

TRIMESTER TWO REPORT 2018-19

MAY 1, 2018 TO DECEMBER 31, 2018



Executive summary

This report covers the period from May 1, 2018 to Dec. 31, 2018. The Trimester two forecast focuses on revenue and expense projections submitted by units across the University. The 2018-19 Trimester two forecast is demonstrating strong fiscal performance with a funding surplus of \$1.2 million versus the 2018-19 balanced budget and a forecasted Not-for-profit standards (NFPS) surplus of \$9.0 million versus a NFPS budget surplus of \$5.1 million, which is explained throughout this report.

Brock entered 2019 with the newly approved Niagara Roots, Global Reach: Brock University Institutional Strategic Plan 2018-2025. While still under development during the first two trimesters of 2018-19, the Brock community was already working hard on many strategic priorities, setting the foundation for the next seven years and beyond. Particularly is Brock’s success in enrolment for 2018-19, meeting overall enrolment targets outlined in the Strategic Enrolment Management Plan 2025. Working towards a 2018-19 budget target that called for a 6.1 per cent increase in student fees, we are happy to report Brock is forecasting student fees to achieve budget with impeccable accuracy.

We also set a stretch target to add an additional \$0.3 million in investment income. As a result of rising interest rates coupled with improving fiscal performance, this target is also on track. For more details on operating investments please refer to the Treasury section of this report (page 16).

On the expenditure side, we are forecasting personnel costs to be underspent by \$3.9 million. Non-personnel operating costs are forecasted \$0.8 million below budget. These positive variances are achieved while at the same time accelerating investments in a proactive approach to fund Brock’s strategic priorities. A few investments included in the forecast are as follows:

- special advisor developing a plan to expand Brock’s academic and research portfolio into engineering programs,
- special advisor for the Canada Summer Games,
- strengthening Brock’s Human Rights and Equity services,
- additional faculty hires in key growth areas, and
- additional student support staff such as positions in the Registrar.

Inter-fund expenses, which are attributed to committed cash and used for reconciling the funding budget to not-for-profit statements, shows a forecasted variance of \$4.2 million due to certain inter-fund investments. Included in this inter-fund forecast is funding for two major capital projects Brock is completing in 2018-19, the Goodman School of Business Expansion and the Rankin Family Pavilion. These projects are forecasted to require additional funding from operations of \$2.9 million primarily due to lower than anticipated donations. The 2018-19 Trimester two forecast also includes an additional \$0.993 million contribution to the debt repayment reserve to align with the planned pay down of the Marilyn I. Walker School of Fine and Performing Arts (MIWSFPA) loan that comes due June 2019. This additional contribution in 2018-19 was part of the new draft fiscal framework adjustments developed in support of the Strategic Plan. This one-time contribution to the debt repayment reserve is also a component of the financing strategy for the strategic student experience infrastructure projects approved at cycle 2 and required to meet target credit rating metrics. The remaining increase to inter-fund investments of \$0.3 million is a result of strategic initiatives underway to advance Brock’s strategic priorities.

Financial Services would like to thank all those units who support our objectives to provide transparent, relevant and reliable financial information to the University. This forecast is the culmination of reports submitted by all Faculties and units of the University. Input and recommendations for future budget decisions are encouraged and can be emailed to budgetreport@brocku.ca

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This report contains certain forward-looking information. In preparing the Trimester 2 Report, certain assumptions and estimates were necessary. They are based on information available to management at the time of preparing the forecast. 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.

- On the front cover:** photos from left to right
- SEPT. 8, 2018: Brock students and employees volunteered their time at 26 locations across the region during Brock Cares Day of Service.
 - SEPT. 13, 2018: Biology students Bishoy Seliman, left, and Cassandra Cunningham, front, were two of five students who contributed to a research paper being published by Associate Professor of Biological Sciences Jeff Stuart, right.
 - SEPT. 21, 2018: 400+ students participated in Brock’s annual Grape Stomp.
 - OCT. 9, 2018: Former Brock faculty member Sadia Jahanzeb, right, readies to take her oath of citizenship at a special ceremony held in the Goodman School of Business atrium.
- On the back cover:** photos from left to right
- NOV. 6, 2018: Pakistan Consul General Imran Ahmed Siddiqui and Brock President Gervan Fearon at the signing of a new agreement between Brock and the University of Karachi in Pakistan.
 - NOV. 30, 2018: Expanding Brock’s Smart Start orientation program is one of 27 initiatives to receive part of the \$250,000 BU 4U Retention and Graduation Grant funding.
 - Brock students site-seeing in Niagara Falls.
 - DEC. 3, 2018: Elyse Lappano (BPhEd ’11, MA ’13), Experiential Education Co-ordinator, Inclusive and Adaptive Programs, is the third recipient of the University’s Accessibility and Inclusion Award. AODA Co-ordinator Chris Lytle presented Lappano with the award.

Financial results

The following table illustrates the Trimester two forecast for the University compared to budget and prior year actual. The information is presented on a funding basis, which represents committed cash, and based on the audited financial statements prepared in accordance with accounting standards for not for-profit organizations (NFPS). A reconciliation of the two presentations, for the 2018-19 forecast, can be found starting on **page 24**.

Figure 1

(\$000s)	2018-19 Forecast	Funding 2018-19 Budget	Difference better/(worse)	2018-19 Forecast	NFPS 2018-19 Budget	Difference better/(worse)
Revenue						
Student fees	177,895	178,091	(196)	177,895	178,091	(196)
Grant revenue	97,674	97,575	99	95,913	95,814	99
Internal chargebacks	9,732	8,994	738			
Inter-fund revenue	6,650	5,416	1,234			
Other revenue	49,508	49,130	378	73,602	73,242	360
Total revenue	341,459	339,206	2,253	347,410	347,147	263
Operating costs						
Personnel costs	(215,685)	(219,568)	3,883	(215,310)	(219,193)	3,883
Inter-fund expenses	(29,489)	(25,293)	(4,196)			
Other operating costs	(95,106)	(94,345)	(761)	(123,104)	(122,822)	(282)
Total operating costs	(340,280)	(339,206)	(1,074)	(338,414)	(342,015)	3,601
Funding surplus/(deficit)	1,179	-	1,179	8,996	5,132	3,864





Taking a closer look at some of the numbers

Overview

The 2018-19 Trimester two forecast shows a funding surplus of \$1.2 million versus the balanced 2018-19 budget. This surplus is driven by a revenue forecast of \$2.3 million exceeding expectations coupled with personnel costs forecasted \$3.9 million below budget and operating costs forecasted \$0.8 million below budget. Also included in the forecast are key strategic investments through inter-fund expenses. These variances are more fully described in the following sections of this report.

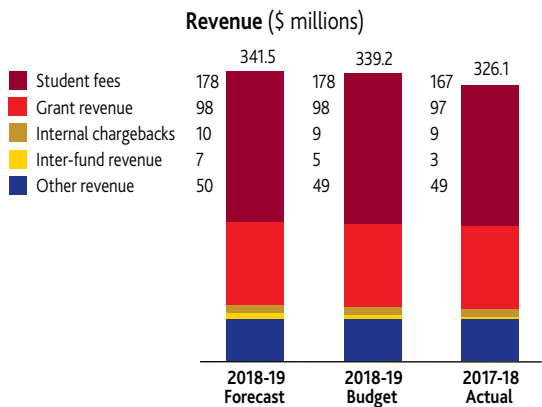
Review of overall revenue

The higher than budgeted revenue is driven by increased grant revenue of \$0.1 million, internal chargeback revenue of \$0.7 million, other revenue of \$0.4 million and inter-fund revenue of \$1.2 million. Student fee revenues and grant revenues are discussed in the tuition and enrolment section and the operating grant section on the following pages.

The higher than budgeted other revenue was driven by investment income which is expected to beat budget by \$0.9 million, more fully described in the Treasury section of this report. Sales and service revenue is forecast to beat budget by \$0.6 million, driven by higher than budgeted Ontario University Application Centre Revenue reflective of Brock's strong application numbers and an over 6 per cent increase in new year-one undergraduate intake. Health Services revenue and utility rebate revenue also exceeded budget.

Inter-fund revenue is forecasted \$1.2 million higher due to funding from the Strategic Initiative funds, which were established as part of year-end discretionary appropriations, as well as from the encumbrance reserve, which represents utilization of reserved prior year unspent budgeted funding. Although a variance to budget is noted, these variances are to support strategic investments and are fully-funded from strategic reserves. Decisions were made throughout the first two trimesters to utilize strategic reserves by investing in priorities outlined in the strategic plan.

Figure 2



SEPTEMBER 26, 2018: Brock student volunteer Daphne Redillas guides retired Brock Professor Tony Ward through a workout at the Brock-Niagara Centre for Health and Well-Being.



