

UNIVERSITY OF GUELPH

**SUMMARY OF FINANCIAL RESULTS
AND AUDITED FINANCIAL STATEMENTS**

FOR FISCAL YEAR ENDED April 30, 2002

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University of Guelph
SUMMARY OF FINANCIAL RESULTS
 For the fiscal year May 1, 2001 to April 30, 2002

The following report summarizes University financial results for the year ended April 30, 2002 (referred to as fiscal 2002) as presented in the audited financial statements.

The University of Guelph receives funds from a variety of different sources (see Graph A). Many of these funds are restricted by the donor, agency or organization as to use, and may not be used for general operating expenses. The University records its financial activities on a fund accounting basis where financial transactions are segregated according to major University activities, external restrictions on funding and the expendability of funds. (A fund is a self-balancing set of financial accounts including both balance sheet and income statement accounts.) The University currently reports on five different funds: Operating, Capital, Ancillary Enterprises, Research and Trust and Endowment. A description of each of these funds can be found on page 14.

In fiscal 2002, the University changed the format of its financial statements to what is referred to a “single column” (from multi-column in prior years) format whereby all funds are combined for statement presentation purposes. This option (both multi-columns and single column are acceptable under accounting rules) is the most widely used by universities in Canada and is considered more consistent with both public and private sector statement presentations. It was decided to move to this format to both simplify the statements and to assist in communications to general readers of the statements.

While the University has moved to single column reporting for its financial statements, the principles of fund accounting remain the University’s policy for transaction recording, budgeting and accountability. Schedule 1 on page 28 of the statements, presents the income statement by fund in multi-format.

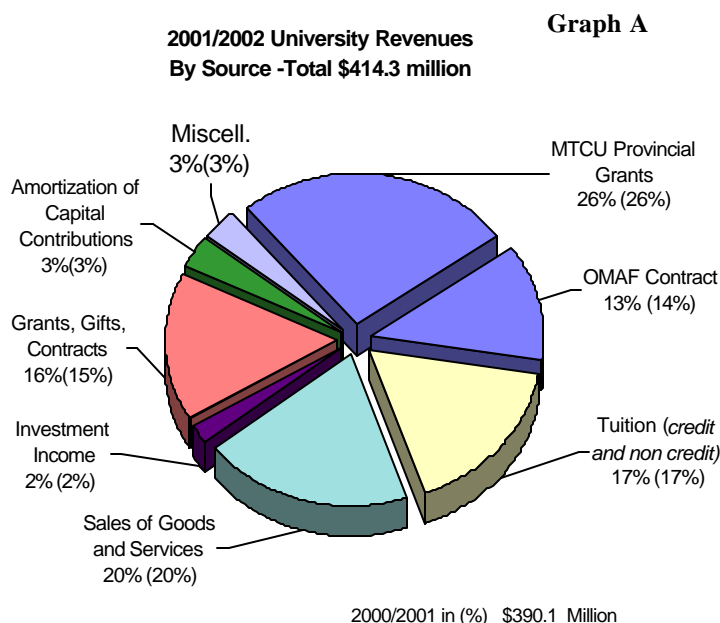
Summary of Significant Changes in Fiscal 2002 - All Funds

- REVENUES: from all sources, were \$414.3 million, an increase of 6.2% or \$24.2 million from fiscal 2001 (\$390.1 million). In general, increases were recorded in most major categories of revenues reflecting growth in enrolments, research and fund raising activities. The breakdown of the major increases in revenues is;
 - Provincial grants from the **Ministry of Training Colleges and Universities** (MTCU) (26% of total revenues) increased by \$4.9 million or 4.8%. This increase was due mainly to funds received under two targeted or restricted programs:
 - an additional \$2.6 million for a special grant restricted to operating and renovation expenses in the Ontario Veterinary College (OVC) and

- an additional \$1.4 million for increased enrolment under the Accessibility program.

The remaining increase consisted of \$0.9 million in operating grants as a result of small adjustments in performance and general grants.

- **Total Tuition/Enrolment** revenue (17% of total revenues), increased by \$5.0 million to \$72.3 million due to the net impact of an increase in MTCU credit course revenues and a decrease of \$1.1 million in non-credit course revenues. The revenue increase from MTCU credit enrolment was \$6.1 million (approximately \$3.9 million or 64% of this increase



was due to the increased numbers of students – refer to Graph B). The increase is the total, before allowances of 30% for MTCU mandated increases in expenditures for student aid (see note on Scholarships and Bursaries) are removed. The decrease in non-credit tuition of \$1.1 million was due to the implementation of accounting requirements by the Office of Opening Learning to defer the recognition of cash received as revenue for continuing education and training courses until delivery of the course (during the summer 2002). This is a transitional event and does not impact total enrolments which were slightly higher in most programs.

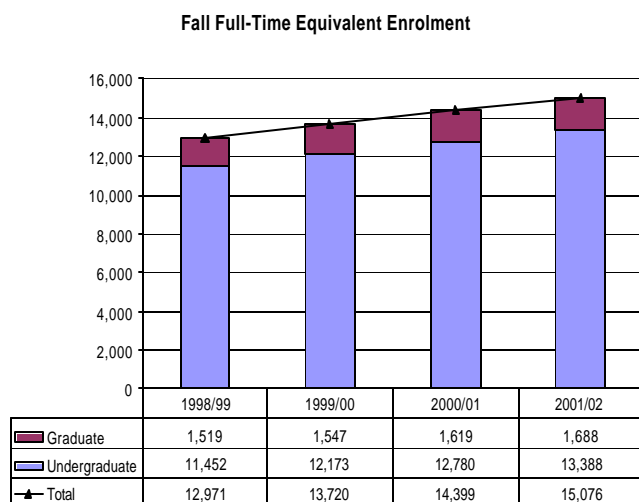
- **Sales of Goods and Services** (20% of total revenues) increased by \$3.3 million or 4.3% consisting of:
 - a \$2.1 million increase in the sale of produce/livestock, royalties and laboratory services under the OMAF contract.
 - a \$1.2 million net increase from a large variety of activities such as ancillary income, fees, laboratory, printing and the recovery of miscellaneous service costs.

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- **Other Grants, Gifts and Contracts** (16% of total revenues) increased by \$8.2 million or 14% over fiscal 2001. These funds are primarily restricted by external agencies for grant or contracted research and reflect a general increase in awards received by the University under several major federal and provincial programs (e.g. CFI-Canada Foundation for Innovation and ORDCF-Ontario Research and Development Challenge Fund (refer to Research and Trust Fund notes below).

- **EXPENSES** in all funds totaled \$389.8 million (see Graph C), an increase of 7.6% or \$27.6 million from fiscal 2001 (\$362.2 million).
- **Salaries** (53% of total expenses) increased by \$7.1 million or 3.6% mainly due to negotiated salary agreements. Staffing levels also increased due to increased enrolments and research activity.
- **Benefits** (6% of total expenses) consist of both pension-related and non-pension employer costs. On a

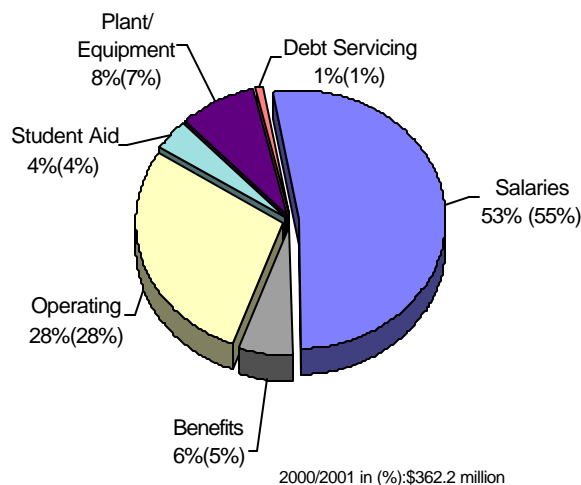
Graph B



- Provincial funding recognized under the contract with the **Ontario Ministry of Agriculture and Food (OMAF)** (13% of total revenues) decreased by \$1.1 million or 2% reflecting a decrease in provincial cash spent by operating units. (Under the contract with OMAF, recognition of revenue from advances occurs only as funds are spent. The difference between advances and expenditures less revenues in the period is recorded as a change in deferred revenue on the University's Balance Sheet.) Despite this decrease in the use of provincial funding, actual expenditures under the contract increased by \$1.2 million. This increase was funded by an increase in revenues of \$2.2 million or 13% from other sources related to contract activities such as the sale of produce, diploma fees and laboratory fees. (It should be emphasized that under the terms of the contract with the Ministry, use of OMAF funds and related revenues earned using OMAF funded facilities is restricted for approved contract expenditures and is monitored closely by the Ministry.)

**2001/2002 University Expenses
 By Type - Total \$389.9 million**

Graph C

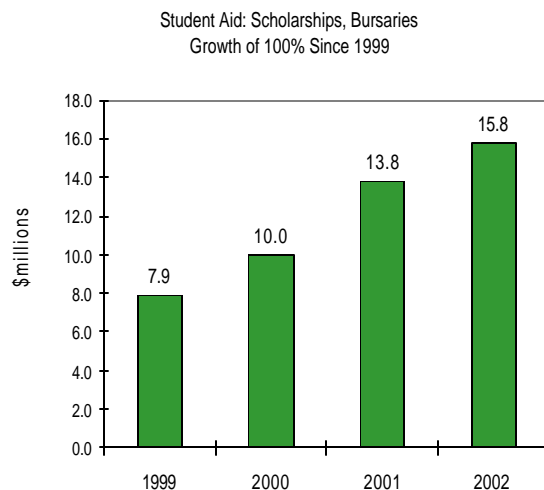


cash basis, employer non-pension benefits costs increased by 8.9% to \$27.0 million reflecting both more employees and inflation on benefits such as health and dental costs (2001; \$24.8 million). Offsetting this increase was a net non-cash credit of \$2.6 million (\$6.0 million in 2001) mainly as a result of the recording of "employee future benefits" expense. The recording of benefits costs in this manner is a requirement of the C.I.C.A.-Canadian Institute of Chartered Accountants, under section 3461 of their regulations. Refer to Note 16 in the audited statements for details on the calculation of this credit expense. This standard requires that all employee post-retirement benefits be accounted for as they are earned (accrued) not as they are actually paid (cash). The credit recorded this year, is the direct result of high asset values in the pension plans experienced over past years. It is estimated that as asset values return to more expected averages, the value of the annual expense will reverse and create significant charges. In order to smooth the impact on the statements of these anticipated future charges, the University follows the practice of appropriating the credits each year (refer to Statement 3, page 12 in the audited financial statements.). The appropriation is designated for future expenses calculated under section 3461.

