**Rating Report**

**Report Date:**
February 6, 2008

**Previous Report:**
January 26, 2007

# Brock University


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**The University**
Founded in 1964, Brock University is a comprehensive university that offers one of the widest selections of co-operative education programs in Canada to a student body of 16,594 full-time equivalents (FTEs) on its main campus in St. Catharines, Ontario, and a satellite campus in Hamilton. Brock is the only university in the Niagara Region, an area with a population of approximately 436,000.

**Recent Actions**
**January 26, 2007**
Confirmation

## Rating

| Debt | Rating | Rating Action | Trend |
|---|---|---|---|
| Senior Unsecured Debentures | A (high) | Confirmed | Stable |

## Rating Update

The credit profile of Brock University (Brock or the University) remains sound as the University maintains a moderately low debt burden with no major medium-term needs, as well as a strong track record of fiscal results, with a generally stable outlook.

In 2006-2007 the University posted a $7.4 million surplus, due mainly to a $6.6 million end-of-year provincial grant that was appropriated for the following year. Since these funds were unallocated, they contributed to strong growth of expendable resources to $38.1 million, which although up 65% year over year, still only cover 31% of debt. Brock's total debt burden remained stable at $123 million but declined slightly on a full-time equivalent (FTE) basis to $7,282, a relatively low level among DBRS-rated universities.

Operating results will be pressured in 2007-2008 as enrolment declines slightly due to the exiting of the double cohort generation from the undergraduate system, limiting revenue growth from both tuition and government operating grants. Nonetheless, Brock balanced its budget by incorporating a $3 million budget cut to help offset significant inflationary costs particularly associated with labour. Going forward, fiscal results will continue to be strained most notably by salary and benefit pressures, while limited ability to increase tuition fees and the incorporation of a new tuition structure will provide some relief.

Being a relatively young university, Brock has a smaller alumni base, lower endowment fund, and still-developing reputation compared to most other DBRS-rated universities. One advantage of its youth, however, is the relatively new infrastructure that the university enjoys. Combined with limited expansion plans, Brock does not have any significant medium-term debt needs and will be able to focus on expanding the endowment and improving the liquidity position which is currently low compared to other DBRS-rated universities.

## Rating Considerations

**Strengths**
(1) Low debt burden
(2) Low exposure to pension risk
(3) Favourable enrolment outlook in Ontario
(4) Relatively low deferred maintenance
(5) Stable revenue base

**Challenges**
(1) Low level of expendable financial resources
(2) Rising salary pressures
(3) Limited ability to grow revenue
(4) Competition for students

## Financial Information

| | For the year ended April 30 | | | | |
|---|---|---|---|---|---|
| | 2006-2007 | 2005-2006 | 2004-2005 | 2003-2004 | 2002-2003 |
| **Operating surplus (deficit) ($ millions)** | 7.4 | 10.8 | 10.2 | 13.2 | (1.7) |
| **Long-term debt ($ millions)** | 122.6 | 123.2 | 83.9 | 81.7 | 77.0 |
| **Interest costs/total expenditures** | 3.2% | 2.8% | 2.6% | 2.9% | 3.0% |
| **Interest coverage ratio (times)** | 3.3 | 4.4 | 4.9 | 5.6 | 2.3 |
| **Total endowment ($ millions)*** | 33.4 | 30.1 | 24.0 | 19.4 | 14.6 |
| **Total enrolment (FTEs)**** | 16,831 | 16,594 | 15,642 | 14,348 | 12,217 |
| **Annual enrolment change** | 1.4% | 6.1% | 9.0% | 17.4% | 11.4% |
| **Long-term debt per FTE ($)** | 7,282 | 7,423 | 5,364 | 5,692 | 6,301 |
| **Endowment per FTE ($)*** | 1,984 | 1,815 | 1,535 | 1,350 | 1,192 |

* Market value. ** Full-time equivalent student (FTE), excluding continuing education. n/a = not available.

## Rating Considerations Details

**Strengths**

(1) After the $93 million debenture issued in 2005-2006, debt has remained stable at $123 million, or $7,282 per FTE, a relatively low level among DBRS-rated universities. Brock has room within its current rating to add a moderate level of debt, but currently has no major plans for borrowing.