Tuition and enrolment

Figure 3: Tuition by reporting unit

(\$000s)	2018-19 Forecast	2018-19 Budget	Difference better/(worse)	Listed below
Total tuition revenue in University Global	151,408	150,439	969	(1)
Tuition revenue budgeted in respective departments				
Professional Masters Preparation Certificate (Business) (PMPC)	738	757	(19)	(2)
International Masters Business Administration (IMBA)	8,218	8,516	(298)	(2)
International Master of Professional Accounting (MPAcc)	1,554	2,653	(1,099)	(2)
Masters Preparation Certificate in Education (MPCE)	551	586	(35)	(3)
International Masters of Education (MEd)	1,219	1,219		(3)
Masters of Arts in Applied Linguistics (MA LING)	25	149	(124)	(4)
International Master of Science in Materials Physics (MSc)	271	140	131	(6)
Total international student programs (ISP)s	12,576	14,020	(1,444)	
Continuing Teacher Education – Additional Qualifications (AQ)	755	636	119	(3)
Center for Adult Education and Community Outreach (CAECO)*	877	871	6	(3)
Other Education programs	44	12	32	(3)
Intensive English Language Program (IELP)	3,717	3,944	(227)	(5)
Summer English Language Program (SELP)	564	410	154	(5)
Total other self-funded programs	5,957	5,873	84	
Tuition revenue in respective departments	18,533	19,893	(1,360)	
Total tuition revenue	169,941	170,332	(391)	
Fee revenue	7,954	7,759	195	
Total student fees	177,895	178,091	(196)	

* Includes Aboriginal Adult Education.
Departments the tuition revenue is reported in: (1) University Global; (2) Goodman School of Business; (3) Faculty of Education; (4) Faculty of Social Sciences; (5) Student Services; (6) Faculty of Mathematics and Science

As detailed in Figure 3, Brock posted strong enrolment overall resulting in student fees forecasted to meet budget with impeccable accuracy. Work is underway on certain International student programs (ISP) to address some variances noted in the forecast. Some programs reporting higher than expected enrolment were the Faculty of Mathematics and Science MSc ISP program and Continuing Teachers Education. Deans have been looking at program design and developing strategies to address the forecasted variances for some ISP programs such as the Goodman School of Business IMBA and MPAcc programs, the Faculty of Education MPCE program, and the Faculty of Social Science MA LING ISP program. Despite some of the noted variances, Brock is expecting to achieve budget with strong overall enrolment and higher than planned international student recruitment.



SEPTEMBER 8, 2018: About 160 students and Brock employees spent volunteered their time at 26 locations across the region, as part of the annual Brock Cares Day of Service.

Global tuition is forecasted to be higher than budget by \$1.0 million. It should be noted that the 2018-19 undergraduate tuition budget included an incremental enrolment target of \$1.1 million, which translated into an additional 100 undergraduate students. The expected budget beat in global tuition is over and above this enrolment target. As detailed in Figure 5, combined undergraduate and graduate global tuition is forecasted higher than budget, and markedly higher for international student enrolment.

Note: Although Figure 5 details global tuition by Faculty of major, the revenue and expense allocation model recently adopted, reports tuition based on where students take their courses (i.e. teaching Faculty).

Figure 4

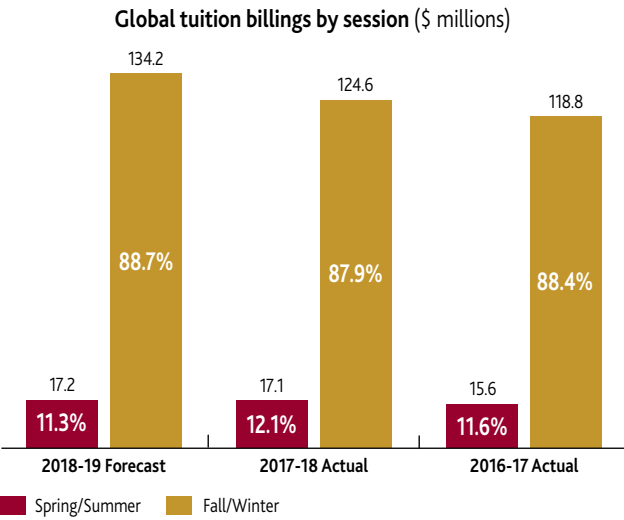


Figure 4 above, details global tuition by session – spring/summer and fall/winter for the forecast and the past two years.

Figure 5: Tuition revenue budgeted in University Global⁽¹⁾

(\$000s)	2018-19 Actuals as of Jan. 16, 2019	2018-19 Budget	Difference better/(worse)
Undergraduate – domestic			
Faculty of Applied Health Sciences	25,848	25,160	688
Goodman School of Business	21,632	21,802	(170)
Faculty of Education	6,451	6,288	163
Faculty of Humanities	10,169	10,647	(478)
Faculty of Mathematics and Science	12,582	12,438	144
Faculty of Social Sciences and undeclared Arts	29,695	30,196	(501)
Other ⁽²⁾	293	277	16
Total undergraduate – domestic	106,670	106,808	(138)
Graduate – domestic			
Faculty of Applied Health Sciences	1,628	1,526	102
Goodman School of Business	1,180	1,413	(233)
Faculty of Education	1,218	1,347	(129)
Faculty of Humanities	441	554	(113)
Faculty of Mathematics and Science	988	993	(5)
Faculty of Social Sciences	2,703	2,630	73
Total graduate – domestic	8,158	8,463	(305)
Total domestic	114,828	115,271	(443)
Undergraduate – international			
Faculty of Applied Health Sciences	2,529	1,515	1,014
Goodman School of Business	11,894	12,440	(546)
Faculty of Education	58	73	(15)
Faculty of Humanities	1,145	810	335
Faculty of Mathematics and Science	6,386	4,438	1,948
Faculty of Social Sciences and Undeclared Arts	11,118	11,189	(71)
Other ⁽²⁾	58	69	(11)
Total undergraduate – international	33,188	30,534	2,654
Graduate – international			
Faculty of Applied Health Sciences	242	184	58
Goodman School of Business	1,723	1,792	(69)
Faculty of Education	108	78	30
Faculty of Humanities	196	133	63
Faculty of Mathematics and Science	1,229	864	365
Faculty of Social Sciences	545	483	62
Total graduate – international	4,043	3,534	509
Total international	37,231	34,068	3,163
Incremental enrolment target (Undergraduate)		1,100	(1,100)
Total tuition revenue in University Global	152,059	150,439	1,620
Forecasted change to April 30, 2019	(651)		
Total 2018-19 Forecast	151,408		969

(1) Figures based on Faculty of major.
(2) Includes letter of permission non-degree students and auditors.

Figures 6 and 7 detail all-in headcount enrolment. All-in enrolment represents degree-seeking students, non-degree students, auditors, and those pursuing additional qualifications and certificates, including privatized ISP program, not charged to Global. Brock achieved significant overall enrolment success in 2018-19 with over 6 per cent growth in year-one undergraduate intake, Brock also realized record growth in undergraduate international enrolment forecasting a 16.4 per cent increase over the prior year.

Figure 6: All in student headcount by type⁽¹⁾

Type	2018-19 Forecast	2018-19 Budget	Difference – better/(worse)		2017-18 Actual
			#	%	
Undergraduate – domestic	15,655	15,898	(243)	(1.5%)	15,671
Undergraduate – international	1,571	1,350	221	16.4%	1,384
Graduate – domestic	1,112	1,766	2	0.1%	1,099
Graduate – international	656				634
Total	18,994	19,014	(20)	(0.1%)	18,788

Figure 7: All in undergraduate headcount forecast⁽¹⁾

Faculty	2018-19 Forecast			2018-19 Budget			2018-19 Budget vs forecast
	Domestic	International	Total	Domestic	International	Total	
Faculty of Applied Health Science	3,784	104	3,888	3,754	67	3,821	67
Goodman School of Business	2,424	538	2,962	2,438	519	2,957	5
Faculty of Education	1,356	40	1,396	1,396	25	1,421	(25)
Faculty of Humanities	1,611	47	1,658	1,644	33	1,677	(19)
Faculty of Mathematics and Science	1,779	252	2,031	1,767	170	1,937	94
Faculty of Social Science	4,596	587	5,183	4,708	511	5,219	(36)
No Faculty	105	3	108	111	5	116	(8)
Total unadjusted headcount	15,655	1,571	17,226	15,818	1,330	17,148	78
Adjusted enrolment forecast (20% international)				15,898	1,350	17,248	(22)

(1) Represents Fall student headcount full-time and part-time (excludes Winter Master of Accountancy). 'All-in' enrolment includes degree-seeking, non-degree students, auditors, and those pursuing additional qualifications and certificates.



Operating grants

Figure 8: General operating grants

(\$000s)	2018-19 Forecast	2018-19 Budget	2017-18 Actual
Operating Grants			
Core Operating Grant	82,000	82,000	81,743
Differentiation Grant Envelope	4,850	5,067	4,404
International Student Recovery	(1,400)	(1,400)	(1,319)
Nursing Grant	2,787	2,787	2,838
Total operating grants	88,237	88,454	87,666
Specific purpose grants	9,437	9,121	9,705
Total grant revenue	97,674	97,575	97,371

Figure 8 above details grant revenue. Starting in 2017-18 the Ministry of Training, Colleges and Universities (MTCU) introduced a new university funding model. Through this model, a number of operating grants received in prior years were effectively combined and re-allocated into two new grants and frozen at 2016-17 enrolment levels – Core Operating Grant and the Differentiation Grant Envelope. At the time of preparing the forecast, it is expected that Brock will receive the budgeted level of funding for the Core Operating Grant with some minor variance in the Differentiation Grant from master’s enrolment forecasted below the cap.

