

UNIVERSITY OF GUELPH

SUMMARY OF FINANCIAL RESULTS AND AUDITED FINANCIAL STATEMENTS

For Fiscal Year Ended
April 30, 2004

*For Presentation to the
Board of Governors
October 7, 2004*

UNIVERSITY OF GUELPH
SUMMARY OF FINANCIAL RESULTS AND
AUDITED FINANCIAL STATEMENTS

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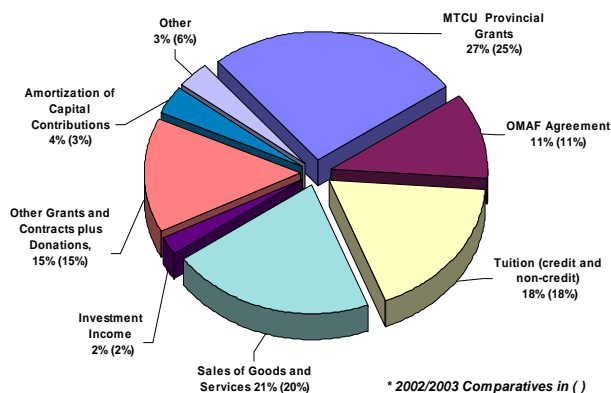
The following report summarizes University financial results for the year ended April 30, 2004 (referred to as fiscal 2004) as presented in the audited financial statements. Unless otherwise noted all dollars are expressed in millions - "M"

The University of Guelph receives funds from a variety of different sources (see Graph A). Many of these funds are restricted by the agency, organization or donor as to use, and may not be used for general operating expenses. As a result, 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 17.

fall 2003 full-time equivalent enrolments (where part-time enrolments are converted to full-time equivalents) was 17,220 (refer to Graph B). The 2003 intake was the largest in a series of increases over the past four years that have resulted in a 25% increase in FTE enrolment since the fall of 1999. The University's total strategic plan target for the maximum total main campus enrolment is 18,000. The resulting combined increase in provincial operating grants and tuition revenue increases accounted for about 75% of the total Universities increase in revenues in fiscal 2004. (MTCU Operating grants increased by \$15.5 M or 13% and credit¹ tuition revenues increased by \$8.0 million or 11.4%.) Additional revenues were earned from a variety of ancillary services such as food and student housing. Related additional expenses included the costs of new faculty and staff, student assistance and general operating supplies.

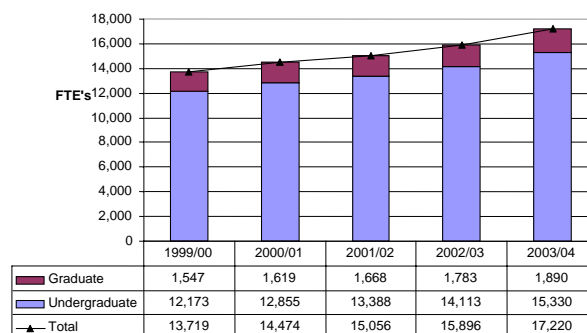
Graph A

2003/3004 University Revenues - \$476.5 M
 (2002/2003 - \$446.3 M) *



Graph B

Fall Full-Time Equivalent Enrolment



Summary of Significant Events

In fiscal 2004, several significant events are reflected in the University's financial results for the year. (More specific financial impacts of these events will be highlighted throughout this presentation.)

- Increased Growth in Enrolment** contributed significantly to an increase in both University revenues and expenses. 2003/2004 reflected the impact of the "double cohort" (elimination of grade 13 in Ontario) where a new curriculum grade 12 and the final year of grade 13 students graduated together in the spring of 2003. In response to the resulting increased demand for post secondary education, the University increased its main campus intake of new (first year) students from 3,800 to 4,700 (24% increase in intake). The total

- Endowment Market Returns:** General world financial market conditions resulted in significantly improved asset values in the University's endowment funds at April 30, 2004. Positive asset returns of approximately 17% helped offset market investment losses in 2003 (negative 11.9%). The impact on the financial statements was significant: endowments recorded an \$18.6 million gain in market value as opposed to a \$14.0 million loss recorded in fiscal 2003. Despite this volatility, there will be little impact on the funds disbursed from endowments as the

¹ The University receives tuition revenues under a variety of different programs. "Credit" programs refers to those graduate and undergraduate programs whose tuition rates are regulated and for which the University receives operating grant funding, under specific guidelines set by the provincial government and administered by the Ministry of Training, Colleges and Universities (MTCU). 90% or \$78.0 M of the University's total tuition revenue of \$86.8 M received in 2003/2004 was earned under credit programs.

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University uses an averaging formula to determine spending allocations (refer to section on Endowments for further detail).

- **Post-employment Benefits:** In fiscal 2004, the University recorded a 38% or \$17.5 million increase to \$63.0 million in its expense for employee benefits. Over 90% or \$16.2 million of this increase was due to the increased costs of post-employment benefits: both pension (increase of \$15.5 million) and retiree health care and dental post-employment benefits (increase of \$0.7 million). While this expense does not equal the actual 2004 cash costs of all employee benefits (\$51.9 million), it does reflect the projected increasing costs of post-retirement benefits as a portion of total compensation. The University follows the method of accounting required under regulations of the CICA-Canadian Institute of Chartered Accountants for audited statement purposes for all post-employment benefit costs (pension and post-retirement benefits for dental and extended health programs). This CICA standard requires that all employer obligations for employee post-employment benefits be accounted for as they are earned (accrued) not as they are actually paid (cash).

The 2004 pension expense (non-cash accounting calculation) increase of \$15.5 million reflected the combined impact of historically low interest rates which increased the projected cost of future (defined benefit) pension obligations and past negative returns on asset values. Current projections are that the pension expense will decline over the next several years assuming market returns and interest rates return to historical norms. From a purely cash perspective, University contributed \$20.0 million to pension plans (\$8.0 million in 2003) which included a one-time contribution of \$10.0 million in order to maintain the positive solvency position of all of its pension plans. The University regularly reviews the financial condition of its pension plans and has met all its obligations.

Non-pension post-retirement benefits refer to employer costs of providing dental and extended health coverage for retirees. In 2004, the University completed a review of its non-pension post-employment benefit cost calculations. As a result total liabilities (which are unfunded) under these programs increased 42% to \$131.2 million from \$92.4 million in 2003. The impact of this increased projected liability will be factored into the recognition of future University costs for these benefits in accordance with CICA accounting rules. While the current year cash costs of these benefits were \$2.3 million (the same as last year), the accounting costs (reflected in the

statements) was \$13.4 million (\$12.7 million in fiscal 2003). Accounting calculations reflect a projection of future costs for these benefits using estimates of usage, expected cost trends in medical coverage and interest charges on the unfunded liability. (Note that all other employee benefit costs remained relatively stable at \$28.8 million reflecting a 4.7% increase over the prior year).

- **Capital Planning:** The University has undertaken a number of major capital projects to meet its strategic planning objectives to improve existing facilities including the reduction of deferred maintenance and to provide new space to meet the needs of additional planned enrolments. In conjunction with capital financing plans for new and renovated space, in fiscal 2003 the University recorded a major increase in its external debt as the result of its issuance of a \$100.0 million, 40-year debenture. The proceeds of this additional debt will be used to finance major capital projects in the context of longer term strategic plans. Fiscal 2004 saw the acquisition of \$88.3 million (\$47.1 million in fiscal 2003) in capital assets almost half (\$42 million) of which were related to the University's major "SuperBuild"² project. Other acquisitions reflect the combined impact of both increased research funding under the federal government's CFI (Canada Foundation for Innovation) Program and a general increase in teaching equipment purchases and renovations funded from new enrolment revenues.

To date, most of the financing for these capital acquisitions has been provided from government grants (in the case of SuperBuild projects) and operating/research fund revenues (teaching and research equipment). By the end of fiscal 2004 the University had started to use a small portion of debt proceeds (\$3.0 million of the \$100 million debenture) which had been previously invested in short term high quality investments until required. These temporary investments resulted in the increase in investment income of \$2.3 million reflected in 2004.

- **The University of Guelph Humber:** In 1999, the University entered into an agreement with the Humber College Institute of Technology and Advanced Learning to deliver combined college and university programs after four years of studies. The joint venture

² "SuperBuild" refers to the provincial government's 2001 capital program designed to create new physical space for the "double cohort". Under this program, the University received \$45.0 million in 2002 toward the construction of new teaching (Rozanski Hall) and science buildings and smaller amounts in subsequent years for a number of deferred maintenance and academic building projects.

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started operations in the fall 2002 with an initial intake of 200 students. By the fall of 2003 total enrolment had grown to 800. It is planned to take total enrolment in these programs to 3,000 by 2008. Under this joint venture the University delivers certain services to the programs which are offered on the Humber campus. The University charges the joint venture for these services. Also, in accounting for the joint venture in its statements, the University records 50% of the net accumulated operating results of the joint venture. At the end of fiscal 2004, the University's share of the total net deficit of the joint venture, consisting primarily of start-up costs, was \$2.943 million. Although the University expects to recover these costs from future joint venture revenues, they have been recorded as an operating deficit in the University's financial statements as they are incurred.

More Details on Major Changes in Fiscal 2004 - All Funds

□ REVENUES:

Revenues from all sources were \$476.5 million, an increase of 6.8% or \$30.2 million from fiscal 2003 (\$446.3 million). Increases were recorded in most major categories of revenues reflecting growth in enrolments, research and investment returns. The following summarizes the major changes in revenues compared to fiscal 2003:

- Provincial grants from the **Ministry of Training Colleges and Universities** (MTCU) (26% of total revenues) increased by \$14.6 million or 13.1%. Additional grants were received under the MTCU's Accessibility and Quality Assurance Fund programs. Under these programs revenues were earned only if institutions accepted additional enrolments (mainly undergraduate). No additional provincial funding was received to cover on-going operating cost increases due to inflation.
- **Total Tuition Revenue** (18% of total revenues), increased by \$7.6 million or 9.6% to \$86.8 million. Tuition Revenue consists of revenues earned for both credit courses (offered under MTCU funding guidelines) and non-credit courses which refer to a wide variety of courses ranging from general continuing education to OMAF diploma and professional certification programs. (Non-credit courses are not eligible for funding support from MTCU.)
Tuition revenue earned from MTCU credit course revenues increased by \$8.0 million to \$78.0 million. Approximately \$6.4 million or 80% of the MTCU credit course revenues increase was due to the increased number of students. Refer to Graph B. (Note

under provincial regulations, 30% of revenues derived from tuition fee increases must be allocated for additional student aid. See the note on Scholarships and Bursaries). Offsetting this increase, was a small decrease in non-credit tuition of \$0.4 million resulting from the wind-up of the OMAF Diploma Program at the Guelph campus.