(2) The University's pension plan is a hybrid, consisting of a defined contribution plan, with minimum guarantees. This greatly reduces the risks that the University faces from unfunded liabilities relative to many other universities. A 2005 actuarial valuation determined that the previously under-funded pension plan is now fully funded. Additionally, Brock currently carries a $10.9 million liability for its non-pension benefit plans, which although significantly larger than the prior year, is still one of the smallest liabilities among DBRS-rated universities.

(3) Population growth in the province and rising educational requirements in the workplace should continue to provide support for university enrolment, although to a lesser degree than in recent years due to the exiting of the double cohort generation from the undergraduate system at the end of 2006-2007.

(4) Since Brock is a relatively new university, its facilities are in somewhat better condition than most others in the province. The University has approximately $14 million in deferred maintenance, or about 5% of replacement value. Although these projects will need to be funded in the years ahead, this backlog should not put undue pressure on debt or spending.

(5) The Province of Ontario (currently rated AA by DBRS) and tuition fees provide 80% of the University's revenue base, which lends considerable stability to revenues and aids the budgeting process. Since enrolment is the key driver of both of these revenue streams, a strong outlook for enrolment adds weight to the stability of these sources.

**Challenges**

(1) Though the endowment fund continues to grow at a considerable pace, Brock still has one of the smallest endowments per FTE among DBRS-rated universities, at $1,984 as at April 30, 2007. Of the $33 million held in the endowment, only $2.8 million is internally restricted and could potentially be unendowed to meet financial obligations, if required. The University also has $27.7 million in internally restricted net assets and $7.6 million in debt retirement assets to help support financial flexibility. These expendable resources account for 31% of debt, which is on the lower end of DBRS-rated universities.

(2) As at most Canadian universities, labour costs have been rising rapidly in recent years, putting pressure on financial results. Higher staffing levels, accelerating faculty retirements and rising demand for academics will only make managing salary pressures more difficult in the years ahead. Additionally, Brock has a restriction on the number of classes that faculty can teach per term, which puts additional hiring pressure on the University.

(3) Although the Ontario tuition freeze ended in 2005-2006, Universities are still limited to a 5% average annual tuition increase. This limits Brock's financial flexibility given that tuition fees account for a sizeable 35% of total revenues.

(4) Brock is located in the Niagara Region which has a relatively small population of approximately 436,000. As a result, the University must make continued efforts to attract students from outside of its local catchment area including the rest of the country as well as from outside of Canada. In this way, Brock competes for students with large schools with strong reputations.

## 2006-2007 Operating Performance

In 2006-2007 Brock recorded an operating surplus of $7.4 million composed primarily of an end-of-year government grant of $6.6 million that was immediately appropriated for 2007-2008.

On the revenue side, growth of operating grants and student fees were limited as enrolment growth slowed to 1.4% after annual increases of greater than 5% since 2000. However, higher tuition fees offset the slowed enrolment growth and generated a 5.8% increase in tuition revenues. Provincial grants continued to grow at a substantial 10.5% to $85.1 million, although the end-of-year grant accounted for the majority of the increase.

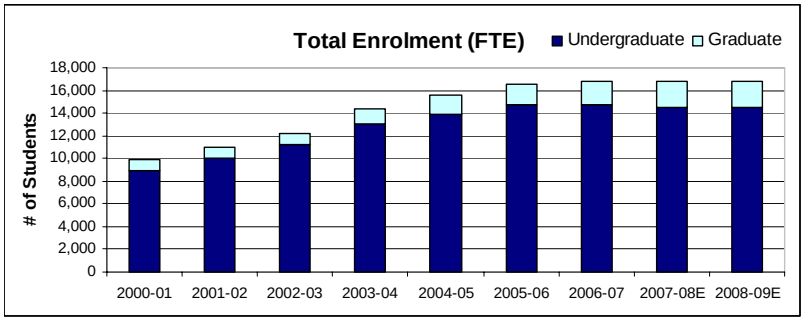
Total expenditures were particularly impacted by an 11.3% increase in salary and benefit costs as a result of new faculty and staff positions as well as recently renegotiated contractual salary agreements. Interest expenses increased 26% as expected by the first full year of interest payments after the December 2005 bond issue. Costs associated with ancillary services increased 10% as the businesses were expanded to generate new revenue sources.