Special purpose grants are forecasted \$0.3 million higher than budget. An indicator of Brock’s increased research output is reflected in higher than anticipated funding from the Research Support Fund. As well other grants forecasted to exceed budget are the MTCU Disabilities Interpreters grant, as well as new funding from the Brock University Student Union related to mental health. These increases were offset by a reduction in the MTCU-funded First Generation Project grant. This decrease was not known at the time of preparing the 2018-19 budget. The Provost has been successful in mitigating the reduction in the First Generation Project grant by identifying funding from the Provost Strategic Initiative Fund, as inter-fund revenue for 2018-19.

In addition, it should be noted that although the grants in Figure 9 have been forecasted in Trimester two to be collected, at the time of writing, the MTCU has not yet flowed any funding for these grants. Despite the Minister stating publicly that all operating grants will flow for the 2018-19 fiscal year, the MTCU remains silent on the status of these grants.



NOVEMBER, 2018: Above, Brock Homestay program connected international students with Niagara host Lara Lorge.



Middle, Brock students experience Mayan culture during Reading Week. This Brock group visited the Ixil University and participated in a class that took place outdoors in the mountains.

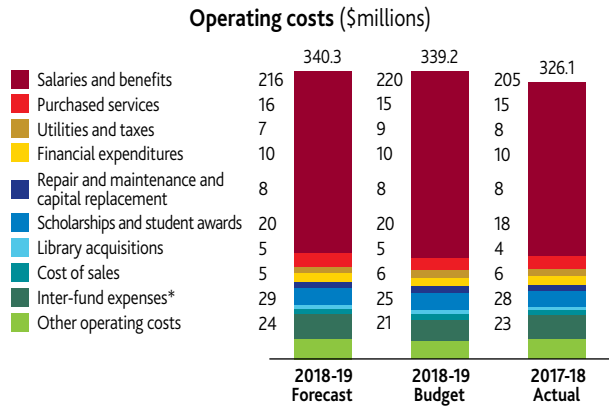
Figure 9: MTCU Special purpose grants

(\$000s)	Forecast/ Budget	% of Budget
Credit Transfer Institutional Grant	211	0.06%
Aboriginal Student Success Funding	336	0.10%
Facilities Renewal Program Funds	1,761	0.52%
Graduate Enrolment Capital Expansion	750	0.22%
Bursaries for Students with Disabilities	43	0.01%
Total	3,101	0.85%

Review of operating costs

Personnel costs are forecast \$3.9 million below budget, which is discussed in the following “Our People” section of this report. Other operating costs are also forecast to be \$0.8 million under budget. Inter-fund expenses are forecasted to be \$4.2 million higher. The largest of these transfers are to the capital and related project fund related to the Goodman School of Business capital project and the Rankin Family Pavilion capital project, fully described in the “Capital and related projects” section of this report.

Figure 10



*2017-18 Actual inter-fund expenses include discretionary appropriations in the amount of \$5,132

Our people

Our people are what make everything possible at our University. Figure 11 below illustrates the cost of personnel costs in aggregate by personnel group.

Figure 11: Personnel costs by group

Personnel Group ⁽¹⁾ (\$000s)	2018-19 Forecast			2018-19 Budget	Difference better/ (worse)	2017-18 Actual
	Salary/Wage	Benefits	Total personnel costs			
Faculty and Professional Librarians	89,355	19,316	108,671	110,432	1,761	105,063
Admin/Professional	41,030	11,065	52,095	53,655	1,560	48,587
CUPE 4207 – Unit 1	13,612	1,475	15,087	15,517	430	14,816
OSSTF	7,743	2,498	10,241	10,797	556	9,909
CUPE 1295 FT	7,161	2,444	9,605	9,231	(374)	8,908
SAC	5,114	1,023	6,137	6,191	54	5,770
Other	13,153	1,596	14,749	14,645	(104)	14,667
Total	177,168	39,417	216,585	220,468	3,883	207,720
Transfer to employee future benefits reserve (EFB)		(900)	(900)	(900)		(900)
Transfer to pension stabilization reserve						(1,587)
Total personnel	177,168	38,517	215,685	219,568	3,883	205,233

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

Overall personnel costs are expected to be under budget by \$3.9 million. The figures presented in Figure 11 by personnel group are prior to the transfer to the employee future benefits forecasted in Trimester two. This transfer mainly relates to Faculty and Professional Librarians.

Unit and budget forecasts

Figures 12 and 13 on the following pages detail the funding by responsibility centre. Figure 12 has then grouped the forecast and budget into one of the following categories: Teaching Faculties, Academic Support, Student Specific, Shared Services, Ancillary, Space and Global. Figure 13 presents a different view, grouping the forecast and budget by whom each unit reports: President; Vice-President, Academic; Vice-President, Administration; Vice-President, Research and Global.

Please note that Figures 12 and 13 include certain reclassifications to the 2018-19 budget as compared to the figures presented in the 2018-19 Budget Report. Figure 13 shows the University Secretariat’s office and the Human Rights and Equity Office both now reporting into the President instead of the Vice President Administration to reflect changes to reporting structures. Further, for purposes of the Trimester Two report, Figure 13 reports the Offices of the Vice-President, Academic, Vice-President, Administration and Vice-President, Research in their respective units, instead of included in the President’s responsibility centre, as was detailed in the 2018-19 Budget Report. In addition, Figures 12 and 13 include an allocation from University Global related to salary and wage increases that were budgeted globally, as they were anticipated but not known or awarded at the time of preparing the budget. All reclassifications will be fully detailed in the future 2019-20 Budget Report.

Due to a forecasted consolidated surplus, Brock has been able to accelerate activity to support strategic priorities, which result in some larger variances within specific reporting lines as shown on Figure 13. Notably under the President, Brock has moved ahead with a strategic investment in a special advisor for engineering which was not previously included in the 2018-19 budget (\$0.3 million forecasted spend). This special advisor was initially expected to be funded from strategic reserves, thus a funding source was available outside of the budget. This funding would have offset the costs as inter-fund revenue; however, given the overall positive performance of the University, these strategic reserves are instead being reinvested and the variance covered through the consolidated surplus. Another related variance is recognized through the important investments being made within Human Rights and Equity Services (\$0.4 million forecasted variance), also within

the President’s reporting structure and a follow-up on the University Human Rights Task Force recommendations. Decisions were made to accelerate investments in these key areas, noting strategic reserves were an identified funding source. That said a negative variance is shown as the costs are now funded from the consolidated surplus recognizing the negative budget to forecast variance is undoubtedly a positive step forward for Brock and certainly not viewed as an unanticipated non-strategic expenditure.



NOVEMBER, 2018: The University welcomed 5,300 prospective students and family members on Sunday, Nov. 4, smashing existing benchmarks and marking the biggest spring or fall open house in the school’s history.



Funding budget by responsibility centre

Figure 12 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.

Figure 12: Funding budget by responsibility centre

(\$000s)	2018-19 Forecast				2018-19 Budget				Difference of "Net" amounts
	Revenue	Personnel costs	Non-personnel costs	Net	Revenue	Personnel costs	Non-personnel costs	Net	
Teaching Faculties									
Faculty of Applied Health Sciences	941	(21,463)	(806)	(21,328)	875	(22,052)	(876)	(22,053)	725
Goodman School of Business	11,381	(26,940)	(3,844)	(19,403)	13,048	(27,789)	(4,258)	(18,999)	(404)
Faculty of Education	3,831	(16,702)	(1,609)	(14,480)	3,736	(16,714)	(1,624)	(14,602)	122
Faculty of Humanities	564	(20,783)	(786)	(21,005)	616	(21,475)	(1,211)	(22,070)	1,065
Faculty of Mathematics and Science	852	(21,928)	(886)	(21,962)	641	(22,245)	(818)	(22,422)	460
Faculty of Social Sciences	450	(35,687)	(1,314)	(36,551)	459	(36,367)	(1,287)	(37,195)	644
Total Teaching Faculties	18,019	(143,503)	(9,245)	(134,729)	19,375	(146,642)	(10,074)	(137,341)	2,612
Academic Support									
Faculty of Graduate Studies	435	(1,433)	(178)	(1,176)	360	(1,346)	(230)	(1,216)	40
Library	497	(5,312)	(5,530)	(10,345)	507	(5,631)	(5,550)	(10,674)	329
Research Services	2,296	(1,439)	(2,009)	(1,152)	2,136	(1,543)	(1,745)	(1,152)	-
Centre for Pedagogical Innovation	359	(792)	(338)	(771)	233	(831)	(279)	(877)	106
Total Academic Support	3,587	(8,976)	(8,055)	(13,444)	3,236	(9,351)	(7,804)	(13,919)	475
Student Specific									
The Office of the Registrar	2,374	(3,920)	(1,387)	(2,933)	2,039	(3,948)	(1,184)	(3,093)	160
Student Life and Community Experience	130	(747)	(184)	(801)	185	(766)	(191)	(772)	(29)
Student Wellness and Accessibility	3,225	(3,008)	(1,715)	(1,498)	2,684	(2,938)	(1,301)	(1,555)	57
Student Success Centre	765	(1,239)	(139)	(613)	1,042	(1,355)	(158)	(471)	(142)
Brock International	5,519	(4,378)	(2,170)	(1,029)	5,631	(4,699)	(2,301)	(1,369)	340
Co-op, Career and Experiential Education	2,658	(3,358)	(622)	(1,322)	2,516	(3,251)	(692)	(1,427)	105
Brock Sports and Recreation	6,925	(5,121)	(3,485)	(1,681)	6,983	(5,269)	(3,312)	(1,598)	(83)
Total Student Specific	21,596	(21,771)	(9,702)	(9,877)	21,080	(22,226)	(9,139)	(10,285)	408

