BUDGET PLAN
2024-25 to 2026-27

May 2024

Prepared for the Finance Committee

UNIVERSITY of GUELPH

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Message from the Provost & Vice President (Academic) and Vice President (Finance & Operations)

The University of Guelph is a leader in academic excellence, renowned for its commitment to innovative research and unwavering dedication to student success. U of G has consistently pushed the boundaries of knowledge, driving forward progress in countless fields. Our faculty, staff, and students are at the forefront of groundbreaking discoveries, shaping the future of our society and the world.

Despite our proud history of achievement and growth, we are facing unprecedented financial challenges. The university is projecting a fourth consecutive year of operating budget deficit in 2023-24 and is budgeting for a fifth year of deficit in 2024-25.

We express our deepest appreciation to the U of G community for your unwavering dedication and hard work, especially during this challenging period that continues to impact our institution. We recognize the difficult decisions and sacrifices that many of you have had to make to ensure the continued success and sustainability of the University of Guelph. Your commitment to academic excellence, innovative research, and student success has been truly remarkable.

The significant financial challenges that we continue to face are the result of various factors, including frozen operating grants from the provincial government since 2016, restrictions on enrolment growth funding since 2016, and a freeze on domestic tuition fees since 2019. Additionally, rising operating costs due to the global pandemic, persistent inflation, and infrastructure needs have further strained our financial resources. Despite these challenges, we remain steadfast in our commitment to delivering a world-class education to our students and advancing research that addresses society's most pressing challenges.

In response to this context, we have developed a comprehensive three-year budget plan (2024-25 to 2026-27) that balances fiscal responsibility and achievement of our mission in a resource constrained environment. Our plan focuses on enhancing and diversifying revenue streams, strategic decision-making, and efficient cost management. It supports "Our Time: The University of Guelph's Strategic Plan 2022-27," guiding us to build an institution like no other, accelerating our strategic objectives, particularly in terms of financial sustainability, and promoting innovation and sustainability through technological and digital solutions. Despite our best efforts and the prudent financial management outlined in our budget plan, we will continue to face significant financial risks and, without additional government support, will face ongoing deficits in our operating budget for the next three years. This will further diminish our operating reserves, which have seen significant declines in recent years. The ongoing uncertainties and pressures require us to remain vigilant and adaptable in our approach to financial management. As we implement this budget plan, we will continue to monitor our financial performance closely and adjust as necessary to mitigate risks and ensure our long-term financial health. Your ongoing support and collaboration will be vital as we work together to overcome these challenges and build a stronger, more resilient University of Guelph.

Sincerely,

Gwen Chapman	Sharmilla Rasheed
Provost and Vice-President (Academic)	Vice-President (Finance and Operations)

Budget Plan Overview

The University of Guelph's Budget Plan 2024-25 is shaped by our Strategic Plan, the Provost's academic plans (e.g., Teaching and Learning Plan), and the Strategic Research Plan. We are proud to educate over 30,000 students annually and maintain our leadership in research and training in food, biodiversity, agriculture, and veterinary medicine, providing an exceptional student experience. Our dedicated alumni and supportive community take pride in the nearly $3 billion regional impact of our U of G campuses. Despite these accomplishments, we operate in a challenging environment, both politically and fiscally.

Our Budget document outlines fiscal planning from 2024-25 to 2026-27 across the University's major operating activities and presents the 2024-25 budget plan for approval by the Board of Governors. It considers the fiscal context, including financial constraints, emergent opportunities, and estimated risks, while outlining investments to advance our Strategic Plan and sustain our core mission.

The document details expected expenses and revenues for the Guelph and Ridgetown campuses, with the budget for the University of Guelph-Humber developed separately. It also provides information on ancillary operations, capital projects, and the Ontario Agri-Food Innovation Alliance, our partnership with the Ontario Ministry of Agriculture, Food and Rural Affairs (OMAFRA).

The budget planning process is a comprehensive and collaborative effort that involves input from various stakeholders. Details on this process and enhancements made in recent years are outlined in Appendix A.

