1) Ongoing (OG) Full-time equivalent (FTE) faculty/librarians represents Brock University Faculty Association (BUFA) probationary and tenured faculty and Associate Deans (both filled and unfilled positions). LTA/ILTA represents BUFA limited term and instructional limited term faculty appointments. Faculty on sabbatical are represented as 1 FTE.
(2) OG FTE staff represents budgeted OG staff (both filled and unfilled positions) – excludes temporary contract workers.



| | 2017-18 Budget | 2016-17 Actual | 2015-16 Actual | 2014-15 Actual |
|----------------------------------|----------------|----------------|----------------|----------------|
| Undergraduate average class size | | | | |
| Overall | | 47.6 | 49.0 | 49.0 |
| Year 1 | | 68.9 | 69.7 | 70.7 |
| Year 2 | | 58.3 | 62.0 | 59.5 |
| Year 3 | | 38.9 | 40.8 | 40.9 |
| Year 4 | | 32.2 | 31.5 | 34.3 |
| Headcount by major (Nov. 1) | | | | |
| Undergraduate | 2,856 | 2,883 | 2,845 | 2,806 |
| Graduate | 505 | 549 | 493 | 528 |
| FTE students taught | | | | |
| Undergraduate | | 2,102 | 2,003 | 1,953 |
| Graduate | | 520 | 463 | 496 |



*Note: BUFA positions, BUFA overload and Associate Deans.



Faculty of Education

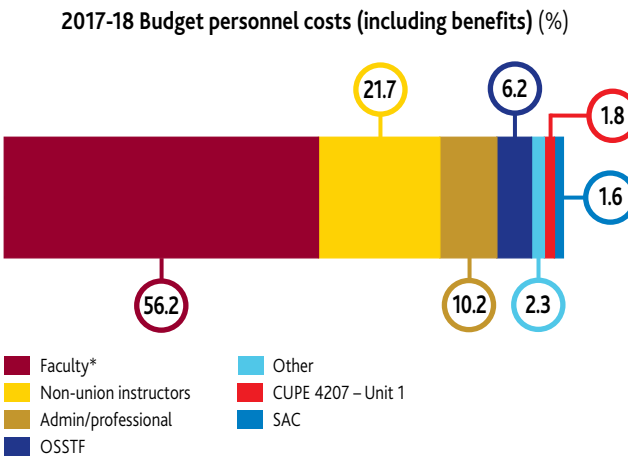
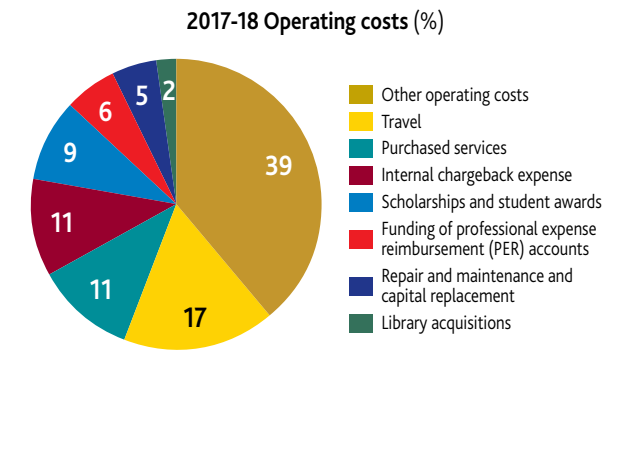
The Faculty of Education offers programs for students wanting to teach in all environments using a variety of delivery mechanisms. Our programs encompass early childhood education, K-12 teachers, and adult education. We use all sorts of delivery modes, ranging from the traditional face-to-face to the most modern digital techniques. For information on the Faculty of Education, visit brocku.ca/education

Note: Revenue includes \$3,649,000 of student fees (\$2,658,000 in 2016-17). Operating costs include \$215,000 of purchased services (\$174,000 in 2016-17), \$101,000 of repairs and maintenance and capital replacement costs (\$120,000 in 2016-17) and \$168,000 of scholarships and student awards (\$155,000 in 2016-17).

| (\$000s) | 2017-18 Budget | 2016-17 Budget | 2015-16 Actual |
|---------------------------------------|----------------|----------------|----------------|
| Revenue | 4,021 | 2,837 | 4,366 |
| Personnel costs | (16,926) 90.0% | (16,293) 89.7% | (16,492) 91.6% |
| Operating costs | (1,887) 10.0% | (1,869) 10.3% | (1,518) 8.4% |
| Total costs | (18,813) 100% | (18,162) 100% | (18,010) 100% |
| Net | (14,792) | (15,325) | (13,644) |
| OG FTE – Faculty ⁽¹⁾ | 47.3 | 50.6 | |
| FTE – LTA/ILTA Faculty ⁽¹⁾ | 9.3 | 10.0 | |
| OG FTE – Staff ⁽²⁾ | 39.8 | 38.0 | |

(1) Ongoing (OG) Full-time equivalent (FTE) faculty/librarians represents Brock University Faculty Association (BUFA) probationary and tenured faculty and Associate Deans (both filled and unfilled positions). LTA/ILTA represents BUFA limited term and instructional limited term faculty appointments. Faculty on sabbatical are represented as 1 FTE.
(2) OG FTE staff represents budgeted OG staff (both filled and unfilled positions) – excludes temporary contract workers.

| | 2017-18 Budget | 2016-17 Actual | 2015-16 Actual | 2014-15 Actual |
|---|----------------|----------------|----------------|----------------|
| Undergraduate average class size (ABST, EDUC and ADED Year 1-3 courses) | | | | |
| Overall | | 27.0 | 34.6 | 36.7 |
| Year 1 | | 68.5 | 33.4 | 31.8 |
| Year 2 | | 20.2 | 20.5 | 21.7 |
| Year 3 | | 46.6 | 43.5 | 45.0 |
| Year 4 | | 19.3 | 43.5 | 52.8 |
| Headcount by major (Nov. 1) | | | | |
| Undergraduate | 1,314 | 1,451 | 1,208 | 1,458 |
| Graduate | 279 | 291 | 329 | 361 |
| FTE students taught | | | | |
| Undergraduate | | 1,563 | 1,747 | 1,993 |
| Graduate | | 187 | 212 | 237 |



*Note: BUFA positions, BUFA overload and Associate Deans.



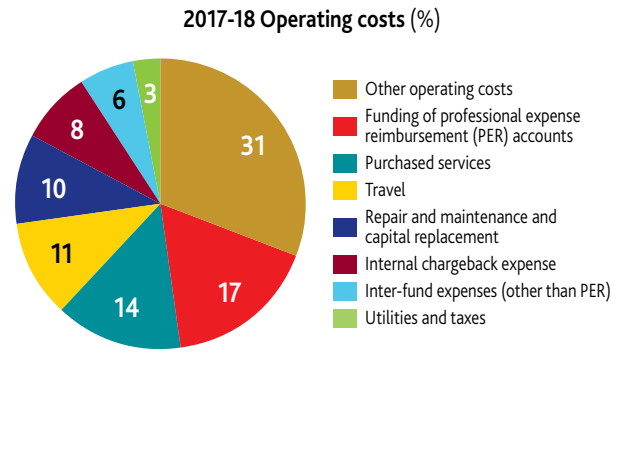
Faculty of Humanities

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 (both oral and written), and serves as a springboard to a graduate or professional school or a career in law, education, business, government, the culture industry, the tech sector 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 (2014) at brocku.ca/webfm_send/32594

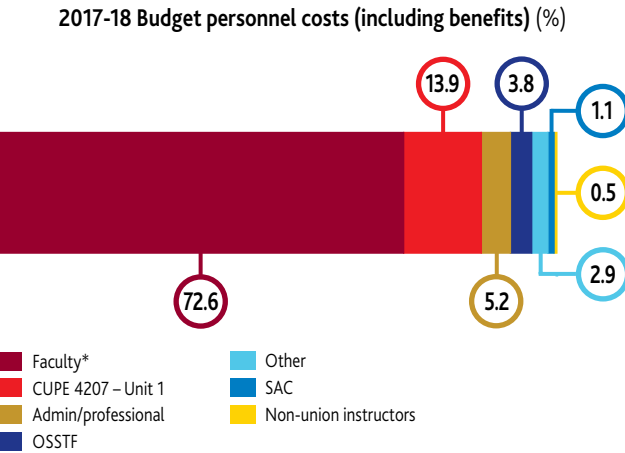
Note: Revenue includes \$417,000 of spending allocations from the MIWSFPA Endowment Fund (\$398,000 in 2016-17). Operating costs include \$167,000 of purchased services (\$448,000 in 2016-17) and \$113,000 of repairs and maintenance and capital replacement costs (\$122,000 in 2016-17).

| (\$000s) | 2017-18 Budget | 2016-17 Budget | 2015-16 Actual |
|---------------------------------------|----------------|----------------|----------------|
| Revenue | 616 | 410 | 750 |
| Personnel costs | (20,477) 94.6% | (20,346) 94.0% | (20,335) 94.9% |
| Operating costs | (1,165) 5.4% | (1,301) 6.0% | (1,092) 5.1% |
| Total costs | (21,642) 100% | (21,647) 100% | (21,427) 100% |
| Net | (21,026) | (21,237) | (20,677) |
| OG FTE – Faculty ⁽¹⁾ | 86.6 | 94.3 | |
| FTE – LTA/ILTA Faculty ⁽¹⁾ | 5.8 | 3.0 | |
| OG FTE – Staff ⁽²⁾ | 32.0 | 27.4 | |

(1) Ongoing (OG) Full-time equivalent (FTE) faculty/librarians represents Brock University Faculty Association (BUFA) probationary and tenured faculty and Associate Deans (both filled and unfilled positions). LTA/ILTA represents BUFA limited term and instructional limited term faculty appointments. Faculty on sabbatical are represented as 1 FTE.
(2) OG FTE staff represents budgeted OG staff (both filled and unfilled positions) – excludes temporary contract workers.



| | 2017-18 Budget | 2016-17 Actual | 2015-16 Actual | 2014-15 Actual |
|----------------------------------|----------------|----------------|----------------|----------------|
| Undergraduate average class size | | | | |
| Overall | | 33.5 | 39.3 | 39.3 |
| Year 1 | | 68.3 | 73.3 | 76.6 |
| Year 2 | | 29.6 | 35.7 | 33.9 |
| Year 3 | | 18.8 | 22.4 | 21.9 |
| Year 4 | | 9.6 | 13.9 | 13.4 |
| Headcount by major (Nov. 1) | | | | |
| Undergraduate | 1,574 | 1,710 | 1,850 | 2,003 |
| Graduate | 81 | 84 | 77 | 70 |
| FTE students taught | | | | |
| Undergraduate | | 2,079 | 2,148 | 2,149 |
| Graduate | | 81 | 76 | 69 |



*Note: BUFA positions, BUFA overload and Associate Deans.



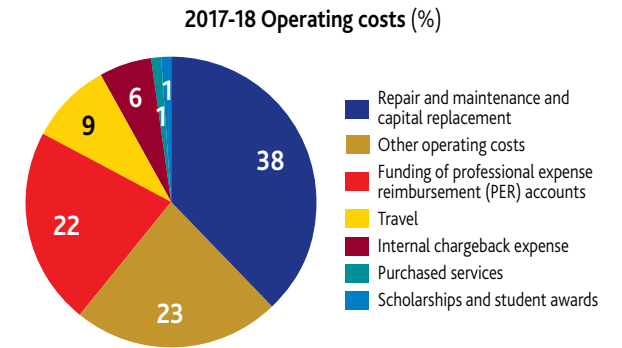
Faculty of Mathematics and Science

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

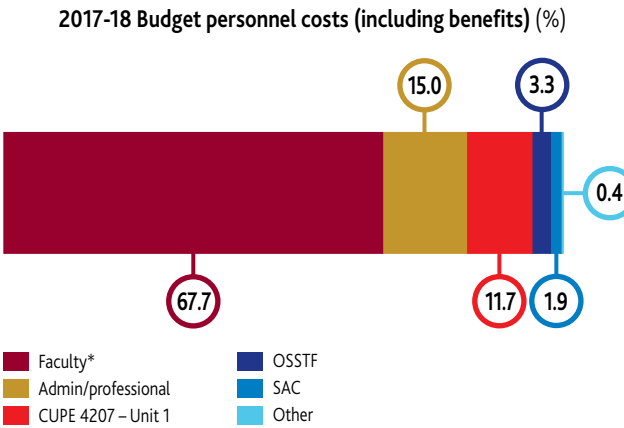
Note: Revenue includes \$105,000 of student fees (\$0 in 2016-17) from the new International Master of Science in Materials Physics program. Operating costs include \$280,000 of repairs and maintenance and capital replacement costs (\$278,000 in 2016-17).

| (\$000s) | 2017-18 Budget | 2016-17 Budget | 2015-16 Actual |
|---------------------------------------|----------------|----------------|----------------|
| Revenue | 658 | 131 | 138 |
| Personnel costs | (21,005) 96.6% | (20,441) 96.3% | (19,519) 96.3% |
| Operating costs | (740) 3.4% | (786) 3.7% | (741) 3.7% |
| Total costs | (21,745) 100% | (21,227) 100% | (20,260) 100% |
| Net | (21,087) | (21,096) | (20,122) |
| OG FTE – Faculty ⁽¹⁾ | 68.3 | 71.2 | |
| FTE – LTA/ILTA Faculty ⁽¹⁾ | 5.0 | 5.3 | |
| OG FTE – Staff ⁽²⁾ | 48.5 | 46.6 | |

(1) Ongoing (OG) Full-time equivalent (FTE) faculty/librarians represents Brock University Faculty Association (BUFA) probationary and tenured faculty and Associate Deans (both filled and unfilled positions). LTA/ILTA represents BUFA limited term and instructional limited term faculty appointments. Faculty on sabbatical are represented as 1 FTE.
(2) OG FTE staff represents budgeted OG staff (both filled and unfilled positions) – excludes temporary contract workers.



| | 2017-18 Budget | 2016-17 Actual | 2015-16 Actual | 2014-15 Actual |
|----------------------------------|----------------|----------------|----------------|----------------|
| Undergraduate average class size | | | | |
| Overall | | 60.6 | 89.5 | 92.2 |
| Year 1 | | 207.3 | 232.4 | 237.7 |
| Year 2 | | 37.1 | 66.0 | 63.9 |
| Year 3 | | 24.9 | 28.7 | 28.7 |
| Year 4 | | 8.1 | 15.1 | 15.0 |
| Headcount by major (Nov. 1) | | | | |
| Undergraduate | 1,670 | 1,724 | 1,722 | 1,629 |
| Graduate | 164 | 154 | 156 | 157 |
| FTE students taught | | | | |
| Undergraduate | | 2,691 | 2,634 | 2,684 |
| Graduate | | 150 | 153 | 152 |



*Note: BUFA positions, BUFA overload and Associate Deans.