Figure 12 continued

(\$000s)	2018-19 Forecast				2018-19 Budget				Difference of "Net" amounts
	Revenue	Personnel costs	Non-personnel costs	Net	Revenue	Personnel costs	Non-personnel costs	Net	
Shared Services									
Leadership	227	(3,302)	(837)	(3,912)		(3,156)	(508)	(3,664)	(248)
Information Technology Services	490	(5,582)	(2,054)	(7,146)	444	(6,176)	(2,109)	(7,841)	695
Financial Services	579	(2,740)	(648)	(2,809)	493	(3,038)	(661)	(3,206)	397
Human Resources	263	(3,393)	(786)	(3,916)	263	(3,310)	(660)	(3,707)	(209)
Marketing and Communications	1,566	(1,525)	(2,088)	(2,047)	1,552	(1,614)	(2,088)	(2,150)	103
Development and Alumni Relations	735	(1,726)	(582)	(1,573)	703	(1,808)	(537)	(1,642)	69
Shared Services Support	39	(2,113)	(699)	(2,773)		(2,119)	(251)	(2,370)	(403)
Total Shared Services	3,899	(20,381)	(7,694)	(24,176)	3,455	(21,221)	(6,814)	(24,580)	404
Ancillary									
Ancillary Operations	15,135	(2,696)	(8,658)	3,781	15,754	(2,654)	(8,957)	4,143	(362)
Department of Residence	18,813	(3,455)	(13,332)	2,026	18,696	(3,759)	(13,303)	1,634	392
Total Ancillary	33,948	(6,151)	(21,990)	5,807	34,450	(6,413)	(22,260)	5,777	30
Space									
Facilities Management	741	(12,468)	(3,740)	(15,467)	731	(12,578)	(3,693)	(15,540)	73
Campus Security Services	133	(1,494)	(1,107)	(2,468)	122	(1,506)	(1,169)	(2,553)	85
Campus Development Services and Community Agreements	426	(383)	(1,462)	(1,419)	341	(8)	(1,150)	(817)	(602)
Utilities, Taxes and Insurance	3,302		(8,792)	(5,490)	2,857		(10,298)	(7,441)	1,951
Financing	316		(7,737)	(7,421)	316		(6,744)	(6,428)	(993)
Total Space	4,918	(14,345)	(22,838)	(32,265)	4,367	(14,092)	(23,054)	(32,779)	514
Global									
Scholarships, Bursaries and Student Awards	3,388		(21,214)	(17,826)	2,842		(20,940)	(18,098)	272
Capital	5,051		(18,923)	(13,872)	5,046		(16,008)	(10,962)	(2,910)
University Global	247,053	(558)	(4,934)	241,561	245,355	377	(3,545)	242,187	(626)
Total Global	255,492	(558)	(45,071)	209,863	253,243	377	(40,493)	213,127	(3,264)
Total University	341,459	(215,685)	(124,595)	1,179	339,206	(219,568)	(119,638)	-	1,179



Funding budget by responsibility centre leader

Figure 13 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.

Figure 13: Funding budget by responsibility centre leader

(\$000s)	2018-19 Forecast				2018-19 Budget				Difference of "Net" amounts
	Revenue	Personnel costs	Non-personnel cost	Net	Revenue	Personnel costs	Non-personnel costs	Net	
President									
Development and Alumni Relations	735	(1,726)	(582)	(1,573)	703	(1,808)	(537)	(1,642)	69
Marketing and Communications	1,566	(1,525)	(2,088)	(2,047)	1,552	(1,614)	(2,088)	(2,150)	103
Human Rights and Equity Services ⁽²⁾		(409)	(585)	(994)		(386)	(177)	(563)	(431)
Strategic Engineering ⁽¹⁾		(209)	(69)	(278)					(278)
Leadership (Split) ⁽¹⁾	178	(662)	(386)	(870)		(565)	(189)	(754)	(116)
Shared Services Support (Split) ⁽²⁾	13	(1,098)	(58)	(1,143)		(1,098)	(36)	(1,134)	(9)
Total President	2,492	(5,629)	(3,768)	(6,905)	2,255	(5,471)	(3,027)	(6,243)	(662)
Vice-President, Academic									
Faculty of Applied Health Sciences	941	(21,463)	(806)	(21,328)	875	(22,052)	(876)	(22,053)	725
Goodman School of Business	11,381	(26,940)	(3,844)	(19,403)	13,048	(27,789)	(4,258)	(18,999)	(404)
Faculty of Education	3,831	(16,702)	(1,609)	(14,480)	3,736	(16,714)	(1,624)	(14,602)	122
Faculty of Humanities	564	(20,783)	(786)	(21,005)	616	(21,475)	(1,211)	(22,070)	1,065
Faculty of Mathematics and Science	852	(21,928)	(886)	(21,962)	641	(22,245)	(818)	(22,422)	460
Faculty of Social Sciences	450	(35,687)	(1,314)	(36,551)	459	(36,367)	(1,287)	(37,195)	644
Faculty of Graduate Studies	435	(1,433)	(178)	(1,176)	360	(1,346)	(230)	(1,216)	40
Library	497	(5,312)	(5,530)	(10,345)	507	(5,631)	(5,550)	(10,674)	329
Centre for Pedagogical Innovation	359	(792)	(338)	(771)	233	(831)	(279)	(877)	106
Co-op, Career and Experiential Education	2,658	(3,358)	(622)	(1,322)	2,516	(3,251)	(692)	(1,427)	105
The Office of the Registrar	2,374	(3,920)	(1,387)	(2,933)	2,039	(3,948)	(1,184)	(3,093)	160
Student Life and Community Experience	130	(747)	(184)	(801)	185	(766)	(191)	(772)	(29)
Student Wellness and Accessibility	3,225	(3,008)	(1,715)	(1,498)	2,684	(2,938)	(1,301)	(1,555)	57
Student Success Centre	765	(1,239)	(139)	(613)	1,042	(1,355)	(158)	(471)	(142)
Brock International	5,519	(4,378)	(2,170)	(1,029)	5,631	(4,699)	(2,301)	(1,369)	340
Leadership (Split) ⁽¹⁾	49	(1,380)	(174)	(1,505)		(1,827)	(133)	(1,960)	455
Shared Services Support (Split) ⁽²⁾	26	(352)	(39)	(365)		(381)	(20)	(401)	36
Total Vice-President, Academic	34,056	(169,422)	(21,721)	(157,087)	34,572	(173,615)	(22,113)	(161,156)	4,069

Figure 13 continued

(\$000s)	2018-19 Forecast				2018-19 Budget				Difference of "Net" amounts
	Revenue	Personnel costs	Non-personnel costs	Net	Revenue	Personnel costs	Non-personnel costs	Net	
Vice-President, Administration									
Brock Sports and Recreation	6,925	(5,121)	(3,485)	(1,681)	6,983	(5,269)	(3,312)	(1,598)	(83)
Information Technology Services	490	(5,582)	(2,054)	(7,146)	444	(6,176)	(2,109)	(7,841)	695
Financial Services	579	(2,740)	(648)	(2,809)	493	(3,038)	(661)	(3,206)	397
Human Resources	263	(3,393)	(786)	(3,916)	263	(3,310)	(660)	(3,707)	(209)
Ancillary Operations	15,135	(2,696)	(8,658)	3,781	15,754	(2,654)	(8,957)	4,143	(362)
Department of Residence	18,813	(3,455)	(13,332)	2,026	18,696	(3,759)	(13,303)	1,634	392
Facilities Management	741	(12,468)	(3,740)	(15,467)	731	(12,578)	(3,693)	(15,540)	73
Campus Security Services	133	(1,494)	(1,107)	(2,468)	122	(1,506)	(1,169)	(2,553)	85
Leadership (Split) ⁽¹⁾		(380)	(127)	(507)		(377)	(110)	(487)	(20)
Shared Services Support (Split) ⁽²⁾		(254)	(17)	(271)		(254)	(16)	(270)	(1)
Total Vice-President, Administration	43,079	(37,583)	(33,954)	(28,458)	43,486	(38,921)	(33,990)	(29,425)	967
Vice-President, Research									
Research Services	2,296	(1,439)	(2,009)	(1,152)	2,136	(1,543)	(1,745)	(1,152)	-
Leadership (Split) ⁽¹⁾		(671)	(81)	(752)		(387)	(78)	(465)	(287)
Total Vice-President, Research	2,296	(2,110)	(2,090)	(1,904)	2,136	(1,930)	(1,823)	(1,617)	(287)
Global									
Campus Development Services and Community Agreements	426	(383)	(1,462)	(1,419)	341	(8)	(1,150)	(817)	(602)
Utilities, Taxes and Insurance	3,302		(8,792)	(5,490)	2,857		(10,298)	(7,441)	1,951
Financing	316		(7,737)	(7,421)	316		(6,744)	(6,428)	(993)
Scholarships, Bursaries and Student Awards	3,388		(21,214)	(17,826)	2,842		(20,940)	(18,098)	272
Capital	5,051		(18,923)	(13,872)	5,046		(16,008)	(10,962)	(2,910)
University Global	247,053	(558)	(4,934)	241,561	245,355	377	(3,545)	242,187	(626)
Total Global	259,536	(941)	(63,062)	195,533	256,757	369	(58,685)	198,441	(2,908)
Total University	341,459	(215,685)	(124,595)	1,179	339,206	(219,568)	(119,638)	-	1,179