- **Sales of Goods and Services** (21% of total revenues) increased by \$11.7 million or 13.2% consisting of:
 - \$5.8 million increase in revenues from housing, food and parking services mainly as the result of increased enrolments.
 - \$2.7 million net increase in revenues from services provided to the University of Guelph-Humber.
 - \$2.2 million increase in the sale of produce/livestock, royalties and laboratory services under the OMAF agreement (described in more detail below).
 - \$1.0 million net increase from a large variety of activities such as user fees charged for OVC (Ontario Veterinary College) teaching hospital services, laboratory, printing and the recovery of miscellaneous service costs.
- Provincial funding recognized under the research, teaching and laboratory agreement with the **Ontario Ministry of Agriculture and Food** (OMAF) (11% of total revenues) decreased by \$0.5 million or 1% reflecting a decrease in provincial cash spent by operating units. OMAF agreement activities at the University have two sources of funding; funds from the province³ and general revenues earned from the sale of goods and services using provincial facilities. Despite this decrease in the use of provincial funding, actual expenditures under the contract increased by \$0.7 million. This overall increase in expenses was funded from new non-government revenues of \$1.2 million reflecting a 9% increase over fiscal 2003. These revenues are derived mainly from the sale of produce, tuition revenues and laboratory fees. Since fiscal 2000, these sources of revenue have grown by 60% and now provide 33% of funding under the agreement (as compared to 22% in 2000). This trend is consistent with the objectives to both grow and diversify revenues under the contract.
- **Other Revenue** (3 % of total revenues) decreased by \$11.0 million over fiscal 2003. Other revenue in fiscal 2003 included an \$11.7 million one-time provincial tax recovery of costs from prior years mainly related to

³ *Because of the restricted nature of provincial funding under the contract with OMAF, recognition of revenue from provincial funds occurs only as these funds are spent. Unused provincial funds are recorded as deferred revenue on the University's Balance Sheet until required.*

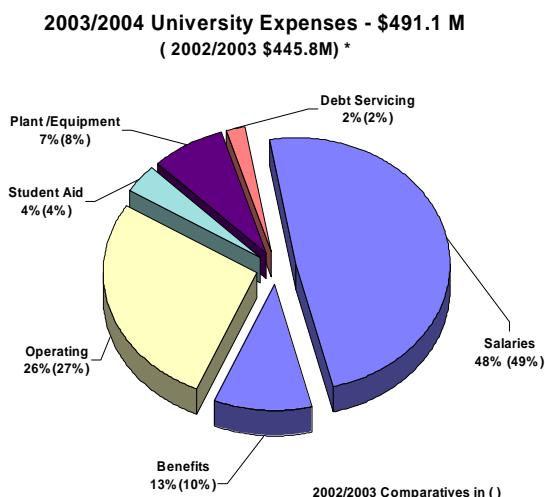
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capital equipment purchases (These funds are restricted for future capital purposes). The amount of Other Revenue in fiscal 2004 has now returned to a more normal level of about 3% of total revenues.

□ **EXPENSES**

University Expenses totaled \$491.1 million (see Graph C), an increase of 10.2% or \$45.3 million from fiscal 2003 (\$445.8 million).

Graph C



Major components of this change over last year are:

- **Salaries** (48% of total expenses) increased by \$17.2 million or 7.9% due to the equal impact of both negotiated salary agreements and staffing levels required for increased teaching and research activity.
- **Benefits** (13% of total expenses) increased by a total of \$17.5 million (to \$63.0 million in total) or 38% over the previous fiscal year. Approximately \$16.2 million or 92% of this increase was due to an increase in the costs of post-employment benefits (refer to earlier note on Post-employment Benefits). Other (statutory and negotiated) employer benefit costs (non-post employment related) increased by 4.7% to \$28.8 million (\$27.5 million in fiscal 2003) due mainly to increased staffing levels.

On a cash basis⁴, employee benefits costs increased from \$38.6 million in 2003 to \$51.9 million in 2004.

⁴ For audited statement purposes, the University is required to follow specific accounting rules for post-employment benefit costs (both pension and post-retirement benefits for dental and extended health programs). These rules are set by the CICA-Canadian Institute of Chartered Accountants. This CICA standard requires that all employer obligations for employee post-employment

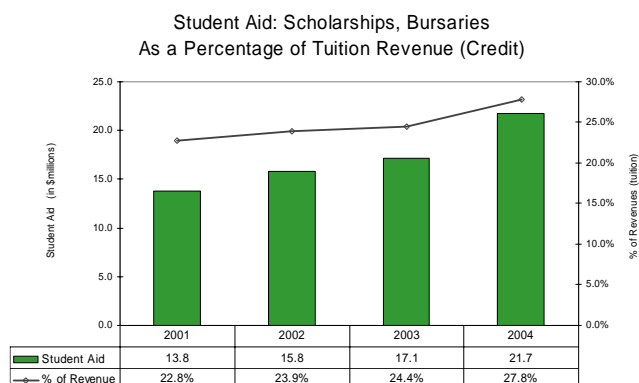
Most of this increase was associated with University cash contributions into the pension plans which increased to \$20.4 million (from \$8.3 million in 2003). Included in this increase was a \$10.0 million special one-time contribution to maintain the positive financial condition of all plans.

- **Operating Expenses** (26% of total expenses) increased by \$2.1 million or 1.9% reflecting a general increase in the purchases of supplies, services and equipment due to increases in both enrolment and externally funded research activity.
- **Scholarships and Bursaries:** Total University spending on 'Scholarships and Bursaries' increased by \$4.6 million or 26.9% to \$21.7 million (\$17.1 million in fiscal 2003 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. The increase in 2004 was funded from both operating (\$3.2 million) and externally restricted (\$1.4 million) funds. The increase in support from the Operating Fund reflects the increase in both the numbers and quality of first-year enrolment accepted in the fall of 2003. Student aid funding is now approximately 27.8% (24.4% in 2003) of total credit tuition revenues. Of the \$21.7 million, 52% is funded from the Operating Fund and 48% from trust (restricted) funds including endowments.

benefits be accounted for as they are earned (accrued) not as they are actually paid (cash). Application of this standard can create significant changes in accounting expense from year to year. For example under CICA rules, in the 2003 fiscal year post-employment benefits expense (non-cash) was \$18.0 million. This year the expense was calculated as \$34.1 million. In order to smooth the impact on the statements of these credits/charges, the University has in the past (when application of the accounting rules created large non-cash credits), followed the practice of appropriating any major accounting credits for the purpose of covering the expected increases in calculated pension expense. In fiscal 2004, \$23.5 million of this appropriation was used. (refer to Statement 3, page 15 in the audited financial statements.)

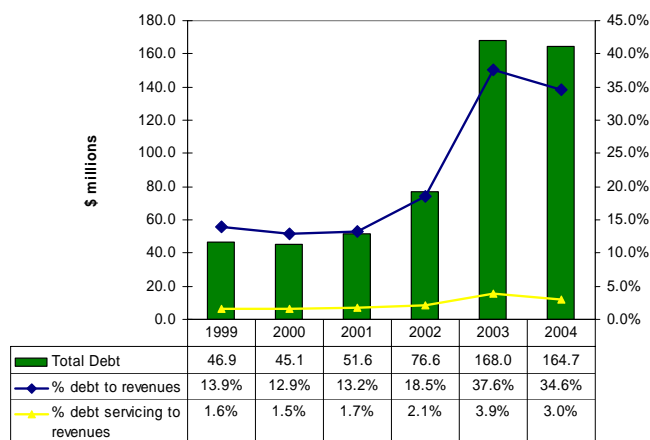
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Graph D



respectively (refer to Graph E.). The decline in total debt and both percentages from 2003 reflects both growth in total income and repayment of \$3.3 million in external debt.⁵ No additional debt was incurred in fiscal 2004. Both percentages are well within University policy limits of 45% and 4.5% respectively

Graph E



Note: policy limits for % debt to revenues and % debt servicing to revenues are 45% and 4.5% respectively.

- Capital Asset Amortization:** In accordance with CICA 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 (f) on page 18 of the financial statements for the specific policy). The charge to income is called amortization (sometimes also referred to as depreciation). In fiscal 2004 this charge increased by \$1.3 million or 4% over 2003. This increase is the direct result of increases in capital acquisitions (equipment, buildings and major renovations) over the past several years funded in large part by external grants. (Refer to the section on the Capital Fund on page 7).

- LONG-TERM DEBT AND INTEREST**

In fiscal 2003 the University undertook a major debenture issue of \$100 million with an unsecured debenture due in 2042 issued as a private placement in the capital market. This debenture was issued at a coupon rate of 6.24%. It is planned that these debenture proceeds will provide sufficient capital financing for the next five years for projects identified by the University as part of its strategic planning process. Projects targeted to receive the these funds are Rozanski Hall completed in the fall of 2003, a new Arts and Social Science building to be completed in fiscal 2006 and the new science complex to be complete in fiscal 2007. The total combined cost of these three projects is estimated at \$171.0 million. Funds from the provincial SuperBuild Growth Fund program, targeted federal and provincial grants and donations will also provide a significant portion of funding of these costs.

The cost of the debenture is reflected in the increase in interest expense from \$8.5 million in fiscal 2003 to \$10.8 million fiscal 2004. Total external debt and debt servicing as a percentage of total University revenue are 34.6% (37.6% in 2003) and 3.0% (3.9% in 2003)

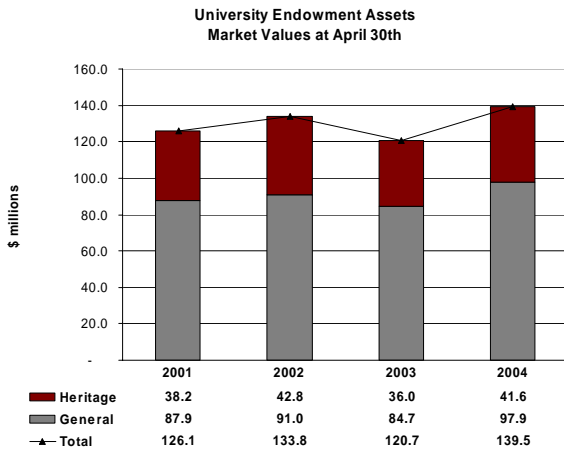
□ **ENDOWMENTS:**

The Endowment Fund (total investments of \$139.5 million, market values) is composed of restricted segregated funds provided by external benefactors or established by the Board of Governors. Under University policy only accumulated investment income earned on these funds, after having provided for inflation protection and in specific cases, growth, may be expended for the designated purpose. While all University endowments are pooled for investment purposes there are two major separate endowment funds each with different spending objectives: the Heritage Fund (investments of \$41.6 million) and the General Endowment Fund (investments of \$97.9 million). Refer to Graph F.

⁵ Total external debt repayment excludes internal "sinking" fund investments (\$5.5 million in fiscal 2004) that have been set up to retire interest only debt. In the 2004/2005 Budget, the University has also made provision for the start of an investment portfolio for the purpose of retiring the \$100 million debenture debt owed in 2042.)

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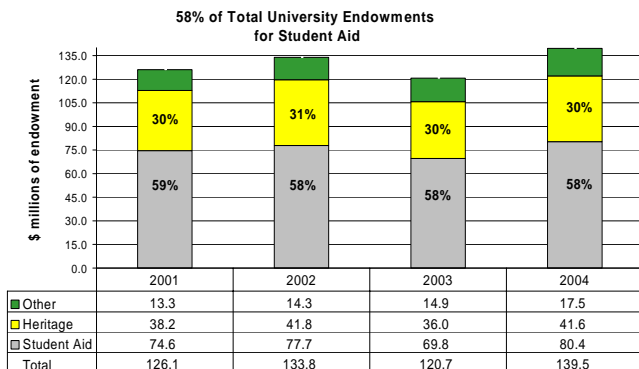
Graph F



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 Board-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 recorded in 800 separate accounts consisting of external and Board designated donations mainly directed for student aid. Approximately 58% of all University endowments are allocated to student assistance (refer to Graph G.)

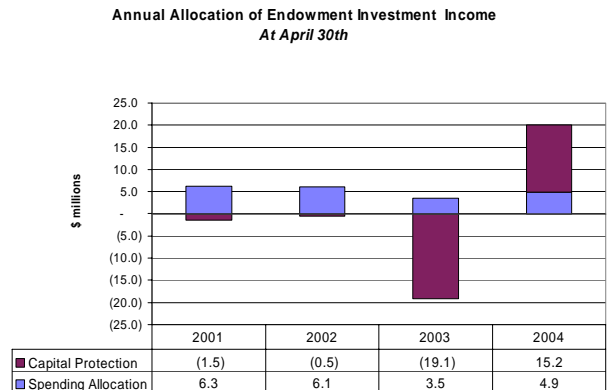
Graph G



The University's General Endowment Fund 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 (4.5% in fiscal 2004). Each year the difference between actual returns and the spending rate is accumulated in the endowment fund to provide for capital protection, growth and if required, to supplement annual returns to meet the annual disbursement targets.