## Operating Outlook

### 2007-2008 Operating Budget

*The University conducts its day-to-day business through four major funds, the operating fund and ancillary enterprises, research and student awards, capital, and endowments. Like most other universities, Brock only produces detailed annual budget estimates for the operating fund and ancillary operations, which account for approximately 80% of total spending.*

The approved operating budget for 2007-2008 is balanced, despite rising labour costs and limited revenue growth. Enrolment is showing a slight decline in 2007-2008 and is expected to stabilize in the coming years as the double cohort generation exits the university system and the University reaches its long-term target level of enrolment for the time being. Total revenues were originally budgeted to grow 4%, or $7.3 million, in 2007-2008, though a mid-year update points to lower-than-expected growth. Tuition fee revenues and contributions from ancillary operations are the major areas of expansion; however, recent projections of tuition revenues were downwardly revised due to a policy change after the budget was initially approved.




Total expenditures are expected to increase 4.7%, or $8.6 million, in 2007-2008 with the largest pressures arising from expected salary and benefit increases, as well as expenses from expanding ancillary operations. A budget reduction of $3 million was necessary to limit the pace of spending growth.

### Outlook

Budget challenges are expected to continue into 2008-2009 as inflationary costs, particularly associated with labour, continue to outpace revenue growth. Enrolment is forecast to decline slightly further in 2008-2009 which will limit operating grant and tuition revenue growth going forward. However, tuition increases averaging 5% and a new tuition fee structure will help generate modest revenue growth.

The University has budgeted conservatively for the amount of revenues from provincial sources, though DBRS expects the flow through of federal funding announced in the February 2007 Federal Budget to provide some support beginning in 2008-2009. However, the University will likely need to identify additional revenue sources or implement further budget reductions to reach a balanced budget for 2008-2009.

### Capital Plan

Being a relatively young university, Brock enjoys a fairly new infrastructure base. As measured by the Ontario Universities Facilities Condition Assessment Program, Brock has a deferred maintenance estimated at 5% of replacement value, or approximately $14 million, one of the lowest among Ontario universities. Additionally, the Province recently announced infrastructure funding of $4.5 million which will help reduce the maintenance backlog.

By fiscal year end, Plaza 2006, a multi purpose $23 million project, was completed on time and on budget. Going forward, Brock has several capital projects in various stages of development. The Learning Commons is currently under construction and is fully funded at a cost of $7.1 million. The addition to Welch Hall is still in the planning stages and is projected to cost $8 million. Additionally, the University is currently examining the potential for other small acquisitions, and more distant on the horizon is investigating the potential to build a major health and bioscience research facility. However, the University indicated it would only go forward with the project if significant funding commitments were obtained from public sources.

## Debt and Liquidity

### Summary

Brock's debt burden remained stable in 2006-2007 at $123 million and lower on an FTE basis at $7,282, due to higher enrolment. Compared to other DBRS-rated universities, this debt burden remains relatively low and leaves Brock some room within its rating to increase borrowing. A July 2005 actuarial valuation of Brock's hybrid pension plan (consisting of a defined contribution plan subject to a minimum guarantee) indicated a small surplus. However, the University's post-employment benefit liability rose 76% to $10.9 million due to modest new benefits provided to faculty. Nevertheless, this liability remains relatively small compared to other DBRS-rated universities.

Brock's endowed investment funds grew a decent 8.6% to $28.6 million on $1.5 million in capital gains and $798,000 in contributions. This helped improve the University's financial flexibility with a total of $38.1 million of expendable resources as at April 30, 2007, up from $23.1 million in the prior year. This consists of $2.8 million in internally restricted endowment assets, $7.5 million in debt retirement funds and $27.7 million in internally restricted assets, boosted especially by an unallocated end-of-year government grant. These funds now cover 31% of total debt, a more comfortable level among Brock's peers. Though these funds have been growing rapidly over the past few years, they are still relatively small and will take time to reach a level commensurate with larger and older institutions.