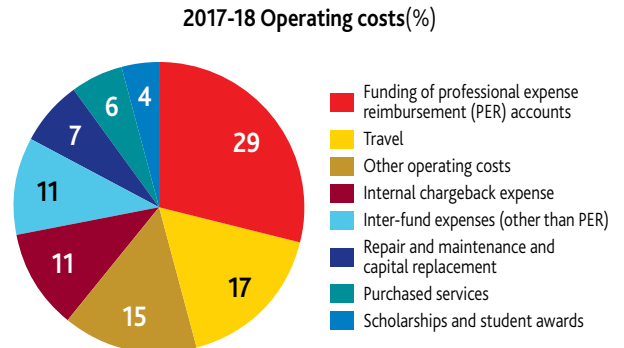
Faculty of Social Sciences

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 Studies, Applied Linguistics, Business Communications, Business Economics, Child and Youth Studies, Film Studies, Labour Studies, 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

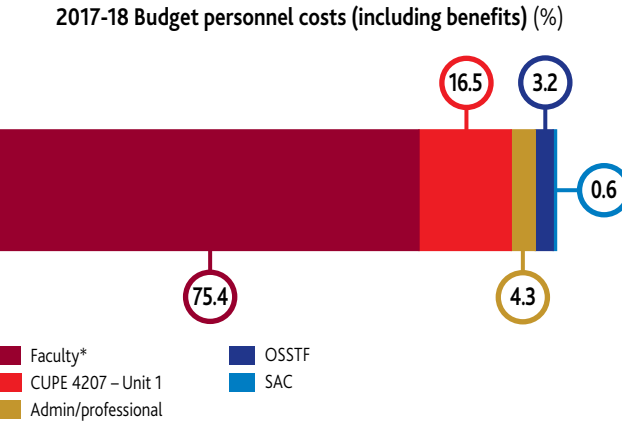
Note: Revenue includes \$147,000 of student fees (\$147,000 in 2016-17).

| (\$000s) | 2017-18 Budget | 2016-17 Budget | 2015-16 Actual |
|---------------------------------------|----------------|----------------|----------------|
| Revenue | 432 | 119 | 177 |
| Personnel costs | (35,517) 96.8% | (34,922) 96.4% | (33,362) 96.9% |
| Operating costs | (1,179) 3.2% | (1,305) 3.6% | (1,067) 3.1% |
| Total costs | (36,696) 100% | (36,227) 100% | (34,429) 100% |
| Net | (36,264) | (36,108) | (34,252) |
| OG FTE – Faculty ⁽¹⁾ | 152.5 | 147.9 | |
| FTE – LTA/ILTA Faculty ⁽¹⁾ | 3.7 | 13.2 | |
| OG FTE – Staff ⁽²⁾ | 38.3 | 36.7 | |

(1) Ongoing (OG) Full-time equivalent (FTE) faculty/librarians represents Brock University Faculty Association (BUFA) probationary and tenured faculty and Associate Deans (both filled and unfilled positions). LTA/ILTA represents BUFA limited term and instructional limited term faculty appointments. Faculty on sabbatical are represented as 1 FTE.
(2) OG FTE staff represents budgeted OG staff (both filled and unfilled positions) – excludes temporary contract workers.



| | 2017-18 Budget | 2016-17 Actual | 2015-16 Actual | 2014-15 Actual |
|----------------------------------|----------------|----------------|----------------|----------------|
| Undergraduate average class size | | | | |
| Overall | | 72.4 | 85.0 | 83.7 |
| Year 1 | | 198.1 | 242.2 | 229.1 |
| Year 2 | | 94.9 | 109.4 | 109.6 |
| Year 3 | | 48.4 | 55.9 | 53.0 |
| Year 4 | | 19.3 | 21.9 | 21.0 |
| Headcount by major (Nov. 1) | | | | |
| Undergraduate | 4,498 | 4,596 | 4,672 | 4,820 |
| Graduate | 430 | 427 | 446 | 412 |
| FTE students taught | | | | |
| Undergraduate | | 4,843 | 4,811 | 4,862 |
| Graduate | | 327 | 340 | 301 |



*Note: BUFA positions, BUFA overload and Associate Deans.

Faculty of Graduate Studies

| (\$000s) | 2017-18 Budget | 2016-17 Budget | 2015-16 Actual |
|-------------------------------|-------------------|-------------------|-------------------|
| Revenue | 310 | 260 | 244 |
| Personnel costs | (1,284) 83.4% | (1,354) 87.8% | (1,230) 85.1% |
| Operating costs | (256) 16.6% | (188) 12.2% | (215) 14.9% |
| Total costs | (1,540) 100% | (1,542) 100% | (1,445) 100% |
| Net | (1,230) | (1,282) | (1,201) |
| OG FTE – staff ⁽¹⁾ | 14.5 | 13.0 | |

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

Graduate education is the cornerstone that supports, promotes, and further develops the spirit of rigorous inquiry and innovation that is kindled in many during an exciting and challenging undergraduate education or after having already spent some time in a career. Brock embraces integrative graduate education as a pathway to independence and a breadth of career options built on a foundation of collegial mentorship, collaboration, transparency and merit. Accordingly, our graduate programs embrace contemporary issues, highlighting and pushing the boundaries of current thought, ongoing progress, and future developments across and between disciplines. The Faculty of Graduate Studies has a critical role in positioning Brock as a key comprehensive university for the 21st century.

The Faculty of Graduate Studies is the centralized administrative and academic entity for the University's 49 Graduate Programs. It works collaboratively with the Faculties and Programs to oversee the University's graduate studies enterprise. We therefore operate across all Faculties and we are intimately involved in integrative recruitment and retention efforts from the undergraduate, through graduate, to post-doctoral levels.

The Faculty of Graduate Studies oversees all graduate recruitment, applications, admissions and registration, ongoing enrolment and records, funding, internal and external graduate scholarships and awards, and graduate student essential skills and professional development (VITAE) programming. The Faculty also offers mentorship programming to faculty, to promote excellence in graduate supervision and associated professional development.

In collaboration with Brock's Graduate Council and Senate Graduate Studies Committee, the Faculty of Graduate Studies ensures the development and enforcement of all relevant rules, regulations and policies concerning graduate studies. In collaboration with the Graduate Students' Association, the Faculty of Graduate Studies also advocates for graduate student needs and issues on campus.

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) | 2017-18 Budget | 2016-17 Budget | 2015-16 Actual |
|---------------------------------|-------------------|-------------------|-------------------|
| Revenue | 78 | 85 | 214 |
| Personnel costs | (4,888) 50.4% | (4,845) 51.9% | (4,742) 54.3% |
| Operating costs | (4,802) 49.6% | (4,486) 48.1% | (3,991) 45.7% |
| Total costs | (9,690) 100% | (9,331) 100% | (8,733) 100% |
| Net | (9,612) | (9,246) | (8,519) |
| OG FTE – faculty ⁽¹⁾ | 16.9 | 16.9 | |
| OG FTE – staff ⁽²⁾ | 30.9 | 32.6 | |

(1) Ongoing (OG) Full-time equivalent (FTE) faculty/librarians represents Brock University Faculty Association (BUFA) probationary and tenured faculty and Associate Deans (both filled and unfilled positions). LTA/ILTA represents BUFA limited term and instructional limited term faculty appointments. 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 \$4,216,000 of library acquisitions (\$3,838,000 in 2016-17), \$100,000 of repairs and maintenance and capital replacement costs (\$101,000 in 2016-17) and \$371,000 of purchased services (\$450,000 in 2016-17).

Research Services

| (\$000s) | 2017-18 Budget | 2016-17 Budget | 2015-16 Actual |
|-------------------------------|-------------------|-------------------|-------------------|
| Revenue | 1,986 | 2,116 | 1,897 |
| Personnel costs | (1,545) 48.4% | (1,560) 40.0% | (1,470) 39.9% |
| Operating costs | (1,644) 51.6% | (2,338) 60.0% | (2,217) 60.1% |
| Total costs | (3,189) 100% | (3,898) 100% | (3,687) 100% |
| Net | (1,203) | (1,782) | (1,790) |
| OG FTE – staff ⁽¹⁾ | 19.0 | 18.5 | |

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

Research Services, as defined in the 2017-18 budget, includes the Office of Research Services (ORS), costs related to research involving animals, the Cuvée Grand Tasting event and funding of 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 (NCO), as well as Brock's five transdisciplinary hubs. (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-researchreviews/animals

The Cuvée Grand Tasting event, hosted by CCOVI, helps attendees discover Ontario's best VQA wines while also raising thousands of dollars to fund academic scholarships and research. Visit cuvée.ca/grand-tasting/

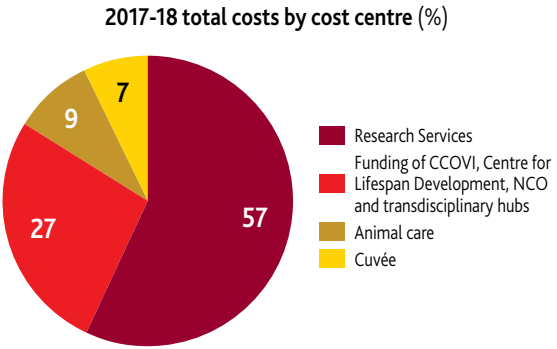
CCOVI is Brock's flagship transdisciplinary institute. It defines a place, not only within the University, to network faculty, students and staff dedicated to advancing the Canadian grape and wine industry. It extends to partnering academic communities, federal and provincial government research organizations, 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

Brock's five transdisciplinary hubs are incubators of innovation and bridges to the community. They cross disciplinary boundaries and integrate methods and theoretical approaches in order to better tackle pressing contemporary issues and generate knowledge breakthroughs for our 21st century reality. For more information, visit brocku.ca/transdisciplinarity

Note: Revenue includes \$1,750,000 of grant revenue related to the Research Support Fund (\$1,880,000 in 2016-17). Operating costs include \$139,000 of purchased services (\$92,000 in 2016-17), \$250,000 of funding for transdisciplinary hubs (\$1,000,000 in 2016-17) and \$626,000 of funding for the CCOVI, the Centre for Lifespan Development and the Niagara Community Observatory (\$640,000 in 2016-17).

The above costs do not reflect the direct revenue or expenses of research. 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.





Centre for Pedagogical Innovation

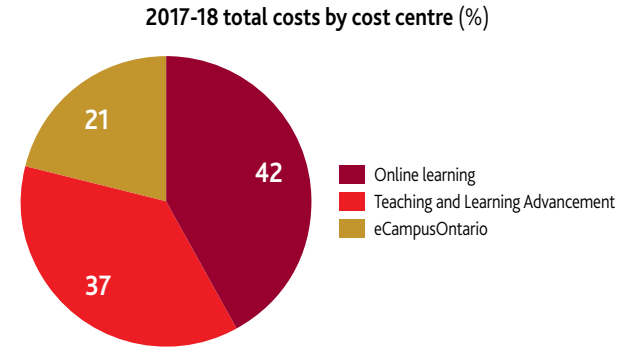
| (\$000s) | 2017-18 Budget | 2016-17 Budget | 2015-16 Actual |
|-------------------------------|----------------|----------------|----------------|
| Revenue | 280 | 23 | 15 |
| Personnel costs | (849) 72.9% | (792) 81.5% | (686) 78.0% |
| Operating costs | (316) 27.1% | (180) 18.5% | (193) 22.0% |
| Total costs | (1,165) 100% | (972) 100% | (879) 100% |
| Net | (885) | (949) | (864) |
| OG FTE – staff ⁽¹⁾ | 7.0 | 7.0 | |

(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 2017-18 budget, includes teaching and learning advancement, online learning and eCampusOntario.

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/what-we-offer/technology-enabled-learning/

Note: Revenue includes \$250,000 of grant revenue representing the new eCampusOntario Grant (\$0 in 2016-17). Operating costs include \$120,000 of repairs and maintenance and capital replacement (\$61,000 in 2016-17).



Student specific

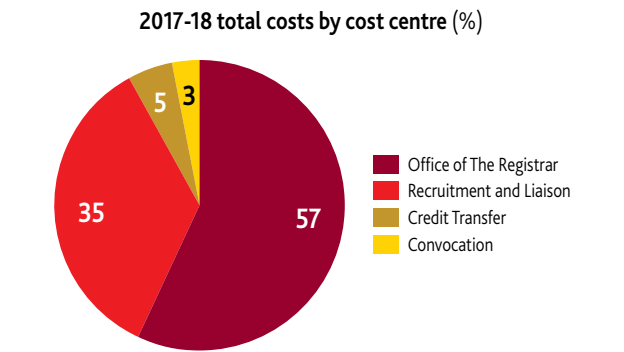
The Office of the Registrar

| (\$000s) | 2017-18 Budget | 2016-17 Budget | 2015-16 Actual |
|-------------------------------|----------------|----------------|----------------|
| Revenue | 2,034 | 2,002 | 1,903 |
| Personnel costs | (3,941) 77.9% | (3,653) 77.1% | (3,490) 76.7% |
| Operating costs | (1,115) 22.1% | (1,083) 22.9% | (1,063) 23.3% |
| Total costs | (5,056) 100% | (4,736) 100% | (4,553) 100% |
| Net | (3,022) | (2,734) | (2,650) |
| OG FTE – staff ⁽¹⁾ | 44.8 | 46.7 | |

(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

Note: Revenue includes \$205,000 of grant revenue (\$234,000 in 2016-17). Operating costs include \$270,000 of purchased services (\$395,000 in 2016-17). See Appendix C for details on responsibility centre reclassifications.



Student Life and Community Experience

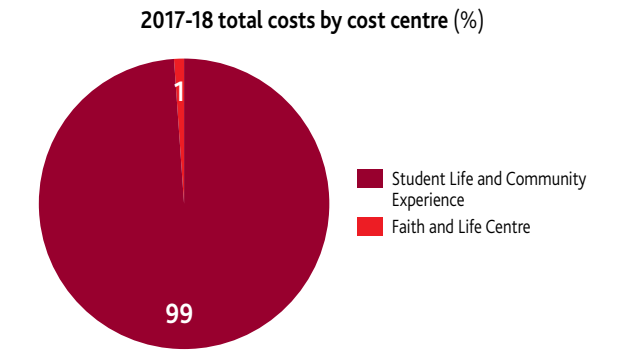
| (\$000s) | 2017-18 Budget | 2016-17 Budget | 2015-16 Actual |
|-------------------------------|----------------|----------------|----------------|
| Revenue | 219 | 343 | 247 |
| Personnel costs | (690) 75.2% | (837) 72.2% | (543) 65.9% |
| Operating costs | (228) 24.8% | (322) 27.8% | (281) 34.1% |
| Total costs | (918) 100% | (1,159) 100% | (824) 100% |
| Net | (699) | (816) | (577) |
| OG FTE – staff ⁽¹⁾ | 8.2 | 6.3 | |

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

Student Life and Community Experience (SLCE) offers programs and services that support student success through co-curricular learning activities, campus involvement, leadership development, community engagement, off-campus living, and student rights and responsibilities. SLCE also includes First Year Experience, an integrated set of programs and supports to help students excel throughout their first year at Brock. For information, visit brocku.ca/student-life

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: During the 2017-18 budget process, the Smart Start portion of the budget was separated from SLCE and joined Recruitment and Liason.



Student Wellness and Accessibility

| (\$000s) | 2017-18 Budget | 2016-17 Budget | 2015-16 Actual |
|-------------------------------|----------------|----------------|----------------|
| Revenue | 2,409 | 2,261 | 2,299 |
| Personnel costs | (2,685) 70.1% | (2,673) 74.0% | (2,056) 75.5% |
| Operating costs | (1,145) 29.9% | (939) 26.0% | (668) 24.5% |
| Total costs | (3,830) 100% | (3,612) 100% | (2,724) 100% |
| Net | (1,421) | (1,351) | (425) |
| OG FTE – staff ⁽¹⁾ | 26.4 | 22.8 | |

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

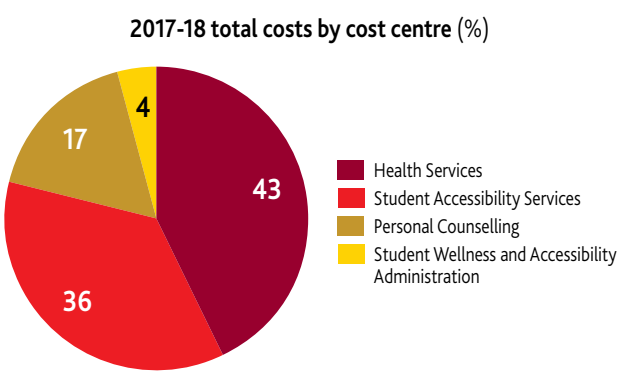
Brock’s new Student Wellness and Accessibility Centre is part of the reorganization of student services that groups together Student Health Services (SHS), Student Accessibility Services (SAS) and Personal Counselling Services (PCS). The team is focused on supporting accessibility and well-being through an inclusive and collaborative approach to service delivery.

Student Health Services (SHS) supports Brock students by providing primary health care, prevention programs and wellness education all intended to promote optimal health and university success. The team is comprised of a physician/ medical director, nurses (including a mental health nurse), a health promoter and administrative staff. Additional supports are provided on-site through purchase of service with physicians and psychiatrists. The clinic provides both appointments and urgent-care/walk in services.

Student Accessibility Services (SAS) provides services and support to students with disabilities. The SAS team works within the Brock community to develop an equitable and accessible environment so that students with disabilities are fully included in the University experience. To encourage inclusivity and help students succeed, the team of professionals support students through the educational process. The team is comprised of learning strategists, a learning disabilities program co-ordinator, an assistive technologist, a transition co-ordinator, case managers, peer assistants and administrative staff.

Personal Counselling Services (PCS) is overseen by a staff psychologist who works with counsellors provided through a purchase of service agreement with Lidkea Stobs and Associates. Counsellors are available to see students on campus and are co-located with Student Accessibility Services on campus in Schmon Tower.

Note: Revenue includes \$954,000 of student fees (\$909,000 in 2016-17) and \$670,000 of grant revenue (\$711,000 in 2016-17). Operating costs include \$845,000 of purchased services (\$821,000 in 2016-17).