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- **Operating Expenses** (26% of total expenses) increased by \$8.4 million or 8.2%. Although this increase is not attributable to one single category or fund, an 18% increase in utilities (\$2.2 million) accounted for 25% of the increase. The balance reflects a general increase in the purchases of supplies, services and equipment due to increases in both enrolment and externally funded research activity.

Graph D



- **Scholarships and Bursaries:** Total University spending on 'Scholarships and Bursaries' increased by \$2.0 million or 14.5% to \$15.8 million (\$13.8 million in fiscal 2001 refer to Graph D). Scholarships and Bursaries have two main sources of funding - the Operating Fund and externally restricted funds e.g., grants, donations and endowments. All of the increase in 2002 was funded from increased spending from externally restricted funds; \$1.2 million was from increased external provincial government grants due to a change in the payment method for graduate scholarships and \$0.8 million was from increased annual giving both mainly due to increased donations as part of the University major fund raising campaign. Student aid funding now equals approximately 23.9% (16.8% in 1999) of total credit tuition revenues. Of the \$15.8 million, 46% is funded from the Operating Fund and 54% from trust funds. Spending on Scholarships and Bursaries excludes employment related payments to students which totaled approximately \$25 million in fiscal 2002.
- **Capital Asset Amortization:** In the financial statements and in accordance with accounting requirements, the cash costs of major equipment and building acquisitions are not charged to income as they

occur but over the expected useful life of the related asset. (refer to note 2 (e) on page 15 of the financial statements for the specific policy). The charge to income is called amortization (sometimes also referred to as depreciation). In fiscal 2002 this charge increased by \$4.2 million or 19.1% over 2001. While a portion of this was due to decrease the expected useful life of computing equipment to three years (from ten), most can be attributed to the increases in capital acquisitions (equipment and major renovations) over the past several years funded in large part by external grants. (refer to the section on the Capital Fund below)

ENDOWMENTS:

The Endowment Fund (total investments of \$133.8 million, market values) is composed of restricted segregated funds provided by external benefactors or established by the Board of Governors. Only investment income earned on these funds, after having provided for inflation protection and in specific cases growth, may be expended for the designated purpose. The Endowment Fund consists of two major groups of investments each with different spending objectives: the Heritage Fund (investments of \$42.8 million) and the General Endowment Fund (investments of \$91.0 million).

The Heritage Fund was created in 1991 by a declaration of trust of the Board of Governors with the sole intention that the capital of the Fund will be held in perpetuity for University strategic purposes. The main sources of growth for the Fund are proceeds of University real estate sales and leases from designated properties and investment income earned on the capital of the Fund. Distributions from the Fund are made in accordance with a formula based on a five-year average of market returns after having provided for inflation protection and growth. Management of the Fund was delegated by the Board of Governors to the Board of Trustees.

The General Endowment Fund contains all remaining University endowments consisting of external and Board designated donations primarily directed for student aid.

- In total, the market value at April 30th of all endowment investments had increased by \$7.7 million from \$126.1 million in 2001 to \$133.8 million in 2002 or 6.1% (refer to Graph E).

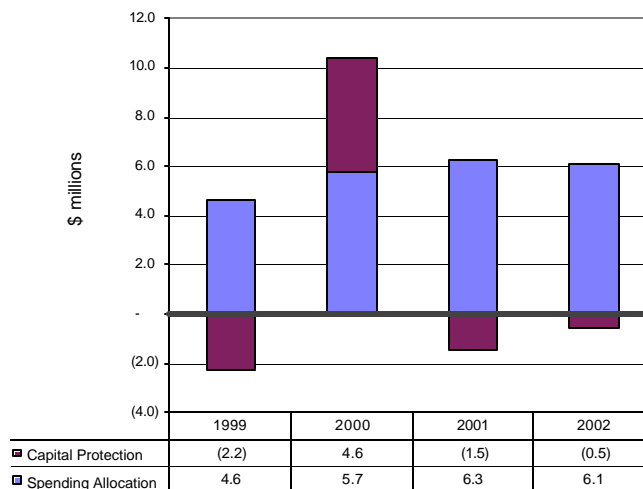
The increase in market value is the result of both investment returns and increased capital additions net of cash required for disbursements (in accordance with restrictions). Market investment returns for both endowments were positive and significantly better than most market indices which saw negative returns as a result of investment market conditions. In December

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2001, the investment management of both portfolios (Heritage and the General Endowment) was consolidated under one fund manager. In fiscal 2002 the investment returns were approximately 3.2% (1.3% in 2001) for the General Endowment and 7.7% (9.9% in 2001) for the Heritage Endowment.

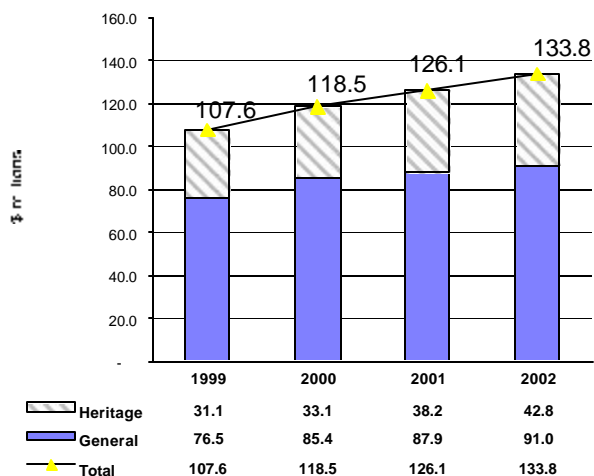
Graph F

**Allocation of Endowment Invest Income
 At April 30th**



Graph E

**Growth in University Endowment Assets
 Market Values at April 30th**



- Endowment Investment Income:** The University's endowment management policy uses long-term investment assumptions in which investments are averaged over a moving four-year period in determining both investment performance and disbursement targets. The annual spending rate of the General Endowment Fund is restricted; 5% in fiscal 2002, however this will be reduced to 4.5% in fiscal 2003. Each year the difference between actual returns and the disbursement rate is accumulated in the endowment fund to provide for capital protection and growth and if required to supplement annual returns to meet the disbursement targets.

Total 2002 investment income from all endowments was up slightly to \$5.6 million from \$4.8 million in 2001 due to investment returns and growth in endowments from contributions. In fiscal 2002 approximately \$6.1 million of the total accumulated investment earnings were made available for disbursement. The \$0.5 million difference between the \$5.6 million earned in fiscal 2002 and the \$6.1 million made available was derived from the accumulated earning from prior years (see Graph F). This result is consistent with long-term assumptions and there is no expected negative impact on either protection of endowment capital or spending.

- Endowment Contributions:** Endowment Contributions record the annual impact on the Endowment Fund of capitalized investment income, new donations and any equity accounting adjustments due to the University's ownership interest in the Cutten Club.

Total endowment contributions for fiscal 2002 of \$7.5 million were \$2.0 million higher than 2001. The increase of \$7.5 million recorded in fiscal 2002 consisted of;

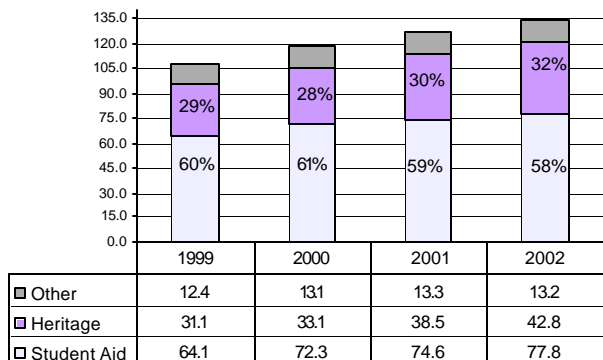
- \$2.2 million (\$4.3 million in 2001) transferred to the Heritage Fund from Real Estate net proceeds.
- \$5.8 million (\$2.6 million in 2001) in additional donations to capital received during the year due to the impact of the University's major fund raising campaign, offset by
- a use of \$0.5 million (\$1.5 million in 2001) allocated from prior years' investment income to provide for spending in 2002.

Approximately 58% of all University endowments are allocated to student assistance (refer to Graph G.) The percentage reduction from 59% in fiscal 2001 is due to the relative growth in the Heritage Fund and not an absolute reduction in funds allocated to student assistance. In addition, it is anticipated that a portion of the Keefer Trust (market value \$5.5 million) and all of the Brock Doctoral Scholarship (market value \$1 million) in the Heritage Fund will be allocated for student assistance in the future.

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Graph G

Distribution of Endowed Fund Balances
 58% of total University Endowments for Student Aid



Capital :

Financial Statement Presentation: In the audited financial statements, the Capital Fund records all of the University’s capital building, major equipment and library acquisition costs for all funds except for Ancillary Enterprises. For financial statement purposes only, external funding received for capital projects is not recorded as capital fund revenue until the related capital asset is amortized. (Until recognized as revenues, external capital contributions are recorded as deferred contributions in the liability section of the statements.) The major expense of the Capital Fund is the amortization (or depreciation) of capital asset costs. The cost of newly acquired capital assets in the fiscal year are recorded in major asset classes; land, land improvements, buildings, construction in progress, equipment, and library and arts collections. Expenses are charged (amortized) in the Capital Fund over the estimated useful life of each asset class (refer to the Financial Statements, page 15, for the amortization period of each asset class). In the equity section or Fund Balance of the Capital Fund the account ‘Investment in Capital Assets’ records the net book value less any debt or restricted contributions associated with capital assets. This represents the University’s residual equity in its capital assets.

In the fiscal 2002 **financial statements**, the net book value of capital assets increased by \$53.3 million (\$42.2 million in 2001) to \$335.6 million reflecting a significant increase in capital and work-in-progress in several large building/renovation projects of \$79.5 million (details in following notes) less capital asset amortization of \$26.2 million. This year marks the second year of a major increase (refer to Graph H) in capital acquisitions reflecting both external funding and the University’s objective to accommodate enrolment growth over the next three years.

These acquisitions will be funded through a combination of external grant or contract funding e.g., the Ontario government’s SuperBuild Growth Fund, donations and, in the case of student residences, user fees.

Capital Contributions and Acquisitions: The following describes the major capital acquisition and funding activity that occurred during the year. Although this activity is not apparent in the audited financial statements, it is reflected in the cash flow, additions and deletions related to capital assets.

- **Major capital contributions received (total \$17.9 million);**
 - \$1.7 million (\$7.7 million in 2001) in Facilities Renewal were received from MTCU. This is down significantly from 2001 when the University received a major one-time grant of \$4.4 million under a special year-end program. (Because this grant was received very late in the fiscal year 2001, most related expenditures occurred in fiscal 2002 accounting for most of the 2002 increase in minor renovations and repairs expense category.)
 - The contribution received from the province is restricted for deferred maintenance repairs and renovations for the campus physical plant infrastructure. Given University buildings’ age and usage and past deficiencies in funding, at least \$200 million in deferred maintenance costs have been estimated. Facilities renewal funding is normally allocated to deal with the highest priority items such as safety and emergency repairs.
 - \$2.7 million was earned on the SuperBuild Growth Fund investment of \$45 million in fiscal 2002. (\$2.8 million was earned in fiscal 2001 bringing the total to \$5.5 million.)