The University has established a sinking fund which is expected to cover the entire $93 million principal of the debentures due in 2045. Guidelines for the sinking fund have been set out in a policy approved at the end of 2007.

Interest coverage is down to a still-solid 3.3 times from 4.4 in 2005-2006 due to both a lower operating balance and higher interest payments as a result of the first full-year costs of the bond issue.

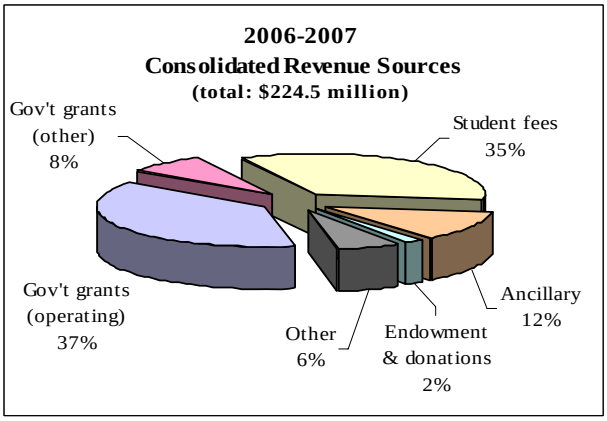
### Outlook

DBRS expects debt to remain stable on an FTE basis in 2007-2008 and 2008-2009, as modestly lower enrolment is offset by debt repayment. The University currently has no major short-term foreseeable debt needs and will likely use internal cash for upcoming potential projects.

The next major project on the horizon is the potential health and bioscience research facility, but plans are still in early stages and will only be developed with a major government funding commitment.

## University Funding in Ontario

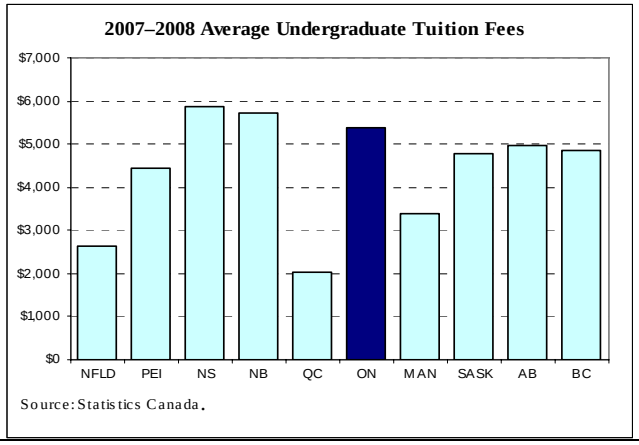
Canadian universities generally have access to three key sources of revenue for their core teaching and research activities: (1) government grants, (2) student fees, and (3) fundraising/endowment income. For Brock, these accounted for about 82% of total revenues in 2006-2007.




Still the main source of revenue for universities, provincial government funding has seen its importance reduced over the past decade in Ontario, and in many other provinces, due to provincial budget cuts introduced in the mid-1990s. In compensation for the budget cuts, Ontario universities were given full fee-setting discretion over a range of deregulated programs and were allowed to raise tuitions substantially for those programs over which the Province maintained fee-setting authority. This led to an increase in universities' reliance on tuition fees and other private funding sources, as has occurred in other provinces. This trend was put on hold when the Province decided to freeze tuition fees for 2004-2005 and 2005-2006 while a review of university funding was carried out. In March 2006, the Province announced a new tuition policy that permits universities to increase average tuition fees by up to 5% annually beginning in 2006-2007. To be eligible for these increases, universities must put in place a student access guarantee to fund students' unmet financial needs. As well, universities are required to continue to implement quality initiatives.

**Government Funding** (provincial and federal – 46%): Government funding includes (1) operating grants, (2) research grants and contracts, and (3) capital grants. Operating grants are by far the most important and stable revenue source of the three. Operating grants are provided exclusively by the Province, primarily through a formula that allocates a certain number of basic income units (BIUs) to each student based on the program in which they are enrolled. Targeted funding, which is mainly aimed at expanding enrolment in high-demand programs, and performance-based grants, also account for a small-but-growing portion of provincial operating funding.