Student Success Centre

| (\$000s) | 2017-18 Budget | 2016-17 Budget | 2015-16 Actual |
|-------------------------------|----------------|----------------|----------------|
| Revenue | 962 | 831 | 872 |
| Personnel costs | (1,323) 89.0% | (1,252) 90.5% | (1,186) 72.9% |
| Operating costs | (163) 11.0% | (132) 9.5% | (440) 27.1% |
| Total costs | (1,486) 100% | (1,384) 100% | (1,626) 100% |
| Net | (524) | (553) | (754) |
| OG FTE – staff ⁽¹⁾ | 13.5 | 12.7 | |

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

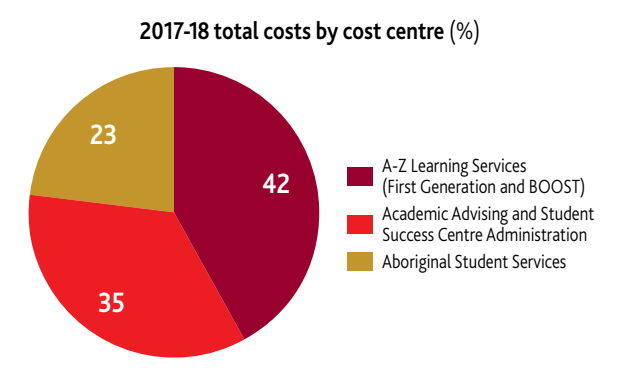
The Student Success Centre, as defined in the 2017-18 budget, includes A-Z Learning Services, Academic Advising, and Aboriginal Student Services.

A-Z Learning Services helps Brock students with a broad range of challenges as they transition to and progress through their University life. Workshops and drop-in services are available throughout the year to help students with time management, note-taking, writing, math and science, exam preparation and more. For more information, visit brocku.ca/learning-services

Academic Advising provides one-on-one advice for students to help them achieve their academic goals. This service is helpful for students considering changing their major and/or exploring adding a minor, students who are undeclared/undecided, students without a specific major, students returning to studies following an absence, and students on academic probation.

Aboriginal Student Services is dedicated to helping all Aboriginal students, including First Nations, Métis and Inuit, to make the transition to the Brock University community, and to be successful in their program of study. Support and resources are provided to enhance students’ academic, cultural, personal and spiritual life at Brock in a culturally sensitive manner.

Note: Revenue includes \$776,000 of grant revenue (\$653,000 in 2016-17).



Brock International

| (\$000s) | 2017-18 Budget | 2016-17 Budget | 2015-16 Actual |
|-------------------------------|----------------|----------------|----------------|
| Revenue | 5,760 | 5,766 | 5,506 |
| Personnel costs | (4,927) 68.4% | (4,332) 69.8% | (3,921) 72.5% |
| Operating costs | (2,273) 31.6% | (1,872) 30.2% | (1,489) 27.5% |
| Total costs | (7,200) 100% | (6,204) 100% | (5,410) 100% |
| Net | (1,440) | (438) | 96 |
| OG FTE – staff ⁽¹⁾ | 57.3 | 56.3 | |

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

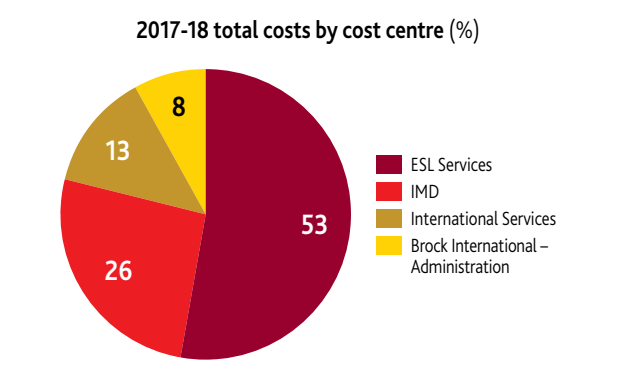
Brock International, as defined in the 2017-18 budget, includes English as a Second Language (ESL) Services, the Office of International Market Development (IMD), and Brock International Services.

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 sociocultural activities. For information on ESL Services, visit brocku.ca/esl-services

IMD offers international student recruitment, including identifying market needs and new opportunities. 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/international-services

Note: Revenue includes \$5,270,000 of student fees (\$5,197,000 in 2016-17). Operating costs include \$998,000 of purchased services (\$766,000 in 2016-17).



Co-op, Career and Experiential Education

| (\$000s) | 2017-18 Budget | 2016-17 Budget | 2015-16 Actual |
|-------------------------------|----------------|----------------|----------------|
| Revenue | 1,924 | 1,973 | 1,627 |
| Personnel costs | (3,006) 88.6% | (2,830) 88.3% | (2,089) 86.6% |
| Operating costs | (387) 11.4% | (374) 11.7% | (324) 13.4% |
| Total costs | (3,393) 100% | (3,204) 100% | (2,413) 100% |
| Net | (1,469) | (1,231) | (786) |
| OG FTE – staff ⁽¹⁾ | 35.0 | 34.0 | |

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

Co-op, Career and Experiential Education is the overarching department for all things related to student and new graduate employment, curricular experiential education and career development on campus – both for undergraduate and graduate students. The department consists of the following operational areas: Co-operative Education, Career Education (Campus and Goodman Career Education) and Experiential Education. A team of dedicated human resources, career development and experiential professionals work with students, employers, faculty and community members in their employment and/or experiential needs. For more information, visit brocku.ca/ccee

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.

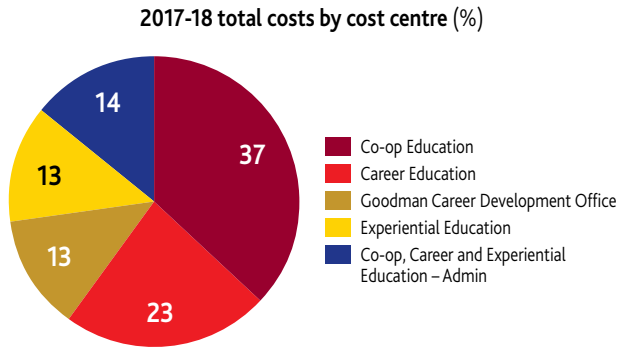
Career Education offers a variety of career exploration and development information, as well as resources to support students and alumni. Career Education provides employers and community members with information and services about on-campus recruiting and talent brand opportunities. Included in the Career Education department is also Goodman Career Education, which operates within this unit. The funding is provided through the Goodman School of Business as well as student levies. This office helps business and accounting students navigate the career planning process from first year to graduation.

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.

Note: Revenue includes \$1,407,000 of student fees (\$1,208,000 in 2016-17). Co-operative education students pay tuition (applicable half-credit fee for each work term). However, like the Faculties, the revenue shown does not include the allocation of the Global tuition. In addition, the 2017-18 budget also includes \$417,000 of internal chargeback revenue from the Goodman School of Business to support the Goodman Career Development Office (\$465,000 in 2016-17). Operating costs include \$107,000 of repairs and maintenance and capital replacement costs (\$108,000 in 2016-17).



Brock Sports

| (\$000s) | 2017-18 Budget | 2016-17 Budget | 2015-16 Actual |
|-------------------------------|----------------|----------------|----------------|
| Revenue | 5,850 | 5,311 | 5,144 |
| Personnel costs | (4,229) 63.1% | (3,856) 62.2% | (3,609) 57.8% |
| Operating costs | (2,470) 36.9% | (2,343) 37.8% | (2,637) 42.2% |
| Total costs | (6,699) 100% | (6,199) 100% | (6,246) 100% |
| Net | (849) | (888) | (1,102) |
| OG FTE – staff ⁽¹⁾ | 29.3 | 27.2 | |

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

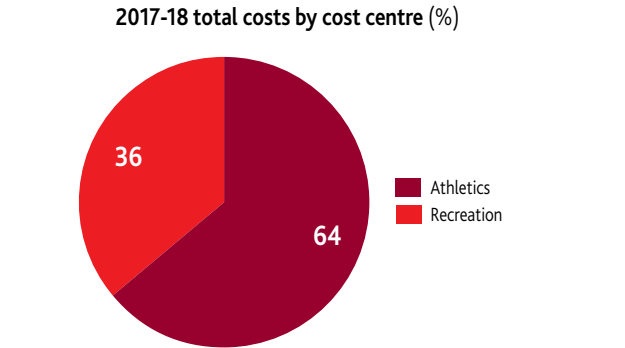
Brock Sports* provides programming to Brock students, staff, faculty and members of the community through intramurals, fitness programming, aquatics, certification programs, day camps, inclusive children’s programming and more. The department operates facilities in the Walker Sports Complex, including nine gymnasiums courts, the recreational 200-metre track, squash courts, the Zone fitness center, Brock Sports Performance Centre and the Eleanor Misener Aquatic Centre, in addition to the four outside tennis courts, seven playing fields and the Alumni turf field. It also provides support for academic classes, varsity programming and competition, University activities and community and conference rentals. Brock Sports 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

Badgers men’s and women’s teams provide more than 800 students with the opportunity to participate in OUA and U Sports competitions. Teams include ball hockey (M), baseball (M), basketball (M,W), cheerleading (W), cross country (M,W), curling (M,W), curling (M,W), dance pak (M,W), equestrian (M,W), fencing (M,W), figure skating (M,W), golf (M,W), ice hockey (M,W), lacrosse (M,W), powerlifting (M,W), tennis (M,W), track and field (M,W), ringette (W), rowing (M,W), rugby (M,W), soccer (M,W), softball (W), squash (M,W), swimming (M,W), ultimate frisbee (M,W), volleyball (M,W) and wrestling (M,W). For more information, visit gobadgers.ca

Brock Sports takes a leadership role and engages the community through athletic events and activities, tournaments, programs, community partnerships, news media exposure and the Badgers Sports Camp programs.

It also runs the Brock University Athletic Therapy Clinic, which provides sport medicine care for the Brock community.

Note: Revenue includes \$3,033,000 of student fees (\$2,921,000 in 2016-17). Operating costs include \$352,000 of purchased services (\$191,000 in 2016-17) and \$549,000 of repairs and maintenance and capital replacement costs (\$373,000 in 2016-17).



*Note: On April 6, 2017 the university announced that it is updating the way it organizes and delivers a wide range of support, business-oriented and service-based departments, from Residences and Food Services to Parking, Brock Sports, Youth Programs, the Campus Store and Printing Services. Due to the timing of this announcement, responsibility centres and their corresponding budgets have not been updated for this change. Budgets will be reclassified, when net funding budget is not impacted, as part of the 2017-18 trimester reporting.



Shared services

Leadership

| (\$000s) | 2017-18 Budget | 2016-17 Budget | 2015-16 Actual |
|-------------------------------|----------------|----------------|----------------|
| Revenue | | | 16 |
| Personnel costs | (2,609) 83.2% | (2,659) 84.2% | (2,501) 82.3% |
| Operating costs | (526) 16.8% | (500) 15.8% | (538) 17.7% |
| Total costs | (3,135) 100% | (3,159) 100% | (3,039) 100% |
| Net | (3,135) | (3,159) | (3,023) |
| OG FTE – staff ⁽¹⁾ | 14.0 | 13.8 | |

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

Leadership, as defined in the 2017-18 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; and the Vice-Provost Enrolment Management and International.

Note: Operating costs include \$148,000 of purchased services (\$194,000 in 2016-17).

Information Technology Services

| (\$000s) | 2017-18 Budget | 2016-17 Budget | 2015-16 Actual |
|-------------------------------|----------------|----------------|----------------|
| Revenue | 458 | 581 | 907 |
| Personnel costs | (5,889) 72.6% | (6,098) 76.5% | (5,661) 75.3% |
| Operating costs | (2,224) 27.4% | (1,878) 23.5% | (1,857) 24.7% |
| Total costs | (8,113) 100% | (7,976) 100% | (7,518) 100% |
| Net | (7,655) | (7,395) | (6,611) |
| OG FTE – staff ⁽¹⁾ | 61.0 | 63.4 | |

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

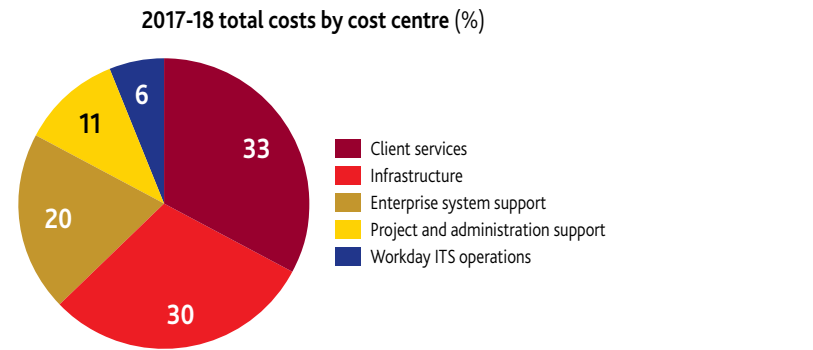
ITS (Information Technology Services) works closely with students, faculty and staff to support the academic and administrative work in our community. Its mission is to provide top-quality service and technology solutions to enable you to study, research and work more effectively and efficiently. ITS is



comprised of four teams – Enterprise Systems Support, Client Services, Infrastructure and the Project and Administrative Support Office (PASO). The Enterprise Systems Support team provides support for Workday, Student and Administrative Systems, Data Decision Support, as well as software development. Client Services provides support to the Brock community through a centralized Help Desk, Desktop Support, Cyber Security Awareness, classroom technology, audio-visual support, and Video/Teleconferencing. Infrastructure support manages a centralized data centre, virtual servers, network access across campus, infrastructure security, and the telephone system. PASO supports the ITS department for all administrative day-to-day operations and projects, including planning, procurement, maintenance schedules and budgeting. For more information on ITS, visit brocku.ca/information-technology

Note: Revenue includes \$364,000 of internal chargeback revenue (\$470,000 in 2016-17). Operating costs include \$416,000 of purchased services (\$100,000 in 2016-17), and \$1,512,000 of repairs and maintenance and capital replacement costs (\$1,557,000 in 2016-17).

In addition to the budget reported in the ITS responsibility centre, \$3,408,000 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) | 2017-18 Budget | 2016-17 Budget | 2015-16 Actual |
|-------------------------------|----------------|----------------|----------------|
| Revenue | 183 | 130 | 136 |
| Personnel costs | (2,553) 85.3% | (2,764) 86.1% | (2,773) 88.7% |
| Operating costs | (441) 14.7% | (446) 13.9% | (355) 11.3% |
| Total costs | (2,994) 100% | (3,210) 100% | (3,128) 100% |
| Net | (2,811) | (3,080) | (2,992) |
| OG FTE – staff ⁽¹⁾ | 30.5 | 35.5 | |

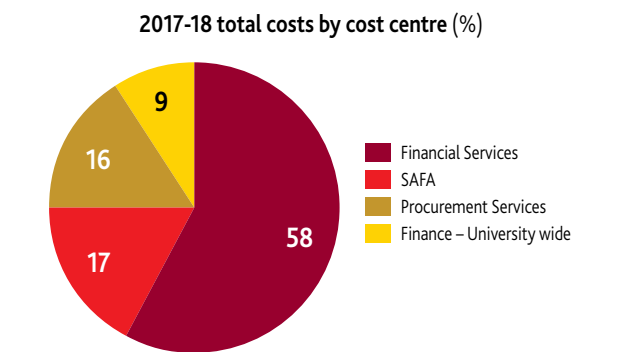
(1) Ongoing (OG) FTE staff represents budgeted OG staff (both filled and unfilled positions) – excludes temporary contract workers.

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

During 2016-17, Student Awards and Financial Aid (SAFA) moved to be under the financial services responsibility centre. SAFA helps students fund their education though government and University assistance programs, and by recognizing student excellence. For information on the Student Awards and Financial Aid Office, visit brocku.ca/safa

Note: Operating costs include \$186,000 of purchased services (\$190,000 in 2016-17).

All scholarships and student awards are shown as part of the Scholarships, Bursaries and Student Awards responsibility centre, including the offsetting grant revenue related to grant-funding scholarships and student awards.



Human Resources

| (\$000s) | 2017-18 Budget | 2016-17 Budget | 2015-16 Actual |
|-------------------------------|----------------|----------------|----------------|
| Revenue | 257 | 220 | 177 |
| Personnel costs | (3,364) 81.1% | (3,320) 81.3% | (2,854) 82.2% |
| Operating costs | (782) 18.9% | (762) 18.7% | (618) 17.8% |
| Total costs | (4,146) 100% | (4,082) 100% | (3,472) 100% |
| Net | (3,889) | (3,862) | (3,295) |
| OG FTE – staff ⁽¹⁾ | 35.8 | 35.2 | |

(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 and Talent Acquisition; Total Rewards (including the Brock Pension Plan); Faculty and Employee Relations; Health, Safety and Wellness and Systems and Special Projects. For information on Human Resources, visit brocku.ca/hr

Note: Operating costs include \$482,000 of purchased services (\$425,000 in 2016-17).