(1) 'Leadership' as detailed in Figure 12 is split in Figure 13 between the President; Vice-President, Academic; Vice-President, Administration; and Vice-President, Research. Note: for the purposes of the Trimester Two report, the offices of the Vice-President, Academic; Vice-President, Administration; and Vice-President, Research are shown in their respective responsibility centres, instead of included in the President's responsibility centres, as was detailed in the 2018-19 Budget Report.

(2) 'Shared Services Support' as detailed in Figure 12 is split in Figure 13 between the President, including Human Rights and Equity Services and Strategic Engineering units; Vice-President, Academic; and Vice-President, Administration. Note: As part of a re-alignment of the University's organizational structure during the summer of 2018, the Office of the Secretariat and the Human Rights and Equity Services units moved to be part of the President's responsibility centre instead of the Vice-President, Administration, as was detailed in the 2018-19 Budget Report.

Treasury
Operating fund investment scorecard

Government of Canada ten-year bond yields declined from 2.23 per cent at Aug. 31, 2018 to 1.97 per cent at Dec. 31, 2018. This compares to the yield on the operating investment portfolio of 2.42 per cent with an average duration of 11 months (1.77 per cent yield and 9-month average duration at the same time last year). Scotiabank increased their prime rate from 3.70 per cent to 3.95 per cent in November 2018 (prime was 2.95 per cent at the same time last year). This move improves the yield on cash balances and short-term investments given that Brock’s agreement with Scotiabank for our cash account is linked to the prime rate (prime minus 165 basis points) and the 30 day hold investment account (prime minus 150 basis points). We also continue to roll the maturing guaranteed investment certificate (GIC) ladder strategy⁽¹⁾ to enhance yields; however, we are beginning to shorten the ladder to account for upcoming cash flow needs for projects that will be internally financed (ie. Zone expansion). A summary of investment holdings as of Dec. 31, 2018 is shown in Figure 17. GICs are the main enhancement to yield in the operating investment portfolio. Figure 15 on the following

page outlines monthly investment income performance compared to 2017-18. As detailed in Figure 14, operating investments have achieved 105 per cent of budget as we reach 67 per cent of the way through the fiscal year. The current forecast has operating investment income, not including the sinking fund, exceeding budget by \$883 thousand.

The sinking fund outperformed during the first four months of fiscal 2018-19 generating an annualized 12.3 per cent gain (7.0 per cent loss at the same time last year). However, this performance was wiped out during the last four months of 2018. For comparative purposes, the sinking fund earned a gain of 0.08 per cent for the year ended Dec. 31, 2018; while the pension plan and endowment which share similar investment risk profiles earned 2.8 per cent and 2.3 per cent respectively over the same time period. Short-term volatility is common and expected with this fund. We continue to support this fund as a long-term investment strategy to fund the 2045 payout of the University’s \$93 million debenture and the employee future benefits reserve. The fund requires a 5 per cent annual rate of return to achieve its goal and this rate of return is aligned with the asset mix and skill of the fund manager.

(1) An investment strategy in which GICs that have different maturities are assembled into a portfolio.

Figure 14: Summary investment income – Operating Funds

(\$000s) Unless otherwise stated	2018-19 Actuals to Dec. 31	2018-19 Budget	2017-18 Actual	% of Budget achieved
Operating investment income	1,263	1,200	1,539	105%
Sinking fund	(18)	316	283	(6)%
Employee future benefits reserve	(52)		182	NA
Investment income	1,193	1,516	2,004	79%



OCTOBER 2018: Biological Sciences graduate student Lyndon Duff (front) explains how he and his research team, monitor bees’ mating activities during a tour on the day that Brock researchers were awarded \$3.2 million in Natural Sciences and Engineering Research Council (NSERC) funding. Back row from left: St. Catharines MP Chris Bittle; Richards; Niagara Centre MP Vance Badawey; and Tim Kenyon, Vice-President, Research.