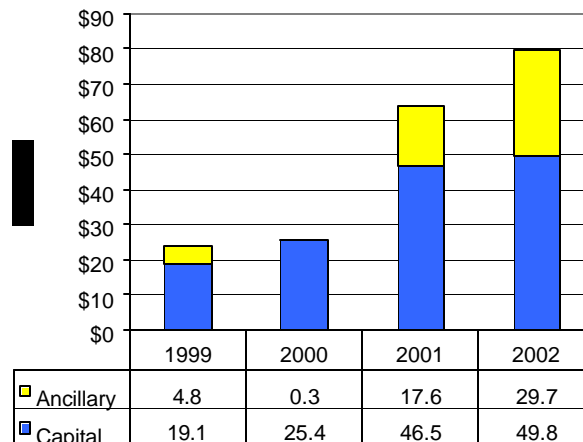
In fiscal 2000, the University received \$45.0 million under the Super Build Growth Fund. This program was designated by the province as a major capital contribution to help address projected enrolment growth in Ontario. The University has designated these funds for the construction of a major science and classroom complex. During the time between the receipt of these funds and the actual payment of construction costs, the funds have been invested in low risk fixed income securities. In accordance with SuperBuild guidelines, investment returns on these

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funds are restricted for use toward the project construction costs (refer to note 15 on page 23 of the Financial Statements).

Graph H

Growth in Capital Acquisitions



Includes additions for both buildings and equipment for each fiscal year ended April 30.

- \$1.5 million transferred from the Heritage fund for major capital purchases was approved and allocated in 2001/02.
 - \$7.1 million was received as an in-kind contribution from Hewlett-Packard for computing and scientific equipment.
 - Remaining capital contributions of \$4.9 million are for capital purchases funded primarily from federal and provincial research grants and contracts such as (CFI-Canada Foundation for Innovation) and (OIT-Ontario Innovation Trust).
- **Major acquisitions (\$79.5 million)** recorded during the year include:
 - \$3.0 million in expenses for the new integrated voice/data communications system (total project when completed in 2006 will be \$14.35 million) funded from the Heritage Fund, grants and user fees,
 - \$4.5 million spent to date for major renovations including increasing capacity and efficiencies to the central utilities plant as part of the plan for increased enrolment,
 - \$25.3 million for the new East Village Student Townhouse Complex funded from future student housing fees,
 - \$2.6 million for the Centre for Research in Food Safety, which is supported by CFI & OIT,
 - \$6.0 million for the Science and Classroom Complex funded from the Superbuild Growth fund,
 - \$13.5 million for computer equipment and software acquired through a combined donation and lease agreement with Hewlett-Packard,
 - \$18.0 million in major equipment purchases and renovations funded by both departmental transfers from the Operating Fund and external research grant/contract funding transferred from the Research and Trust Fund,
 - \$1.3 million as the start of a major renovation project in OVC funded from external grants and contributions,
 - The balance of \$5.3 million consisted of a combination of smaller capital projects and acquisitions including in-kind donations and Library acquisitions.

➤ **The Research and Trust Fund:**

This fund reports contributions made primarily by outside organizations in the form of **restricted** research contracts and grants. Although reported as one fund on the financial statements, the Research and Trust Fund consists of about 5,000 individual accounts that record both revenues and expenses for each grant, contract or special purpose. Major sources of funding include federal research grants such as those from NSERC (Natural Sciences and Engineering Research Council), SSHRC (Social Sciences and Humanities Research Council) and CIHR (Canadian Institute of Health Research) and contracts from industry for sponsored research projects. In fiscal 2002, the University continued to receive significant funding of approximately \$10.5 million (\$12.0 million in 2001) under the CFI/OIT/ORDCF programs. In total, under these programs alone, the University expects to receive more than \$150.0 million from federal, provincial and private sector contributions. Funds are designated for specific research projects.

It is important to note that this fund records only a portion of the estimated total University research activity of \$106 million in fiscal 2002. Approximately \$37 million in research and related services are funded as part of the OMAF contract.

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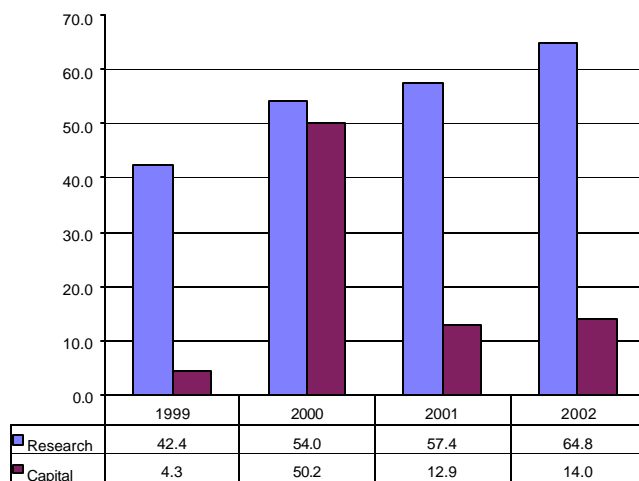
- revenues recognized in the financial statements in this fund increased by \$8.1 million or 13% to \$69.4 million (\$61.3 million in 2001).
- On a purely cash flow basis, research receipts, excluding the OMAF contract, totaled \$64.8 million (refer to Graph I). This represents a 13% increase from the previous year when \$57.4 million in research grants and contract funding were received.

(Note because research receipts are mainly restricted by the contributor, they are not recognized as revenue until spent in accordance with C.I.C.A. rules for financial statement reporting.)

- Expenditures in this fund increased in proportion to revenues reflecting the restricted nature of these revenues. Additional major expenditures in this fund included scholarships and bursaries of \$8.6 million funded from grants, annual donations and endowment investment income transferred to this fund from endowments for disbursement.

Graph I

Contracts and Grants Received *
 (excluding \$37 million in Research from the OMAF Contract)



Note: "research" in the above chart excludes \$4.9 million in major capital-related research receipts recorded under "capital" and approximately \$37 million in research funding received under the contract with OMAF. Total research related funding received in fiscal 2002 was \$106.4 million.

➤ **The Ancillary Enterprises Fund:**

The Ancillary Enterprises Fund with revenues of \$55.7 million or 13% of total University revenues (2001 revenues of \$55.3 million) reports financial

results of the University activities not related to academic and direct support functions reported in the Operating Fund. Ancillary units are responsible for any net operating shortfalls, capital amortization costs, interest costs and all other support costs incurred in their operations. Individual annual budgets are prepared and approved for each of these operations. Results by unit are detailed in Schedule 2 of the annual audited financial statements.

In comparison to 2001, **total revenues** in the Ancillary Fund increased marginally by 0.7% or \$0.4 million to \$55.7 million. Although there was no apparent major change in revenues, within the units, Real Estate Division sales were down by \$3.4 million reflecting a major one-time property sale of \$5 million in 2001 and Student Housing revenues are higher by \$3.5 million reflecting the addition of the new East Village Townhouse residences. Other Ancillary Fund operations reported an increase of \$0.3 million. Net Income in all Ancillary Units was positive with the exception of the University Centre which had a loss of \$0.153 million. Under expenses, the most significant increases were the result of the new East Village residence. The total external debt associated with this facility \$33 million, will be repaid from student housing rental income.

➤ **The Operating Fund:**

The Operating Fund records the revenues and expenses for most of the University's day-to-day academic and institutional infrastructure activities. It is the largest fund with approximately 66% of total University revenues.

Operating Fund Revenues (total 2002 revenues of \$272.4 million – refer to Graph J). Operating grants from MTCU, a contract transfer from OMAF (the Ontario Ministry of Agriculture and Food) and tuition, both credit and non-credit revenues provide the three largest components of revenue in this fund. Together they account for 38%, 19% and 27% respectively, of total Operating Fund revenues. Remaining revenues of 16% are from miscellaneous fees, sales of goods and services raised by a variety of academic and service units, investment income and general external cost-recoveries.

OMAF Contract: Included in the Operating Fund is OMAF contract activity (2002 total expenses of \$71.7 million). These expenses were funded from provincial transfers of \$51.6 million and related miscellaneous revenues from the sale of goods and services and diploma and non-credit enrolments of \$20.1 million. In total the OMAF contract activity generates 26% of total

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Operating Fund revenues. The OMAF revenues and expenses are treated as a separate restricted account within the Operating Fund and must be fiscally balanced. It therefore has no impact on the net income of the Operating Fund. This is a requirement of the unique (in the Ontario university system) research and education contract between the University of Guelph and OMAF. On April 1, 1997 (effective April 1, 2002) the contract was significantly expanded under an “enhanced partnership” agreement whereby the University assumed operational responsibility for six units of the Ministry, including three Colleges of Agricultural Technology (CAT’s), two laboratories, and a horticultural research station. Detailed results of OMAF contract results are shown on schedule 3, page 30.

Operating Fund Expenses (total of \$250.0 million – refer to Graph K): Salaries and benefits compose 73.5% of total Operating Fund expenses (75.1% in fiscal 2001). Salaries increased by 2.4% or \$3.9 million due mainly to negotiated settlements with employee groups and also to a lesser extent, an increase in the

number of employees. Benefits increased by a net 20.4% or \$2.9 million. A significant portion of this expense increase was due to a decreased credit for employee future benefits expenses compared to the 2001 accounting credit.

The next largest increase was for general operating expenses which increased 11.4% or \$6.1 million. A significant component of this increase was \$1.9 million in additional utility costs due to higher fuel prices and increased costs from new building space. In addition, there was an increase of \$2.0 million of annual expenses related to the reclassification of Athletics (Special Capital) Projects that in previous years were reported in the Ancillary Enterprises Fund.

In fiscal 2002 the University set three key budgetary objectives for the Operating Fund:

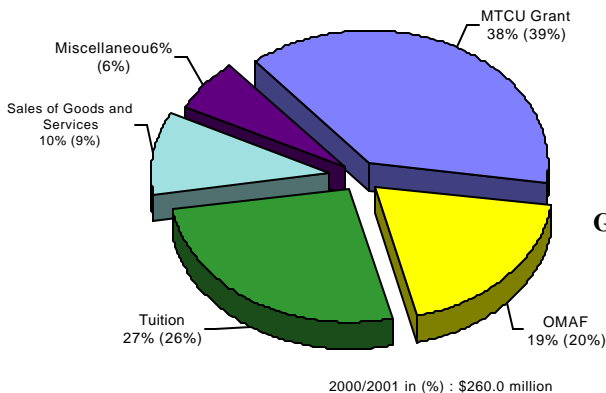
1. Meet the Board approved deficit repayment schedule.
2. Keep all remaining components of the budget in balance and if possible identify funds to guard against unexpected budget adjustments such as the reduction in performance and enrolment based operating grants introduced by the province (i.e., Stabilization Fund first formally identified in the 2000/2001 budget process).
3. Identify \$3.475 million to help achieve the 2002/2003 budget target as approved by the Board in June 2002.