*Note: On April 6, 2017 the university announced that it is updating the way it organizes and delivers a wide range of support, business-oriented and service-based departments, from Residences and Food Services to Parking, Brock Sports, Youth Programs, the Campus Store and Printing Services. Due to the timing of this announcement, responsibility centres and their corresponding budgets have not been updated for this change. Budgets will be reclassified, when net funding budget is not impacted, as part of the 2017-18 trimester reporting.



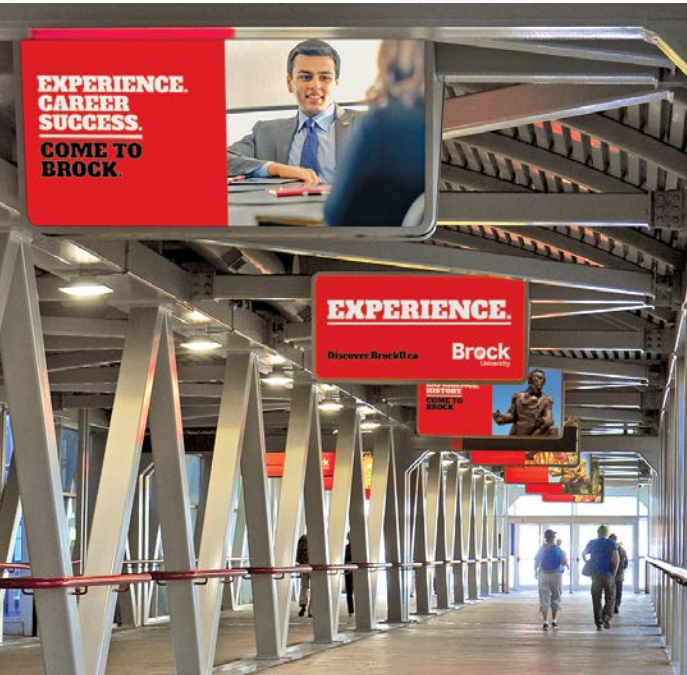
University Marketing and Communications

| (\$000s) | 2017-18 Budget | 2016-17 Budget | 2015-16 Actual |
|-------------------------------|----------------|----------------|----------------|
| Revenue | 15 | 315 | |
| Personnel costs | (1,157) 50.5% | (1,148) 50.2% | (1,008) 56.3% |
| Operating costs | (1,132) 49.5% | (1,139) 49.8% | (784) 43.7% |
| Total costs | (2,289) 100% | (2,287) 100% | (1,792) 100% |
| Net | (2,274) | (1,972) | (1,792) |
| OG FTE – staff ⁽¹⁾ | 13.0 | 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) provides the strategic direction for Brock University's brand, marketing, and communications efforts. As guardians of Brock's brand and reputation, UMC tells the Brock story to the University's many and varied audiences, including students, prospective students, staff and faculty, the community, industry, and the government. UMC's key responsibilities include brand management, integrated marketing and communications, media relations and public affairs, social media, web and digital content development, and community engagement. Learn more about UMC at brocku.ca/marketing-communications

*Note: On April 6, 2017 the university announced that it is updating the way it organizes and delivers a wide range of support, business-oriented and service-based departments, from Residences and Food Services to Parking, Brock Sports, Youth Programs, the Campus Store and Printing Services. Due to the timing of this announcement, responsibility centres and their corresponding budgets have not been updated for this change. Budgets will be reclassified, when net funding budget is not impacted, as part of the 2017-18 trimester reporting.



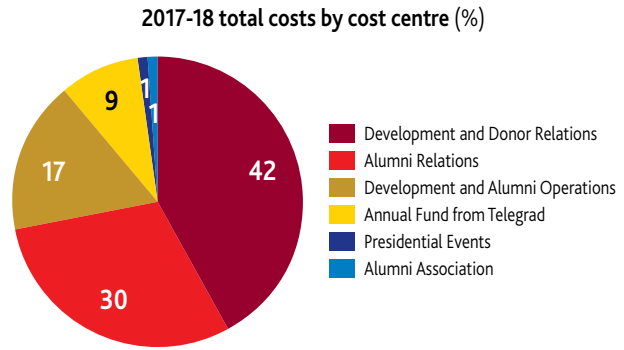
Development and Alumni Relations

| (\$000s) | 2017-18 Budget | 2016-17 Budget | 2015-16 Actual |
|-------------------------------|----------------|----------------|----------------|
| Revenue | 655 | 726 | 828 |
| Personnel costs | (1,686) 73.1% | (1,656) 67.0% | (1,643) 69.6% |
| Operating costs | (619) 26.9% | (815) 33.0% | (718) 30.4% |
| Total costs | (2,305) 100% | (2,471) 100% | (2,361) 100% |
| Net | (1,650) | (1,745) | (1,533) |
| OG FTE – staff ⁽¹⁾ | 18.0 | 18.0 | |

(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 93,000 alumni. 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

Note: Operating costs include \$122,000 of repairs and maintenance and capital replacement costs (\$139,000 in 2016-17).



University Services

| (\$000s) | 2017-18 Budget | 2016-17 Budget | 2015-16 Actual |
|-------------------------------|----------------|----------------|----------------|
| Revenue | 3,066 | 3,068 | 2,849 |
| Personnel costs | (1,533) 47.1% | (1,476) 44.6% | (1,419) 44.5% |
| Operating costs | (1,724) 52.9% | (1,836) 55.4% | (1,767) 55.5% |
| Total costs | (3,257) 100% | (3,312) 100% | (3,186) 100% |
| Net | (191) | (244) | (337) |
| 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 2017-18 budget, includes Printing and Digital Services, Central Receiving and Mail Services, Youth University and Visitor Services.

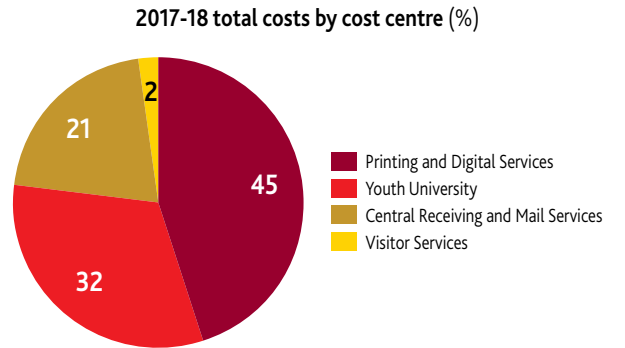
Printing and Digital Services is the official on-campus provider for printing, stationery and the management of the fleet of multifunction copiers across campus. The department provides a full in-house manufacturing facility to produce a wide range of print materials for academic, administrative and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

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

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 \$1,782,000 of internal charges to other departments by Printing and Digital Services and Mail Services (\$1,903,000 in 2016-17). Revenue related to Youth University programs fees of \$1,028,000 (\$941,000 in 2016-17) have been classified as other revenue rather than student fees starting 2016-17 fiscal year. Operating costs include \$436,000 of purchased services (\$438,000 in 2016-17).



*Note: On April 6, 2017 the university announced that it is updating the way it organizes and delivers a wide range of support, business-oriented and service-based departments, from Residences and Food Services to Parking, Brock Sports, Youth Programs, the Campus Store and Printing Services. Due to the timing of this announcement, responsibility centres and their corresponding budgets have not been updated for this change. Budgets will be reclassified, when net funding budget is not impacted, as part of the 2017-18 trimester reporting.





Shared Services Support

| (\$000s) | 2017-18 Budget | 2016-17 Budget | 2015-16 Actual |
|-------------------------------|----------------|----------------|----------------|
| Personnel costs | (1,959) 90.1% | (1,433) 86.4% | (1,181) 88.3% |
| Operating costs | (216) 9.9% | (225) 13.6% | (156) 11.7% |
| Total costs | (2,175) 100% | (1,658) 100% | (1,337) 100% |
| Net | (2,175) | (1,658) | (1,337) |
| OG FTE – staff ⁽¹⁾ | 20.5 | 15.5 | |

(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 2017-18 budget, represents the Office of Government Relations, which is under the President’s responsibility centre; the Office of the University Secretariat, Internal Audit Department and Human Rights and Equity Services, 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 overseeing and managing the legal services provided to the University by the University’s legal counsel. For more information on the University Secretariat, visit brocku.ca/university-secretariat

The Office of Government Relations builds relationships at all levels of government to advance Brock University’s strategic priorities and to raise awareness about the University’s unique areas of strength. The office is

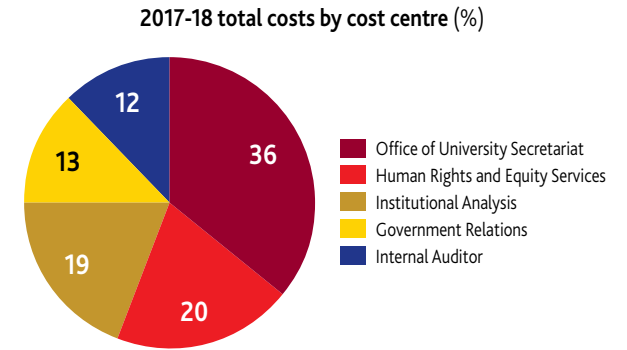
- responsible for supporting Brock’s strategic priorities with all levels of government by:
- Monitoring and providing advice on public policy and programs
 - Building relationships with elected representatives and non-elected officials
 - Supporting Brock’s government advocacy
 - Acting as a liaison and central point of contact
 - Co-ordinating strategic communications and engagement
 - Facilitating government visits to Brock’s campus
 - Engaging with sector associations including Universities Canada and the Council of Ontario Universities (COU)

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

Ancillary Operations

Ancillary Operations,* as defined in the 2017-18 budget, includes the Campus Store, Parking Services, Conference Services and Hospitality Services. Overall, Ancillary Operations is expected to contribute \$5.86 million (\$5.24 in 2016-17) 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 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 experience at Brock University. For more information, please visit campusstore.brocku.ca

Note: Operating costs include \$6,727,000 of cost of sales (\$6,740,000 in 2016-17).

Parking Services

Parking Services is responsible for all administrative functions relating to the management, maintenance 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 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, the MIWSFPA downtown location and the Hamilton campus. For information on Parking Services, visit brocku.ca/parking-services

Note: Operating costs include \$104,000 of purchased services (\$54,000 in 2016-17) and \$133,000 of repairs and maintenance and capital replacement costs (\$261,000 in 2016-17). Included in internal chargeback expenses is a \$410,000 contribution to the capital and related projects budget (\$400,000 in 2016-17).



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 \$499,000 of purchased services (\$470,000 in 2016-17).

Hospitality Services

Hospitality Services encompasses six key areas: Dining Services, Brock Card, Liquor Services, beverage contracts, 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 \$348,000 of repairs and maintenance and capital replacement costs (\$244,000 in 2016-17).

*Note: On April 6, 2017 the university announced that it is updating the way it organizes and delivers a wide range of support, business-oriented and service-based departments, from Residences and Food Services to Parking, Brock Sports, Youth Programs, the Campus Store and Printing Services. Due to the timing of this announcement, responsibility centres and their corresponding budgets have not been updated for this change. Budgets will be reclassified, when net funding budget is not impacted, as part of the 2017-18 trimester reporting.

| (\$000s) | Campus Store | Parking Services | Conference and Event Services | Hospitality Services | Total Ancillary Operations |
|------------------------------------|--------------|------------------|-------------------------------|----------------------|----------------------------|
| 2017-18 Budget | | | | | |
| Revenue | 9,659 | 3,994 | 2,053 | 1,818 | 17,524 |
| Personnel costs | (1,123) | (471) | (347) | (334) | (2,275) |
| Operating costs* | (7,232) | (957) | (608) | (591) | (9,388) |
| Total costs | (8,355) | (1,428) | (955) | (925) | (11,663) |
| Net | 1,304 | 2,566 | 1,098 | 893 | 5,861 |
| 2016-17 Budget | | | | | |
| Revenue | 9,627 | 3,759 | 1,998 | 1,805 | 17,189 |
| Personnel costs | (1,427) | (499) | (355) | (357) | (2,638) |
| Operating costs* | (7,124) | (988) | (590) | (605) | (9,307) |
| Total costs | (8,551) | (1,487) | (945) | (962) | (11,945) |
| Net | 1,076 | 2,272 | 1,053 | 843 | 5,244 |
| 2015-16 Actual | | | | | |
| Revenue | 9,529 | 3,262 | 1,699 | 1,382 | 15,872 |
| Personnel costs | (1,192) | (465) | (332) | (340) | (2,329) |
| Operating costs* | (7,410) | (466) | (88) | (442) | (8,406) |
| Total costs | (8,602) | (931) | (420) | (782) | (10,735) |
| Net | 927 | 2,331 | 1,279 | 600 | 5,137 |
| OG FTE – staff ^{(1), (2)} | | | | | |
| 2017-18 Budget | 13.0 | 4.0 | 4.1 | 3.5 | 27.1 |
| 2016-17 Budget | 14.0 | 4.0 | 7.3 | 3.5 | 31.3 |

(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 headcount is 2.5 FTE (in the Office of the Associate Vice-President of Ancillary and 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 allocated costs such as lighting, security, etc.



Department of Residences

| (\$000s) | 2017-18 Budget | 2016-17 Budget | 2015-16 Actual |
|-------------------------------|----------------|----------------|----------------|
| Revenue | 17,560 | 17,005 | 16,473 |
| Personnel costs | (2,870) 17.5% | (2,904) 17.7% | (2,613) 17.5% |
| Operating costs | (13,549) 82.5% | (13,547) 82.3% | (12,348) 82.5% |
| Total costs | (16,419) 100% | (16,451) 100% | (14,961) 100% |
| Net | 1,141 | 554 | 1,512 |
| OG FTE – staff ⁽¹⁾ | 31.6 | 27.3 | |

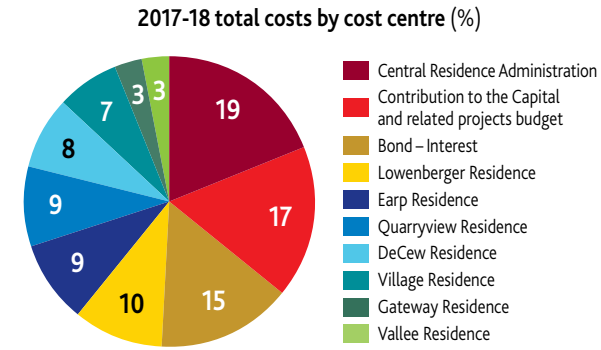
(1) Ongoing (OG) FTE staff represents budgeted OG staff (both filled and unfilled positions) – excludes temporary contract workers.

The Department of Residences is responsible for almost 2,500 students within seven complexes in a well-managed, safe and supportive environment. There is one traditional-style residence, three semi suite-style residences and one suite-style residence. Two of the seven residences are part of the Brock Suites, a newly branded initiative geared towards meeting the needs of upper-year and

graduate students. 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

Residence fees were approved by the Board of Trustees on Dec. 4, 2016. They were set to ensure effective operations and with market competitors in mind. First year residences rates have increased from zero per cent to seven per cent based on a comparator review. Brock Suites is in its first year of operations and has been priced to be competitive in the upper year market place. Approved residence fees for 2017-18 can be found at brocku.ca/residence/apply/residence-fees

Note: Revenue includes \$16,868,000 of residence fees (\$16,688,000 in 2016-17). Operating costs include \$1,907,000 of purchased services (\$2,036,000 in 2016-17), \$567,000 of utility costs (\$552,000 in 2016-17), \$4,432,000 of financial expenditures (\$4,432,000 in 2016-17), \$1,530,000 of repairs and maintenance and capital replacement costs (\$1,570,000 in 2016-17). Residence’s internal chargeback expense includes a contribution to the capital and related projects budget of \$2,795,000 (\$2,726,500 in 2016-17).