Figure 15

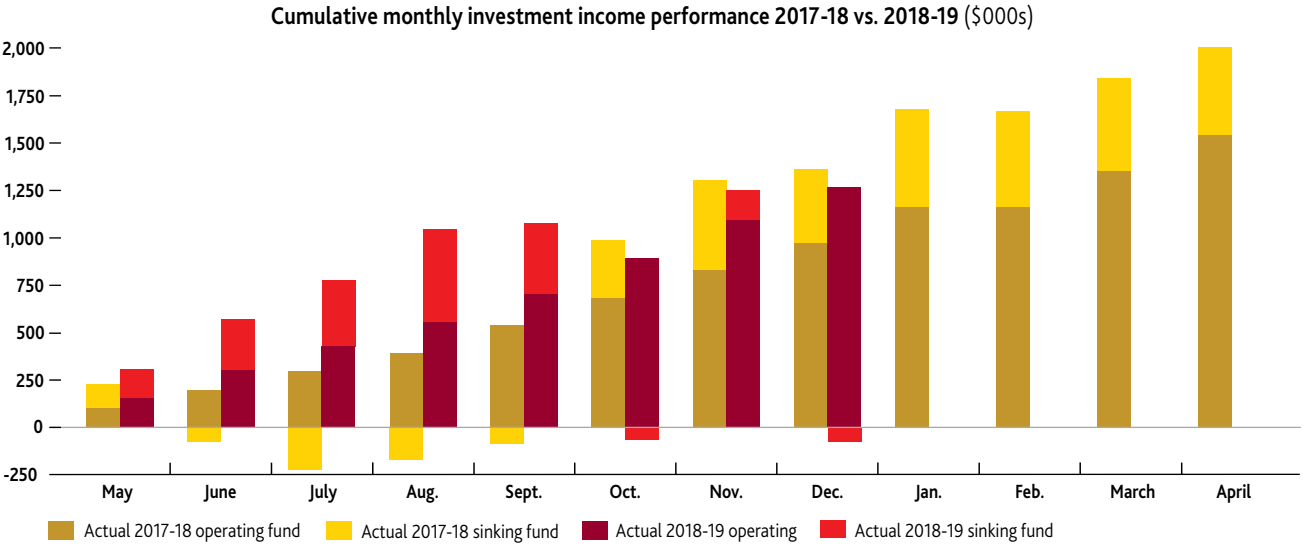


Figure 16

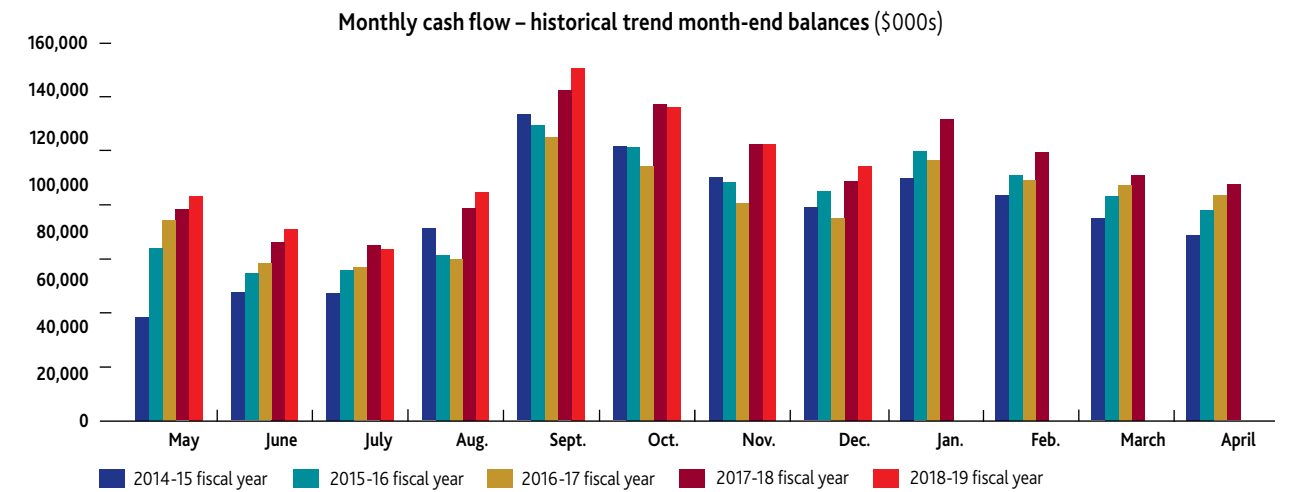




Figure 17: Summary of investment holdings

(\$000s) Unless otherwise stated	Market Value as at Dec. 31, 2018	Annualized rate of return	Fees	Net annualized rate of return
Scotiabank				
General account (\$20 million average minimum balance)	29,468	2.30%	0.00%	2.30%
30 day GIC	5,000	2.45%	0.00%	2.45%
30 day GIC	5,000	2.35%	0.00%	2.35%
6 month GIC	5,000	2.40%	0.00%	2.40%
7 month GIC	5,000	2.45%	0.00%	2.45%
8 month GIC	5,000	2.50%	0.00%	2.50%
9 month GIC	5,000	2.55%	0.00%	2.55%
10 month GIC	5,000	2.61%	0.00%	2.61%
11 month GIC	4,000	2.66%	0.00%	2.66%
2 Year GIC	2,500	1.95%	0.00%	1.95%
2 Year GIC	2,500	2.03%	0.00%	2.03%
3 Year GIC	5,000	3.08%	0.00%	3.08%
3 Year GIC	2,500	2.65%	0.00%	2.65%
3 Year GIC	2,500	2.15%	0.00%	2.15%
3 Year GIC	2,500	2.20%	0.00%	2.20%
3 Year GIC	2,200	2.15%	0.00%	2.15%
Total for Account	88,168	2.41%	0.00%	2.41%
BMO Nesbitt Burns				
Savings Account	31	1.20%	0.05%	1.15%
1 Year GIC	2,650	2.80%	0.05%	2.75%
2 Year GIC	2,650	3.21%	0.05%	3.16%
Total for Account	5,331	2.99%	0.05%	2.94%
TD Waterhouse				
HISA		0.00%	0.00%	0.00%
Total for account	-	0.00%	0.00%	0.00%
Mawer – balanced fund				
Sinking fund	6,679			
Employee future benefits reserve	4,971			
Total for account	11,650	-0.96%	0.25%	-1.21%
Portfolio consolidated total	105,149	2.07%	0.03%	2.04%

Our debt

Figure 18 details the current and projected external debt of the University.

Figure 18: Outstanding debt

(\$000s) (unless otherwise noted)	Actual		Budget April 30, 2019	Forecast					
	April 30, 2017	April 30, 2018		April 30, 2020	April 30, 2021	April 30, 2022	April 30, 2023	April 30, 2024	April 30, 2025
Bond	93,000	93,000	93,000	93,000	93,000	93,000	93,000	93,000	93,000
Cairns building	24,863	24,109	23,319	22,491	21,623	20,714	13,407	9,443	5,378
Residence	15,215	14,333	13,385	12,366	11,271	10,095	8,831	7,474	6,015
Marilyn I. Walker School of Fine and Performing Arts (MIWSFPA)	15,960	15,240	14,520						
Ancillary Renewal				29,800	63,900	80,500	80,500	80,500	77,875
Total debt	149,038	146,682	144,224	157,657	189,794	204,309	195,738	190,417	182,268
Total student FFTE⁽¹⁾	20,086	20,303	20,391	21,210	22,087	22,910	23,692	24,217	24,706
Total debt/FFTE (in dollars)⁽¹⁾	\$7,420	\$7,225	\$7,073	\$7,433	\$8,593	\$8,918	\$8,262	\$7,863	\$7,377
Debt reduction strategy									
Sinking fund	6,413	6,696	6,639	6,971	7,319	7,685	8,069	8,473	9,301
Debt repayment reserve	2,895	4,457	6,753		1,853	3,991			
M. Walker donation – MIWSFPA	5,326	5,470	5,612						
Other donations – MIWSFPA	399	473	548						
Total assets for debt reduction	15,033	17,096	19,552	6,971	9,172	11,676	8,069	8,473	9,301
Net debt	134,005	129,586	124,672	150,686	180,622	192,633	187,669	181,944	172,967
Net debt/FFTE (in dollars)⁽¹⁾	\$6,672	\$6,383	\$6,114	\$7,104	\$8,178	\$8,408	\$7,921	\$7,513	\$7,001

(1) Fiscal full-time enrolment (FFTE) – used for tuition and grant forecasting. For a definition, refer to page 89 of the 2018-19 Budget Report.

Included in the 2018-19 Trimester two forecast is \$80.5 million external debt financing over the coming fiscal years for student experience investments, detailed as "Ancillary Renewal" in Figure 18 approved at the Nov. 29th Board of Trustees meeting.

The Fiscal Framework requires projects to meet three components to be considered for debt financing. They are as follows:

1. The debt is for capital purposes;
2. A strong financial case can be made with significant visibility to a reasonable rate of return that considers capital, maintenance and operating costs; and
3. The capital project is forecasted to be net cash flow positive within two to three years.

The approved student experience investments are capital in nature, supportive of the University Strategic Plan, have a strong financial case and have positive cash flows. Figure 18 outlines roughly the fiscal years in which additional debt financing will occur; however, plans related to construction

and financing strategies are under development at this time and will be brought forward for Board approval at future meetings. The first tranche of financing expected to be coming forward for approval will be at the May 9th, 2019 Board of Trustees meeting.

The budgeted operating contributions to the debt repayment reserve for 2018-19 is \$1.303 million. The 2018-19 Trimester two forecast includes an additional \$0.993 million contribution to the debt repayment reserve to align with the planned pay down of the Marilyn I. Walker School of Fine and Performing Arts (MIWSFPA) loan that comes due June 2019. This additional contribution in 2018-19 was part of the new draft fiscal framework adjustments developed in support of the Strategic Plan. This one-time contribution to the debt repayment reserve is a component of the financing strategy for the strategic student experience infrastructure projects approved at cycle 2 and required to meet the target credit rating metrics.

Figure 19: Long-term debt

	Interest rate	Payment terms	Date to be paid in full	Annual payment (\$000s)
Earp/Lowenberger – Residence	7.200%	Monthly blended payments of principal and interest of \$162,443.70.	October 2028	1,949
CFHBRC Building	4.690%	Monthly blended payments of principal and interest of \$158,668.10. Interest rate swap on \$28 million. Payment based on 25 year amortization.	July 2037	1,904
MIWSFPA Building	2.450%	Loan is setup as a serial debenture with declining interest payments as the principal is paid off. Monthly fixed payments of principal \$60,000 plus interest. Interest rate swap on \$18 million. Payment based on 25 year amortization.	June 2019	Approx 1,150
Debenture payable (bullet)	4.967%	Interest payable semi-annually \$2,309,655.	December 2045	4,619