The actual results for fiscal 2002 confirm that the University met each of these targets .

Meeting Budget Objectives: Total net income in the Operating Fund was \$22.4 million (2001; \$22.9 million.) These funds were applied to:

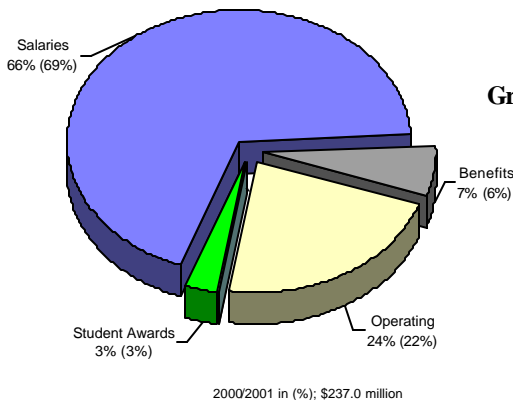
- Transfers by departments of **\$10.7 million** to mainly the Capital Fund for equipment purchases, renovations and capital projects.
- **\$2.2 million** to reduce the deficit, incurred afrom prior years restructuring costs, to \$3.9 million (\$6.1 million in 2001) in accordance with the Board-mandated deficit repayment schedule (Budget objective 1).
- Total appropriations in the Operating Fund increased by a net amount of **\$9.5 million** to \$52.8 million. Of the total increase,
 - **\$4.2 million** was committed for **employee future benefits expense**. The appropriation stands at \$35.1 million at the end of fiscal 2002. (Refer to the note on Benefits on page 2 above.)
 - **\$2.0 million** was allocated for the Stabilization Fund. These funds, which were allocated from institutional revenues and expense savings, will be carried into 2002/2003 to provide for unexpected

2001/2002 Operating Fund Revenue
 Total \$272.4 million



Graph J

2001/2002 Operating Fund Expenses
 Total \$250.0 million



Graph K

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- budget shortfalls or opportunities (Budget Objective 2).
- **\$3.3 million** was committed for Appropriations for Supplies and Equipment reflecting an increase in funds available for contingencies. Out of total funds accumulated in this category of \$11.2 million, \$3.475 million was allocated from institutional net revenues or cost savings. These funds will be carried into fiscal 2003 to meet the overall target approved in the University's 2002/2003 Budget (refer to Budget Objective 3). All remaining appropriations (\$7.725 million) are designated for future departmental purchases such as outstanding purchase orders, renovations and one-time capital projects. The total appropriation in this category as a percentage of expenses is 3.0%, within normal historical levels of 2.5% to 3.5% and policy limits (maximum of 5%).

Endowed Fund Balance of \$117.4 million is that portion of endowed investments (total \$133.8 million) designated for initial donated capital plus accumulated investment earnings allocated for inflation protection and growth. The balance of investments are designated for spending in accordance with Board approved policies (\$13.0 million) or have been advanced to the endowment fund for investment purposes only (\$3.4 million).

- Appropriations increase of \$14.1 million (\$16.1 million in 2001) records funds committed for specific purposes such as outstanding purchase commitments, departmental funds, research, capital replacement, employee future benefit expenses and stabilization funds.
- Unappropriated Funds – reports the accumulated net income of University operations after appropriations and restrictions. In total, the University's unappropriated funds increased by \$1.6 million consisting of a \$2.2 million reduction in the restructuring deficit in the Operating Fund (reduced to \$3.9 million in accordance with the Board approved repayment plan) plus a net decrease in funds of \$0.6 million from combined ancillary unit operations.

➤ **University Summary—All Funds - Fund Balances:**

Total University income received in fiscal 2002 from all funds was \$414.3 million. Total Expenses were \$389.9 million. The net of Revenues less Expenses was therefore \$24.4 million (\$27.9 million in 2001). In order to complete the total calculation of changes in fund balances, \$5.3 million in contributions to endowments is added to the \$24.4 million generated from operations. The result of \$29.7 million was allocated in accordance with external restrictions, Board policy and future budget and expenditure requirements.

The following notes and table summarize the distribution of changes to fund balances based on fiscal 2002 financial results:

- Invested in Capital Assets - increase of \$6.5 million (2001; \$4.8 million) records the net change in the University's equity in its capital assets. This account increased as a result of an increase in net book value of capital assets (acquisitions greater than amortization) and the reduction in debt on the University's capital assets (which increases our equity).
- Endowed Funds - increase of \$7.5 million (2001; \$5.5 million) records the increase in restricted endowments due to \$5.8 million in new donations/contributions and \$2.2 in net proceeds from the Real Estate proceeds transferred to the Heritage Trust less use of a portion of the prior year's investment income. Note: The

The following table summarizes total University financial results for the fiscal year ended April 30, 2002;

2001/2002 UNIVERSITY RESULTS
Summary of All Funds
 (\$millions)

	Opening Fund Balances	2001/ 2002 Results	Closing Fund Balances
Total University Revenues		414.3	
Total University Expenses		389.9	
Revenues Less Expenses		24.4	
Add: Endowment Contributions: <i>recorded as a direct increase in Fund Balance not Revenue.</i>		5.3	
Equals: Increase in Fund Balances		29.7	
 UNIVERSITY FUND BALANCES:			
Invested In Capital Assets	52.3	5.2	57.5
Endowed Funds	109.9	7.5	117.4
Appropriated (all funds)	69.8	14.1	83.9
Unappropriated- Ancillaries	2.2	0.7	2.9
Unappropriated- Operating Fund	(6.1)	2.2	(3.9)
 Total Fund Balances	 228.1	 29.7	 257.8

Auditors' Report

To the Governors of the University of Guelph

We have audited the statement of financial position of the **University of Guelph** as at April 30, 2002 and the statements of operations and changes in fund balances (unappropriated and endowed), changes in appropriated expendable fund balances and cash flows for the year then ended. These financial statements are the responsibility of the management of the University of Guelph. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the University of Guelph as at April 30, 2002 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

PricewaterhouseCoopers LLP

Chartered Accountants
June 28, 2002

UNIVERSITY OF GUELPH
STATEMENT OF FINANCIAL POSITION
AS AT APRIL 30, 2002

(in thousands of dollars)

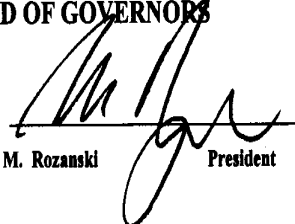
	2002	2001
<u>ASSETS</u>		
Current		
Cash and Short Term Investments	57,529	60,882
Accounts Receivable	17,530	15,410
Inventories	2,941	2,803
Prepaid Expenses	552	961
	78,552	80,056
Long-term		
Accrued Benefit Asset (Note 16)	39,017	33,547
Real Estate Projects in Progress	3,854	3,950
Mortgage Receivable	2,000	3,000
Investments (Note 3)	184,218	181,506
	229,089	222,003
Capital Assets (Note 6)	335,582	282,212
	643,223	584,271
<u>LIABILITIES</u>		
Current		
Accounts Payable and Accrued Charges	30,364	27,249
Current Portion of Long-term Debt (Note 7)	3,563	3,939
Current Portion of Deferred Revenue and Contributions (Note 8)	5,420	14,885
	39,347	46,073
Long-term Debt (Note 7)	73,037	47,609
Deferred Revenue and Contributions (Note 8)	273,018	262,482
	385,402	356,164
<u>FUND BALANCES</u>		
Invested in Capital Assets	57,584	52,279
Endowed (Note 10)	117,445	109,940
Appropriated (Statement 3)	83,884	69,789
Unappropriated	(1,092)	(3,901)
	257,821	228,107
	643,223	584,271

APPROVED BY THE BOARD OF GOVERNORS



M. Walsh

Chair



M. Rozanski

President

UNIVERSITY OF GUELPH
STATEMENT OF OPERATIONS AND CHANGES IN FUND BALANCES
(UNAPPROPRIATED AND ENDOWED)
FOR THE YEAR ENDED APRIL 30, 2002

(in thousands of dollars)

	2002	2001
REVENUE		
Ministry of Training, Colleges and Universities	107,777	102,873
Ministry of Agriculture and Food (Schedule 3)	51,572	52,654
Tuition (Credit and Non-Credit)	72,250	67,318
Sales of Goods and Services (Note 12)	81,744	78,351
Investment Income (Note 4)	7,845	8,402
Other Grants, Gifts and Contracts	65,617	57,373
Amortization of Deferred Capital Contributions (Note 8)	13,466	10,936
Other	13,993	12,163
	414,264	390,070
EXPENSES		
Salaries	205,089	197,989
Benefits	22,350	19,006
Travel	10,062	9,200
Operating	100,213	92,662
Minor Renovations and Repairs	6,805	4,361
Interest on Long-Term Debt	3,312	3,211
Scholarships and Bursaries	15,810	13,784
Capital Asset Amortization	26,207	22,025
	389,848	362,238
Revenue Less Expenses	24,416	27,832
Endowment Contributions (Note 10)	5,298	1,256
Change in Fund Balance	29,714	29,088
Transfer (to) from Appropriations (Statement 3)	(14,095)	(16,066)
Net Increase in Fund Balances	15,619	13,022
Fund Balances, Beginning of Year		
Unappropriated and Endowed	158,318	145,296
Fund Balances, End of Year		
Unappropriated and Endowed (Schedule 1)	173,937	158,318

UNIVERSITY OF GUELPH
STATEMENT OF CHANGES IN APPROPRIATED
EXPENDABLE FUND BALANCES
FOR THE YEAR ENDED APRIL 30, 2002

(in thousands of dollars)

OPERATING FUND	Balance, Beginning of Year	Transfer To (From) Appropriations	Balance, End of Year
Equipment and Supplies	7,897	3,326	11,223
Self Insured Losses	500		500
Pension and Benefits	30,873	4,189	35,062
Stabilization Fund	4,000	2,000	6,000
	<u>43,270</u>	<u>9,515</u>	<u>52,785</u>
CAPITAL FUND			
Capital Projects and Renovations	1,086	(563)	523
Minor Renovations	463	752	1,215
Athletic Facility	225		225
	<u>1,774</u>	<u>189</u>	<u>1,963</u>
ANCILLARY ENTERPRISES			
Real Estate Division	5,010	1,539	6,549
Student Housing Services	450	50	500
University Centre	240	(21)	219
	<u>5,700</u>	<u>1,568</u>	<u>7,268</u>
RESEARCH AND TRUST FUND			
Research and Trust	<u>19,045</u>	<u>2,823</u>	<u>21,868</u>
TOTAL	<u>69,789</u>	<u>14,095</u>	<u>83,884</u>