Space

Facilities Management

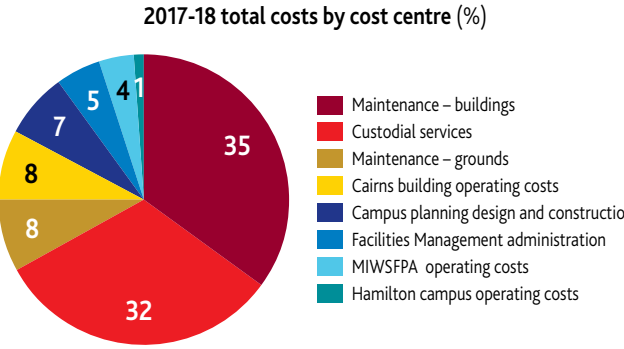
| (\$000s) | 2017-18 Budget | 2016-17 Budget | 2015-16 Actual |
|-------------------------------|----------------|----------------|----------------|
| Revenue | 659 | 670 | 662 |
| Personnel costs | (12,255) 78.3% | (12,579) 78.3% | (11,593) 75.8% |
| Operating costs | (3,405) 21.7% | (3,495) 21.7% | (3,697) 24.2% |
| Total costs | (15,660) 100% | (16,074) 100% | (15,290) 100% |
| Net | (15,001) | (15,404) | (14,628) |
| OG FTE – staff ⁽¹⁾ | 147.0 | 152.0 | |

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

Facilities Management mandate is 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 bylaw compliance; and cleaning and non-hazardous waste management. For more information, visit brocku.ca/facilities-management

Note: Revenue includes \$569,000 of internal charges to other departments within the University (\$607,000 in 2016-17). Operating costs include \$1,963,000 of repairs and maintenance and capital replacement costs (\$2,028,000 in 2016-17) and \$1,322,000 of purchased services (\$1,343,000 in 2016-17). 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 in the Facilities Management Responsibility Centre, \$8,719,000 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) | 2017-18 Budget | 2016-17 Budget | 2015-16 Actual |
|-------------------------------|----------------|----------------|----------------|
| Revenue | 59 | 70 | 14 |
| Personnel costs | (1,451) 56.8% | (1,455) 57.2% | (1,379) 59.7% |
| Operating costs | (1,104) 43.2% | (1,089) 42.8% | (931) 40.3% |
| Total costs | (2,555) 100% | (2,544) 100% | (2,310) 100% |
| Net | (2,496) | (2,474) | (2,296) |
| OG FTE – staff ⁽¹⁾ | 18.0 | 18.0 | |

(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 \$950,000 of purchased services (\$1,006,000 in 2016-17).

Heritage Place Plaza and Community Agreements

| (\$000s) | 2017-18 Budget | 2016-17 Budget | 2015-16 Actual |
|-----------------|----------------|----------------|----------------|
| Revenue | 345 | 381 | 499 |
| Personnel costs | 0.0% | 0.0% | (300) 26.7% |
| Operating costs | (962) 100% | (989) 100% | (825) 73.3% |
| Total costs | (962) 100% | (989) 100% | (1,125) 100% |
| Net | (617) | (608) | (626) |

The Heritage Place Plaza was built in 2003 on Glenridge Avenue across from the main Decew campus. Businesses housed there include McDonald’s, Tim Hortons, Campus Pharmacy and Spiice Chinese Express and Tea Lounge. At the time of preparing this budget report, there was one vacant unit. Also included is the payment of \$775,000 related to the multi-year agreement with the St. Catharines Performing Arts Centre, as well as a \$19,000 payment related to sculptures on campus.

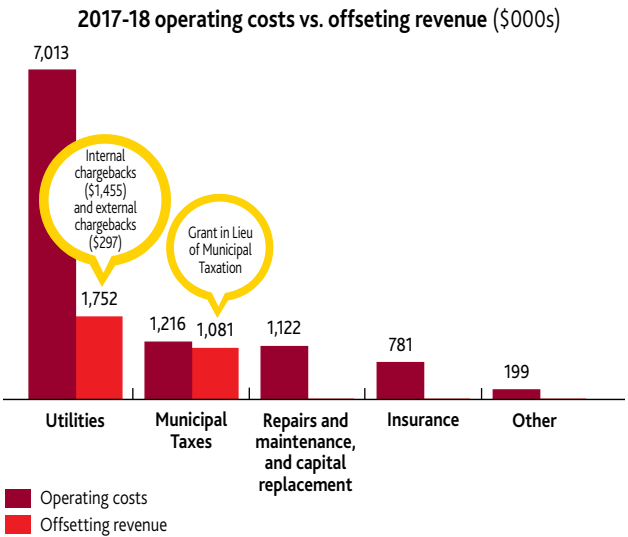
Utilities, Taxes and Insurance

| (\$000s) | 2017-18 Budget | | 2016-17 Budget | | 2015-16 Actual | |
|-----------------|----------------|------|----------------|------|----------------|------|
| Revenue | 2,833 | | 2,721 | | 2,739 | |
| Operating costs | (10,332) | 100% | (10,279) | 100% | (9,655) | 100% |
| Total costs | (10,332) | 100% | (10,279) | 100% | (9,655) | 100% |
| Net | (7,499) | | (7,558) | | (6,916) | |

The Utilities, Taxes and Insurance responsibility centre includes all centrally billed utility costs of \$7,013,000 (\$6,746,000 in 2016-17), which represents the majority of the University's total utility costs of \$7,632,000 (\$7,322,000 in 2016-17). Note: The remaining \$619,000 (\$576,000 in 2016-17) of utility costs is billed directly to operating units. As detailed in the chart below, offsetting these utility costs are chargebacks to both internal units, mainly the Department of Residence and external units to the University.

Also included in operating costs are municipal taxes (payment in lieu of property taxes) of \$1,216,000 (\$1,190,000 in 2016-17), offset by the Grant in Lieu of Municipal Taxes of \$1,081,000 (\$1,080,000 in 2016-17). For more details, see page 34.

The remaining operating costs are made up of repairs and maintenance and capital replacement costs of \$1,122,000 (\$1,242,000 in 2016-17), the majority of which is related to the University's central utilities building; insurance costs of \$781,000 (\$887,000 in 2016-17), and other operating costs of \$199,000 (\$215,000 in 2016-17).



Financing

| (\$000s) | 2017-18 Budget | | 2016-17 Budget | | 2015-16 Actual | |
|-----------------|----------------|------|----------------|------|----------------|------|
| Revenue | 301 | | 287 | | 35 | |
| Operating costs | (6,490) | 100% | (6,217) | 100% | (5,711) | 100% |
| Total costs | (6,490) | 100% | (6,217) | 100% | (5,711) | 100% |
| Net | (6,189) | | (5,930) | | (5,676) | |

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 the debt reduction strategy. See details below:

| (\$000s) | 2017-18 Budget | | 2016-17 Budget | |
|----------------------------------|----------------|-------------------------|----------------|-------------------------|
| | Financing unit | Department of Residence | Financing unit | Department of Residence |
| Bond – interest | 2,137 | 2,483 | 2,137 | 2,483 |
| Cairns – interest | 1,150 | | 1,184 | |
| Cairns – principal | 754 | | 720 | |
| Residence – interest | | 1,067 | | 1,128 |
| Residence – principal | | 883 | | 821 |
| MIWSFPA building – interest | 381 | | 399 | |
| MIWSFPA building – principal | 720 | | 720 | |
| Debt reduction strategy | 1,022 | | 745 | |
| Sinking Fund administration fees | 25 | | 25 | |
| Total | 6,189 | 4,433 | 5,930 | 4,432 |

The 2017-18 revenue of \$301,000 (\$287,000 in 2016-17) represents budgeted investment income earned from the sinking fund. Included in operating costs is an offsetting expense for the sinking fund of \$301,000 (\$287,000 in 2016-17). The revenue and expense related to the Sinking fund for 2015-16 actual was netted in operating costs.

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

Global

Scholarships, Bursaries and Student Awards

| (\$000s) | 2017-18 Budget | | 2016-17 Budget | | 2015-16 Actual | |
|-----------------|----------------|------|----------------|------|----------------|------|
| Revenue | 1,007 | | 992 | | 899 | |
| Operating costs | (18,348) | 100% | (17,422) | 100% | (16,269) | 100% |
| Total costs | (18,348) | 100% | (17,422) | 100% | (16,269) | 100% |
| Net | (17,341) | | (16,430) | | (15,370) | |

This unit represents the majority of Brock's undergraduate and graduate scholarships, bursaries and student awards (SBSAs). Of the total SBSAs, \$11,167,000 (\$10,449,000 in 2016-17) relates to support for undergraduate students and \$7,182,000 (\$6,973,000 in 2016-17) 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 budgeted undergraduate University-funded SBSAs of \$9,478,000 (\$8,760,000 in 2016-17) are either merit-based or need-based.

- Merit-based awards are budgeted to be \$7,255,000 (\$6,676,000 in 2016-17). Merit-based awards include Brock Entrance Scholars Awards of \$3,038,000 (\$3,038,000 in 2016-17) and renewals of those scholarships of \$2,570,000 (\$2,250,000 in 2016-17), as well as a number of other awards including course-based scholarships, the International Education Fund, the Principal's Awards, etc.
- Need-based awards are budgeted to be \$2,224,000 (\$2,084,000 in 2016-17). This includes funding related to the requirements of the Student Access Guarantee (SAG), a MAESD 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 MAESD 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 \$634,000 in 2017-18, a decrease of \$66,000 over 2016-17. Also included in need-based awards is Brock's bursary assistance of \$760,000 (\$814,000 in 2016-17), as well as Brock's entrance bursaries of \$500,000, which increased \$180,000 from 2016-17 and

a number of other specialty awards including the Student International Mobility Awards, Emergency Bursaries, etc.

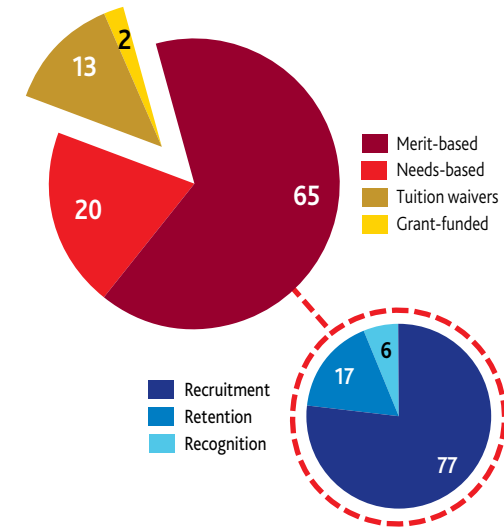
Another way to analyze at the University-funded undergraduate SBSA's is by primary purpose, as detailed in the following chart. It is important to note that there is discretion within the envelopes (merit vs. need-based and purpose) on how the breakdown is actually awarded during the year, based on the University's strategic need. This decision is made by the Vice-Provost, Enrolment Management and International.

Undergraduate student tuition waivers for Brock faculty and staff and their dependents are budgeted to be \$1,490,000 (\$1,490,000 in 2016-17).

Total grant-funded undergraduate SBSAs for 2017-18 are budgeted to be \$199,000 (\$199,000 in 2016-17), which is directly offset in grant revenue.

Also included in revenue is \$3,000 (\$10,000 in 2016-17) of interdepartmental transfers to fund certain scholarships budgeted in this responsibility centre.

2017-18 undergraduate scholarships and student awards (%)





Graduate

The majority of graduate SBSAs are in the form of University-funded fellowships of \$4,756,000 (\$4,572,000 in 2016-17). Other graduate SBSAs of \$1,059,000 (\$1,037,000 in 2016-17) include University-funded entrance scholarships, awards for excellence and research awards, as well as \$30,000 (\$30,000 in 2016-17) of graduate student conference travel support. In addition, there are scholarships funded two-thirds by the MAESD, in the amount of \$1,190,000 (\$1,187,000 in 2016-17), with an offsetting grant revenue of \$793,000 (\$783,000 in 2016-17).

Also included in graduate SBSAs are student tuition waivers for Brock faculty and their dependents and Brock staff, which are budgeted to be \$147,000 (\$147,000 in 2016-17).

Also included in revenue is \$12,000 (nil in 2016-17) of interdepartmental transfers to fund certain scholarships budgeted in this responsibility centre.

Note: Additional scholarships and awards of \$0.66 million are included in other units throughout the University.

Capital

| (\$000s) | 2017-18 Budget | 2016-17 Budget | 2015-16 Actual |
|-----------------|----------------|----------------|----------------|
| Revenue | 4,503 | 4,991 | 4,595 |
| Operating costs | (12,127) | 100% (12,264) | 100% (12,481) |
| Total costs | (12,127) | 100% (12,264) | 100% (12,481) |
| Net | (7,624) | (7,273) | (7,886) |

The Capital responsibility centre represents the total funding of both the Facilities Management projects of \$8,719,000 (\$8,087,500 in 2016-17) and the Information Technology Services projects of \$3,408,000 (\$4,176,500 in 2016-17) in the capital and related project budget. Offsetting these costs is the contribution of the Department of Residences to the capital and related project budget of \$2,795,000 (\$2,726,500 in 2016-17) – to fund the facilities management and information technology services projects, and the \$410,000 (\$400,000 in 2016-17) transfer from Parking Services – to fund facilities management projects. Also included in 2016-17 was a \$1,000,000 transfer from capital reserves – fund facilities management projects. Also included in revenue is Facilities Renewal Program Funds of \$1,298,000 (\$865,000 in 2016-17). See page 34 for a discussion of these funds. See pages 79 to 81 for details of the capital and related project budget.

University Global

| (\$000s) | 2017-18 Budget | 2016-17 Budget | 2015-16 Actual |
|-----------------|----------------|----------------------|----------------|
| Revenue | 234,783 | 224,156 | 219,894 |
| Personnel costs | (4,123) | 61.3% 1,159 (89.0%) | (974) 17.7% |
| Operating costs | (2,602) | 38.7% (2,461) 189.0% | (4,535) 82.3% |
| Total costs | (6,725) | 100% (1,302) 100% | (5,509) 100% |
| Net | 228,058 | 222,854 | 214,385 |

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 \$141,667,000 (\$135,035,000 in 2016-17) as detailed in Figure 14 on page 27.
- Grant revenue of \$88,882,000 (\$85,498,000 in 2016-17) as follows:
 - Core operating grants of \$82,000,000 – see page 32.
 - Differentiation grant envelope of \$4,633,000 – see page 32.
 - Nursing grant of \$2,813,000 (\$2,716,000 in 2016-17) – see page 33.
 - Graduate Enrolment Capital Expansion grant of \$750,000 (\$750,000 in 2016-17) – see page 35.
 - Net tuition implementation grant of \$150,000 in 2017-18, which is offset in personnel and operating costs – see page 36.
 - An offset to grant revenue of \$1,465,000 (\$1,465,000 in 2016-17) due to International Student Recovery Fee – see page 32.
- International Student Recovery Fee of \$1,030,000 (\$1,054,000 in 2016-17), which offsets the reduction mentioned above in grant revenue – see page 33.
- Investment income of \$900,000 (\$800,000 in 2016-17) – see page 37.
- Inter-fund revenue of \$699,000 (\$530,000 in 2016-17). The 2017-18 inter-fund revenue represents a transfer from the Provost Strategic Initiative Fund for recruitment, relocation and start-up costs of new faculty members.
- Internal chargebacks of \$335,000 (\$260,000) from the Faculties relating to the International Student Recovery Fee for international student programs.
- Other revenue of \$1,271,000 (\$981,000 in 2016-17), which mainly represents interest charged on student accounts.

Personnel costs for University Global include \$5,098,000 related to salary and wage increases that are anticipated but not yet awarded or negotiated, and \$225,000 (\$41,000 in 2016-17) in other personnel costs, including wages related to the net tuition implementation and salaries for individuals that belong to no specific unit. Note: The salary and wage increases that were anticipated but not yet awarded or negotiated included in the Global responsibility unit in the 2016-17 Budget Report have since been allocated to the respective units and are therefore reported as such in this Budget Report. See Appendix C for further details. Offsetting these costs are budgeted savings from voluntary reduction of \$300,000 (\$300,000 in 2016-17).

Operating costs for University Global include the following:

- Recruitment, relocation and start-up funds for faculty members and librarians of \$699,000 (\$672,000 in 2016-17).
- Other operating costs of \$1,003,000 (\$889,000 in 2016-17), which include University memberships, allowances for uncollectable funds and other University-wide expense items.

University Global also includes an adjustment between personnel costs and operating costs (inter-fund expenses) of \$900,000 (\$900,000 in 2016-17) related to the employee future benefits reserve transfer, which is reported in each unit as a benefit expense; however, overall, is recorded as an inter-fund expense.





Capital and related projects budget

Figures 34 and 35 detail the new capital and related projects budget for 2017-18. This budget was approved on Dec. 1, 2016 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 2016, 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

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 2016-17 capital and related projects can be found in the 2016-17 trimester one and trimester two reporting at brocku.ca/about/university-financials. A key feature of this capital and related project planning is that any unspent funds of the 2016-17 capital and related projects budget will be reserved at April 30, 2017, and be moved into fiscal 2017-18 so the projects can be completed.