- In total, the market value at April 30th of all endowment investments had increased by \$18.8 million from \$120.7 million in 2003 to \$139.5 million in 2004 or 15.6% (refer to Graph F). The increase in market value is the result of investment returns of 17.5% (minus 11.4% in fiscal 2003) and capital additions of \$4.4 million less cash required for disbursements made in accordance with restrictions.
- Total 2004 investment income (realized and unrealized) from all endowments was \$20.1 million reflecting annual investment returns (compared to a negative \$15.6 million return in 2003). In fiscal 2003 in accordance with the University's spending policy approximately \$4.9 million of the total accumulated investment earnings were made available for disbursement. The remaining investment income of \$15.2 million was added to the accumulated earnings from prior years (see Graph H).

Graph H



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- **Endowment Contributions:** Endowment Contributions record the annual impact on the Endowment Fund of investment income, new donations and any equity accounting adjustments due to the University's ownership interest in the Cutten Club.⁶

Total endowment contributions for fiscal 2004 were \$19.5 million (negative \$12.8 million in fiscal 2003). The increase of \$19.5 million recorded in fiscal 2004 consisted of;

- \$0.9 million (\$1.2 million in 2003) transferred to the Heritage Fund from Real Estate net proceeds.
- \$3.3 million (\$5.1 million in 2003) in additional donations to capital received during the year due to the impact of the University's major fund raising campaign.,
- \$0.2 million reflecting the University ownership of the Cutten Club.
- \$15.1 million (negative \$19.1 million in 2003) was due to 2004 investment income endowed to provide for long-term capital protection in accordance with University policy.

□ **Capital :**

Financial Statement Presentation: The Capital Fund records the University's capital building, major equipment and library acquisition costs for all funds except for Ancillary Enterprises. For financial statement purposes in accordance with CICA rules, 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, computer equipment, 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 Note 2(f) on page 18 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

⁶ *The University is the owner of the Guelph Golf and Recreation Club (known as the Cutten Club). This ownership (100%) was acquired over a number of years from both donated and purchased shares of the Club. For accounting purposes, the University records its ownership in the Club on an equity basis whereby the University records the net annual operating results of the Club each year in its endowment fund. There are no cash transfers to/from the Club and the University as a result of this ownership interest.*

value less any debt or restricted contributions associated with capital assets. This represents the University's residual (net of amortization and any external debt) equity in its capital assets.

In the fiscal 2004 financial statements, the net book value of capital assets increased by \$56.9 million (\$16.9 million in 2003) reflecting expenditures on capital and work-in-progress in several building/renovation projects of \$88.3 million (\$47.1 million in 2003 refer to Graph I) less capital asset amortization of \$31.4 million. These acquisitions will be funded through a combination of external grant or contract funding e.g., the Ontario government's SuperBuild Growth Fund, endowments, 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 \$12.5 million);**
 - \$1.7 million (\$1.7 million in 2003) in a Facilities Renewal grant were received from MTCU. The contribution is restricted for deferred maintenance repairs and renovations for the campus physical plant infrastructure. Given the 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.
 - \$0.5 million from the province was received for the Hospitality and Tourism Management teaching kitchen and restaurant project.
 - \$0.5 million was earned on the SuperBuild Growth Fund investment of \$45 million in fiscal 2004. Since receipt of these funds in fiscal 2000 the total investment earned \$7.9 million. During 2004, the remainder of the original grant plus interest earned was spent on the new science complex and Rozanski Hall. (Refer to note 13 on page 27).
 - \$1.5 million transferred from the Heritage fund to assist in funding the University's new integrated data and voice communication system was approved and allocated in 2003/04.
 - \$2.0 million was allocated from the research infrastructure grants to support a number of major upgrades to the University's central utilities plant,
 - \$1.1 million earned on invested funds received for the OVC (Ontario Veterinary College)

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Predevelopment project. (During 2003, \$37.3 million was received from the Federal Government for the redevelopment of the OVC. The grant is invested according to the Federal Government investment guidelines and during 2003/04 the grant earned \$1.1 million. These funds are restricted for the renovation and expansion of the veterinary hospital, laboratories and research buildings. Currently this project is in the planning stages and to the end of fiscal 2004 \$0.6 million had been spent.)

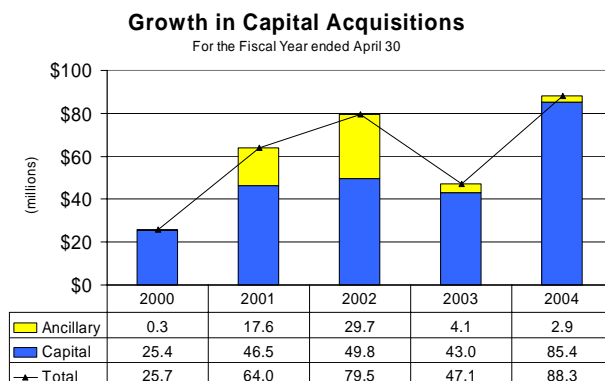
- \$3.1 million were allocated from CFI (Canada Foundation for Innovation) and OIT (Ontario Innovation Trust) for the Reproductive Biotechnology Lab, the Animal-Human Health Links projects and the Biodiversity Institute of Ontario.
- Remaining capital contributions of \$2.1 million are campaign donations used towards the Hospitality and Tourism Management project, Rozanski Hall and the science complex.

• **Major acquisitions (\$88.3 million)** recorded during the year include:

- \$6.7 million in expenses for the integrated voice/data communications system, bringing the project to date costs to \$10.3 million (total project when completed in 2006 will be \$14.2 million) funded from the Heritage Fund, grants and user fees.
- \$2.9 million spent to date for major renovations including upgrade water treatment plant, heat recovery, boiler controls, diesel generator, energy conservation retrofit, and replace steam and condensate lines.
- \$42.1 million for the science and teaching facilities financed with the SuperBuild provincial grant, campaign donations and the debenture (external debt).
- \$0.5 million for computer equipment and software acquired through a purchase agreement with Hewlett-Packard.
- \$2.6 million for the Reproductive Biotechnology Lab funded from CFI and OIT grants.
- \$1.3 million for the McGilvray St. Steam Tunnel Extension, which is funded from federal and provincial infrastructure grants.
- \$2.2 million for the Hospitality and Tourism Management building funded by campaign donations and a special provincial capital grant.
- \$20.5 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.

- \$1.8 million in equipment purchases and renovations funded by the ancillary organizations.
- The balance of \$7.7 million consisted of a combination of smaller renovation projects, in-kind donations and library acquisitions.

Graph I



□ **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 (refer to Schedule 1), 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 2004, the University continued to receive significant funding of approximately \$19.1 million (\$9.6 million in 2003) under the CFI/OIT/ORDCF programs (CFI-Canada Foundation for Innovation, OIT- Ontario Innovation Trust and ORDCF-Ontario Research and Development Challenge Fund).

It is important to note that this fund records only a portion of the estimated total University research activity of \$121.3 million in fiscal 2004 (\$106.8 million in 2003). Approximately \$35.2 million of this research activity in 2004 was funded as part of the OMAF contract and is reported in the Operating Fund in these statements.

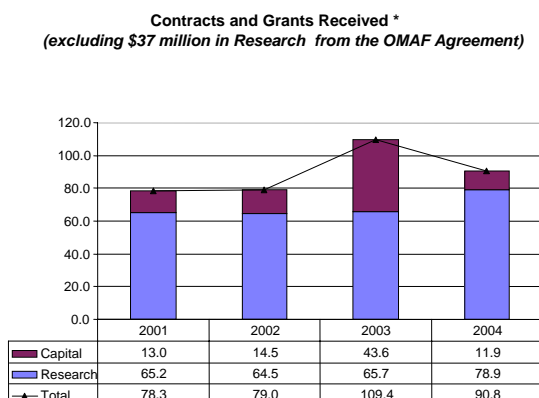
- Revenues recognized in the financial statements in this fund increased by \$5.0 million or 7% to \$73.0 million (\$68.0 million in 2003) reflecting the

University of Guelph
SUMMARY OF FINANCIAL RESULTS
 For the fiscal year May 1, 2003 to April 30, 2004

increased level of research activity. (Note because research receipts are mainly restricted by the contributor, they are not recognized as revenue until spent, in accordance with CICA rules for financial statement reporting.) On a purely cash flow basis, research receipts, excluding the OMAF contract and funds designated for capital, totaled \$78.9 million (refer to Graph J). This represents a 20% increase from the previous year when \$65.7 million in research operating grants and contract funding were received.

- 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 \$10.5 million (\$9.1 million in fiscal 2003) funded from grants, annual donations and endowment investment income transferred to this fund from endowments for disbursement.

Graph J



Note: "research" in the above chart excludes \$7.2 million in capital-related research receipts recorded under "capital" and approximately \$35.2 million in research funding received under the contract with OMAF in the Operating Fund. Total research related funding received in fiscal 2004 was \$121.3 million.

□ **The Ancillary Enterprises Fund:**

The Ancillary Enterprises Fund with revenues of \$63.0 million or 13% of total University revenues (2003 revenues of \$57.2 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 2003, **total revenues** in the Ancillary Fund increased by 10.2% or \$5.8 million to \$63.0 million. Additional revenues in Hospitality Services accounted for \$4.0 million of this increase, due mainly to an 18% increase in food service revenues (largely as a result of increased enrolments) and also a better than average summer conference season. Student Housing revenues are higher by \$1.7 million as a result of the increased number of first year students housed in expanded space in residences (in order to meet demands) and a general increase in single student rates. Other Ancillary Fund operations in total reported an increase in revenue of \$0.1 million. Ancillary expenses increased 7.9% or \$4.2 million over 2003. Of this increase, 96% was in Hospitality Services, reflecting increased variable costs associated with food and retail sales. Net Income in all Ancillary Units was positive with the exception of the University Centre which had a small loss of \$0.16 million.

□ **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 67% of total University revenues (refer to Schedule 1, page 38 for details of Operating Fund revenues and expenses).

Operating Fund Revenues (total 2004 revenues of \$320.0 million – refer to Graph K). Operating grants from MTCU, funds received under the agreement with 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 39%, 16% and 27% respectively, of total Operating Fund revenues. Remaining revenues of 18% 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 Agreement: Included in the Operating Fund is OMAF agreement activity (2004 total expenses of \$75.3 million). The OMAF agreement under which the University delivers research, education and laboratory testing programs, is unique in the Ontario university system. The University of Guelph and OMAF renewed the agreement for five years on April 1, 2002. Fiscal 2004 OMAF agreement related expenses were funded from provincial transfers of \$50.5 million and related non-provincial revenues from the sale of goods and services and diploma and training enrolments of \$24.8 million. In total the OMAF contract activity generates 24% (16% from provincial funds and 8% earned from sales and fees from teaching, research and laboratory

University of Guelph
SUMMARY OF FINANCIAL RESULTS
 For the fiscal year May 1, 2003 to April 30, 2004

test operations) of total Operating Fund revenues. Under the terms of the agreement, OMAF revenues and expenses are treated as a separate restricted account within the Operating Fund and must be fiscally balanced. It therefore has no direct financial impact on the net income of the Operating Fund. Detailed results of the OMAF agreement are shown on schedule 3, page 40.

Operating Fund Expenses (total of \$325.7 million – refer to Graph L): Salaries and benefits compose 76.3% of total Operating Fund expenses (74.7% in fiscal 2003). Salaries increased by 7.8% or \$13.8 million due to negotiated settlements with employee groups and an increase in the number of teaching and support staff hired in response to enrolment increases. Benefits increased by a net 43.7% or \$17.4 million. This significant increase in expense was due to the allocation to the Operating Fund of its share of post-employment benefits expense (refer to the earlier note on overall University benefits increases).