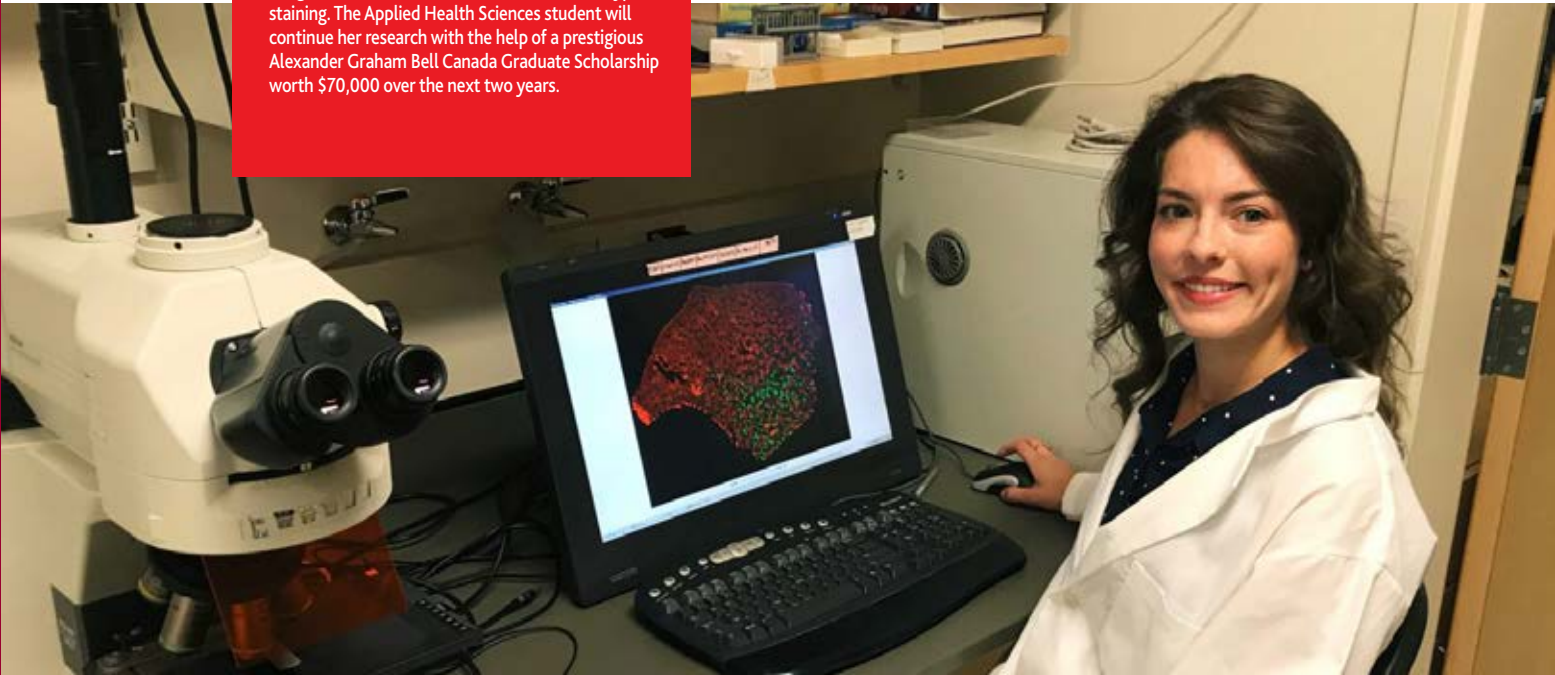
Debt retirement assets

	Required rate of return	Payment terms	Date to be paid in full	Annual payment (\$000s)
Sinking fund investment	5.000%	Policy requires Brock to annually review sinking fund investment performance and required contributions. Interest rate reduced to 5% through Fiscal Framework.	December 2045	Determined annually
MIWSFPA investment	2.700%	\$5 million endowment being repurposed to pay down debt at the request of the Donor. Cash invested in a BNS GIC earning an arbitrage spread of 25bps until loan renews in 2019.	June 2019	NA
Debt reduction reserve	N/A	Annual contribution (\$1,022 in 2017-18 as per fiscal framework) to an internally restricted reserve for debt repayment initially approved by the Board of Trustees on March 12, 2015.	NA	1,022

Figure 20: Debt metrics

	Published range current credit rating	2017-18 Fiscal year	2016-17 Fiscal year
Fiscal full-time equivalent (FFTE)		20,053	19,895
Total long-term debt/FFTE (\$)	10.000 – 15.000	7,315	7,491
Interest coverage ratio	1.3 times to 2.5 times	4.2 times	3.7 times
Surplus-to-revenue	0% to 1% (5 year average)	3.6%	2.7%

OCTOBER 2018: PhD student Kirsten Bott studies an image of skeletal muscle cross section of fibre type staining. The Applied Health Sciences student will continue her research with the help of a prestigious Alexander Graham Bell Canada Graduate Scholarship worth \$70,000 over the next two years.



Pension

The actuarial valuation on the pension plan was recently completed as at July 1, 2017, indicating the plan was 96 per cent funded on a going-concern basis (99 per cent as at July 2014) and 105 per cent on a solvency basis (105 per cent as at July 2014). The main contributor to the going concern deficit was a reduction in the pension plan discount rate of 5.45 per cent (6.0 per cent as at July 2014). The actuary sets the expected rates of returns based on industry best practices guided by the Canadian Institute of Actuaries. The University has no control or influence over these assumptions used by the actuary. The going concern deficit of \$17.88 million (\$3.56 million as at July 2014) increased the required special payments into the plan by \$1.53 million and the current service cost payments for the defined benefit component of the plan by \$0.44 million for a total increase in University contributions of \$1.97 million annually. Overall, employee annual contributions into the pension plan represent \$7.4 million and Brock’s annual contributions represent \$16.0 million. Brock currently funds the pension at a 2.2:1.0 ratio employer to employee.

Pension returns have been strong over the eight years, as shown in Figure 21. Given the duration of the current bull market cycle, our investment consultants are noting headwind risks facing the pension plan given high equity valuations, rising interest rates and signs of inflation becoming stronger in some major markets. Mercer, Brock’s pension plan actuary, recently performed a forecast of our pension liabilities and some sensitivity analysis on asset returns. Figure 22 shows that by 2023 Brock’s pension liabilities could be approximately \$750 million in comparison to Brock’s operating budget of approximately \$400 million. Should the plan experience a recession event between now and next valuation 2020 (15 per cent loss scenario in one year), the projected deficit of the plan in 2020 could be \$71.1 million. This deficit would require a \$9.5 million special payment each year to fund the plan, compared to the \$1.9 million currently required.

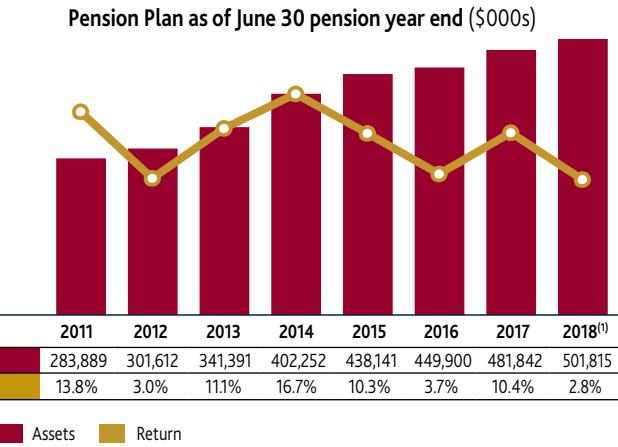
Pension payments are on track with budget for this trimester update. The investment returns and investment balance for the last eight years are detailed in Figure 21.

Additional information on the pension plan may be found at brocku.ca/about/university-financials/#audited-pension-statements



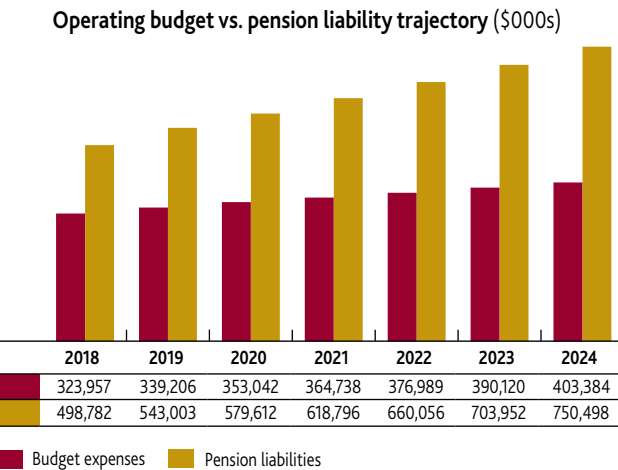
DECEMBER 2018: Ryan Burton, left, of the Brock men’s hockey team delivers Brock gear to a young patient during a visit to the Children’s Health Unit at Niagara Health’s St. Catharines site.

Figure 21



(1) Represents the 12 month period ended Dec. 31, 2018.

Figure 22



Capital and related projects

Figure 23: Status of Capital Projects as of Dec. 31, 2018

(\$000s)	Facilities Management	Residence and ancillary services	Information Technology Services
Open projects as of April 30, 2018	55	19	30
Projects opened to Dec. 31, 2018	54	14	21
Projects closed/completed to Dec. 31, 2018	(58)	(11)	(21)
Remaining projects open Dec. 31, 2018	51	22	30

Figure 24: Capital and related project summary

Project type (\$000s)	Revenue/funding ⁽¹⁾	Spending to Dec. 31, 2018	Remaining to spend
Facilities Management			
Above surface/sub surface utilities and distribution	22	(11)	11
Adaptations/renovations and major renewal projects	2,377	(1,370)	1,007
AODA* projects	140	(4)	136
Audits and studies	300	(111)	189
Buildings	1,879	(1,722)	157
Energy conservation and demand management	675	(168)	507
Major capital projects	64,511	(53,140)	11,371
New construction and replacement (under \$1M)	250	(231)	19
Vehicles and wheeled equipment	100	(35)	65
FM – surplus/(deficit)	192	(28)	164
Total Facilities Management projects	70,446	(56,820)	13,626
Residence and ancillary			
Above surface/sub surface utilities and distribution	1,059	(748)	311
Adaptations/renovations and major renewal projects	1,060	(588)	472
Audits and studies	101	(101)	
Buildings	4,774	(2,624)	2,150
Residence and Ancillary – surplus/(deficit)	(99)		(99)
Total residence and ancillary	6,895	(4,061)	2,834
Information Technology Services			
Enterprise software projects	13,062	(11,981)	1,081
Hardware evergreening projects	2,200	(1,558)	642
Hardware growth projects	541	(230)	311
IT infrastructure projects	49		49
ITS – surplus/(deficit)	268		268
Total Information Technology Services projects	16,120	(13,769)	2,351
Total capital and related projects	93,461	(74,650)	18,811

* AODA – Accessibility for Ontarians with Disabilities.
(1) Funding revenue represents total expected funding and cash received. This amount is not reflective of all funding received to date.