1. Fiscal Context

2023-24 Forecast

The pattern of stagnant revenue and increasing expenditures affecting institutions across the sector since 2019 continued in 2023-24. Throughout the year, the University continued to pursue various strategies to tackle our fiscal challenges, and this collective effort from our community yielded positive results, helping us to generate revenue, reduce expenses and stem the growth of our operating budget deficit. We also weathered additional pressures on our operating budget, including higher-than-expected compensation costs resulting from the repeal of Bill 124, which had capped public sector salary increases in Ontario at 1% per year for several years. At the time of writing this document, the University is projecting a $14.5 million deficit, a fourth consecutive year-end deficit.

Unexpected Budget Pressures

We remain focused on balancing our budget but have faced two significant shocks that have and will continue to challenge us. On January 22, 2024, the federal government announced a two-year intake cap on the approval of study permit applications, including a new attestation process for all international students applying for a visa. The proposed impact of this on international enrolments combined with the impact of employee compensation demands arising from the repeal of Bill 124 have put significant upward pressure on our expenses. While we continue to work to mitigate these risks, they are projected to delay our ability to balance the budget. As will be explained in the following, our path to financial sustainability continues to lie in internationalization, the strategic modernization of our university and support from government.

While we appreciate the provincial government's recent announcement of a one-time $1.3 billion investment in post-secondary education over the next three years, long-term sustainable funding is required to ensure fiscal sustainability.

University Reserves

University reserves (Figure 1) have been declining since 2019-20 when domestic tuition was first cut by government. Our reserves are financial assets set aside for emergencies, unexpected expenses, or deficits in operating budgets. At the time of writing the budget plan, there is projected to be sufficient *central reserve* balances to fund the projected deficit for 2024-25 only, the first of three years of projected deficits in this budget plan. Depleting reserves – as we have done for nearly four years – to cover deficits is a short-term solution that cannot address our fiscal challenges. Further declines in our total university reserves will impact the university's financial stability and the metrics the Government of Ontario monitors to ensure the financial health and sustainability of institutions. For additional information on the University's fiscal outlook and accountability metrics, refer to Appendix B and Appendix C, respectively.