Operating expenses within the Operating Fund increased by only \$0.4 million or 0.6%. While general operating expenses did increase 5.6%, reflecting a general increase in the purchases of supplies, services and equipment, this increase was offset by savings in other areas, mainly in utilities which reflected a one-time hydro rebate and a relatively mild winter reducing heating costs when compared to 2003.

Operating Fund: Fund Balances: Operating Fund Balances (Appropriated and Unappropriated) record the Fund’s accumulated net financial results. In fiscal 2004, the Operating Fund experienced a \$16.7 million net decrease in fund balances or net expense. Included in this result were net transfers of \$11.0 million, (\$14.7 million in fiscal 2003) made from the Operating Fund to the Capital and Research and Trust funds for expenses such as new faculty start-up funds, teaching equipment and deferred maintenance reflecting the implementation of planning for new enrolments. Offsetting the \$16.7 million annual net expense were \$15.5 million in net funds from appropriations (previous year’s accumulated funds) as follows:

- \$23.5 million of appropriations were used to fund a portion of the costs of post-employment benefits (difference between budgeted and accounting cost). This appropriation stands at \$1.0 million at the end of fiscal 2004. (Note: this appropriation was created in prior years mainly from the difference between accounting and budgeted costs of post-employment benefits. In these

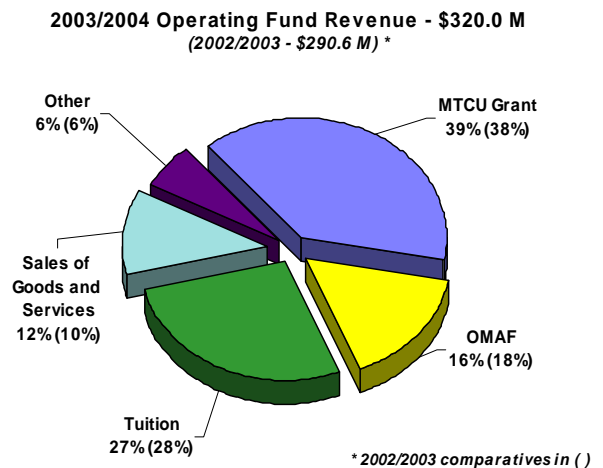
years accounting calculations created large non-cash credits).

- \$8.0 million of funds transferred to appropriations for the “Equipment and Supplies” funds. This appropriation stands at \$12.5 million at the end of fiscal 2004. (A portion of these funds will be carried into fiscal 2005 to assist in meeting the overall target approved in the University’s 2004/2005 Budget.)

Total Operating Fund appropriations at the end of fiscal 2004, after the use of the \$15.5 million, hold a balance of \$20.1 million. (refer to Statement 3 on page 15.)

After adjustments to appropriations, \$1.7 million was applied to eliminate the deficit incurred from prior years restructuring costs in accordance with the Board-mandated deficit repayment schedule. The remaining unappropriated deficit of \$2.9 million is the University’s share of the net costs of the University of Guelph-Humber joint venture. This net cost is attributable to start-up costs for the new programs. It is planned to recover these costs from future years Guelph-Humber program net revenues.

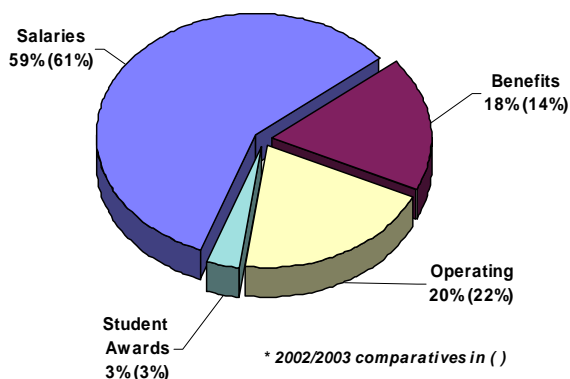
Graph K



University of Guelph
SUMMARY OF FINANCIAL RESULTS
 For the fiscal year May 1, 2003 to April 30, 2004

Graph L

2003/2004 Operating Fund Expenses - \$325.7 M
 (2002/2003 - \$290.9 M) *



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

Total University income received in fiscal 2004 from all funds was \$476.8 million. Total Expenses were \$491.1 million. The net of Revenues less Expenses was therefore a deficit of \$14.6 million (\$0.5 million net income in 2003). In order to complete the total calculation of changes in fund balances, the \$18.6 million contribution to endowments was added. The resulting \$4.0 million net increase in funds 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 2004 financial results:

- Invested in Capital Assets - increase of \$3.7 million (2003; increase of \$7.3 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 \$19.5 million (2003; \$12.6 million decrease) records the net change in endowments due to \$3.4 million in new donations/contributions plus \$0.9 million in net proceeds from the Real Estate proceeds plus \$15.2 million of the investment income. (Note: The Endowed Fund Balance of \$124.2 million is that portion of endowed investments of \$139.5 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 or have been advanced to the endowment fund for investment purposes only.)

- Appropriations (refer to Statement 3 on page 15) decrease of \$19.9 million (\$9.8 million decrease in 2003) records net funds committed or used 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 under University policy and restrictions. In total, the University's unappropriated funds increased by \$0.7 million consisting of a deficit of \$2.9 million from the new University of Guelph-Humber program, offset by two items: first, the elimination of the remaining \$1.7 million restructuring deficit in the Operating Fund (in accordance with the Board approved repayment plan) and second, an increase in unappropriated funds of \$1.9 million from combined ancillary unit operations.

The following table summarizes total University financial results for the fiscal year ended April 30, 2004;

2003/2004 UNIVERSITY RESULTS
Summary of All Funds
 (\$millions)

	<u>Opening</u> <u>Fund</u> <u>Balances</u>	<u>2003/</u> <u>2004</u> <u>Results</u>	<u>Closing</u> <u>Fund</u> <u>Balances</u>
Total University Revenues		476.5	
Total University Expenses		491.1	
Revenues Less Expenses		(14.6)	
Add: Endowment Contributions:		18.6	
<i>recorded as a direct increase(decrease) in Fund Balance.</i>			
Equals: Increase in Fund Balances		4.0	

UNIVERSITY FUND BALANCES:

Invested In Capital Assets	64.9	3.7	68.6
Endowed Funds	104.7	19.5	124.2
Appropriated (all funds)	74.1	(19.9)	54.2
Unappropriated- Ancillaries	2.4	1.9	4.3
Unappropriated- Operating Fund	(1.7)	(1.2)	(2.9)
Total Fund Balances	<u>244.4</u>	<u>4.0</u>	<u>248.4</u>

June 30, 2004

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, 2004 and the statements of operations and changes in fund balances (unappropriated, endowed, and invested in capital assets), 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, 2004 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

UNIVERSITY OF GUELPH
STATEMENT OF FINANCIAL POSITION
AS AT APRIL 30, 2004

(in thousands of dollars)

	<u>2004</u>	<u>2003</u>
<u>ASSETS</u>		
Current		
Cash and Short Term Investments	48,825	65,241
Accounts Receivable	23,158	20,021
Inventories	3,659	3,189
Prepaid Expenses	728	742
	<u>76,370</u>	<u>89,193</u>
Long-term		
Accrued Benefit Asset (Note 14)	18,409	29,524
Real Estate Projects in Progress	5,502	4,660
Long Term Receivables	2,312	2,000
Deferred Charge (Note 16)	887	910
Investments (Note 3)	287,221	294,398
	<u>314,331</u>	<u>331,492</u>
Capital Assets (Note 6)	409,421	352,529
	<u>800,122</u>	<u>773,214</u>
<u>LIABILITIES</u>		
Current		
Accounts Payable and Accrued Charges	48,446	32,905
Current Portion of Long-term Debt (Note 7)	3,458	3,302
Current Portion of Deferred Revenue and Contributions (Note 8)	12,359	16,964
	<u>64,263</u>	<u>53,171</u>
Long-term Debt (Note 7)	161,206	164,663
Deferred Revenue and Contributions (Note 8)	326,288	311,062
	<u>551,757</u>	<u>528,896</u>
<u>FUND BALANCES</u>		
Invested in Capital Assets	68,619	64,876
Endowed (Note 10)	124,206	104,695
Appropriated (Statement 3)	54,152	74,055
Unappropriated (Note 9)	1,388	692
	<u>248,365</u>	<u>244,318</u>
	<u>800,122</u>	<u>773,214</u>

UNIVERSITY OF GUELPH
STATEMENT OF OPERATIONS AND CHANGES IN FUND BALANCES
(UNAPPROPRIATED, ENDOWED AND INVESTED IN CAPITAL ASSETS)
FOR THE YEAR ENDED APRIL 30, 2004

(in thousands of dollars)

	<u>2004</u>	<u>2003</u>
REVENUE		
Ministry of Training, Colleges and Universities	126,387	111,776
Ministry of Agriculture and Food (Schedule 3)	50,401	50,908
Tuition (Credit and Non-Credit)	86,816	79,184
Donations (Note 15)	4,054	4,216
Sales of Goods and Services	99,786	88,114
Investment Income (Note 4)	11,077	8,742
Other Grants and Contracts	65,241	60,711
Amortization of Deferred Capital Contributions (Note 8)	16,667	15,578
Other (Note 11)	16,058	27,042
	<u>476,487</u>	<u>446,271</u>
EXPENSES		
Salaries	234,878	217,725
Benefits	63,035	45,530
Travel	11,680	11,168
Operating	113,541	111,404
Minor Renovations and Repairs	4,043	4,244
Interest	10,807	8,509
Scholarships and Bursaries	21,684	17,076
Capital Asset Amortization	31,416	30,135
	<u>491,084</u>	<u>445,791</u>
Revenue Less Expenses	(14,597)	480
Endowment Contributions (Note 10)	<u>18,644</u>	<u>(14,002)</u>
Increase (Decrease) in Fund Balance	4,047	(13,522)
Transfer (to) from Appropriations (Statement 3)	<u>19,903</u>	<u>9,829</u>
Net Increase (Decrease) in Fund Balances	23,950	(3,693)
Fund Balances, Beginning of Year		
Unappropriated, Endowed and Invested in Capital Assets	<u>170,263</u>	<u>173,956</u>
Fund Balances, End of Year		
Unappropriated, Endowed and Invested in Capital Assets (Schedule 1)	<u>194,213</u>	<u>170,263</u>

UNIVERSITY OF GUELPH
STATEMENT OF CHANGES IN APPROPRIATED
EXPENDABLE FUND BALANCES
FOR THE YEAR ENDED APRIL 30, 2004

(in thousands of dollars)

OPERATING FUND	Balance, Beginning of Year	Transfer To (From) Appropriations	Balance, End of Year
Equipment and Supplies	4,421	8,042	12,463
Self Insured Losses	550		550
Pension and Benefits	24,594	(23,530)	1,064
Stabilization Fund	6,000		6,000
	<u>35,565</u>	<u>(15,488)</u>	<u>20,077</u>
CAPITAL FUND			
Capital Projects and Renovations	9,269	(4,045)	5,224
Minor Renovations	1,988	346	2,334
Athletic Facility	225	(225)	0
	<u>11,482</u>	<u>(3,924)</u>	<u>7,558</u>
ANCILLARY ENTERPRISES			
Real Estate Division	2,220	(122)	2,098
Student Housing Services	500		500
University Centre	199	7	206
	<u>2,919</u>	<u>(115)</u>	<u>2,804</u>
RESEARCH AND TRUST FUND			
Research and Trust	<u>24,089</u>	<u>(376)</u>	<u>23,713</u>
TOTAL	<u>74,055</u>	<u>(19,903)</u>	<u>54,152</u>

**UNIVERSITY OF GUELPH
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED APRIL 30, 2004**

(in thousands of dollars)