2017-18 capital and related projects overview

The 2017-18 capital and related projects budget was approved at \$15,207,000 (Information Technology Services Projects – \$4,408,000; Facilities Management Projects – \$10,799,000), of which \$12,127,00 is funded by the 2017-18 operating budget. Of the total capital and related projects budget, \$1.0 million is funded by a reallocation of the withdrawn 2015-16 Walker HVAC capital project funding, \$1.0 million is funded by the use of the capital contingency reserve, \$0.08 million from external donations and \$1.0 million of savings from prior year approved projects. At the time of preparing this report, \$0.7 million of these savings have been identified, and project budgets are currently being reviewed to find the remaining \$0.3 million.

We have made significant progress in recent years in providing funding to support our infrastructure going forward. The 2017-18 capital and related projects budget identified key areas of investment, including the Brock LINC (\$1.4 million), Brock

DEEP project (\$2.6 million), Goodman School of Business Taro Hall (\$2.1 million), residence projects (\$2.1 million), classroom modernization and renewal (\$0.5 million), and human resource system replacement (\$2.3 million). Total deferred maintenance spending included in the 2017-18 capital and related projects budget was \$7.1 million.

The primary driver informing much of the Facilities Management campus planning regarding deferred maintenance has been the condition assessment performed by VFA Inc. 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 33.

Figure 33: 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. 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.

Recognizing some of the challenges in the current budget environment, Facilities Management continue to take 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. 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 2017-18 capital and related projects budget, other units maintain capital replacement and significant repairs and maintenance budgets. The Facilities Management budget (page 71) has \$1,963,000 in capital replacement and repairs and maintenance costs and the Utilities, Taxes and Insurance budget (page 72) has \$1,122,000 included as part of its operating costs. This budget supports building, mechanical, electrical and grounds maintenance, 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 62) also maintains a capital replacement and repairs and maintenance budget of \$1,512,000.

Figure 34: Capital and related project budget – Information Technology Services projects

| Project | Cash flow – 2017-18 | Rationale | Category |
|---|---------------------|-----------------|-------------|
| IT infrastructure | | | |
| PCI compliance | 47,000 | Compliance | Campus-wide |
| Cloud readiness | 15,000 | Enhancement | Campus-wide |
| Total IT infrastructure | 62,000 | | |
| IT hardware evergreening | | | |
| Network switches – administrative | 150,000 | Enhancement | Campus-wide |
| Network appliances – administrative | 118,000 | Enhancement | Campus-wide |
| Network appliances – residence | 118,000 | Enhancement | Residences |
| Wireless – administrative | 50,000 | Enhancement | Campus-wide |
| Audio visual (including video conferencing) | 50,000 | Enhancement | Campus-wide |
| UPS – Administrative | 73,000 | Enhancement | Campus-wide |
| Cable television system – residence | 15,000 | Enhancement | Residences |
| Servers | 50,000 | Enhancement | Campus-wide |
| Disk storage | 50,000 | Enhancement | Campus-wide |
| Data back-up | 35,000 | Enhancement | Campus-wide |
| Physical security and paging system improvements | 100,000 | Enhancement | Campus-wide |
| Computer purchase and redeployment program | 350,000 | Enhancement | Campus-wide |
| Total IT hardware evergreening | 1,159,000 | | |
| IT hardware growth | | | |
| Network internet – administrative | 25,000 | Enhancement | Campus-wide |
| Network internet – residences | 25,000 | Enhancement | Residences |
| Wireless – administrative | 185,000 | Enhancement | Campus-wide |
| Servers | 90,000 | Enhancement | Campus-wide |
| Bring your own device – virtual workspace (pilot project) | 30,000 | Enhancement | Campus-wide |
| Total IT hardware growth | 355,000 | | |
| Enterprise software | | | |
| Human Resources system replacement – implementation | 2,332,000 | Planned renewal | Campus-wide |
| Student information system – planning | 500,000 | Planned renewal | Campus-wide |
| Total enterprise software | 2,832,000 | | |
| Total | 4,408,000 | | |
| Use of capital contingency reserve | (1,000,000) | | |
| Total projects funded by the funding budget | 3,408,000 | | |

Figure 35: Capital and related project budget – Facilities Management projects

| Project | Source of funds/cash flow – 2017-18 | | | | Use of surplus from prior year capital and related project budgets | Total project costs | Rationale | Category |
|--|-------------------------------------|---------------------------------------|-----------------|--|--|---------------------|----------------------|---------------|
| | Deferred Maintenance (DM) | DM – Facilities Renewal Program Funds | Other operating | External donations/ student levies/ grants | | | | |
| Major capital projects | | | | | | | | |
| Schmon Tower Student Services Centre Atrium (Brock LINC) | 1,124,936 | | 285,228 | | | 1,410,164 | Grant application | Major capital |
| Brock DEEP | | 1,298,298 | 1,322,772 | | | 2,621,070 | Grant application | Major capital |
| Goodman School of Business Taro Hall | 2,130,766 | | | | | 2,130,766 | Grant application | Major capital |
| Total major capital projects | 3,255,702 | 1,298,298 | 1,608,000 | - | - | 6,162,000 | | |
| Buildings | | | | | | | | |
| Data Centre air conditioning replacement | 250,000 | | | | | 250,000 | Deferred maintenance | Major Capital |
| Alumni greenhouse demolition and site restoration | 105,000 | | | | | 105,000 | Improvement | Major capital |
| Walker Complex west copper sloped roof | 215,000 | | | | | 215,000 | Deferred maintenance | Roof |
| Inniskillen Hall roof | 250,000 | | | | | 250,000 | Deferred maintenance | Roof |
| Schmon Tower Podium deck railing replacement | 342,000 | | | | | 342,000 | Health and safety | Exterior |
| Asbestos containing material removal – MC B and C Block Connection | 225,000 | | | | | 225,000 | Health and safety | Interior |
| Schmon Tower LED lighting – outside perimeter | 50,000 | | | | | 50,000 | Deferred maintenance | Electrical |
| Washroom upgrades | 60,000 | | | | | 60,000 | Deferred maintenance | Interior |
| Flooring renewal | 60,000 | | | | | 60,000 | Deferred maintenance | Interior |
| Interior and exterior door replacements | 60,000 | | | | | 60,000 | Deferred maintenance | Renovations |
| Painting | 50,000 | | | | | 50,000 | Deferred maintenance | Interior |
| Total buildings | 1,667,000 | - | - | - | - | 1,667,000 | | |
| Above surface/sub-surface utilities, drainage, roads and parking lots, sidewalks | | | | | | | | |
| B and D parking lots – consolidation and repair * | 75,000 | | 175,000 | | | 250,000 | Deferred maintenance | Exterior |
| Parking lot and street light renewal | 20,000 | | | | | 20,000 | Deferred maintenance | Exterior |
| Total above-surface/sub-surface utilities, etc. | 95,000 | - | 175,000 | - | - | 270,000 | | |

Figure 35: Capital and related project budget – Facilities Management projects (continued)

| Project | Source of funds/cash flow – 2017-18 | | | | Use of surplus from prior year capital and related project budgets | Total project costs | Rationale | Category |
|---|-------------------------------------|---------------------------------------|------------------------------------|--|--|---------------------|-------------------------------|-------------------------|
| | Deferred Maintenance (DM) | DM – Facilities Renewal Program Funds | Other operating | External donations/ student levies/ grants | | | | |
| Residence | | | | | | | | |
| Residence flooring | 175,000 | | | | | 175,000 | Deferred maintenance | Interior |
| Lowenberger cladding replacement | 100,000 | | | | | 100,000 | Deferred maintenance | Exterior |
| Decew residence renewal – house by house | 500,000 | | | | | 500,000 | Deferred maintenance | Interior |
| Village interior renewal – house by house | 330,000 | | | | | 330,000 | Deferred maintenance | Interior |
| Lowenberger riser waterpipe replacement | 125,000 | | | | | 125,000 | Deferred maintenance | Interior |
| Residence proximity card access system | 300,000 | | | | | 300,000 | Accessibility | AODA ⁽¹⁾ |
| Residence furniture replacement | | | 250,000 | | | 250,000 | Renewal | Interior |
| Total residence | 1,530,000 | - | 250,000 | - | - | 1,780,000 | | |
| Adaptations/renovations and major renewal | | | | | | | | |
| Fifth floor library renovation | | | 176,000 | 80,000 | | 256,000 | Renewal | Interior |
| Classroom modernization and renewal* | 159,600 | | 372,400 | | | 532,000 | CRTTC ⁽²⁾ priority | Classroom modernization |
| Total adaptations/renovations and major renewal | 159,600 | - | 548,400 | 80,000 | - | 788,000 | | |
| AODA ⁽¹⁾ accessible built environment | | | | | | | | |
| Decew – CJs lift replacement | 90,000 | | | | | 90,000 | Accessibility | AODA ⁽¹⁾ |
| Residence AODA ⁽¹⁾ /ABE | | | 42,000 | | | 42,000 | Accessibility | AODA ⁽¹⁾ |
| Total AODA ⁽¹⁾ accessible built environment | 90,000 | - | 42,000 | - | - | 132,000 | | |
| Reallocation of 15-16 Walker HVAC capital project | (1,000,000) | | | | 1,000,000 | - | | |
| Savings from prior year approved projects – to be found | | | (1,000,000) | | 1,000,000 | - | | |
| Total | 5,797,302 | 1,298,298 | 1,623,400 | 80,000 | 2,000,000 | 10,799,000 | | |
| | | | Deferred Maintenance = \$7,095,600 | | | | | |

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

Total projects funded by the funding budget = \$8,719,000



Financing

Figure 36 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 its renewal date in 2019-20; the loan on the Cairns Family Health and Bioscience Research Complex (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 rationale 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, the 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 contribution of \$1,022,000 in 2017-18 (\$745,000 2016-17). The 2018-19 contribution will be \$1,303,000 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 37, which also compares these metrics to that of the median and average of other universities in our comprehensive category.

Figure 36: Outstanding debt

| (\$000s) (Unless otherwise stated) | Actual 30-April-15 | Actual 30-April-16 | Budget 30-April-17 | Forecast 30-April-18 | Forecast 30-April-19 | Forecast 30-April-20 | Forecast 30-April-21 | Forecast 30-April-22 |
|--|-----------------------|-----------------------|-----------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|
| Bond | 93,000 | 93,000 | 93,000 | 93,000 | 93,000 | 93,000 | 93,000 | 93,000 |
| Cairns building | 26,269 | 25,583 | 24,863 | 24,109 | 23,319 | 22,491 | 21,623 | 20,714 |
| Residence | 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 | 153,470 | 151,300 | 149,038 | 146,682 | 144,224 | 127,857 | 125,894 | 123,809 |
| Total student FFTE ⁽¹⁾ | 20,056 | 19,885 | 20,058 | 19,983 | 20,191 | 20,383 | 20,522 | 20,630 |
| Total debt/FFTE (in dollars) ⁽¹⁾ | \$7,652 | \$7,609 | \$7,430 | \$7,340 | \$7,143 | \$6,273 | \$6,135 | \$6,001 |
| Debt reduction strategy | | | | | | | | |
| Sinking fund | 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 | 11,232 | 12,102 | 13,436 | 14,977 | 16,819 | 6,970 | 10,256 | 13,844 |
| Net debt | 142,239 | 139,197 | 135,602 | 131,705 | 127,405 | 120,886 | 115,639 | 109,965 |
| Net debt/FFTE (in dollars) ⁽¹⁾ | \$7,092 | \$7,000 | \$6,760 | \$6,591 | \$6,310 | \$5,931 | \$5,635 | \$5,330 |

(1) See Appendix A for definition of FFTE.

Reserve summary

Figure 37: Financial health metrics

| | Brock ⁽¹⁾ | | Median ⁽²⁾ | |
|-----------------------|----------------------|------------|-----------------------|------------|
| | April 2016 | April 2015 | April 2016 | April 2015 |
| Primary reserve ratio | 11.7% | 11.9% | 24.9% | 28.3% |
| Debt burden ratio | 3.1% | 3.2% | 2.5% | 2.6% |
| Interest burden % | 2.6% | 2.7% | 1.8% | 1.8% |
| Interest coverage | 3.35 | 4.55 | 3.49 | 6.76 |
| Viability ratio | 24.5% | 23.8% | 133.9% | 185.0% |

(1) Certain ratios have been restated to align with the Council of Ontario Universities (COU) metrics to improve comparability across various reporting agencies.
(2) Calculated using financial information from 14 other comprehensive universities.

Appendix G provides full definitions of each financial health metric. The following details a high-level explanation of the debt metrics:

1. The primary reserve ratio refers to the amount of cash available to cover operations. It identifies at April 2016 Brock has approximately 43 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. Although this ratio went down, it remains above the guidance of 2.00 set by the Board of Trustees and above the ratio of 2.50 considered to be the standard by the University's credit rating agency DBRS for Brock's current credit rating of A high.
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 25 per cent and, therefore, is vulnerable to unplanned events.
5. 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, 2016, 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 38

| Description | Amount (\$000s) |
|--|-----------------|
| Capital and infrastructure projects and reserves | 9,262 |
| Operating project accounts | 1,077 |
| Research funds with no external obligations | 2,089 |
| Start-up funds | 910 |
| Professional expense reimbursement accounts | 2,546 |
| Sinking fund* | 5,647 |
| Employee future benefits | 1,826 |
| Debt repayment reserve | 950 |
| Contingency reserve | 2,001 |
| Strategic initiative fund | 2,200 |
| Encumbrance reserve | 1,025 |
| Total | 29,533 |

* 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, 2016. This information will be updated for April 30, 2017 and incorporated into the University's 2016-17 Annual Report.



Endowment summary

University endowment activity is not integrated into the University funding budget represented in this report, with the exception of the MIWSFPA endowment spending, budgeted in the Faculty of Humanities (\$0.4 million in 2017-18). This is because the endowment is a separate fund of the University. The endowment fund policy can be found at brocku.ca/university-secretariat/university-policies. 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 39.

Figure 39

| (\$000s) | 2015-16 Actual | 2014-15 Actual | 2013-14 Actual |
|-----------------------|----------------|----------------|----------------|
| Opening Endowment | 81,695 | 74,527 | 63,803 |
| Spending | (1,995) | (6,915)* | (1,509) |
| Spending Re-endowment | | | 398 |
| Investment Income | 2,460 | 9,933 | 8,960 |
| New Endowments | 938 | 4,150 | 2,875 |
| Ending Endowment | 83,098 | 81,695 | 74,527 |

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

Figure 40: Top 10 endowments (2015-16 Actual)

| Amount (\$000s) | Name | Purpose |
|-----------------|--|-------------------------------|
| 15,062 | Marilyn I. Walker SFPA Fund | Supports the MIWSFPA |
| 6,656 | Harrison-Thompson Bursary Trust | Supports Undergraduate Awards |
| 2,078 | VP Research Discretionary Fund | VP Research Discretionary |
| 1,856 | Ontario Graduate Fellowship Program | Supports Graduate Awards |
| 1,627 | Dr. and Mrs. Moriyama Grad Fellowship Fund | Supports Graduate Awards |
| 1,623 | Bluma Appel Entrance Scholarships for Excellence | Supports Graduate Awards |
| 1,271 | Luigi and Amalia Setacci Award | Supports Undergraduate Awards |
| 1,187 | Ruth Evelyn Williamson Estate | Supports Undergraduate Awards |
| 1,150 | Provost Discretionary Enhancement Fund | Provost Discretionary |
| 995 | Harrison Scholarship | Supports Undergraduate Awards |

Figure 40 details the top 10 endowments from 2015-16. Due to the timing of preparing and approving this budget, the information presented is as of April 30, 2016. This information will be updated for April 30, 2017 and incorporated into the University's 2016-17 Annual Report.

In 2017-18, approved endowment spending is \$2.5 million (\$2.0 million in 2016-17), as detailed in Figure 41.