In Ontario, no inflation adjustment is provided in base operating funding. However, the Province continues to provide Ontario universities with full average funding for enrolment growth. No significant changes have been made to operating funding since the 2005-2006 provincial budget, which boosted university funding in response to the recommendations of the post-secondary review. Also important are government grants for research and capital projects. The federal government generally accounts for 65% to 75% of total public research funding, while the Province provides the bulk of capital funding.




**Student Fees** (35%): After being frozen in 2004-2005 and 2005-2006 at 2003-2004 levels, the Province announced a new tuition regime in March 2006 that permits universities to increase average tuition fees by up to 5% annually beginning in 2006-2007, with fee increase limits varying across programs and years of study. For example, arts and science tuitions can be increased by 4.5% for the first year of study and 4% for the remaining years, and graduate and professional program tuition fees can be increased by 8% for the first year of study and 4% in the following years. Overall, however, the university's average tuition increase will not be

allowed to exceed 5% for domestic students. For Brock, tuition increases are expected to average the maximum 5% in 2007-2008.

**Fundraising and Endowment Contributions** (2%): As at most other Canadian universities, in particular the younger ones, fundraising is still a limited source of revenue for Brock. However, the University has recently ramped up its fundraising efforts by investing in new dedicated staff to start tapping its pool of alumni for support. The stronger focus on fundraising is exhibited in the growth of the University's endowment fund, which has grown at a considerable pace over the past four years. As at April 30, 2007, the fund was up 11% over the prior year to a market value of $33.4 million, or $1,984 per FTE. Despite the rapid growth, the endowment is still relatively small compared to other DBRS-rated universities and will take time to grow to a level commensurate with that of larger and older institutions.

## Brock University

### Consolidated Balance Sheet ($ thousands)

| | For the year ended April 30 | | | | |
|---|---|---|---|---|---|
| **Assets** | **2007** | **2006** | **2005** | **2004** | **2003** |
| Cash and short-term investments | 74,745 | 75,640 | 32,714 | 14,559 | 144 |
| Receivables | 6,489 | 5,515 | 5,518 | 7,823 | 8,684 |
| Restricted investments (1) | 36,927 | 36,219 | 29,146 | 21,490 | 28,635 |
| Capital assets | 179,797 | 169,813 | 161,904 | 164,731 | 148,986 |
| Other assets | 5,818 | 6,357 | 3,451 | 3,049 | 1,187 |
| **Total Assets** | 303,776 | 293,544 | 232,733 | 211,652 | 187,636 |
| **Liabilities and Equity** | | | | | |
| Payables and other current liabilities | 33,506 | 34,747 | 29,177 | 27,151 | 23,308 |
| Deferred capital contributions | 67,749 | 67,196 | 63,108 | 60,629 | 59,605 |
| Employee future benefits obligations | 6,918 | 5,039 | 5,469 | 5,442 | 6,595 |
| Long-term debt | 122,552 | 123,176 | 83,897 | 81,666 | 76,979 |
| Total liabilities | 230,725 | 230,158 | 181,651 | 174,888 | 166,487 |
| Committed funds (2) | 33,681 | 19,907 | 12,639 | 5,643 | 2,641 |
| Endowment - internally restricted (1)(3) | 2,768 | 2,662 | 2,551 | 2,697 | 2,944 |
| Endowment - externally restricted (1)(3) | 25,830 | 23,683 | 18,786 | 14,507 | 11,798 |
| Equity in capital assets | 10,744 | 16,109 | 18,568 | 23,391 | 23,245 |
| Unrestricted net assets | 28 | 1,025 | (1,462) | (9,474) | (19,479) |
| **Total Liability and Equity** | 303,776 | 293,544 | 232,733 | 211,652 | 187,636 |
| **Commitments & Other Obligations** | 2007 | 2006 | 2005 | 2004 | 2003 |
| Capital commitments | 2,981 | 15,431 | 5,648 | 16,255 | 22,615 |
| Pension plan deficit (if any - funding basis) | - | - | 1,160 | 1,160 | 1,160 |
| Post-employment benefits | 10,947 | 6,220 | 6,732 | 6,839 | 7,701 |
| | 13,928 | 21,651 | 13,540 | 24,254 | 31,476 |

(1) Book value.
(2) Funds set aside for specific purposes (e.g. departmental carry-forwards).
(3) Externally restricted endowment assets consist of funds that are subject to restrictions imposed by the donors. Internally restricted endowment assets are funds whose use is restricted internally by the Board of Trustees.