	<u>2004</u>	<u>2003</u>
OPERATING ACTIVITIES		
Increase (Decrease) in Fund Balance (Statement 2)	4,047	(13,522)
Add (Deduct) Non-Cash Items:		
Capital Asset Amortization (Statement 2)	31,416	30,135
Amortization of Deferred Capital Contributions (Statement 2)	(16,667)	(15,578)
Unrealized (Gain) Loss on Investments	(19,488)	19,026
(Increase) in Long Term Receivables	(312)	
Decrease in Accrued Benefit Asset	11,115	9,493
(Increase) Decrease in Non-cash Working Capital	<u>11,106</u>	<u>(1,194)</u>
	<u>21,217</u>	<u>28,360</u>
FINANCING ACTIVITIES		
Increase in Long-term Debt		100,000
(Increase) Decrease in Deferred Charges	23	(910)
Repayment of Long-term Debt	(3,301)	(8,635)
Deferred Capital Contributions Received During the Year	23,066	55,399
Increase (Decrease) in Deferred Contributions	<u>4,222</u>	<u>9,786</u>
	<u>24,010</u>	<u>155,640</u>
INVESTING ACTIVITIES		
(Acquisition) Disposal of Investments	26,665	(129,206)
Acquisition of Capital Assets	<u>(88,308)</u>	<u>(47,082)</u>
	<u>(61,643)</u>	<u>(176,288)</u>
Change in Cash and Short Term Investments	(16,416)	7,712
CASH AND SHORT TERM INVESTMENTS, BEGINNING OF THE YEAR	<u>65,241</u>	<u>57,529</u>
CASH AND SHORT TERM INVESTMENTS, END OF THE YEAR (Statement 1)	<u><u>48,825</u></u>	<u><u>65,241</u></u>

UNIVERSITY OF GUELPH
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended April 30, 2004

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, 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
 - Parking Administration
 - Real Estate Division
 - Student Housing Services
 - 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 is that portion of investment income on endowments which has been made available for expenses under University Policy.
- 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 accumulated 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, 2004

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) Related Entity

With the approval of the Ontario Ministry of Training, Colleges and Universities, the University of Guelph and The Humber College Institute of Technology and Advanced Learning entered into a Memorandum of Understanding dated June 10, 1999, to develop and deliver joint programming as the University of Guelph-Humber (the Joint Venture). Under the Joint Venture, the University is represented on the Executive Committee of the Joint Venture. The Joint Venture has not been consolidated in the University financial statements, however the University has recognized 50% of the total net deficit of the Joint Venture as a cost.

(d) 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.

(e) Inventory Valuation

Inventories are recorded at the lower of cost and market.

(f) 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, rare books and artifacts. These are recorded at a nominal value of \$1,000 and are not amortized.

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

(g) 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.

UNIVERSITY OF GUELPH
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended April 30, 2004

(h) 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 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.

(i) 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 or loss allocated to endowment capital preservation and growth are recognized as direct increases or decreases 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.

(j) 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.

UNIVERSITY OF GUELPH
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended April 30, 2004

(k) Real Estate Projects

The Real Estate Division is included in the ancillary enterprises fund. The Real Estate Division was established to develop certain real estate properties owned by the University and designated as Heritage Fund properties.

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

Costs, including capitalized interest (2004 \$220,000; 2003 \$237,000) 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 Division revenues.

3. INVESTMENTS

[in thousands of dollars]	Book Value		Market Value	
	2004	2003	2004	2003
Capital Fund				
Short Term Notes and Bonds	133,535	161,428	133,792	161,445
Ancillary Enterprises				
Bonds	5,478	5,064	6,306	5,765
Research & Trust Fund				
OMAF Post Retirement	2,438	2,460	3,952	3,247
OMAF Early Retirement	2,953	2,980	4,793	3,941
Total Research & Trust Fund	5,391	5,440	8,745	7,188
General and Heritage Endowment Funds				
Cash and Short Term Notes	5,188	14,656	5,188	14,633
Canadian Equities	22,895	22,721	29,682	23,775
Canadian Pooled Equity	1,573	1,827	1,911	1,723
Canadian Fixed Income	35,002	26,784	36,284	27,680
Foreign Equities	47,751	43,727	44,147	33,866
Foreign Pooled Equity	18,476	20,462	18,596	15,541
Cutten Club	3,655	3,500	3,655	3,500
	134,540	133,677	139,463	120,718
Total Investments	278,944	305,609	288,306	295,116

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.

UNIVERSITY OF GUELPH
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended April 30, 2004

3. INVESTMENTS , continued

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	
	2004	2003	2004	2003
General Endowment	95,310	94,534	97,863	84,732
Heritage Fund	39,230	39,143	41,600	35,986
	134,540	133,677	139,463	120,718

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]	Operations	Endowment	Total 2004	Total 2003
Net Realized Investment Income	7,257	2,208	9,465	9,155
Increase (Decrease) in Unrealized Investment Income	1,629	17,882	19,511	(19,187)
Total Investment Income (Loss)	8,886	20,090	28,976	(10,032)
(Increase) Decrease in Accumulated Endowed Investment Income		(15,170)	(15,170)	19,007
Investment Income Available for Expenditure	4,920	(4,920)	-	
Net Increase in Deferred Contributions	(2,729)		(2,729)	(233)
Total	11,077	-	11,077	8,742

UNIVERSITY OF GUELPH
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended April 30, 2004

5. RELATED ENTITIES

a) 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. The book value has been determined using the equity method, which recognizes the change in the Cutten Club's retained earnings.

A financial summary for the fiscal years ended March 31, 2004 and 2003 is as follows:

Guelph Golf & Recreation Club Limited (Cutten Club) [in thousands of dollars]	2004	2003
Financial Position:		
Total Assets	3,683	3,455
Total Liabilities	2,034	1,961
Total Net Assets	<u>1,649</u>	<u>1,494</u>
Results of Operations:		
Total Revenue	3,615	3,617
Total Expenses	3,460	3,515
Excess of Revenue over Expenses	<u>155</u>	<u>102</u>
Cash Flows:		
Cash from Operations	419	320
Cash from Financing Activities	27	(44)
Cash used in Investing Activities	(486)	(306)
Increase (Decrease) in Cash	<u>(40)</u>	<u>(30)</u>

b) JOINT VENTURE, UNIVERSITY OF GUELPH-HUMBER

With the approval of the Ontario Ministry of Training, Colleges and Universities, the University of Guelph and The Humber College Institute of Technology and Advanced Learning entered into a Memorandum of Understanding dated June 10, 1999, to develop and deliver joint programming as the University of Guelph-Humber (the Joint Venture). Under the Joint Venture, the University is represented on the Executive Committee of the Joint Venture.

As part of its participation in the Joint Venture, the University also provides certain services including academic administration, student recruitment and admissions, curriculum development and student aid and course delivery. The University has advanced funds equal to the cost of these services to the Joint Venture. At April 30, 2004, there is a total advance of \$6,435,000 (2003 \$2,067,000) representing the cumulative amount of all services provided by the University, relating to the Joint Venture, since the inception of the program. The University expects to collect on these advanced funds when the Joint Venture begins to recover its cumulative deficit currently expected to begin in fiscal 2005/2006.

The Joint Venture has not been consolidated in the University financial statements however the University recognized 50% of the total net deficit of the Joint Venture as a cost. Separately audited financial statements have been issued for the Joint Venture (year-ended March 31, 2004). The total cumulative deficit recorded as a cost to the University is \$2,943,000 (2003 \$1,821,000). The University expects to recover this cost from future Joint Venture net revenues.

UNIVERSITY OF GUELPH
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended April 30, 2004

6. CAPITAL ASSETS

a) Details	2004		2003	
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
[in thousands of dollars]				
Land	6,473		6,473	6,473
Land improvements	16,706	7,273	9,433	9,172
Buildings	403,080	170,110	232,970	216,343
Furniture and equipment	250,558	170,637	79,921	74,304
Construction in progress	70,874		70,874	30,688
Computer equipment	20,511	15,052	5,459	10,725
Library and art collection	74,770	70,479	4,291	4,824
	<u>842,972</u>	<u>433,551</u>	<u>409,421</u>	<u>352,529</u>

b) Change in Net Book Value

[in thousands of dollars]	2004	2003
Balance, beginning	352,529	335,582
Purchase of capital assets	88,308	47,082
Less: Amortization of capital assets	(31,416)	(30,135)
Balance, ending	<u>409,421</u>	<u>352,529</u>

c) Insured Values

[in thousands of dollars]	2004	2004
	Net Book	Insured
	Value	Value
Buildings	<u>232,970</u>	<u>951,299</u>
Furniture, equipment and library books	<u>89,671</u>	<u>803,723</u>
Art and artifacts collection	<u>1</u>	<u>11,729</u>

UNIVERSITY OF GUELPH
NOTES TO THE FINANCIAL STATEMENTS
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7. a) LONG-TERM DEBT

[in thousands of dollars]

	Interest Rate %	Issue Date	Due Date	<u>2004</u> Total	<u>2003</u> Total
Series A Unsecured Debenture	6.24	11-Oct-02	10-Oct-42	<u>100,000</u>	<u>100,000</u>
Banker's Acceptance					
Canadian Imperial Bank of Commerce	7.88	1-May-96	1-May-06	4,893	5,560
Canadian Imperial Bank of Commerce	5.89	6-Jul-98	6-Jul-07	3,379	4,295
Bank of Montreal	7.01	16-Oct-00	16-Jun-25	<u>33,000</u>	<u>33,400</u>
				<u>41,272</u>	<u>43,255</u>
Leases payable					
Ontario Student Housing Corp.	6.13	1-Jan-69	1-Dec-18	729	758
Canada Mortgage and Housing Corp.	5.88	1-Jan-69	1-Dec-18	6,436	6,698
Hewlett-Packard	6.3	1-Sep-00	31-Aug-04	<u>1,064</u>	<u>2,047</u>
				<u>8,229</u>	<u>9,503</u>
Mortgages payable					
Canada Mortgage and Housing Corp.	5.38	1-Jan-67	1-Dec-16	858	902
Ontario Housing Corp.(interest only)	10.36	1-Oct-90	1-Apr-10	1,225	1,225
Ontario Housing Corp.(interest only)	9.86	1-Dec-92	1-Jun-11	<u>13,080</u>	<u>13,080</u>
				<u>15,163</u>	<u>15,207</u>
				164,664	167,965
Current Portion				<u>(3,458)</u>	<u>(3,302)</u>
				<u>161,206</u>	<u>164,663</u>

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

[in thousands of dollars]	Principal	Interest	Total
2005	3,458	10,934	14,392
2006	2,572	10,769	13,341
2007	5,549	10,428	15,977
2008	1,214	10,275	11,489
2009	947	10,188	11,135
	<u>13,740</u>	<u>52,594</u>	<u>66,334</u>
Thereafter	<u>150,924</u>		
	<u>164,664</u>		

UNIVERSITY OF GUELPH
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For the Year Ended April 30, 2004

7. b) SERIES A UNSECURED DEBENTURE

On October 11, 2002 the University issued a Series A senior unsecured debenture in the aggregate principal amount of \$100,000,000 at a price of \$998.69 for proceeds of \$99,869,000. The debenture bears interest at 6.24%, which is payable semi-annually on April 10 and October 10 with the principal amount to be repaid on October 10, 2042. The proceeds of the issue are primarily being used to finance capital projects including the construction of new classrooms and a science complex.