Figure 25: Project budgets and forecasts

(\$000s)	Goodman School of Business			Rankin Family Pavilion		
	Initial project budget	Updated project forecast	Variance	Initial project budget	Updated project forecast	Variance
Grants	10,000	10,000		8,474	7,619	(855)
Donations received	14,000	12,051	(1,949)	3,000	2,017	(983)
Donation pledges outstanding		736	736		43	43
Operating	2,131	2,131		7,799	7,799	
2016-17 year-end surplus discretionary appropriation				450	450	
Total Funding	26,131	24,918	(1,213)	19,273	17,928	(1,345)
Projected/forecasted spending	26,131	25,931	200	19,273	19,825	(552)
Additional amounts to be funded from operating	-	1,013	(1,013)	-	1,897	(1,897)

University infrastructure investment is ongoing as we invest in new and current space and technology to support and improve the academic and research experience. Figure 23 illustrates the number of open capital and related projects. These projects include all 2018-19 projects, uncompleted prior year projects, as well as a number of 2019-20 projects opened during this trimester. Note: the majority of the 2018-19 projects were opened prior to May 1, 2018. Figure 24 illustrates the activity to Dec. 31, 2018 with respect to the type and dollar amount of projects.

Included in the Trimester two forecast is \$1.0 million additional funding from the operating budget to cover shortfalls in donations related to the Goodman School of Business capital project. The Goodman School of Business project was completed on time and under

budget by \$0.2 million; however, donations fell short of target by \$1.2 million requiring the additional funding from the operating budget. Also included in the Trimester two forecast is \$1.9 million additional funding from the operating budget to cover shortfalls in donations as well as incremental costs related to the Rankin Family Pavilion capital project.

Figure 25 outlines the initial project budgets and the 2018-19 trimester two forecast for these projects.



DECEMBER 2018: Hundreds of high school students get a taste of Brock experience. Thorold Secondary School students Sehar Syed, Teanna Cesar and Christalle Javien participate in a DNA fingerprinting lab during a visit to Brock on Wednesday, Dec. 5.



Trimester two and remaining year activity

Brock University uses trimester reporting to the match financial reporting with the inherent timing of the operations of Brock. Figure 26 details the in-year activity and forecast on a funding basis for trimester two

Figure 26: Funding in-year activity and forecast

(\$000s)	2017-18 Funding actual	2018-19 Funding budget	Activity from May 1 to Dec. 31	Forecast for Jan. 1 to April 30	2018-19 Funding Forecast @ Dec. 31
Revenue					
Student fees	167,446	178,091	173,154	4,741	177,895
Grant revenue	97,371	97,575	52,867	44,807	97,674
Internal chargebacks	9,426	8,994	6,026	3,706	9,732
Inter-fund revenue	3,239	5,416	1,942	4,708	6,650
Other revenue	48,600	49,130	38,489	11,019	49,508
Total revenues	326,082	339,206	272,478	68,981	341,459
Operating costs					
Personnel costs	(205,233)	(219,568)	(135,210)	(80,475)	(215,685)
Inter-fund expenses	(23,288)	(25,293)	(19,795)	(9,694)	(29,489)
Other operating costs	(92,419)	(94,345)	(59,517)	(35,589)	(95,106)
Total operating costs	(320,940)	(339,206)	(214,522)	(125,758)	(340,280)
Funding surplus/(deficit) before discretionary appropriations	5,142	-	57,956	(56,777)	1,179
Discretionary appropriations	(5,132)				
Funding surplus/(deficit) after discretionary appropriations	10	-	57,956	(56,777)	1,179

Funding forecast presented in accordance with NFPS

Throughout this report financial information has been reported on a funding basis (sometimes referred to as committed cash basis). Figures 27 and 28 detail the entries and reclassifications required to convert the funding budget to be in accordance with the Canadian accounting standards for not-for-profit organizations (NFPS). Please refer to page 92 and 93 of the 2018-19 Budget

Report for detailed explanations of all the adjustments, reclassifications and eliminations. These adjustments, reclassifications and eliminations for the 2018-19 forecast were consistently applied with those of the 2018-19 budget with two slight exceptions. The funding to and from reserve adjustments (#2 and #8) and the endowment and trust spending adjustments (#5) were updated to the 2018-19 forecast.

Figure 27

(\$000s)	2018-19 NFPS budget	2018-19 Funding forecast	NFPS adjustments	Note	Reclass of inter-fund transfers	Eliminate Internal chargebacks	2018-19 NFPS forecast
Revenue							
Student fees	178,091	177,895					177,895
Grant revenue	95,814	97,674	(1,761)	1			95,913
Internal Chargebacks		9,732				(9,732)	
Inter-fund revenue		6,650	(3,362)	2	(3,288)		
Other revenue	73,242	49,508	20,806	3-5	3,288		73,602
Total revenue	347,147	341,459	15,683		-	(9,732)	347,410
Personnel costs	(219,193)	(215,685)	375	10-11			(215,310)
Inter-fund expenses		(29,489)	23,073	8-9	6,416		
Operating costs	(122,822)	(95,106)	(31,314)	3-7	(6,416)	9,732	(123,104)
Total costs	(342,015)	(340,280)	(7,866)		-	9,732	(338,414)
Funding surplus/ (deficit)	5,132	1,179	7,817		-	-	8,996

Figure 28

Note	Reconciliation of NFPS adjustments (\$000s)	
1	Capital grants	(1,761)
2	Funding from reserves	(3,362)
3	Amortization of deferred capital contributions	8,009
4	Research, including fellowships	11,031
5	Endowment & trust spending	1,766
Total revenue adjustments		15,683
3	Amortization of capital assets	(20,486)
4	Research, including fellowships	(11,031)
5	Endowment & trust spending	(1,766)
6	Principal payments	2,458
7	Non-capital purchases in capital and infrastructure project reserves net of capital purchases from operating	(489)
8	Funding of capital and reserves	22,757
9	Sinking fund	316
10	Post-retirement benefits	(1,310)
11	Pension	1,685
Total costs adjustments		(7,866)

Reserves and research funds

Figure 29 outlines reserves that have been established for research and faculty professional development with internal funding as well as externally funded research grants. In total, Brock has \$22.8 million in research and professional development support dollars for faculty of which \$11.7 million is funded externally. Externally funded research revenues and expenses are not included in the funding budget given that external research revenues and expenses are an exact offset. Predicting timing of research grant receipts and expenditures is challenging and would be unnecessary administration for researchers to support this process. That said research is an integral component of Brock’s mission and Strategic Plan and as such we report on these funds here to recognize the significant contribution research has to the University as a

whole. Details of external research revenue and expenses were also enhanced in the 2017-18 Audited Financial Statement notes to provide transparency on the use of these funds. Brock continues to fund internal research grants in the funding budget, and through allocations from external grant overhead contributions. One of the largest external research grants noted in “other units” relates to the Cool Climate Oenology and Viticulture Institute (CCOVI), which has recently received nearly \$1 million in funding from the Canada Foundation for Innovation (CFI) and another nearly \$1 million research infrastructure grant from Ontario’s Ministry of Research, Innovation and Science.

Figure 29: Balances by Faculty as of Dec. 31, 2018

(\$000s)	Operating project accounts	Research funds with no external obligations	Start-up funds	PER and accountable allowance accounts	External Research Grants	Total
Faculty of Applied Health Sciences	264	1,185	651	515	1,266	3,881
Faculty of Education	167	92	11	313	222	805
Faculty of Humanities	173	71	17	460	359	1,080
Faculty of Mathematics and Science	671	1,020	25	700	1,848	4,264
Faculty of Social Sciences	461	393	740	894	2,276	4,764
Goodman School of Business	905	(172)	(26)	601	448	1,756
Library	(6)	1		32		27
Other units	631	149		99	5,298	6,177
Total	3,266	2,739	1,418	3,614	11,717	22,754

Appendix 1

Multi-year financial results on a funding basis

Figure 30

(\$000s)	2018-19 Forecast	2018-19 Budget	2017-18 Actual	2016-17 Actual	2015-16 Actual
Revenue					
Student fees	177,895	178,091	167,446	158,341	151,382
Grant revenue	97,674	97,575	97,371	95,009	93,201
Internal chargebacks	9,732	8,994	9,426	9,703	7,522
Inter-fund revenue	6,650	5,416	3,239	4,859	2,585
Other revenue	49,508	49,130	48,600	46,182	46,728
Total revenue	341,459	339,206	326,082	314,094	301,418
Operating costs					
Personnel costs	(215,685)	(219,568)	(205,233)	(196,994)	(193,777)
Inter-fund expenses	(29,489)	(25,293)	(23,288)	(20,965)	(17,700)
Other operating costs	(95,106)	(94,345)	(92,419)	(90,611)	(85,431)
Total operating costs	(340,280)	(339,206)	(320,940)	(308,570)	(296,908)
Funding surplus/(deficit) before discretionary appropriations	1,179	-	5,142	5,524	4,510
Discretionary appropriations	-	-	(5,132)	(5,500)	(4,499)
Funding surplus/(deficit) after discretionary appropriations	1,179	-	10	24	11



JUNE 2018: Rebecca Alcock celebrated after being named Brock University's 100,000th graduate during Spring Convocation Friday, June 8.





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