**UNIVERSITY OF GUELPH
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED APRIL 30, 2002**

(in thousands of dollars)

	<u>2002</u>	<u>2001</u>
OPERATING ACTIVITIES		
Change in Fund Balance (Statement 2)	29,714	29,088
Add (Deduct) Non-Cash Items:		
Capital Asset Amortization (Statement 2)	26,207	22,025
Amortization of Deferred Capital Contributions (Statement 2)	(13,466)	(10,936)
Unrealized Loss on Investments	3,735	4,054
(Increase) Decrease in Mortgage Receivable	1,000	(3,000)
Increase in Accrued Benefit Asset	(5,470)	(7,599)
Decrease in Non-cash Working Capital	1,362	6,605
	<u>43,082</u>	<u>40,237</u>
FINANCING ACTIVITIES		
Increase in Long-term Debt	30,300	9,495
Repayment of Long-term Debt	(5,248)	(3,001)
Deferred Capital Contributions Received During the Year	29,456	31,133
Decrease in Deferred Contributions	<u>(14,919)</u>	<u>(739)</u>
	<u>39,589</u>	<u>36,888</u>
INVESTING ACTIVITIES		
Acquisition of Investments	(6,447)	(13,891)
Acquisition of Capital Assets	<u>(79,577)</u>	<u>(64,039)</u>
	<u>(86,024)</u>	<u>(77,930)</u>
Change in Cash and Short Term Investments	(3,353)	(805)
CASH AND SHORT TERM INVESTMENTS, BEGINNING OF THE YEAR	<u>60,882</u>	<u>61,687</u>
CASH AND SHORT TERM INVESTMENTS, END OF THE YEAR (Statement 1)	<u><u>57,529</u></u>	<u><u>60,882</u></u>

UNIVERSITY OF GUELPH
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended April 30, 2002

1. AUTHORITY AND PURPOSE

The University of Guelph operates as a not-for-profit entity under the authority of the University of Guelph Act (1964). The University is a comprehensive, research intensive university offering a range of undergraduate and graduate programs. With the exception of academic governance, which is vested in the University's Senate, the University is governed by the Board of Governors. The University is a registered charity and is therefore exempt from income taxes under section 149 of the Income Tax Act.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND REPORTING PRACTICES

These financial statements have been prepared by management in accordance with generally accepted accounting principles as considered appropriate for universities, applied consistently within the framework of the accounting policies summarized below:

(a) Fund Accounting

The accounts of the University are maintained in accordance with the principles of fund accounting in order to observe the limitations and restrictions placed on the use of available resources. Under fund accounting, resources for various purposes are classified for accounting and reporting purposes into separate funds in accordance with specified activities or objectives. For financial reporting purposes, the University has combined funds with similar characteristics into five major fund groups:

- i. The Operating Fund presents the academic, administrative and other operating activities of the University.
- ii. The Capital Fund presents the funds received and expended on property, plant and equipment except capital expenditures related to ancillary operations.
- iii. The Ancillary Enterprises Fund presents the operations of services carried on by the University that are supportive of but not directly related to the University's primary functions of teaching and research. Any deficits incurred are recoverable from each ancillary's future operations. The Ancillary Enterprises Fund includes the following:
 - Hospitality Services
 - Real Estate Division
 - Student Housing Services
 - Parking Administration
 - University Centre
- iv. The Research and Trust Fund includes those funds provided by benefactors and external contracts, the expenditure of which is restricted to a specific purpose. Also included are investment income on endowments. This investment income is available for expenditure.
- v. The Endowment Fund records donations provided by benefactors or funds designated by the Board, which are restricted as to purpose and expendability. Only the investment income earned on these funds, after having provided for inflation protection and, in specific cases, growth may be expended for the designated purpose. The endowment capital remains intact. Endowment earnings available for expenditure are recorded in the Research and Trust Fund.

The Endowment Fund consists of two major groups of investments each with different spending objectives: the Heritage Fund and the General Endowment Fund.

The Heritage Fund was created in 1991 by a declaration of trust of the Board of Governors with the sole intention that the capital of the Fund will be held in perpetuity for University strategic purposes. The main sources of growth for the Fund are proceeds of University real estate sales and leases from designated properties and investment income earned on the capital of the Fund.

UNIVERSITY OF GUELPH
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended April 30, 2002

Distributions from the Fund are made in accordance with a formula based on a five-year average of market returns after having provided for inflation protection and growth. Management of the Fund is delegated by the Board of Governors to a separate Board of Trustees.

The General Endowment Fund contains all remaining University endowments which consist of private and Board designated donations directed primarily for student aid.

Schedule 1 contains the Statement of Changes in Fund Balances for the funds described above.

(b) Investments

The University reports its investments at market value, with the exception of its investment in the Guelph Golf & Recreation Club Limited (Cutten Club) which is recorded on an equity basis and capital fund and ancillary enterprises investments which are recorded at cost.

(c) Financial Instruments

Accounts receivables are recorded at estimated net realizable value, which approximates fair value. Accounts payable and long-term debt are recorded at their cost amounts, which approximates fair value.

(d) Inventory Valuation

Inventories are recorded at the lower of cost and market.

(e) Capital Assets

Capital assets are recorded at cost less accumulated amortization, except for the donated assets which are recorded at appraised values with the exception of art and artifacts. These are recorded at a nominal value of \$1,000 and are not amortized.

Computing Equipment acquired prior to the year ended April 30, 2002 is recorded as Furniture & Equipment.

The cost of capital assets is amortized on a straight-line basis over the estimated useful life as follows:

Land Improvements	38 to 60 Years
Buildings	40 Years
Furniture and Equipment	10 Years
Library Books	5 Years
Computer Equipment	3 Years

(f) Leases Payable

The University has entered into certain equipment and building leases for which title to the related assets will vest in the University on the termination of the leases. The cost of these assets is reflected in capital assets and the present value of the lease commitments is reflected as a liability.

(g) Appropriations of Fund Balances

Appropriations are restrictions of fund balances designated for: future purchase order commitments; capital and renovation projects committed but not completed; unspent organizational unit funds

UNIVERSITY OF GUELPH
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended April 30, 2002

permitted to be carried forward at the end of each year for expenditure in the following year; and contingencies in such amounts as are deemed necessary by the Board.

(h) Recognition of Revenue

The University accounts for restricted contributions in accordance with the deferral method.

Externally restricted contributions received for:

- purposes other than endowment or the acquisition of capital assets are deferred and recognized as revenue in the year in which the related expenses are incurred.
- the acquisition of capital assets having limited life are initially recorded as deferred contributions in the period in which they are received. They are recognized as revenue over the useful life of the related assets.
- the acquisition of unlimited life assets such as land and collections are recognized as direct increases in net assets in the period in which they are received .

Endowment contributions and related investment income allocated for endowment capital preservation and growth are recognized as direct increases in net assets in the period in which they are received or earned.

Unrestricted contributions are recognized as revenue when received.

Revenues received for the provision of goods and services are recognized in the period in which the goods or services are provided by the University. Revenues received for a future period are deferred until the goods or services are provided.

(i) Employee Future Benefits

The University maintains three defined benefit pension plans for its employees: Professional Plan, Retirement Plan and Non-Professional Plan. Pension plan assets, liabilities and changes in net assets are reported in the respective financial statements of these plans. The assets of the plans are held by an independent custodian and are not recorded in the accounts of the University.

Additionally, the University provides extended health care and dental plan benefits to retirees and their eligible dependents on a cost-sharing basis.

The cost of pension and other post-retirement benefits earned by employees is actuarially determined using the projected benefit method prorated on service and management's best estimates of expected plan investment performance, salary escalation, retirement ages of employees and expected health care costs. Future plan obligations are discounted using current market interest rates.

(j) Real Estate Projects

The accounts of the Real Estate Division, which has been established to develop certain real estate owned by the University which have been designated Heritage Trust properties, are included in the ancillary enterprises fund.

Real Estate projects in progress are carried at the lower of total cost and estimated net realizable value.

Costs, including capitalized interest (2002 \$216,000; 2001 \$217,000) of projects not yet completed are deferred and recorded as "Real Estate Projects in Progress" on the Statement of Financial Position. It is anticipated that these project costs will be recovered from future real estate development revenues.

UNIVERSITY OF GUELPH
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended April 30, 2002

3. INVESTMENTS

[in thousands of dollars]	Book Value		Market Value	
	2002	2001	2002	2001
Capital Fund				
Bonds	38,184	43,977	38,484	44,636
Ancillary Enterprises				
Bonds	4,384	4,040	4,782	4,375
Research & Trust Fund				
OMAF Post Retirement	2,503	2,535	3,578	3,368
OMAF Early Retirement	2,985	3,017	4,283	4,020
Total Research & Trust Fund	5,488	5,552	7,861	7,388
General and Heritage Endowment Funds				
Cash and Short Term Notes	11,231	2,877	11,229	2,871
Canadian Equities	24,909	26,275	28,638	33,494
Canadian Pooled Equity	2,268	3,475	2,485	3,312
Canadian Fixed Income	24,065	34,637	24,035	34,592
Canadian Pooled Fixed Income		10,965		10,919
Foreign Equities	42,539	9,805	43,421	10,368
Foreign Pooled Equity	19,937	25,013	20,583	27,205
Cuten Club	3,398	3,340	3,398	3,340
	128,347	116,387	133,789	126,101
Total Investments	176,403	169,956	184,916	182,500

Pooled investments held by the General and Heritage Endowment Funds refer to the value of units held in externally managed investment funds specializing in equities, fixed income and international investments.

In April 1997, as part of the enhanced partnership agreement with OMAF, the University received funds which may only be used to cover the post retirement and early retirement benefit costs related to past service for former Ministry employees, now employed by the University. The OMAF Post Retirement and the OMAF Early Retirement Funds are invested in a diversified pooled fund of Canadian equities, bonds, foreign equities and cash investments.

The assets of the General and Heritage Endowment Funds have been pooled for investment purposes. Each fund's interest in the pooled investments is calculated based on the units held by each fund in the investment pool using market values. The respective values of the assets of the General and Heritage Endowment Funds, based on the number of units held by each fund, are as follows:

[in thousands of dollars]	Book Value		Market Value	
	2002	2001	2002	2001
General Endowment	88,340	80,282	91,012	87,933
Heritage Fund	40,007	36,105	42,777	38,168
	128,347	116,387	133,789	126,101

UNIVERSITY OF GUELPH
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended April 30, 2002

4. INVESTMENT INCOME

Investment income is earned from operations and endowments. The income from endowments is recorded in operations as the income becomes available for expenditure in accordance with the University's endowment spending policy.