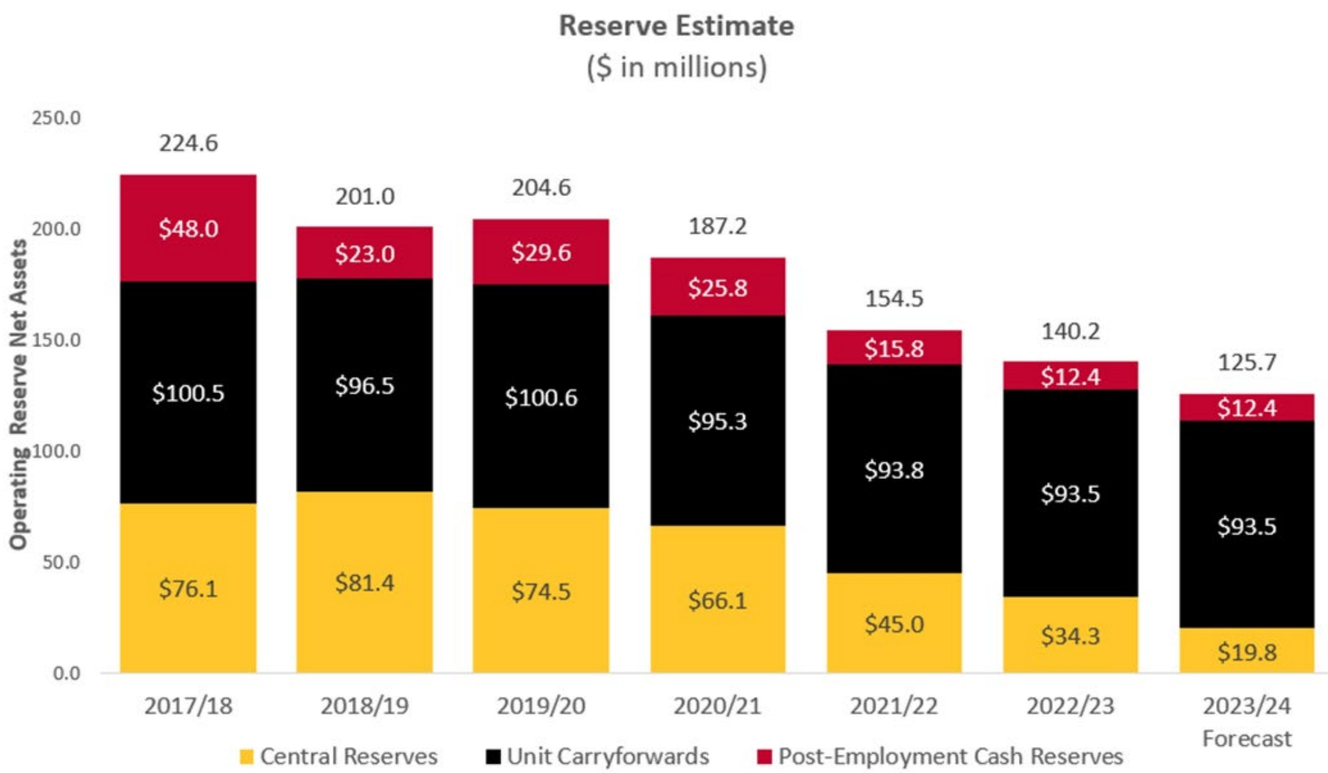

Figure 1: University Reserves 2017-18 to 2023-24

2. Strategic Plan

Our strategic plan—Our Time: The University of Guelph's Strategic Plan 2022-27—embodies a collective vision for our future, urging us to seize the moment at U of G and forge an institution unlike any other. It delineates shared priorities for the next three years and the requisite goals to realize a prosperous future. Driven by our core values, we are committed to:

- Deepening our global impact
- Transforming our University through Indigenization and equity, diversity, and inclusion
- Advancing U of G's distinctive student experience
- Building a sustainable tomorrow
- Supporting faculty and staff success

To make Our Time a reality, we must begin by focusing on a pivotal enabler and the sixth pillar of our Strategic Plan: Leveraging our Financial and Digital Capacity. By doing so, we position ourselves for success, enabling us to invest in our priorities and bring them to fruition over the next three years.

The Budget Plan for 2024-25 to 2026-27 presented here is key to enabling our financial capacity and serves as our detailed roadmap to achieving our strategic priorities, while addressing the multifaceted budget challenges we face. In times of fiscal constraints, our strategic plan assumes an even greater significance, serving as a compass to navigate the complex terrain of financial decision-making. It provides a structured framework to guide us in assessing and prioritizing strategic investments, revenue generation and budget reductions, ensuring that our limited resources are allocated effectively and in alignment with our overarching goals and values.

As we achieve greater financial sustainability, we are planning for strategic investments over the next three years in the following areas:

- Global impact – support for development of new course-based masters aimed at providing international students with the education and experience they need.
- Advancing international research and commercialization partnerships, including support for faculty and student mobility.
- Advancing our Student Mental Health plan.
- Affordability for our students – increasing graduate student stipends; investment of monies to support undergraduate students in need.
- Developing career ready students by expanding work-integrated learning opportunities and labour market transition supports, with particular focus on differential needs of domestic and international students.
- Digitization as we continue our pursuit of modernization.

3. Our Environment: Risks

Despite meticulous planning, the number of external shocks to the University over the last few months means that the University may encounter significant variances from our budgeted assumptions. These factors are beyond our control and include shifts in government policy, fluctuations in enrolment, and global and economic uncertainties. These variables can result in revenue shortfalls or unforeseen expenses, posing great risks to the university's budget targets and financial stability.

Geopolitical Landscape

The changing global geopolitical landscape presents significant budgetary and reputational risks for the University of Guelph. Disruptions within key international student markets, in particular India and to a lesser extent China, combined with the international student visa restrictions, have resulted in significant drops in the numbers of international student applications (see Appendix D), which in turn have led us to reduce our estimated number of incoming international students for the fall of 2024 enrolment. A reduction of 100 international undergraduate students equals approximately $3.7M in tuition revenue.

The geopolitical tensions arising from the Israel-Hamas conflict have increased reputational risks for all Universities whilst also straining certain departments within U of G which are attempting to support student needs and uphold university policies on academic freedom and freedom of speech and inquiry.

Finally, the federal government's announcement of its National Security guidelines impacting research have had limited direct impact on research and reputation at U of G but have demanded increased investments by the Research Services Office to monitor and abide by policy guidelines.