7. c) INTEREST RATE RISK

[in thousands of dollars]

The University entered into interest rate exchange (swap) contracts with the Bank of Montreal and Canadian Imperial Bank of Commerce in order to convert variable-rate borrowings to fixed rates, thereby reducing interest rate risk associated with its outstanding debt. The interest rate swap contract involves an exchange of floating rate to fixed rate interest payments between the University and the financial institutions. Under the terms of these agreements, the University pays a fixed rate and receives a variable rate on each swap's notional principal amount. 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, 2004 are:

	Due Date	Notional Amount	Gain/(Loss)
Canadian Imperial Bank of Commerce	1-May-06	4,833	(442)
Canadian Imperial Bank of Commerce	6-Jul-07	3,372	(148)
Bank of Montreal	16-Jun-25	32,950	(5,234)

8. DEFERRED REVENUE, CONTRIBUTIONS AND CAPITAL CONTRIBUTIONS

[in thousands of dollars]	<u>Total 2004</u>	<u>Total 2003</u>
a) Deferred Revenue		
Prepaid Leases, Fees and Grants	10,831	15,067
OMAF Advance	9,053	8,953
Other	1,959	801
	<u>21,843</u>	<u>24,821</u>
Less: Current Deferred Revenue	<u>(12,359)</u>	<u>(16,964)</u>
	<u>9,484</u>	<u>7,857</u>
b) Deferred Contributions		
Changes in Deferred Contributions are as follows:		
Balance, beginning of year	48,744	52,371
Contributions received during the year	102,393	77,589
Contributions recognized in the year	<u>(95,193)</u>	<u>(81,216)</u>
Balance, end of year	<u>55,944</u>	<u>48,744</u>
c) Deferred Capital Contributions		
Changes in Deferred Capital Contributions are as follows:		
Balance, beginning of year	254,461	214,640
Contributions received during the year	23,066	55,399
Amortization of deferred capital contributions	<u>(16,667)</u>	<u>(15,578)</u>
Balance, end of year	<u>260,860</u>	<u>254,461</u>
Total Deferred Revenue, Contributions and Capital Contributions	<u>326,288</u>	<u>311,062</u>

UNIVERSITY OF GUELPH
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended April 30, 2004

9. UNAPPROPRIATED FUND BALANCE (Schedule 1)

[in thousands of dollars]	<u>2004</u>	<u>2003</u>
Operating Fund		
Special Early Retirement Program*		(1,745)
University of Guelph-Humber (Note 5 (b))	<u>(2,943)</u>	<u>(1,745)</u>
	<u>(2,943)</u>	<u>(1,745)</u>
Ancillary Enterprises (Schedule 2)	<u>4,331</u>	<u>2,437</u>
Balance, end of year	<u>1,388</u>	<u>692</u>

* 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.

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 2004</u>	<u>Total 2003</u>
Investment income (loss) on endowments	17,412	2,678	20,090	(15,606)
Less: available for expenditure	<u>(4,093)</u>	<u>(827)</u>	<u>(4,920)</u>	<u>(3,518)</u>
Increase (Decrease) in				
accumulated endowed investment income	13,319	1,851	15,170	(19,124)
Contributions received during year	2,720	599	3,319	5,020
Equity adjustment - Cutten Club (Note 5)		155	155	102
Endowment Contributions	<u>16,039</u>	<u>2,605</u>	<u>18,644</u>	<u>(14,002)</u>
Transfers	<u>867</u>		<u>867</u>	<u>1,233</u>
Net Increase (Decrease) in Fund Balance	<u>16,906</u>	<u>2,605</u>	<u>19,511</u>	<u>(12,769)</u>
Balance, beginning of year	<u>86,294</u>	<u>18,401</u>	<u>104,695</u>	<u>117,464</u>
Balance, end of year	<u>103,200</u>	<u>21,006</u>	<u>124,206</u>	<u>104,695</u>

11. OTHER REVENUE

Included in other revenue in 2003 was \$11,668,000 related to a one-time recovery of provincial sales taxes paid on certain prior years capital purchases and interest earned on this recovery. These funds, net of related costs of recovery and current year commitments to capital, were appropriated for future capital purposes.

UNIVERSITY OF GUELPH
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12. 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 for student financial assistance.

The following are the balances of the Ontario Student Opportunity Trust Fund recorded at cost, and the related transactions for the year ended April 30, 2004:

[in thousands of dollars]	2004	2003
Access Endowment Fund	<u>2004</u>	<u>2003</u>
Opening balance - May 1	22,498	23,069
Net Investment income endowed - realized	(683)	(571)
Closing balance - April 30 *	<u>21,815</u>	<u>22,498</u>
Access Expendable Fund	<u>2004</u>	<u>2003</u>
Opening balance - May 1	2,305	2,123
Investment income available for expenditure	1,024	1,023
Bursaries awarded **	(1,107)	(841)
Closing balance - April 30	<u>2,222</u>	<u>2,305</u>

* Includes original donated capital of \$20,529 (2003 \$20,529) and accumulated realized net preservation of capital of \$1,286 (2003 \$1,969)

** The total number of bursaries awarded for the year ended April 30, 2004 was 857 (686 in 2003).

The market value of the endowment as at April 30, 2004 was \$20,139 (2003 \$17,810).

13. 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]	2004	2003
Grant	45,000	45,000
Investment Income	<u>7,852</u>	<u>7,544</u>
Available	<u>52,852</u>	<u>52,544</u>
Expenditures	<u>52,852</u>	<u>25,216</u>
Remaining	<u>-</u>	<u>27,328</u>

UNIVERSITY OF GUELPH
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14. 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 (January 31, 2004) for financial reporting purposes. Information about the University's defined benefit plans, in aggregate, is as follows:

[in thousands of dollars]	2004			2003		
	Pension * Plans	Other Benefit Plans	Total	Pension * Plans	Other Benefit Plans	Total
Change in Benefit Obligation						
Benefit obligation - beginning of measurement period	654,317	92,427	746,744	598,987	84,655	683,642
Current service cost (employer)	15,238	2,794	18,032	18,406	2,621	21,027
Interest cost	42,912	6,115	49,027	40,184	5,711	45,895
Estimated employee contributions	8,437	-	8,437	4,112	-	4,112
Plan Amendments	497	-	497	13,077	-	13,077
Actuarial loss	37,815	32,167	69,982	11,505	1,693	13,198
Benefits paid	(32,835)	(2,334)	(35,169)	(31,954)	(2,253)	(34,207)
Benefit obligation - end of measurement period	<u>726,381</u>	<u>131,169</u>	<u>857,550</u>	<u>654,317</u>	<u>92,427</u>	<u>746,744</u>
Change in Plan Assets						
Market value of plan assets - beginning of measurement period	570,791	-	570,791	640,977	-	640,977
Actual return on plan assets, net of expenses	104,809	-	104,809	(46,589)	-	(46,589)
Employer contribution	20,221	2,334	22,555	4,245	2,253	6,498
Estimated employee contributions	8,437	-	8,437	4,112	-	4,112
Benefits paid	(32,835)	(2,334)	(35,169)	(31,954)	(2,253)	(34,207)
Market value of plan assets - end of measurement period	<u>671,423</u>	<u>-</u>	<u>671,423</u>	<u>570,791</u>	<u>-</u>	<u>570,791</u>
Reconciliation of funded status						
Funded status - surplus (deficit)	(54,958)	(131,169)	(186,127)	(83,526)	(92,427)	(175,953)
Employer contributions after measurement date	2,599	592	3,191	2,204	563	2,767
Unamortized transitional obligation (asset)	(114,577)	47,051	(67,526)	(127,164)	51,329	(75,835)
Unamortized past service costs	16,636	-	16,636	17,679	-	17,679
Unamortized net actuarial loss	211,874	43,607	255,481	250,858	11,597	262,455
Accrued benefit asset (liability), before Valuation Allowance	61,574	(39,919)	21,655	60,051	(28,938)	31,113
Total Valuation Allowance (VA)	(3,246)	-	(3,246)	(1,589)	-	(1,589)
Accrued benefit asset (liability), net of VA	<u>58,328</u>	<u>(39,919)</u>	<u>18,409</u>	<u>58,462</u>	<u>(28,938)</u>	<u>29,524</u>
Components of cost						
Current service cost (employer)	15,238	2,794	18,032	18,406	2,621	21,027
Interest cost	42,912	6,115	49,027	40,184	5,711	45,895
Expected return on assets	(42,656)	-	(42,656)	(47,282)	-	(47,282)
Amortization of past service costs	1,540	-	1,540	690	-	690
Amortization of net actuarial loss	14,582	157	14,739	7,909	91	8,000
Amortization of transitional obligation (asset)	(12,591)	4,278	(8,313)	(12,562)	4,278	(8,284)
Settlement	68	-	68	-	-	-
Amortization of transitional increase in VA	5	-	5	5	-	5
Current increase (decrease) in VA	1,652	-	1,652	(2,006)	-	(2,006)
Net cost	<u>20,750</u>	<u>13,344</u>	<u>34,094</u>	<u>5,344</u>	<u>12,701</u>	<u>18,045</u>
Significant Actuarial Assumptions						
Discount rate	5.90%	5.90%		6.60%	6.60%	
Expected long-term rate of return on plan assets	7.50%	n/a		7.50%	n/a	
Rate of increase in future compensation	3.50%	n/a		4.00%	n/a	
Rate of increase in national average wage	3.50%	n/a		4.00%	n/a	
Dental Inflation	n/a	4.50%		n/a	4.50%	

The health care cost trend rate for medical benefits was 10.0% for 2004 graded down 0.5% per year until 2014 and 5.0% thereafter.

* Includes accrued benefit obligations and plan assets in respect of plans that are not fully funded of \$1,114 and \$0 respectively. (\$2,558 and \$0 respectively for 2003).

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15. DONATIONS

[in thousands of dollars]	<u>2004</u>	<u>2003</u>
Donations received during the year	6,900	9,630
Donations recorded as a direct addition to endowments	(2,562)	(4,676)
Donations recorded as deferred capital contributions	<u>(284)</u>	<u>(738)</u>
Donations recognized as revenue	<u><u>4,054</u></u>	<u><u>4,216</u></u>

16. DEFERRED CHARGE

Transaction costs and discount totaling \$934,000 incurred in connection with the \$100 million, 6.24% Series A unsecured debenture issue are being amortized over the term of the debt (40 years). Amortization costs recognized in fiscal 2004 are \$23,000 (2003 \$24,000).

17. COMMITMENTS

Costs to complete major capital projects in progress as at April 30, 2004 are estimated to be \$37,930,000 (2003 \$75,429,000) and will be funded by government grants, gifts and University resources.

18. CONTINGENCY

- a) 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.
- b) 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.