Investment Income [in thousands of dollars]	<u>Operations</u>	<u>Endowment</u>	<u>Total 2002</u>	<u>Total 2001</u>
Net Realized Investment Income	5,695	9,819	15,514	15,366
Increase (Decrease) in Unrealized Investment Income	<u>(158)</u>	<u>(4,272)</u>	<u>(4,430)</u>	<u>(4,054)</u>
Total Investment Income	5,537	5,547	11,084	11,312
Net Investment Income Endowed		544	544	1,457
Investment Income Available for Expenditure	6,091	(6,091)		
Net Increase in Deferred Contributions	<u>(3,783)</u>		<u>(3,783)</u>	<u>(4,367)</u>
Total	<u>7,845</u>	<u>-</u>	<u>7,845</u>	<u>8,402</u>

5. GUELPH GOLF & RECREATION CLUB LIMITED (CUTTEN CLUB)

The Guelph Golf & Recreation Club Limited (Cutten Club) is wholly owned by the University. The Cutten Club has not been consolidated in these financial statements. The market value of the Cutten Club investment is estimated to be equal or greater than its book value, which has been determined on the equity basis.

A financial summary for the fiscal years ended March 31, 2002 and 2001 is as follows:

Guelph Golf & Recreation Club Limited (Cutten Club) [in thousands of dollars]	<u>2002</u>	<u>2001</u>
Financial Position:		
Total Assets	3,439	3,149
Total Liabilities	<u>2,047</u>	<u>1,816</u>
Total Net Assets	<u>1,392</u>	<u>1,333</u>
Results of Operations:		
Total Revenue	3,377	3,494
Total Expenses	<u>3,318</u>	<u>3,422</u>
Excess of Revenue over Expenses	<u>59</u>	<u>72</u>
Cash Flows:		
Cash from Operations	285	273
Cash from Financing Activities	145	108
Cash used in Investing Activities	<u>(661)</u>	<u>(187)</u>
Increase (Decrease) in Cash	<u>(231)</u>	<u>194</u>

UNIVERSITY OF GUELPH
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended April 30, 2002

6. CAPITAL ASSETS

a) Details	<u>2002</u>		<u>2001</u>	
[in thousands of dollars]	<u>Cost</u>	<u>Accumulated Amortization</u>	<u>Net Book Value</u>	<u>Net Book Value</u>
Land	6,473		6,473	6,473
Land improvements	15,397	6,418	8,979	7,763
Buildings	364,989	151,092	213,897	173,965
Furniture and equipment	221,325	149,488	71,837	65,957
Construction in progress	15,018		15,018	19,604
Computer equipment	15,737	2,623	13,114	
Library and art collection	<u>71,495</u>	<u>65,231</u>	<u>6,264</u>	<u>8,450</u>
	<u>710,434</u>	<u>374,852</u>	<u>335,582</u>	<u>282,212</u>

b) Change in Net Book Value

[in thousands of dollars]	<u>2002</u>	<u>2001</u>
Balance, beginning	282,212	240,198
Purchase of capital assets	79,577	64,039
Less: Amortization of capital assets	<u>(26,207)</u>	<u>(22,025)</u>
Balance, ending	<u>335,582</u>	<u>282,212</u>

c) Insured Values

[in thousands of dollars]	<u>2002</u>	<u>2002</u>
	Net Book	Insured
	Value	Value
Buildings	<u>213,897</u>	<u>818,672</u>
Furniture, equipment and library books	<u>91,216</u>	<u>771,778</u>
Art and artifacts collection	<u>1</u>	<u>7,395</u>

UNIVERSITY OF GUELPH
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended April 30, 2002

7. a) LONG-TERM DEBT

[in thousands of dollars]					<u>2002</u>	<u>2001</u>
	Interest Rate	Payment Amount	Payment Frequency	Due Date	Total	Total
	%					
Banker's Acceptance						
Canadian Imperial Bank of Commerce	7.88	167	quarterly	May 1, 2006	6,249	6,870
		+ interest				
Canadian Imperial Bank of Commerce	5.89	95	monthly	July 6, 2007	5,167	5,970
Bank of Montreal	7.01	variable	quarterly	June 16, 2025	<u>33,800</u>	<u>3,500</u>
					<u>45,216</u>	<u>16,340</u>
Leases payable						
Ontario Student Housing Corp.	6.13-7.13	56	semi-annual	2018 to 2021	1,001	1,198
Canada Mortgage and Housing Corp.	5.88-6.88	492	semi-annual	2018 to 2021	8,863	10,629
Bruce Edmeades Sales Ltd.	4.13	7	monthly	December 31, 2002	58	143
Hewlett-Packard	6.3	1,069	annual	August 31, 2004	<u>3,256</u>	<u>4,933</u>
					<u>13,178</u>	<u>16,903</u>
Mortgages payable						
Canada Mortgage and Housing Corp.	7.25	138	semi-annual	January 1, 2023	2,956	3,015
Canada Mortgage and Housing Corp.	5.38	46	semi-annual	December 1, 2016	945	985
Ontario Housing Corp.(interest only)	10.36	63	semi-annual	April 1, 2010	1,225	1,225
Ontario Housing Corp.(interest only)	9.86	645	semi-annual	June 1, 2011	<u>13,080</u>	<u>13,080</u>
					<u>18,206</u>	<u>18,305</u>
					76,600	51,548
Current Portion					<u>(3,563)</u>	<u>(3,939)</u>
					<u>73,037</u>	<u>47,609</u>

Notes:

1. The Payment Amount includes both principal and interest unless otherwise noted.
2. All long-term debt finances capital facilities, primarily student housing, real estate buildings and capital equipment. All debt servicing costs, with the exception of the Hewlett-Packard lease, are funded by the ancillary unit which incurred the debt. The Hewlett-Packard lease is funded from specific provincial grants.
3. The Bank of Montreal banker's acceptance is being used to finance the new East Village Townhouse complex. The quarterly principal payments over the term of the agreement begin at \$100,000 plus interest and increase to \$950,000 over a 25 year term.

The repayments required in the next five years for the debt listed above are summarized as follows:

[in thousands of dollars]	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2003	3,563	5,474	9,037
2004	3,320	5,298	8,618
2005	3,459	5,082	8,541
2006	3,042	4,865	7,907
2007	<u>5,729</u>	<u>4,509</u>	<u>10,238</u>
	19,113	<u>25,228</u>	<u>44,341</u>
Thereafter	<u>57,487</u>		
	<u>76,600</u>		

UNIVERSITY OF GUELPH
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended April 30, 2002

7. b) INTEREST RATE RISK

[in thousands of dollars]

The University entered into interest rate swap contracts with the Bank of Montreal and Canadian Imperial Bank of Commerce whereby the University has fixed its interest rates on long term bank debt. The interest rate swap contract involves an exchange of floating rate and fixed rate interest payments between the University and the financial institutions. The swap transactions are completely independent from and have no direct effect on the relationship between the University and its lenders. The notional amount of the interest rate swap and the net unrealized gain (loss) on these contracts outstanding at April 30, 2002 are:

	<u>Due Date</u>	Notional <u>Amount</u>	<u>Gain/(Loss)</u>
Canadian Imperial Bank of Commerce	May 1, 2006	5,888	(580)
Canadian Imperial Bank of Commerce	July 6, 2007	5,151	(128)
Bank of Montreal	June 16, 2025	33,751	(2,792)

8. DEFERRED REVENUE, CONTRIBUTIONS AND CAPITAL CONTRIBUTIONS

[in thousands of dollars]	Total <u>2002</u>	Total <u>2001</u>
a) Deferred Revenue		
Prepaid Leases, Fees and Grants	9,604	8,775
OMAF Advance	990	10,478
Other	<u>814</u>	<u>978</u>
	11,408	20,231
Less: Current Deferred Revenue	<u>(5,420)</u>	<u>(14,885)</u>
	<u>5,988</u>	<u>5,346</u>
b) Deferred Contributions		
Changes in Deferred Contributions are as follows:		
Balance, beginning of year	58,486	51,160
Contributions received during the year	77,122	85,979
Recognized as revenue in the year	<u>(83,218)</u>	<u>(78,653)</u>
Balance, end of year	<u>52,390</u>	<u>58,486</u>
c) Deferred Capital Contributions		
Changes in Deferred Capital Contributions are as follows:		
Balance, beginning of year	198,650	178,453
Contributions received during the year	29,456	31,133
Amortization of deferred capital contributions	<u>(13,466)</u>	<u>(10,936)</u>
Balance, end of year	<u>214,640</u>	<u>198,650</u>
Total Deferred Revenue, Contributions and Capital Contributions	<u>273,018</u>	<u>262,482</u>

UNIVERSITY OF GUELPH
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended April 30, 2002

9. OPERATING DEFICIT (Schedule 1)

The Deficit related to Special Early Retirement Program is \$3,945,000 (2001 \$6,145,000). On March 23, 1994, the Board of Governors approved a voluntary special early retirement program that was offered to qualifying employees on April 1, 1994. The deficit related to the Special Early Retirement Program will be recovered by April 2004.

10. CHANGES IN FUND BALANCE – ENDOWMENTS

Endowment Fund Balances include externally restricted donations received by the University and donations designated by the Board to be endowed for specific purposes. The University endowment policy has the objective of protecting the real spending value of the endowed principal by limiting spending of investment income earned on endowments. The balance of annual investment income is recorded as a direct change to the endowed fund balance.

[in thousands of dollars]	<u>Externally Restricted</u>	<u>Board Restricted</u>	<u>Total 2002</u>	<u>Total 2001</u>
Investment income on endowments	4,977	570	5,547	4,803
Less: available for expenditure	<u>(5,194)</u>	<u>(897)</u>	<u>(6,091)</u>	<u>(6,260)</u>
Net Investment income endowed	(217)	(327)	(544)	(1,457)
Contributions received during year	5,391	392	5,783	2,641
Equity adjustment - Cutten Club (Note 5)	<u> </u>	<u>59</u>	<u>59</u>	<u>72</u>
Endowment Contributions	<u>5,174</u>	<u>124</u>	<u>5,298</u>	<u>1,256</u>
Transfers to Heritage Fund	<u>2,207</u>	<u> </u>	<u>2,207</u>	<u>4,262</u>
Net Increase in Fund Balance	<u>7,381</u>	<u>124</u>	<u>7,505</u>	<u>5,518</u>
Balance, beginning of year	<u>89,694</u>	<u>20,246</u>	<u>109,940</u>	<u>104,422</u>
Balance, end of year	<u>97,075</u>	<u>20,370</u>	<u>117,445</u>	<u>109,940</u>

11. CANADIAN UNIVERSITY RECIPROCAL INSURANCE EXCHANGE

The University is a member in a self-insurance co-operative in association with other Canadian universities to provide property and general liability insurance coverage. Under this arrangement referred to as the Canadian University Reciprocal Insurance Exchange (C.U.R.I.E.), the University is required to share in any net losses experienced by C.U.R.I.E. The commitment was recently renewed to January 1, 2008.