# Brock University

## Consolidated Financial Summary (DBRS-Adjusted)

| ($ thousands) | For the year ended April 30 | | | | |
|---|---|---|---|---|---|
| | 2006-2007 | 2005-2006 | 2004-2005 | 2003-2004 | 2002-2003 |
| Total operating revenue | 224,480 | 204,383 | 197,747 | 174,481 | 132,730 |
| Total expenditures | 217,068 | 193,563 | 187,562 | 161,328 | 134,381 |
| **Operating Balance Before Transfers** | 7,412 | 10,820 | 10,185 | 13,153 | (1,651) |
| One-time revenues (expenses) | - | (3,524) | - | - | - |
| Contributions from (to) committed funds (1) | (13,774) | (7,268) | (6,996) | (3,002) | 170 |
| Decrease (increase) in investment in capital assets | 5,365 | 2,459 | 4,823 | (146) | (2,978) |
| **Change in Unrestricted Net Assets** | (997) | 2,487 | 8,012 | 10,005 | (4,459) |
| **Revenue** | | | | | |
| Tuition fees | 77,690 | 73,418 | 69,162 | 63,257 | 47,153 |
| Provincial grants | 85,094 | 77,032 | 68,934 | 64,146 | 48,692 |
| Research grants | 13,868 | 12,874 | 15,888 | 9,751 | 10,295 |
| Grants and other revenues for restricted purposes | 4,660 | 4,356 | 6,200 | 2,006 | - |
| Endowment investment income | 905 | 715 | 691 | 701 | 617 |
| Other investment income | 4,011 | 392 | 483 | 1,258 | 640 |
| Ancillary services | 26,066 | 24,689 | 23,947 | 22,368 | 17,571 |
| Amortization of deferred capital contributions | 3,578 | 3,296 | 4,203 | 3,280 | 3,171 |
| Other revenue | 8,608 | 7,611 | 8,239 | 7,714 | 4,591 |
| **Total Revenue** | 224,480 | 204,383 | 197,747 | 174,481 | 132,730 |
| **Expenditures** | | | | | |
| Academic | 118,892 | 101,150 | 92,326 | 79,171 | 65,359 |
| Student aid | 9,602 | 9,483 | 9,328 | 7,974 | 6,743 |
| Research | 13,868 | 12,874 | 15,888 | 9,751 | 8,476 |
| Maintenance, administration and student support | 37,634 | 36,836 | 36,025 | 33,563 | 26,758 |
| Interest | 6,933 | 5,497 | 4,845 | 4,634 | 3,979 |
| Amortization | 12,040 | 11,320 | 13,024 | 11,390 | 9,921 |
| Ancillary services | 18,020 | 16,373 | 16,126 | 14,845 | 13,145 |
| Other expenses | 79 | 30 | - | - | - |
| **Total Expenditures** | 217,068 | 193,563 | 187,562 | 161,328 | 134,381 |
| **Salary and Benefit Expenditures** | 136,585 | 122,673 | 112,595 | 100,627 | 88,533 |
| **Gross Capital Expenditures** | 22,024 | 19,229 | 10,197 | 27,135 | 19,623 |

(1) Internally restricted funds set aside for specific purposes.