19. COMPARATIVE NUMBERS

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

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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>
Adams, Gerald	Professor	112,630	731
Allen, Brian**	Professor & Chair	112,349	682
Allen, Dana***	Professor	106,473	462
Armstrong, John	Director - Real Estate	136,663	4,996
Atkinson, Jim	Associate Professor	101,877	662
Bag, Jnanankur	Professor	100,494	653
Baird, John***	Professor	107,830	700
Bakker, Johannes	Associate Professor	100,494	653
Balahura, Robert**	Professor & Chair	124,829	728
Banerji, Dilip	Professor	105,104	682
Barker, Ian***	Professor	111,716	484
Barron, Roderick	Professor	126,218	722
Barth, Joachim	Associate Professor	101,655	621
Benson, John	Associate Professor	101,416	659
Beveridge, Terrance	Professor & Canada Research Chair	158,177	764
Bewley, J Derek	Professor	137,762	895
Boeckner, David	Assistant Director, Hospitality Services	102,342	665
Boermans, Herman	Associate Professor	104,747	648
Bogart, James	Professor	109,647	714
Bold, Christine	Professor	100,494	653
Boure, Ludovic***	Assistant Professor	117,786	570
Brigg, Peter	Associate Professor	106,921	696
Brisson, Brigitte***	Assistant Professor	100,317	395
Brookfield, Michael	Professor	101,416	440
Brooks, Robert	Professor	100,494	653
Brooks, Ronald	Professor	111,715	1,355
Brophy, Kathy	Professor	103,260	671
Brown, Christopher**	Professor, Chair & Acting Director, VTH	141,842	720
Buhr, Mary	Professor	104,720	630
Butler, Daniel	Professor	116,785	812
Campbell, John	Professor	126,393	1,281
Carter, Edward	Professor	119,269	710

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Cassidy, Keith	Associate Professor	108,092	1,549
Chong, Calvin	Professor	101,416	1,779
Chouinard, Daniel**	Associate Professor & Director	105,356	630
Christian, William	Professor	111,477	725
Clarke, Anthony**	Assistant VP, Academic	135,518	692
Collins, Patricia	General Manager	132,435	727
Conlon, Peter**	Assistant Dean - OVC	103,997	673
Crowley, Terence	Professor	116,987	588
Croy, Anne	Professor	111,213	474
Cruz, Antonio***	Staff Vet	132,374	163
Cummings, Harry	Professor	103,260	671
Cunningham, Charles	Director - Communication & Public Affairs	107,980	702
Cunsolo, Joseph**	Associate Professor & Associate Chair	116,494	726
Cyr, Mary**	Professor & Director	112,404	488
Dalgleish, Douglas	Professor	120,921	3,745
Davidson-Arnott, Robin	Professor	111,938	728
Davis, Hank	Professor	112,177	728
Davis, James**	Professor & Chair	115,562	704
Dixon, Michael**	Professor & Chair	113,599	640
Dobosiewicz, Wlodzimier**	Professor & Chair	116,096	700
Dobson, Howard***	Associate Professor	104,383	633
Dorter, Ken	Professor	112,408	730
Douglas, David	Professor	131,539	854
Duncan, Ian**	Professor & Chair	113,018	700
Dyson, Doris***	Associate Professor	100,494	436
Earn, Brian**	Professor & Acting Assoc Dean	111,731	456
Eidlin, Fred	Professor	103,260	447
Elmslie, Ron	Director - Computing/Communication Services	122,768	798
Emes, Michael*&***	Dean - CBS	152,485	23,569
Evans, Leslie	Professor	104,182	677
Evans, Mary Ann	Professor	106,026	689
Evers, Frederick	Professor	108,304	704
Evers, Susan	Professor	103,877	662
Filewod, Alan	Professor	106,644	680
Finlay, Karen	Associate Professor	101,877	442
Fischer, Pal	Professor	113,099	1,165
Fisher, Kenneth	Associate Professor	106,026	689
Fitzgibbon, John**	Professor & Exec Director	110,565	716
Forsberg, Cecil	Professor	112,174	728
Fox, Glenn	Professor	101,877	442

UNIVERSITY OF GUELPH
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended April 30, 2004

Friendship, Robert	Professor	102,338	443
Fuller, Anthony	Professor	114,753	728
Funk, Thomas	Professor	118,041	739
Gentry, Patricia	Professor	114,943	499
Gentry, Rodney	Professor	111,018	481
Gerber, Linda	Associate Professor	101,416	440
Gibbins, Ann**	Professor & Chair	124,437	716
Gillespie, Terry	Professor	117,709	1,211
Goddard, John	Professor	107,396	465
Gokcen, Adnan	Associate Professor	103,260	1,104
Goldman, Saul	Professor	110,569	718
Goss, Michael**	Professor & Program Leader	118,919	737
Gottlieb, Barbara	Professor	106,026	689
Gottlieb, Benjamin	Professor	110,214	730
Graham, Terence**	Professor & Chair	114,640	1,106
Grand, Michael	Professor	111,018	722
Grant, E Kenneth	Associate Professor	116,491	684
Gray, Chris	Professor	116,108	757
Griffiths, Mansel	Professor	107,396	698
Grodzinski, Bernard	Professor	103,260	671
Grovum, Larry	Professor	106,013	1,091
Gyles, Carlton***	Professor	125,799	802
Hacker, Roger**	Professor & Program Leader	118,594	1,130
Hall, Chris	Professor & Canada Research Chair	124,057	668
Hall, Robert	Professor	114,943	1,184
Harauz, George	Professor	100,955	437
Harris, William	Professor	108,752	707
Hayes, Anthony***	Professor	111,477	725
Healey, Pamela	Acting VP, Development & Public Affairs	115,794	452
Heathcote, Isobel**	Dean - Graduate Studies	118,444	775
Hebert, Paul	Professor & Canada Research Chair	145,449	843
Henry, Bryan	Professor	127,390	928
Herold, Edward	Professor	111,018	481
Herrmann, Thomas	Professor	111,830	700
Hilts, Stewart**	Professor & Chair	113,991	692
Hines, Gordon	Professor	107,830	1,155
Hodgson, Barry	Controller	100,135	614
Holbrook, John	Professor	118,095	1,196
Holland, Patrick	Associate Professor	103,567	447
Holmberg, David***	Professor	125,892	463
Holub, Bruce	Professor	124,135	806

UNIVERSITY OF GUELPH
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended April 30, 2004

Horn, Hendrik	Professor	106,487	692
Hoy, Michael	Professor	106,270	686
Hubert, John	Professor	123,631	738
Hume, David	Professor	126,772	769
Hunter, Bruce	Associate Professor	106,934	696
Hurtig, Mark	Associate Professor	100,955	437
Husband, Brian	Associate Professor & Canada Research Chair	101,393	395
Inwood, Kris	Professor	100,955	437
Jacobs, Robert***	Professor	111,940	727
Janakiram, Doraiswamy	Associate Professor	101,331	694
Jeffrey, Kenneth	Professor	112,869	734
Johnson, Walter***	Professor & Acting Chair	109,182	677
Joseph, Alun**	Dean - CSAHS	144,759	942
Josephy, David	Professor	104,799	445
Kakuda, Yukio	Associate Professor	101,416	659
Kay, Beverley	Professor	116,095	1,196
Keates, Robert	Associate Professor	102,338	664
Kenney, Daniel***	Staff Vet	107,561	56
Kerr, Carolyn***	Assistant Professor	128,314	385
Kevan, Peter	Professor	106,013	460
King, William	Professor	106,487	692
Kirwin, Chandler	Professor	104,182	677
Knowles, Richard	Professor	109,674	714
Konstantareas, Mary	Professor	113,885	783
Kostaschuk, Raymond	Professor	102,357	662
Krell, Peter	Professor	100,955	437
Kreutzwiser, Reid	Professor	114,862	734
Kruth, Stephen	Professor	111,299	698
Kuhn, Richard**	Professor & Chair	103,637	607
Lam, Joseph	Professor & Canada Research Chair	133,065	680
Lane, Harold	Associate Professor	107,830	468
Langford, William	Professor	111,517	727
Larson, Douglas	Professor	112,403	730
Law, Jimmy	Professor	111,481	725
Le Maguer, Marc	Professor	127,309	878
Leatherland, John**	Professor & Chair	127,828	1,209
Lee , Hung	Professor	102,955	1,224
Leeson, Steven	Professor	109,716	714
Lero, Donna	Associate Professor	105,104	456
Leslie, Kenneth***	Professor	111,030	481

UNIVERSITY OF GUELPH
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended April 30, 2004

Lipkowski, Jacek	Professor & Canada Research Chair	135,633	1,130
Livernois, John**	Professor & Chair	111,742	680
Loptson, Peter	Professor	115,128	484
Lumis, Glen	Professor	109,647	476
Lynn, Denis	Professor	111,030	721
MacKinnon, Neil	Professor	111,940	1,153
Mancuso, Maureen**	Acting Provost & VP, Academic	142,249	577
Manning, Gerald**	Assistant Dean, Guelph - Humber	114,639	718
Marangoni, Alejandro	Professor & Canada Research Chair	110,025	614
Marmurek, Harvey**	Professor & Chair	122,266	474
Marshall, Stephen	Professor	100,955	437
Martin, Wayne	Professor	124,624	810
Mathews, Karol***	Associate Professor	105,901	592
Matthews, Michael	Professor	104,354	765
Matthews, Vic	Professor	111,715	726
McBride, Brian	Professor	104,644	680
McCalla, Douglas	Professor & Canada Research Chair	131,084	720
McCutcheon, Jill**	Acting Assoc VP, Academic	118,674	654
McDonald, D Gordon	Professor	115,063	724
McDonell, Wayne**	Acting Asst Dean - OVC	121,093	759
McEwen, Scott	Professor	100,955	655
McFarland, Ernie**	Professor & Associate Chair	107,635	686
McKenna, Christopher**	Associate VP, Research	127,889	831
McLaughlin, Robert**	Associate VP, Research	154,727	980
McMillan, Ian	Professor	107,830	1,110
McMurtry, John	Professor	113,952	485
Meek, Alan**	Dean - OVC	136,566	893
Meilke, Karl	Professor	112,408	730
Menzies, Paula***	Associate Professor	110,589	653
Miles, John	Assistant VP, Finance	132,028	573
Milligan, Larry**	Professor & Innovation Projects Facilitator	149,871	973
Mittal, Gauri	Professor	107,857	700
Moens, Noel***	Assistant Professor	101,687	403
Mosley, Craig***	Staff Vet	108,509	56
Moss, Michael**	Professor	112,638	733
Mulholland, Paul	Associate Professor	101,416	1,085
Murr, Dennis	Professor	105,104	456
Murray, David	Professor	122,550	796
Murray, Jacqueline**	Dean - Arts	133,039	866
Nazar, Ross	Professor	112,177	487
Negi, Satish	Professor	104,182	677

UNIVERSITY OF GUELPH
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended April 30, 2004

Nelischer, Maurice**	Associate Professor & Assistant Director	105,104	682
Newman, Jay	Professor	114,022	494
Nickel, Bernhard	Professor	108,713	472
Nickling, William	Professor	112,863	734
Nightingale, Michael	Vice-Provost, Academic, Guelph-Humber	122,782	0
Noakes, David**	Professor & Director	111,018	1,143
Norris, Joan**	Professor & Associate Dean, Grad Studies	112,673	676
Nudds, Thomas	Professor	105,565	686
O'Grady, Michael***	Associate Professor	102,338	664
O'Sullivan, John	Associate Professor	102,440	625
Otten, Lambert**	Professor & Director	124,314	744
Padanyi, Paulette**	Professor & Chair	100,638	611
Paine, Cecelia	Associate Professor	100,494	436
Parent, Joane	Professor	113,727	725
Partlow, Gary	Associate Professor	104,182	677
Pauls, Peter	Professor	102,955	437
Pearson, Craig*&***	Dean - OAC	154,789	41,227
Peters, Michael	Professor	115,824	748
Pfeiffer, Wayne	Associate Professor	105,552	459
Phillips, Edward	Professor	103,786	640
Phillips, John**	Professor & Acting Chair	118,046	487
Physick-Sheard, Peter	Associate Professor	105,104	682
Pickworth, James	Associate Professor	113,246	714
Posluszny, Usher	Professor	106,013	689
Pratschke, John	Professor	111,712	2,726
Prescott, David	Professor	105,104	682
Prescott, John**	Professor & Chair	115,105	490
Proctor, John	Professor	115,865	753
Purslow, Peter**	Professor & Chair	123,245	2,895
Ramprashad, Fred**	Associate Dean	119,309	721
Rapport, David	Professor	118,170	768
Reader, Richard**	Professor & Chair	117,366	716
Reid, Donald	Professor	107,857	700
Reimer, Victor	Assistant VP, Human Resources	131,798	858
Ribble, Carl**	Professor & Chair	114,993	3,223
Ridley, Michael	Chief Librarian	122,178	795
Ritter, Leonard**	Prof & Exec Dir-Cdn Network Toxicology Ctr	122,390	755
Robb, Jane	Professor	101,416	440
Rothstein, Steven	Professor & Canada Research Chair	131,493	720
Rozanski, Mordechai*	President (Past)	200,276	42,270

UNIVERSITY OF GUELPH
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended April 30, 2004