12. SALES OF GOODS AND SERVICES

Sales of goods and services includes real property, livestock and produce sales, laboratory testing and veterinary clinic revenue.

13. ACCESS TO OPPORTUNITIES PROGRAM

The Access to Opportunities Program is a Province of Ontario initiative that is to expand college and university spaces in computer science and high-demand engineering programs. The provincial contributions will assist with the funding of startup costs such as new buildings, renovations and equipment as well as ongoing operating funding in subsequent years.

In the year ended April 30, 2002, the University incurred \$136,000 (2001 \$4,663,979) in ATOP startup expenditures related to the expansion of the Thornbrough building.

UNIVERSITY OF GUELPH
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended April 30, 2002

14. ONTARIO STUDENT OPPORTUNITY TRUST FUND

The Ontario Student Opportunity Trust Fund program was established by the Government of Ontario to encourage companies and individuals to contribute to funds for Ontario's college and university students. Under this program, donations received from companies and individuals were matched by the province on a dollar for dollar basis. In response to this provincial initiative, the University established the ACCESS Fund within the endowed portfolio. Investment income from the funds will be used to assist academically qualified individuals who for financial reasons would not otherwise be able to attend college or university.

The following are the transactions related to the Ontario Student Opportunity Trust Fund for the year ended April 30, 2002:

[in thousands of dollars]	<u>2002</u>	<u>2001</u>
Access Endowment Fund		
Opening balance - May 1	22,045	22,923
Net Investment income endowed	(428)	(878)
Closing balance - April 30	<u>21,617</u>	<u>22,045</u>
Access Expendable Fund		
Opening balance - May 1	1,687	1,275
Investment income available for expenditure	1,179	1,201
Bursaries awarded *	(743)	(789)
Closing balance - April 30	<u>2,123</u>	<u>1,687</u>

* The total number of bursaries awarded for the year ended April 30, 2002 was 653 (618 in 2001).

15. SUPERBUILD GROWTH FUND

Included within the capital fund, the SuperBuild Growth Fund for Post-secondary Education is a Province of Ontario initiative designed to address enrollment growth and improve the condition and efficiency of existing academic teaching and research facilities. In March 2000, the University received \$45 million under this program for the construction of the Science and Classroom Complexes.

Total investment income and expenditures to date for the Superbuild Growth Fund projects are as follows:

[in thousands of dollars]	<u>2002</u>	<u>2001</u>
Grant	45,000	45,000
Investment Income	<u>5,659</u>	<u>2,986</u>
	<u>50,659</u>	<u>47,986</u>
Expenditures	<u>6,383</u>	<u>1,616</u>
Fund Balance	<u>44,276</u>	<u>46,370</u>

UNIVERSITY OF GUELPH
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended April 30, 2002

16. EMPLOYEE FUTURE BENEFITS

The University has a number of defined benefit programs that provide pension and other post-employment benefits to its employees, including three separate pension plans and a group insurance benefits program that provides health and dental benefits. As allowed under generally accepted accounting principles, the University has exercised a three-month accelerated measurement date for financial reporting purposes. Information about the University's defined benefit plans, in aggregate, is as follows:

[in thousands of dollars]	Pension Benefit * Plans	Other Benefit Plans	Total 2002	Total 2001
Change in Benefit Obligation				
Benefit obligation - beginning of measurement period	522,985	71,686	594,671	545,795
Current service cost (employer)	15,728	2,077	17,805	14,011
Interest cost	37,325	5,162	42,487	39,927
Estimated employee contributions	2,555	-	2,555	4,882
Plan Amendments	-	-	-	5,739
Actuarial loss (gain)	47,999	7,777	55,776	15,923
Benefits paid	(27,605)	(2,047)	(29,652)	(31,606)
Benefit obligation - end of measurement period	<u>598,987</u>	<u>84,655</u>	<u>683,642</u>	<u>594,671</u>
Change in Plan Assets				
Market value of plan assets - beginning of measurement period	713,829	-	713,829	671,907
Actual return on plan assets, net of expenses	(48,607)	-	(48,607)	65,887
Employer contribution	805	2,047	2,852	2,759
Estimated employee contributions	2,555	-	2,555	4,882
Benefits paid	(27,605)	(2,047)	(29,652)	(31,606)
Market value of plan assets - end of measurement period	<u>640,977</u>	<u>-</u>	<u>640,977</u>	<u>713,829</u>
Reconciliation of funded status				
Funded status - surplus (deficit)	41,990	(84,655)	(42,665)	119,158
Employer contributions after measurement date	201	512	713	690
Unamortized transitional obligation (asset)	(139,726)	55,607	(84,119)	(92,403)
Unamortized past service costs	5,292	-	5,292	5,739
Unamortized net actuarial loss (gain)	153,391	9,995	163,386	2,848
Accrued benefit asset (liability), before valuation allowance	61,148	(18,541)	42,607	36,032
Total valuation allowance (VA)	(3,590)	-	(3,590)	(2,485)
Accrued benefit asset (liability), net of valuation allowance	<u>57,558</u>	<u>(18,541)</u>	<u>39,017</u>	<u>33,547</u>
Components of expense				
Current service cost (employer)	15,728	2,077	17,805	14,011
Interest cost	37,325	5,162	42,487	39,927
Expected return on assets	(56,155)	-	(56,155)	(52,812)
Amortization of past service costs	447	-	447	-
Amortization of transitional obligation (asset)	(12,562)	4,278	(8,284)	(8,284)
Amortization of transitional increase (decrease) in VA	5	-	5	5
Increase (decrease) in valuation allowance	1,100	-	1,100	1,127
Net expense (income)	<u>(14,112)</u>	<u>11,517</u>	<u>(2,595)</u>	<u>(6,026)</u>
Significant Actuarial Assumptions				
Discount rate	6.60%	6.60%		
Expected long-term rate of return on plan assets	8.00%	n/a		
Rate of increase in future compensation	4.00%	n/a		
Rate of increase in national average wage	4.00%	n/a		

The health care cost trend rate for medical benefits was 10.5% for 2001 graded down 0.5% per year until 2011 and 5.0% thereafter.

* Includes accrued benefit obligations and plan assets in respect of plans that are not fully funded of \$2,558 and \$0 respectively (\$2,956 and \$0 respectively for 2001).

UNIVERSITY OF GUELPH
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended April 30, 2002

17. COMMITMENTS

Costs to complete major capital projects in progress as at April 30, 2002 are estimated to be \$168,760,000 (2001 \$44,427,000) and will be funded by government grants, gifts and university resources.

18. CONTINGENCY

The University is a defendant in a number of legal proceedings. Claims against the University in these proceedings have not been reflected in these financial statements. It is the opinion of the management and the University's legal counsel that the resolution of these claims will not have a material effect on the financial position of the University.

19. COMPARATIVE NUMBERS

Certain comparative numbers have been reclassified to conform with the presentation adopted for the current year.

20. SALARY DISCLOSURE

In accordance with the Public Sector Salary Disclosure Act, 1995, all salaries and benefits paid in respect of employment to employees who are paid a salary of \$100,000 or more in a calendar year are listed below:

<u>Employee Name</u>	<u>Title</u>	<u>Salary</u>	<u>Taxable Benefits</u>
Armstrong, John	Director - Real Estate	126,141	761
Barclay, Jack**	Professor	105,000	985
Barham, Richard	Professor	105,153	1,016
Bayley, Henry	Professor	102,191	987
Beveridge, Terrance	Professor	101,972	627
Bewley, J. Derek	Professor	121,235	746
Binnington, Allen***	Professor	106,707	377
Boure, Ludovic	Assistant Professor	101,504	462
Bunce, Nigel	Professor	104,599	630
Butler, Daniel	Professor	109,385	673
Campbell, John	Professor	129,539	1,243
Christofides, Louis	Professor	102,395	630
Clarke, Anthony**	Acting Dean-CBS	103,128	563
Cocivera, Michael	Professor	102,681	631
Collins, Patricia	General Manager	121,645	616
Cote, Nathalie***	Assistant Professor	101,274	462
Douglas, David	Professor	115,733	712
Dwivedi, Onkar	Professor	103,664	1,002
Elmslie, Ron	Director-Computing/Communication Service	111,770	676
Fuller, Anthony	Professor/Program Leader	102,145	603
Gentry, Patricia	Professor	100,279	412
Gillespie, Terry	Professor	102,395	990
Goss, Michael	Professor/Program Leader	103,764	605
Grant, E. Kenneth	Assoc Prof/Asst to President (Planning)	102,899	624
Gray, Chris	Professor	101,345	623
Gyles, Carlton***	Professor	107,746	664

UNIVERSITY OF GUELPH
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended April 30, 2002

20. SALARY DISCLOSURE, continued

Employee Name	Title	Salary	Taxable Benefits
Hacker, Roger	Professor/Program Leader	106,929	1,023
Hall, Chris	Professor	101,035	563
Hall, Robert	Professor	100,075	967
Heathcote, Isobel**	Dean - Graduate Studies	104,594	652
Hebert, Paul**	Professor	123,057	698
Hedican, Edward	Associate Professor	100,378	367
Henry, Bryan	Professor	111,501	785
Holbrook, John	Professor	103,126	977
Holub, Bruce	Professor	109,495	674
Hubert, John	Professor	100,954	609
Hume, David**	Prof/Executive Director, OMAF Research	115,843	639
James, William	Professor	109,385	673
Jeffrey, Kenneth**	Professor & Chair	104,097	604
Joseph, Alun**	Dean - CSAHS	113,211	946
Kay, Beverley	Professor	100,922	976
Kruth, Stephen**	Professor & Chair	102,283	576
Lam, Joseph	Professor	103,917	566
Le Maguer, Marc	Professor	127,504	4,680
Leatherland, John**	Professor & Chair	110,812	990
Liefeld, John	Professor	103,884	1,004
Lipkowski, Jacek	Professor	119,574	991
Loptson, Peter**	Professor & Chair	102,548	399
Mancuso, Maureen**	Associate VP, Academic	107,081	442
Marangoni, Alejandro	Professor	128,349	508
Marmurek, Harvey**	Professor & Chair	105,553	389
Martin, Wayne	Professor	109,385	673
McDonell, Wayne***	Prof & Asst Dean Res& Grad Affairs - OVC	110,950	627
McLaughlin, Robert**	Acting VP-Alumni Affairs & Dev	146,654	2,215
MEEK, Alan**	Dean - OVC	116,179	714
Michaels, Thomas**	Associate Dean - OAC	107,572	571
Miles, John	Assistant VP, Finance	113,850	468
Milligan, Larry**	Professor & Innovation Projects Facilitator	133,802	823
Mokanski, Joseph	Associate Professor	102,840	404
Moss, Michael**	Associate Dean	103,019	603
Murray, David	Professor	107,269	660
Newman, Jay	Professor	101,652	409
Otten, Lambert**	Professor & Director	100,029	615
Peters, Michael	Professor	101,556	615
Proctor, John	Professor	101,126	622
Putns, Rudy	Executive Director	104,158	612
Rapport, David	Professor	103,460	636
Reader, Richard**	Professor & Chair	100,415	582
Ribble, Carl**	Professor & Chair	100,794	4,805
Ridley, Michael**	Chief Librarian	102,323	629