## Statement of Cash Flow (DBRS-Adjusted)

| ($ thousands) | For the year ended April 30 | | | | |
|---|---|---|---|---|---|
| | 2006-2007 | 2005-2006 | 2004-2005 | 2003-2004 | 2002-2003 |
| Operating balance before fund contribution | 7,412 | 10,820 | 10,185 | 13,153 | (1,651) |
| Amortization | 12,040 | 11,320 | 13,024 | 11,390 | 9,921 |
| Other non-cash adjustments | (3,499) | (3,266) | (4,203) | (3,280) | (3,171) |
| Cash flow from operations | 15,953 | 18,874 | 19,006 | 21,263 | 5,099 |
| Change in working capital | 124 | 5,389 | 3,956 | 1,689 | 2,176 |
| Operating cash flow after working capital | 16,077 | 24,263 | 22,962 | 22,952 | 7,275 |
| Net capital expenditures* | (17,893) | (11,845) | (3,515) | (22,831) | (17,637) |
| Free cash flow | (1,816) | 12,418 | 19,447 | 121 | (10,362) |

* Defined as gross capital expenditures less contributions restricted for capital purposes.

# Brock University

## Summary Statistics (DBRS-Adjust

| | For the year ended April 30 | | | | |
|---|---|---|---|---|---|
| | 2006-2007 | 2005-2006 | 2004-2005 | 2003-2004 | 2002-2003 |
| **Total Enrolment** (FTE) (1) | 16,831 | 16,594 | 15,642 | 14,348 | 12,217 |
| - Undergraduate | 88% | 89% | 89% | 91% | 92% |
| - Graduate | 12% | 11% | 11% | 9% | 8% |
| Total annual enrolment change | 1.4% | 6.1% | 9.0% | 17.4% | 11.4% |
| **Total Employees** (headcount) | 5,467 | 5,147 | 4,911 | 4,541 | 4,193 |
| - Faculty | 581 | 549 | 524 | 499 | 454 |
| **Revenue Mix** (as % of total DBRS-adjusted revenue) | | | | | |
| - Government funding (federal + provincial) | 45.7% | 45.6% | 45.0% | 42.4% | 11.2% |
| - Student fees | 34.6% | 35.9% | 35.0% | 36.3% | 72.2% |
| - Ancillary | 11.6% | 12.1% | 12.1% | 12.8% | 2.4% |
| - Investment and endowment income | 2.2% | 0.5% | 0.6% | 1.1% | 0.9% |
| - Other | 5.9% | 5.9% | 7.3% | 7.5% | 13.2% |
| **Debt and Liquidity Analysis** | | | | | |
| Total debt ($ millions) | 122.6 | 123.2 | 83.9 | 81.7 | 77.0 |
| - Per FTE student ($) | 7,282 | 7,423 | 5,364 | 5,692 | 6,301 |
| Debt, contingencies & commitments ($ millions) (2) | 132.5 | 143.6 | 95.0 | 103.4 | 106.2 |
| - Per FTE student ($) | 7,870 | 8,656 | 6,074 | 7,204 | 8,692 |
| Cash and cash equivalents ($ millions) | 74.7 | 75.6 | 32.7 | 14.6 | 0.1 |
| - As % of current liabilities | 223% | 218% | 112% | 54% | 1% |
| Interest costs as % of total expenditures | 3.2% | 2.8% | 2.6% | 2.9% | 3.0% |
| Interest coverage ratio (times) | 3.3 | 4.4 | 4.9 | 5.6 | 2.3 |
| **Endowment Funds** | | | | | |
| Total market value ($ millions) | 33.4 | 30.1 | 24.0 | 19.4 | 14.6 |
| - Per FTE student ($) | 1,984 | 1,815 | 1,535 | 1,350 | 1,192 |
| - Annual change | 10.9% | 25.4% | 24.0% | 33.0% | -3.2% |

Payout ratio: determined annually, based on three-year average of the book value of endowments.

(1) Full-time equivalent, excluding continuing education. (2) Includes accrued employee future benefits.

**Brock University**

**Report Date:**
February 6, 2008

## Rating

| Debt | Rating | Rating Action | Trend |
|---|---|---|---|
| Senior Unsecured Debentures | A (high) | Confirmation | Stable |

## Rating History

| | Current | 2007 | 2006 | 2005 |
|---|---|---|---|---|
| Senior Unsecured Debentures | A (high) | A (high) | A (high) | A (high) |

## Related Research

- Rating Canadian Universities, October 3, 2007.

Note:
All figures are in Canadian dollars unless otherwise noted.

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