Rudra, Ramesh	Professor	104,644	680
Sandals, David	Associate Professor	108,539	427
Scadding, Steven	Associate Professor	102,338	664
Schaeffer, Lawrence	Professor	107,844	700
Schryer, Frans	Professor	110,555	479
Sharom, Frances	Professor & Canada Research Chair	117,088	728
Shelp, Barry	Professor	102,338	664
Shepard, Alan**	Professor & Director	112,756	621
Shewen, Patricia	Professor	108,304	704
Sinclair, Melissa ***	Assistant Professor	109,746	555
Singh, Radhey	Professor	103,721	673
Smit, Barry	Professor & Canada Research Chair	126,822	737
Smith, Geoffrey	Assistant Professor	100,548	540
Snell, James	Professor	117,168	737
Solomon, Keith**	Professor & Director	116,618	721
Southey, Clive	Associate Professor	109,647	714
Spriet, Lawrence	Professor	102,799	668
Squires, James	Professor	100,494	653
Stengos, Thanasis	Professor	102,774	698
Stevens, Donald	Professor	107,830	700
Stevenson, Roselynn	Associate Professor	101,416	440
Stonehouse, Peter	Professor	103,260	671
Sullivan, Donald**	Professor & Director	114,387	474
Sullivan, Nancy	VP, Finance & Administration	178,977	1,164
Summerlee, Alastair*	President	220,597	15,936
Surgeoner, Gordon	Professor	111,713	484
Sutton, John	Professor	113,561	1,168
Swanton, Clarence**	Professor & Chair	125,269	698
Swatland, Howard	Professor	112,172	487
Swayne, David	Professor	125,206	704
Tapon, Francis	Professor	105,104	682
Taylor, James	Professor	100,368	716
Thomas, Vernon	Associate Professor	100,494	436
Tindale, Joseph**	Professor & Chair	107,947	437
Tollenaar, Matthijs	Professor	103,721	450
Tremaine, Peter**	Dean - CPES	136,570	888
Trevors, Jack	Professor	100,955	655
Trick, David	CEO, Guelph-Humber	167,568	720
Trout, Donald***	Associate Professor	121,475	659
Turner, Patricia**	Associate Professor & Chair	111,359	581
Upfold, Richard	Associate Professor	101,573	648

UNIVERSITY OF GUELPH
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended April 30, 2004

Van Der Kraak, Glen**	Professor & Chair	114,357	454
Viel, Laurent	Professor	106,934	696
Wall, Marjorie	Professor	110,018	696
Walsh, John**	Associate Dean	140,796	850
Waltner-Toews, David	Professor	101,416	659
Walton, John	Professor	104,182	677
Weersink, Alfons	Professor	101,105	655
Weese , Jeffrey***	Assistant Professor	117,186	378
Westwood, Nicholas	Professor	111,938	728
Whiteside, Brenda	Associate VP, Student Affairs	132,580	572
Whitfield, Christopher**	Professor & Chair & Canada Research Chair	144,457	710
Wildeman, Alan**	VP, Research	164,795	1,071
Wilkie, Bruce	Professor	113,099	735
Wilson, Ann	Associate Professor	105,260	671
Wilson, Thomas**	Professor & Associate Chair	114,758	487
Wilton, James	Professor	113,561	738
Winston, Andrew	Professor	111,043	481
Woo, Patrick	Professor	111,287	484
Woodrow, Brian	Professor	105,565	686
Woodside, Kenneth**	Associate Professor & Chair	108,017	680
Woodward, William	Professor	102,494	653
Yada, Rick	Professor & Canada Research Chair	104,644	680
Yamashiro, Shigeto	Associate Professor	111,018	722
Yarmey, Daniel	Professor	116,108	1,199

* Benefits include insurance, housing related costs, low-interest loan, relocation allowances and University 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, ENDOWED AND INVESTED IN CAPITAL ASSETS)
FOR THE YEAR ENDED APRIL 30, 2004

(in thousands of dollars)

	OPERATING FUND	CAPITAL FUND	ANCILLARY ENTERPRISES (Schedule 2)	RESEARCH & TRUST FUND	ENDOWMENT FUND	TOTAL 2004	TOTAL 2003
REVENUE							
Ministry of Training, Colleges and Universities	125,532	623	232			126,387	111,776
Ministry of Agriculture and Food	50,401					50,401	50,908
Tuition (Credit and Non-Credit)	86,816					86,816	79,184
Donations (Note 15)	38			4,016		4,054	4,216
Sales of Goods and Services	37,955		61,831			99,786	88,114
Investment Income (Note 4)	2,002	3,386	360	5,329		11,077	8,742
Other Grants and Contracts	1,633			63,608		65,241	60,711
Amortization of Deferred Capital Contributions (Note 8)		16,438	229			16,667	15,578
Other (Note 11)	15,673	10	375			16,058	27,042
	<u>320,050</u>	<u>20,457</u>	<u>63,027</u>	<u>72,953</u>	<u>-</u>	<u>476,487</u>	<u>446,271</u>
EXPENSES							
Salaries	191,175		13,246	30,457		234,878	217,725
Benefits	57,185		2,463	3,387		63,035	45,530
Travel	6,498		135	5,047		11,680	11,168
Operating	67,661	107	24,528	21,245		113,541	111,404
Minor Renovations and Repairs		2,621	1,422			4,043	4,244
Interest		6,545	4,262			10,807	8,509
Scholarships and Bursaries	11,165			10,519		21,684	17,076
Institutional (Recovery) Charges	(7,972)		7,972			-	-
Capital Asset Amortization		27,610	3,806			31,416	30,135
	<u>325,712</u>	<u>36,883</u>	<u>57,834</u>	<u>70,655</u>	<u>-</u>	<u>491,084</u>	<u>445,791</u>
Revenue Less Expenses	(5,662)	(16,426)	5,193	2,298	-	(14,597)	480
Endowment Contributions (Note 10)					18,644	18,644	(14,002)
Interfund Transactions	(11,024)	13,658	(827)	(2,674)	867	-	-
Change in Fund Balance	(16,686)	(2,768)	4,366	(376)	19,511	4,047	(13,522)
Transfer (to) from Appropriations (Statement 3)	15,488	3,924	115	376		19,903	9,829
Net Increase in Fund Balances	(1,198)	1,156	4,481	-	19,511	23,950	(3,693)
Fund Balances, Beginning of Year							
Unappropriated, Endowed and Invested in Capital Assets	(1,745)	57,242	10,071	-	104,695	170,263	173,956
Fund Balances, End of Year							
Unappropriated, Endowed and Invested in Capital Assets	<u>(2,943)</u>	<u>58,398</u>	<u>14,552</u>	<u>-</u>	<u>124,206</u>	<u>194,213</u>	<u>170,263</u>

**UNIVERSITY OF GUELPH
STATEMENT OF OPERATIONS AND CHANGES IN FUND BALANCES
FOR ANCILLARY ENTERPRISES
FOR THE YEAR ENDED APRIL 30, 2004**

(in thousands of dollars)

	<u>HOSPITALITY</u> <u>SERVICES</u>	<u>REAL</u> <u>ESTATE</u>	<u>STUDENT</u> <u>HOUSING</u> <u>SERVICES</u>	<u>PARKING</u>	<u>UNIVERSITY</u> <u>CENTRE</u>	<u>TOTAL</u> <u>2004</u>	<u>TOTAL</u> <u>2003</u>
REVENUE	31,985	3,467	23,753	2,017	1,805	63,027	57,187
EXPENSES							
Cost of Materials	14,151				347	14,498	12,518
Salaries	8,711	253	3,384	197	701	13,246	11,947
Benefits	1,589	57	638	45	134	2,463	2,222
Institutional Charges	1,510		5,875	181	406	7,972	7,793
Operating	4,558	732	4,120	283	337	10,030	9,070
Travel	43	12	72	2	6	135	152
Minor Renovations and Repairs	130		1,249	23	20	1,422	1,395
Interest		44	4,218			4,262	4,735
Capital Asset Amortization	557	303	2,818	117	11	3,806	3,766
Total Operating Expenses	<u>31,249</u>	<u>1,401</u>	<u>22,374</u>	<u>848</u>	<u>1,962</u>	<u>57,834</u>	<u>53,598</u>
Revenue Less Expenses	736	2,066	1,379	1,169	(157)	5,193	3,589
Interfund Transactions	<u>(405)</u>	<u>(718)</u>	<u>744</u>	<u>(642)</u>	<u>194</u>	<u>(827)</u>	<u>(1,679)</u>
Change in Fund Balance	331	1,348	2,123	527	37	4,366	1,910
Transfers (To) From Appropriations		<u>122</u>			<u>(7)</u>	<u>115</u>	<u>4,349</u>
Net Increase (Decrease) in Fund Balances	331	1,470	2,123	527	30	4,481	6,259
Fund Balance, Beginning of Year	4,644	8,040	(6,005)	3,090	302	10,071	3,812
Fund Balance, End of Year	<u><u>4,975</u></u>	<u><u>9,510</u></u>	<u><u>(3,882)</u></u>	<u><u>3,617</u></u>	<u><u>332</u></u>	<u><u>14,552</u></u>	<u><u>10,071</u></u>
Fund Balance Components:							
Invested in Capital Assets *	5,066	7,911	(5,076)	2,253	67	10,221	7,634
Unappropriated **	<u>(91)</u>	<u>1,599</u>	<u>1,194</u>	<u>1,364</u>	<u>265</u>	<u>4,331</u>	<u>2,437</u>
Fund Balance, End of Year	<u><u>4,975</u></u>	<u><u>9,510</u></u>	<u><u>(3,882)</u></u>	<u><u>3,617</u></u>	<u><u>332</u></u>	<u><u>14,552</u></u>	<u><u>10,071</u></u>

* 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, 2004
(in thousands of dollars)

The University's research and education agreement with the Ontario Ministry of Agriculture and Food (OMAF) includes the research and education programs at Guelph, the operation of 3 campuses of the Ontario Agricultural College (OAC) at Alfred, Kemptville and Ridgetown, Ontario and a laboratory services' facility. This agreement was renewed for another five years effective April 1, 2002. The following figures reflect the revenues and expenses of the OMAF agreement for 2003/2004.

	OAC Guelph	OAC Alfred	OAC Kemptville	OAC Ridgetown	OVC Guelph	Other Colleges Guelph	Lab Services Division	Stations & Academic Services Guelph	Institutional Revenue & Expenses	Total OMAF 2004	Total OMAF 2003
Income											
Provincial	13,666	2,161	3,523	3,718	7,379	1,103	7,876	4,375	6,600	50,401	50,908
Tuition	862	273	1,494	912						3,541	3,868
Sales of Goods and Services	78	481	1,765	2,902	1		10,920	2,182		18,329	16,115
Other	107	575	990	1,102		1	46	212		3,033	2,785
Total Income	14,713	3,490	7,772	8,634	7,380	1,104	18,842	6,769	6,600	75,304	73,676
Expenses											
Salaries	10,575	2,074	4,300	4,925	4,876	804	9,383	3,196		40,133	39,756
Benefits	2,100	408	903	1,037	952	128	2,070	588		8,186	7,523
Total Personnel Costs	12,675	2,482	5,203	5,962	5,828	932	11,453	3,784	0	48,319	47,279
Travel	224	77	95	115	258	15	91	28		903	1,016
Operating	1,746	948	2,451	2,552	1,386	157	4,853	3,059		17,152	16,714
Equipment	97	5	70	127			2,962	60		3,321	2,787
Service Costs									6,600	6,600	6,600
Expenses before Transfers	14,742	3,512	7,819	8,756	7,472	1,104	19,359	6,931	6,600	76,295	74,396
Interfund Transfers	(29)	(22)	(47)	(122)	(92)		(517)	(162)		(991)	(720)
Total Contract Expenses	14,713	3,490	7,772	8,634	7,380	1,104	18,842	6,769	6,600	75,304	73,676
Net Income (Expense)	-	-	-	-	-	-	-	-	-	-	-