Figure 41

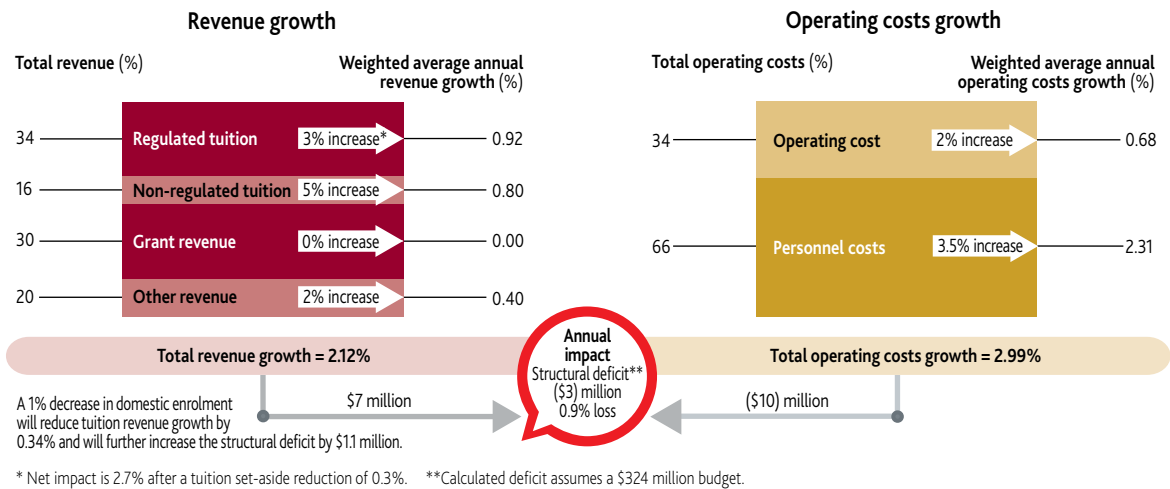
| Endowment | Approved spending (\$000s) | |
|----------------------------|----------------------------|---------|
| | 2017-18 | 2016-17 |
| Undergraduate Scholarships | 654 | 562 |
| Undergraduate Bursaries | 646 | 527 |
| Undergraduate Prizes | 156 | 131 |
| Graduate Awards | 329 | 238 |
| Operating | 202 | 170 |
| Capital | 467 | 401 |
| Total | 2,454 | 2,029 |

Includes the MIWSFPA endowment spending allocation which can be used for both capital and operating.



Looking forward

Figure 42



The budget for fiscal 2017-18, like the 2016-17 budget, was a significant undertaking. While we still have challenges ahead, we should take a moment to celebrate our return to fiscal balance with the University's first balanced budget in over a decade. In 2016-17, a mitigation target of \$3.9 million was in place, with current expectations that this target will be exceeded for the fourth consecutive year. Figure 42 has been shown in prior budget reports, and this fiscal complexity continues to hold true for financial planning going forward, despite a balanced budget presented for 2017-18. The math is really not that complex. Revenue growth is 2.12 per cent assuming enrolment is constant, and operating costs growth is 2.99 per cent. This creates an annual requirement to find one per cent or, \$3 million, annually in mitigation. The Provost and Vice-Provost has committed to achieving this \$3-million target through increasing retention of students next year, over and above planned enrolment based on the status quo forecast. Recognizing this might be a stretch goal, mitigation strategies will be kept in place for 2017-18 to provide some assurance to the Board of Trustees that, should we fall short of this target, we will be able to finish the year with a fiscal balance through mitigation savings.

The Fiscal Framework was developed and subsequently approved by Senate and the Board of Trustees. The Fiscal Framework is a planning tool, in essence the Fiscal Framework is the lighthouse for guiding strategic planning within the University's financial means. The Framework recognizes that one unit alone cannot solve the fiscal challenges of the University. All units must work as "One Brock."

We are currently on track with a number of our Framework goals; however, sustained fiscal balance will only be achieved once all Framework goals are accomplished. For example; Government funding per student for Brock University continues to be amongst the lowest funded per student in the Province; ancillary services over the next five years has a significant challenge to grow its contribution to the operating budget by 20 per cent; capital expenditures were cut by \$1 million in this budget (which will need to be added back to the 2018-19 budget plus the annual inflation costs built into the capital forecast); and salary and benefits continue to make up 72 per cent of the University's expense budget compared to the Ontario Comprehensive average of 68 per cent (based on COFO reporting).

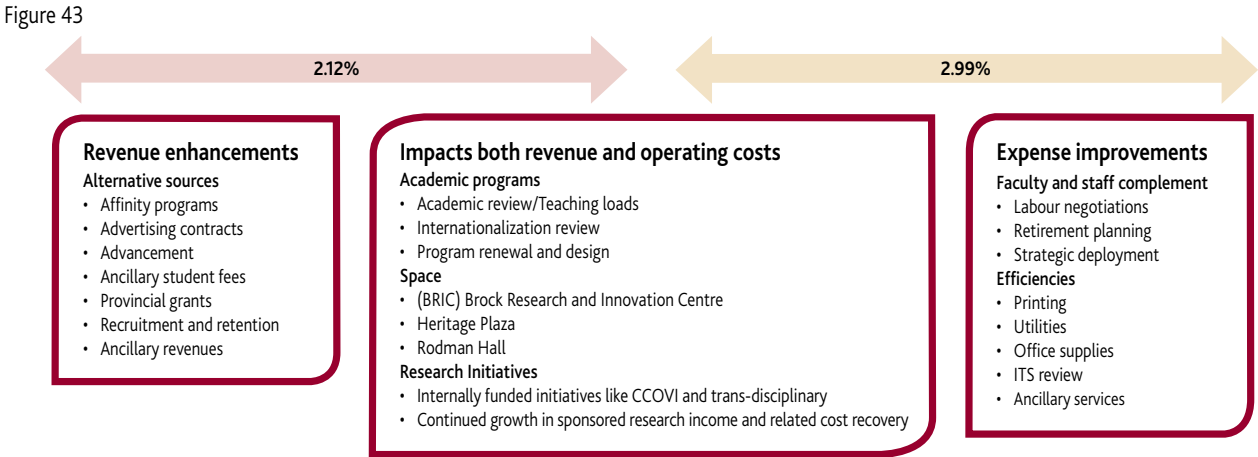
So, what's next? The Senate previously performed an Academic Review – recommendations need to be considered and implemented to realize efficiencies. To help inform these decisions, the Deans with Financial Services will be developing the next phase of the University's budget reporting using a revenue and expense allocation model. Significant progress has been made. It is envisioned 2017-18 will be a time of analysis and thoughtful discussion with units to test and understand the implications and long-term benefits of the revenue and expense allocation budget model. As this work continues, it is envisioned this new model will integrate as a component of the fiscal framework.

We are 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. The University is also committed to paying down debt. The University, much like all universities, is extremely vulnerable to revenue shocks, such as a drop in enrolment, or a major cut to public funding. Many comprehensive universities have monies saved away from prior year surpluses to draw upon in emergency situations. Unlike our comprehensive university peers, Brock has minimal monies saved (see financial metrics page 84), meaning we have less flexibility in the event of a major revenue shock. Having a low debt burden will provide the University the financial flexibility to borrow if our ability to pay our obligations ever came into question from a short-term revenue shock. Paying down debt provides this financial flexibility, as the credit would

then be available when it is needed, rather than already being fully utilized. This said, the Fiscal Framework allows for business cases to utilize debt financing. If this was to occur, it is recommended that debt only be issued where, the debt is for capital purposes, a strong financial case can be made with significant visibility to a reasonable rate of return that considers capital, maintenance and operating costs and that the capital project is forecasted to be net cash flow positive within two or three years.

In addition, there are a number of action items and areas to review that the Budget Committee has previously identified. As shown in Figure 43, these consist of revenue enhancements, operating cost improvements and items that impact both revenue and operating costs.



Appendix A

Enrolment definitions

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

- **Headcount enrolment:** A “snapshot” of the number of individuals who are attending the University at a particular point in time, usually Nov. 1, and the response to the commonly asked question: “How many students does Brock have?”
- **Full-time equivalent (FTE) enrolment:** FTEs are used to provide enrolment expressed as the equivalence to full-time students. For undergraduate students, FTEs are calculated by dividing total course enrolments by five (the nominal load of a full-time student). Graduate students are calculated as only Fall FTEs (Fall full-time headcount plus Fall part-time headcount * 0.3).
- **Fiscal full-time equivalent (FFTE) enrolment:** FFTE is represented by a student whose study load in the fiscal year is equal to the normal full-time study load for his/her program and level of registration in the academic year. Graduate FFTE is calculated based on the registration level, full-time or part-time. Full-time = 1.000 FFTEs, part-time = 0.300 FFTEs. Undergraduate and graduate FFTEs are calculated for each academic term.
- **Weighted grant units (WGUs):** WGUs are used in reporting enrolment to the Ontario government for funding purposes and represent a weighted enrolment measure. The WGU for Brock University range from 1, for General Arts, and 2.782 for Nursing and Science upper year honours.
- Eligible 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 MAESD 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. This tuition framework has been extended for 2017-18 and 2018-19.

- The MAESD 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 2017-18 academic year, detailed in Figure 44, starting in spring of 2017-18, balance competitive pricing pressures with the financial requirements of the University.

Figure 44

| MAESD 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 2017-18 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 | 0.85%~ | 0.0% |
| Average tuition increase** | 3.0% | |

* Undergraduate professional programs include Computer Science and Business.
** Average increase weighted based on enrolment.
~ Except for MBA and Master of Accountancy (MAcc) fee which will increase by 5%.

Tuition fee policy, non-government-funded programs

International 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 45 details the 2017-18 non-government-funded program rates that were proposed to and approved by the Board of Trustees in March 2017.

Figure 45: Brock University board-approved 2017-18 rate increases

| International program types | Tuition increase |
|---|------------------|
| Undergraduate international students | 8% |
| Graduate international students | 8% |
| International student programs: | |
| Professional Master's Preparation Certificate (Business) (PMPC) | 8% |
| International Master of Business Administration (IMBA) | 8% |
| International Master of Accountancy (IMAcc) | 5% |
| Master's Preparation Certificate in Education (MPCE) | 3.4% |
| International Master of Education (MEd) | 3% |
| International Master of Science in Materials Science | 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) | 15% |



Appendix C

Figure 46: Reclassifications by function

| (\$000s) | 2016-17 approved budget ⁽¹⁾ | Reclass. | 2016-17 adjusted budget |
|-----------------------|--|----------|-------------------------|
| Revenue | | | |
| Student fees | 158,610 | (975) | 157,635 |
| Grant revenue | 92,358 | (206) | 92,152 |
| Internal chargebacks | 7,752 | 721 | 8,473 |
| Inter-fund revenue | | 3,658 | 3,658 |
| Other revenue | 47,481 | (1,588) | 45,893 |
| Total revenues | 306,201 | 1,610 | 307,811 |
| Operating costs | | | |
| Personnel costs | (204,169) | 1,266 | (202,903) |
| Inter-fund expense | | (18,785) | (18,785) |
| Other operating costs | (105,952) | 15,909 | (90,043) |
| Total operating costs | (310,121) | (1,610) | (311,731) |
| Mitigation target | 3,920 | | 3,920 |
| Funding deficit | - | - | - |

(1) Agrees to the 2016-17 Budget Report.

Summary of budget adjustments

As a result of certain changes in the approach of preparing the 2017-18 budget, as well as the move to Workday finance, reclassifications were made to the 2016-17 budget as reported in the 2016-17 Budget Report for comparison purposes when the funding deficit was not impacted. Figure 46, 47 and 48 detail these reclassifications by responsibility centre and function, as well as by operating cost type, with the most notable reclassifications highlighted with explanations.

Reclassifications by function

- \$18,785,000 was reclassified as Inter-fund expenses during 2016-17 from operating costs (\$17,391,000), personnel costs (\$1,785,000) and revenue (\$391,000).
- \$3,658,000 was reclassified as Inter-fund revenue during 2016-17 from other revenue (\$3,656,000) and operating expenses (\$2,000).
- \$954,000 of other revenue, which were grouped as student fees revenue in the 2016-17 approved budget, were identified and reclassified to other revenue in the 2016-17 adjusted budget.
- \$721,000 of internal chargeback revenue was reclassified in 2016-17 from operating costs (\$260,000) and other revenue (\$461,000).

Reclassifications by responsibility centre

- \$756,000 of personnel cost increases were allocated out from the University Global responsibility centre to other units throughout the University during 2016-17, as these specific amounts were not known at the time of preparing the 2016-17 budget. Of this total, \$637,000 related to salary rate increases to administrative/professional staff and \$119,000 related to salary rate increases to CUPE 1295 staff.

Figure 47: Reclassifications by responsibility centre

| (\$000s) | 2016-17 approved budget ⁽¹⁾ | Salary rate increase | Other reclasses | 2016-17 adjusted budget |
|---|--|----------------------|-----------------|-------------------------|
| Teaching Faculties | | | | |
| Faculty of Applied Health Science | (19,702) | (24) | (37) | (19,763) |
| Goodman School of Business | (18,954) | (27) | | (18,981) |
| Faculty of Education | (15,242) | (23) | (59) | (15,324) |
| Faculty of Humanities | (21,224) | (10) | (3) | (21,237) |
| Faculty of Mathematics and Science | (21,032) | (47) | (17) | (21,096) |
| Faculty of Social Sciences | (36,109) | (20) | 22 | (36,107) |
| Total Teaching Faculties | (132,263) | (151) | (94) | (132,508) |
| Academic Support | | | | |
| Faculty of Graduate Studies | (1,275) | (7) | | (1,282) |
| Library | (9,224) | (22) | | (9,246) |
| Research Services | (1,622) | (19) | (141) | (1,782) |
| Centre for Pedagogical Innovation | (920) | (8) | (21) | (949) |
| Total Academic Support | (13,041) | (56) | (162) | (13,259) |
| Student Specific | | | | |
| Student Services | (6,433) | | 6,433 | |
| Brock International | | (16) | (422) | (438) |
| Office of the Registrar | | (30) | (2,704) | (2,734) |
| Student Life and Community Experience | | (6) | (809) | (815) |
| Student Success Centre | | (10) | (543) | (553) |
| Student Wellness and Accessibility | | (15) | (1,335) | (1,350) |
| Co-op, Career and Experiential Education | (1,207) | (25) | | (1,232) |
| Brock Sports | (829) | (30) | (29) | (888) |
| Total Student Specific | (8,469) | (132) | 591 | (8,010) |
| Shared Services | | | | |
| Leadership | (3,620) | (8) | 469 | (3,159) |
| Information Technology Services | (7,300) | (73) | (22) | (7,395) |
| Financial Services | (2,343) | (24) | (713) | (3,080) |
| Human Resources | (3,427) | (40) | (396) | (3,863) |
| Marketing and Communications | (1,959) | (13) | | (1,972) |
| Development and Alumni Relations | (1,696) | (20) | (29) | (1,745) |
| University Services | (220) | (10) | (14) | (244) |
| Shared Services Support | (1,469) | (14) | (175) | (1,658) |
| Total Shared Services | (22,034) | (202) | (880) | (23,116) |
| Ancillary | | | | |
| Ancillary Operations | 4,922 | (23) | 345 | 5,244 |
| Department of Residence | 1,440 | (23) | (864) | 553 |
| Total Ancillary | 6,362 | (46) | (519) | 5,797 |
| Space | | | | |
| Facilities Management | (15,260) | (151) | 7 | (15,404) |
| Campus Security Services | (2,456) | (18) | | (2,474) |
| Heritage Place Plaza and Community Agreements | (589) | | (19) | (608) |
| Utilities, Taxes and Insurance | (7,558) | | | (7,558) |
| Financing | (5,930) | | | (5,930) |
| Total Space | (31,793) | (169) | (12) | (31,974) |
| Global | | | | |
| Scholarships, Bursaries and Student Awards | (16,417) | | (13) | (16,430) |
| Capital | (7,673) | | 400 | (7,273) |
| University Global | 221,408 | 756 | 689 | 222,853 |
| Total Global | 197,318 | 756 | 1,076 | 199,150 |
| Total University | (3,920) | - | - | (3,920) |

(1) Agrees to the 2016-17 Budget Report.

- During 2016-17, Student Awards and Financial Aid (SAFA) separated from the Office of the Registrar and joined Financial Services. The 2016-17 budget (\$708,000) was reclassified for comparative purposes.
- During 2016-17, there was a reorganization, moving Student Accessibility Services from the Student Success Centre (formally Student Development Centre) to the Student Wellness and Accessibility Centre. This reorganization also moved the academic advisors from the Registrar's Office to the Student Success Centre. The 2016-17 budget associated with these moves (\$199,000 from Registrar's Office, \$920,000 from Student Success Centre and \$1,119,000 to Student Wellness and Accessibility) was reclassified for comparative purposes.
- During 2016-17, Faculty Relations separated from the Leadership units and joined Human Resources. The 2016-17 budget (\$488,000) was reclassified for comparative purposes.
- During 2016-17, the Summer Conference Operations were moved from Ancillary Operations to the Department of Residences. The 2016-17 budget of (\$744,000) was reclassified for comparative purposes.
- As set out in the 2016-17 Fiscal Framework, \$400,000 of capital contribution was transferred from Parking to Capital. This 2016-17 budget amount was reclassified for comparative purposes.
- For the purpose of the 2017-18 budget report, the Student Services responsibility centre was reclassified to show the following units separately: Office of the Registrar (\$2,734,000); Student Life and Community Experience (\$815,000); Student Success Centre (\$553,000) and Student Wellness and Accessibility (\$1,350,000).