UNIVERSITY OF GUELPH
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended April 30, 2002

20. SALARY DISCLOSURE, continued

Employee Name	Title	Salary	Taxable Benefits
Ritter, Leonard**	Prof /Exec Dir-Cdn Network Toxicology Ctr	106,471	620
Round, Garry	Executive Director	110,667	681
Rozanski, Mordechai*	President	240,217	26,989
Shewen, Patricia**	Professor & Chair	102,486	578
Shute, James**	Director	103,570	953
Smit, Barry	Professor	100,163	604
Smith, William	Professor	104,933	633
Snell, James**	Professor & Chair	101,032	607
Solomon, Keith	Professor	100,582	585
Stewart, Carole**	Dean - Arts	110,870	682
Sullivan, Nancy	VP, Finance & Administration	150,397	925
Summerlee, Alastair**	Provost/VP, Academic	151,393	5,884
Swanton, Clarence**	Professor & Chair	108,358	573
Swayne, David	Professor	101,095	576
Trout, Donald**	Associate Professor	118,324	559
Waldron, Mark	Professor	120,388	740
Walsh, John**	Professor & Director	109,288	18,953
Weese, Jeffrey Scott***	Assistant Professor	104,691	282
Whiteside, Brenda	Associate VP, Student Affairs	104,252	428
Whitfield, Christopher	Professor	117,792	578
Wildeman, Alan**	VP, Research	115,714	697
Woolcott, Donna**	Assistant VP, Academic	100,334	388
Yarmey, Daniel	Professor	101,345	979

* Benefits include insurance, housing-related costs (e.g. residence in President's House on campus) and employer owned automobile.

** Academic administrators who hold tenured faculty status.

*** Salary includes payments for performing emergency surgical procedures.

UNIVERSITY OF GUELPH
STATEMENT OF OPERATIONS AND CHANGES IN FUND BALANCES
(UNAPPROPRIATED AND ENDOWED)
FOR THE YEAR ENDED APRIL 30, 2002

(in thousands of dollars)

	<u>OPERATING FUND</u>	<u>CAPITAL FUND</u>	<u>ANCILLARY ENTERPRISES</u> (Schedule 2)	<u>RESEARCH & TRUST FUND</u>	<u>ENDOWMENT FUND</u>	<u>TOTAL 2002</u>	<u>TOTAL 2001</u>
REVENUE							
Ministry of Training, Colleges and Universities	104,216	3,288	273			107,777	102,873
Ministry of Agriculture and Food	51,572					51,572	52,654
Tuition (Credit and Non-Credit)	72,250					72,250	67,318
Sales of Goods and Services (Note 12)	27,122		54,622			81,744	78,351
Investment Income (Note 4)	2,067		297	5,481		7,845	8,402
Other Grants, Gifts and Contracts	1,716			63,901		65,617	57,373
Amortization of Deferred Capital Contributions (Note 8)		13,237	229			13,466	10,936
Other	13,489	190	314			13,993	12,163
	<u>272,432</u>	<u>16,715</u>	<u>55,735</u>	<u>69,382</u>	<u>-</u>	<u>414,264</u>	<u>390,070</u>
EXPENSES							
Salaries	166,424		11,669	26,996		205,089	197,989
Benefits	17,294		2,062	2,994		22,350	19,006
Travel	5,585		175	4,302		10,062	9,200
Operating	61,164		20,419	18,630		100,213	92,662
Minor Renovations and Repairs		5,002	1,803			6,805	4,361
Interest on Long-Term Debt		694	2,618			3,312	3,211
Scholarships and Bursaries	7,200			8,610		15,810	13,784
Institutional (Recovery) Charges	(7,650)		7,650			-	-
Capital Asset Amortization		23,070	3,137			26,207	22,025
	<u>250,017</u>	<u>28,766</u>	<u>49,533</u>	<u>61,532</u>	<u>-</u>	<u>389,848</u>	<u>362,238</u>
Revenue Less Expenses	22,415	(12,051)	6,202	7,850	-	24,416	27,832
Endowment Contributions (Note 10)					5,298	5,298	1,256
Interfund Transactions	(10,700)	17,891	(4,371)	(5,027)	2,207	-	-
Change in Fund Balance	11,715	5,840	1,831	2,823	7,505	29,714	29,088
Transfer (to) from Appropriations (Statement 3)	(9,515)	(189)	(1,568)	(2,823)		(14,095)	(16,066)
Net Increase in Fund Balances	2,200	5,651	263	-	7,505	15,619	13,022
Fund Balances, Beginning of Year Unappropriated and Endowed	(6,145)	50,974	3,549		109,940	158,318	145,296
Fund Balances, End of Year Unappropriated and Endowed	<u>(3,945)</u>	<u>56,625</u>	<u>3,812</u>	<u>-</u>	<u>117,445</u>	<u>173,937</u>	<u>158,318</u>

UNIVERSITY OF GUELPH
STATEMENT OF OPERATIONS AND CHANGES IN FUND BALANCES
FOR ANCILLARY ENTERPRISES
FOR THE YEAR ENDED APRIL 30, 2002

(in thousands of dollars)

	<u>HOSPITALITY</u>	<u>REAL</u>	<u>STUDENT</u>		<u>UNIVERSITY</u>	<u>TOTAL</u>	<u>TOTAL</u>
	<u>SERVICES</u>	<u>ESTATE</u>	<u>HOUSING</u>	<u>PARKING</u>	<u>CENTRE</u>	<u>2002</u>	<u>2001</u>
REVENUE	26,983	5,082	19,986	1,678	2,006	55,735	55,267
EXPENSES							
Cost of Materials	11,931				393	12,324	12,110
Salaries	7,397	232	3,101	178	761	11,669	10,947
Benefits	1,299	49	547	39	128	2,062	1,918
Institutional Charges	1,432		5,647	181	390	7,650	6,994
Operating	3,637	724	3,108	219	408	8,096	7,579
Travel	57	10	99	3	6	175	157
Minor Renovations and Repairs	35		1,204	528	35	1,802	1,413
Interest on Long-Term Debt	4	228	2,386			2,618	2,717
Capital Asset Amortization	549	305	2,148	97	38	3,137	2,574
Total Operating Expenses	26,341	1,548	18,240	1,245	2,159	49,533	46,409
Revenue Less Expenses	642	3,534	1,746	433	(153)	6,202	8,858
Interfund Transactions	(196)	(2,152)	(1,526)	(633)	136	(4,371)	(3,703)
Change in Fund Balance	446	1,382	220	(200)	(17)	1,831	5,155
Transfers (To) From Appropriations		(1,539)	(50)		21	(1,568)	(3,895)
Net Increase (Decrease) in Fund Balances	446	(157)	170	(200)	4	263	1,260
Fund Balance, Beginning of Year	3,690	2,210	(5,793)	3,121	321	3,549	2,289
Fund Balance, End of Year	4,136	2,053	(5,623)	2,921	325	3,812	3,549
Fund Balance Components:							
Invested in Capital Assets *	4,343	1,383	(6,823)	1,986	70	959	1,305
Unappropriated **	(207)	670	1,200	935	255	2,853	2,244
Fund Balance, End of Year	4,136	2,053	(5,623)	2,921	325	3,812	3,549

* Fund Balance "Invested in Capital Assets" presents the funds expended on capital assets less accumulated amortization, related debt and deferred capital contributions.

** Accumulated net results for operations are presented in the Unappropriated Fund Balance.

UNIVERSITY OF GUELPH
STATEMENT OF OMAF REVENUES AND EXPENSES BY OBJECT
For the Year Ended April 30, 2002
(in thousands of dollars)

The University's research and education contract with the Ontario Ministry of Agriculture and Food (OMAF) includes the operation of 3 colleges of agricultural technology, 2 laboratory services' facilities and the Horticultural Research Institute of Ontario (HRIO). This contract was renewed for another five years effective April 1, 2002. The following figures reflect the revenues and expenses of the OMAF contract for 2001/2002.

	OAC Guelph	OAC Alfred	OAC HRIO	OAC Kemptville	OAC Ridgetown	OVC Guelph	Other Colleges Guelph	Lab Services Division	Stations & Academic Services Guelph	Institutional Revenue & Expenses	Total OMAF 2002	Total OMAF 2001
Income												
Provincial	11,341	2,126	3,814	4,184	3,909	7,581	1,174	9,762	2,631	5,050	51,572	52,654
Tuition	1,304	252		1,198	639						3,393	3,232
Sales of Goods and Services	85	501	99	1,376	2,275	2		6,309	3,167		13,814	11,894
Other	84	596	34	777	894			56	454		2,895	2,714
Total Income	12,814	3,475	3,947	7,535	7,717	7,583	1,174	16,127	6,252	5,050	71,674	70,494
Expenses												
Salaries	9,066	1,829	2,720	4,242	4,446	4,742	744	8,320	3,127		39,236	39,226
Benefits	1,677	339	578	850	875	910	116	1,831	619	(1,550)	6,245	6,462
Total Personnel Costs	10,743	2,168	3,298	5,092	5,321	5,652	860	10,151	3,746	(1,550)	45,481	45,688
Travel	186	71	42	114	93	252	38	94	26		916	933
Operating	1,769	1,180	484	2,266	2,266	1,645	222	4,768	3,407		18,007	15,905
Equipment	47	26	83	91	174	10	15	1,493	137		2,076	1,892
Service Costs										6,600	6,600	6,600
Expenses before Transfers	12,745	3,445	3,907	7,563	7,854	7,559	1,135	16,506	7,316	5,050	73,080	71,018
Interfund Transfers	69	30	40	(28)	(137)	24	39	(379)	(1,064)		(1,406)	(524)
Total Contract Expenses	12,814	3,475	3,947	7,535	7,717	7,583	1,174	16,127	6,252	5,050	71,674	70,494
Net Income (Expense)	-	-	-	-	-	-	-	-	-	-	-	-