Reclassifications by operating cost

- In the 2016-17 Budget report, printing/duplicating and postage were shown as purchased services. These have been reclassified and are now showing as other operating costs.
- During 2016-17, insurance costs were reclassified from other operating costs to purchased services. The 2016-17 budget was restated for comparative purposes.
- During 2016-17, we were able to identify and show separately inter-fund expenses. The 2016-17 budget (\$18,785,000) was reclassified for comparative purposes. The majority of this budget was previously shown in repairs and maintenance and capital replacement.

Figure 48: Reclassification of operating costs

| (\$000s) | 2016-17 approved budget ⁽¹⁾ | Reclass. | 2016-17 adjusted budget |
|---|--|----------|-------------------------|
| Purchased services | 10,824 | 2,454 | 13,278 |
| Utilities and taxes | 9,998 | (1,396) | 8,602 |
| Financial expenditures | 10,337 | (409) | 9,928 |
| Repairs and maintenance and capital replacement | 24,735 | (15,059) | 9,676 |
| Scholarships and student awards | 18,041 | (3) | 18,038 |
| Library acquisitions | 3,882 | 4 | 3,886 |
| Cost of sales | 6,977 | (175) | 6,802 |
| Inter-fund expense | | 18,785 | 18,785 |
| Other operating costs | 21,158 | (1,325) | 19,833 |
| Total operating costs | 105,952 | 2,876 | 108,828 |

(1) Agrees to the 2016-17 Budget Report.

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 49 and 50 detail these entries, with explanations following.

Figure 49

| (\$000s) | 2017-18 Funding budget | NFPS adjustments | Notes | Reclass of inter-fund transfers | Eliminate internal chargebacks | 2017-18 NFPS budget |
|----------------------|------------------------|------------------|-------|---------------------------------|--------------------------------|---------------------|
| Revenue | | | | | | |
| Student fees | 167,875 | | | | | 167,875 |
| Grant revenue | 96,326 | (1,298) | 1 | | | 95,028 |
| Internal chargebacks | 8,792 | | | | (8,792) | - |
| Inter-fund revenue | 3,138 | (719) | 2 | (2,419) | | - |
| Other revenue | 47,826 | 20,713 | 3-5 | 2,419 | | 70,958 |
| Total revenue | 323,957 | 18,696 | | - | (8,792) | 333,861 |
| Personnel costs | (213,337) | 800 | 10-11 | | | (212,537) |
| Inter-fund expense | (18,192) | 14,350 | 8-9 | 3,842 | | - |
| Operating costs | (92,428) | (33,561) | 3-7 | (3,842) | 8,792 | (121,039) |
| Total costs | (323,957) | (18,411) | | - | 8,792 | (333,576) |
| Funding surplus | - | 285 | | - | - | 285 |

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 2017-18 budget.
2. Funding from the Strategic Initiative Fund (\$699,000) and from the encumbrance reserve (\$20,000) has been included as revenue in the 2017-18 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 2017-18 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's actual figures (2013-14 to 2015-16) less the portion already included in the funding budget.

Figure 50

| Notes | Reconciliation of NFPS adjustments (\$000s) |
|----------------------------------|--|
| 1 | Capital grants (1,298) |
| 2 | Funding from reserves (719) |
| 3 | Amortization of deferred capital contributions 7,618 |
| 4 | Research, including fellowships 11,011 |
| 5 | Endowment and trust spending 2,084 |
| Total revenue adjustments 18,696 | |
| 3 | Amortization of capital assets (19,923) |
| 4 | Research, including fellowships (11,011) |
| 5 | Endowment and trust spending (2,084) |
| 6 | Principal payments 2,357 |
| 7 | Non-capital purchases in capital and infrastructure project reserves net of capital purchases from operating (2,900) |
| 8 | Funding of capital and reserves 14,049 |
| 9 | Sinking fund 301 |
| 10 | Post-retirement benefits (1,200) |
| 11 | Pension 2,000 |
| Total costs adjustments (18,411) | |

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 2017-18 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 2017-18 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. 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 2017-18 budgeted principal debt payments have been eliminated in the NFPS adjustments.
7. Non-capital purchases of \$4.6 million made in the capital fund should be reported as an expense in the NFPS financial statements. Capital purchases made as part of operating spend (ie. not from the capital and related projects budget) impact cashflow; however, for



NFPS financial statement purposes, capital purchases are recorded as an asset in the Statement of Financial Position. The University expects \$1.7 million in capital purchases in the 2017-18 budget to actually be capitalized. This net amount has been included as part of the NFPS adjustments.

- 8. The 2017-18 funding budget includes funding transfers to the employee future benefit reserve of \$0.9 million, \$12.127 million to the capital and related projects budget and \$1.022 million to the debt reduction strategy reserve. These transfers are eliminated as part of the NFPS adjustments, as they would not be recorded as expenses for NFPS financial statement purposes.
- 9. Investment income on the sinking fund is recorded as a net zero in the funding budget, as the investment income earned on the fund is offset with a transfer



to the sinking fund reserve. However, the investment income is required to be reflected in the NFPS financial statements. The 2017-18 budgeted investment income related to the sinking fund is included as part of the NFPS adjustments.

- 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 earned in 2015-16 plus a growth rate for 2016 to 2018. 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 \$4.02 million calculated by the University's actuary is recorded as an expense in the funding budget, as it represents a cash outflow. However, \$2.0 million of the \$4.02 million represents the estimated "paydown" of the pension liability if the actuarial assumptions are met. The NFPS financial statements require only \$2.02 million to be expensed and the remaining \$2.0 million is shown as reduction to the pension liability and therefore adjusted in the NFPS adjustments.

Explanation of reclassifications

Included as part of the total budgeted inter-fund revenue, is funding from endowments of \$0.685 million, \$0.997 million from the research fund and \$0.737 million from the non-endowed trust internally restricted fund. These transfers will be recorded as revenue in the NFPS financial statements and have therefore been reclassified to other revenue.

Included as part of the total budgeted expenses, as part of inter-fund expenses, are transfers to internally restricted research funds with no external obligations of \$1.361 million, transfers to the professional expense reimbursements internally restricted fund of \$1.309 million, transfers to internally restricted start-up funds of \$0.699 million, transfers to the operating projects internally restricted fund of \$0.431 million and a \$0.041 million transfer to the research fund. These transfers will be recorded as operating expenses in the NFPS financial statements and have therefore been reclassified to operating costs.

Included as part of total 2017-18 budgeted revenue is \$8.792 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 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 |
|--|--|--------------------|
| Financial Services and the Office of the Registrar | Financial Services and the Registrar's Office partnered in 2016-17 to develop the Brock Central model for student services. This model consolidated three student service counters (Financial Services – 12th Floor Schmon Tower, Student Awards and Financial Aid (SAFA) – 4th Floor Schmon Tower, Registrar – 3rd Floor Schmon Tower). On Jan. 9, the new Brock Central @ The Registrar's Office, on the 3rd floor of Schmon Tower opened for business. This new bundling of student services also came with longer hours of operation – open 8:30 a.m. to 7 p.m. Monday to Thursday, and 10 a.m. to 4 p.m. on Friday to better serve the needs of our students at times when they are on campus for classes. Back office processing for student financial services and SAFA were consolidated on the 4th floor of the Schmon Tower. This consolidation of services resulted in a \$270,000 reduction to the 2017-18 budget. | \$270,000 annually |
| Development and Alumni Relations | During 2016-17 Development and Alumni Relations renegotiated software contracts, related to the call centre, donor/alumni database and event management. The renegotiation included extending the terms and revaluating optional modules. | \$20,000 annually |
| Facilities Management (FM) | During the winter season the need for chilled water from the campus loop is reduced significantly. By allowing the Cairns #1 Chiller to be the primary winter chiller for the entire Main Campus it has increased its load from less than 10 per cent to approximately 25 per cent. This results in the chiller operating at higher efficiency. This approach has allowed the H-Block 150 Tonne Chiller to be placed on standby, to be used only as emergency back-up. | \$50,000 annually |
| | During 2016-17 FM removed 2-100 horse power (HP) compressors and replaced them with 2 high efficient 40 HP compressors. The calculated energy consumption is significantly lower, peak 30.85 kW and 212,00 kW annually. | \$30,000 annually |
| | During 2016-17 FM improved the chemical treatment of the cooling towers to decrease water usage and reduce the amount of cooling water blow down by over 40 per cent . | \$32,000 annually |
| | Facilities Management purchased second screen on the lady bug filter, which eliminates the backwash cycle saves approximately 1,000,000 US gallons of water per year. FM was awarded a GE Water "Proof not Promises" Award for these changes. | \$11,200 annually |
| | A number of other efficiencies were realized by FM including installing low flow toilets in Thistle washrooms, performing a lighting retrofit, installing of a web-based temperature control for East Academic #3 and a change to mechanical cleaning of grease traps. | \$28,300 annually |

Appendix F

Multi-year financial results on a funding basis

Figure 51

| (\$000s) | 2017-18 Budget | 2016-17 T2 Forecast | 2016-17 Budget | 2015-16 Actual | 2014-15 Actual |
|-----------------------|----------------|---------------------|----------------|----------------|----------------|
| Revenue | | | | | |
| Student fees | 167,875 | 157,824 | 157,635 | 151,382 | 145,167 |
| Grant revenue | 96,326 | 92,606 | 92,152 | 93,201 | 97,324 |
| Internal chargebacks | 8,792 | 8,876 | 8,473 | 7,522 | 7,111 |
| Inter-fund revenue | 3,138 | 4,438 | 3,658 | 2,585 | 180 |
| Other revenue | 47,826 | 46,083 | 45,893 | 46,728 | 49,003 |
| Total revenue | 323,957 | 309,827 | 307,811 | 301,418 | 298,785 |
| Operating costs | | | | | |
| Personnel costs | (213,337) | (199,903) | (202,903) | (193,777) | (192,894) |
| Inter-fund expenses | (18,192) | (19,540) | (18,785) | (17,700) | (15,364) |
| Other operating costs | (92,428) | (90,228) | (90,043) | (85,431) | (83,013) |
| Total operating costs | (323,957) | (309,671) | (311,731) | (296,908) | (291,271) |
| Mitigation target | | | 3,920 | | |
| Funding surplus | - | 156 | - | 4,510 | 7,514 |

Appendix G

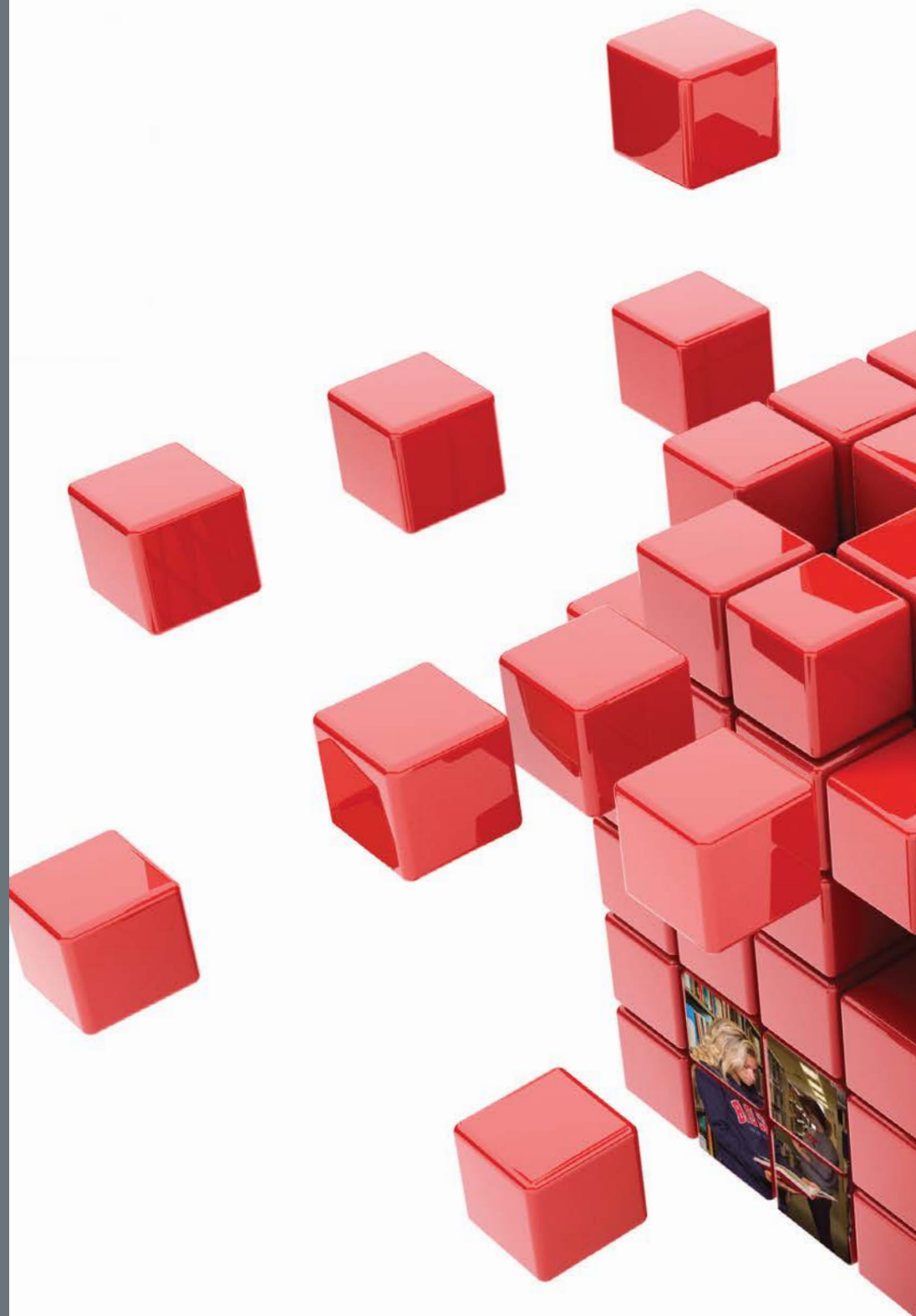
Financial health metrics definitions

| Metric | Definition | Formula |
|------------------------------------|--|---|
| Primary reserve ratio | <p>The primary reserve ratio compares expendable net assets to total expenses and provides an indication of an institution's financial strength and flexibility by determining how long the institution could function using its expendable reserves without relying on additional net assets generated by operations.</p> <p>Expendable Net Assets include: unrestricted surplus (deficit), internally restricted net assets and internally restricted endowments, adjusted for the non-cash component of employee future benefits.</p> | Primary reserve ratio = expendable net assets/ total expenses |
| Debt burden ratio (Non-cash basis) | The debt burden ratio measures how an institution utilizes a greater portion of its annual expenditures to fund debt obligations. The ratio is calculated by dividing total current debt obligations, which include interest expenses and principal payments, by operating expenses. | Debt burden ratio = (interest expense + principal payments)/ total expenses |
| Interest burden % | The Interest burden ratio compares the level of current debt service with the institution's total expenses. It is an indicator of debt affordability, as it examines the percentage of total expenses used to cover an institution's cost of servicing its debt. The ratio is calculated as interest expense over total expenses (adjusted for amortization of capital assets). | Interest burden ratio = interest expense/ (total expenses – amortization) |
| Interest coverage ratio | Interest coverage ratio measures how many times an institution could pay its current interest payment with its available earnings. The ratio is calculated by dividing earnings before interest, depreciation and amortization (EBIDA) during a given period by the amount an institution must pay in interest on its debts during the same period. | Interest coverage ratio = EBIDA/interest expense |
| Viability ratio | <p>The viability ratio is a basic determinant of an institution's financial health, as it provides an indication of the funds on hand to settle its long-term obligations. It is calculated as expendable net assets over long-term debt.</p> <p>Expendable net assets include: unrestricted surplus (deficit), internally restricted net assets and internally restricted endowments, adjusted for the non-cash component of employee future benefits.</p> <p>Long-term debt is total external long-term debt as disclosed in the institution's financial statements without adding the current portion that may be included in accounts payable.</p> | Viability ratio = expendable net assets/ long-term debt |
| Net operating revenues ratio | The net operating revenues ratio provides an indication of the extent to which institutions are generating positive cash flows in the long run to be financially sustainable. The ratio is calculated as cash flow from operating activities over total revenues. | Net operating revenues ratio = cash flow from operating activities/ total revenues |





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