Government Policy

International Visa and Work Permit Restrictions

As highlighted earlier, the federal government's announcement of a temporary two-year cap on some international study permits combined with the need to develop an attestation process is impacting international student applications with almost certain impact on international student enrolment, particularly at the undergraduate level.

Bill 124 and Collective Bargaining

The repeal of Bill 124 and the sector's trend towards retroactive pay increases to compensate for its impact on collective bargaining introduce uncertainty in compensation estimates. Negotiations with major bargaining groups (the UGFA and CUPE) will occur over the next 18 months.

MCU: Operating Grants, Corridor Funding and Frozen Tuition

Provincially regulated revenues constitute about two-thirds of U of G's annual operating revenue. Operating grants from the provincial government have remained frozen since 2006, declining by 31% in real value. In 2016-17, the provincial government introduced a funding corridor that fixed institutions' operating grants based on student levels at the time, leading to a current number of approximately 1,000 provincially 'unfunded' students at the University of Guelph. Until 2018-19, universities could increase domestic tuition fees by an average of 3% annually. However, in 2019, the provincial government froze domestic tuition fees after implementing a 10% reduction. This cut, coupled with a decrease in provincial funding for student assistance, has resulted in a 5% reduction in our *total* operating budget, a much higher impact than many of our peer institutions who have relied more heavily on international student tuition.

In March 2023, the Ontario government announced the creation of a Blue-Ribbon Panel of experts to provide advice and recommendations for ensuring the long-run financial sustainability of Ontario's postsecondary education sector. The Panel delivered advice and recommendations in the report, Ensuring Financial Sustainability for Ontario's Postsecondary Sector, in November 2023. The report indicated that "the sector's financial sustainability is currently at serious risk, and it will take a concerted effort to right the ship." A summary of the report is provided in Appendix D.

At the end of February 2024, the Ontario government announced $1.3 billion in one-time funding over three years as its response to the Blue-Ribbon Panel. Among the funding is $700 million for a Post-Secondary Education Sustainability Fund starting in 2024-25, which will be proportionally allocated to all institutions, with an additional $203 million for institutions with greater financial need. At the same time, the government announced that it will be freezing tuition for an additional three years which has a significant ongoing impact on the U of G's budget.

While we do not have formal commitments regarding U of G's allocation, we are anticipating a 3% increase in operating grants for 2024-25 and compounding 2% increases for the subsequent two years from the $700 million fund. Details regarding eligibility for the $203 million in top-up funding intended for institutions with greater financial need have not yet been shared with institutions. As such, for this budget plan we have assumed no allocation from the top up funding until such time when details are clarified.

Strategic Mandate Agreement (SMA) and Performance Metrics

Enrolment Growth in SMA4: 2024-25 is the final year of SMA3 and we anticipate discussions to begin this summer or fall for SMA4. While funding discussions may occur during this process, we cannot assume additional funding allocations will materialize.

Performance Funding: The University continues to work towards aligning operations with provincially mandated performance-based funding, a shift from enrolment-based funding first articulated in SMA3. The performance-based funding will be allocated to institutions based on their performance on 10 metrics, two of which are chosen by each institution. Although the shift to performance-based funding as outlined in the SMA3 has been delayed by the impacts of the COVID-19 pandemic, this spring, the Ministry of Colleges and Universities confirmed that 10% of operating funding in 2023-24 and 25% of operating funding in 2024-25 would be performance based. There will be no impacts for 2023-24 as performance funding is applied on a slipped-year basis (meaning 2023-24 performance will affect 2024-25 funding), and the impacts for 2024-25 and beyond are expected to be minimal.

Core Research Funding

It has been three years since the federal government increased core research funding provided by the tri-agencies and the Canada Foundation for Innovation (CFI). As a research-intensive university, this lack of investment strains our operating budget as we must allocate more resources to cover basic research costs, such as salaries for researchers and support staff, and maintenance of research facilities. Uncertainty around core research funding hampers our ability to invest in key research priorities and our ability to attract top talent.

OMAFRA Partnership

The University of Guelph's partnership with the Ontario Ministry of Agriculture, Food and Rural Affairs (OMAFRA) is a longstanding collaboration that contracts the University to undertake research, education, and outreach to support Ontario's agriculture, food, and rural sectors. A central element of this collaboration is the Ontario Agri-Food Innovation Alliance, which tackles challenges in the agri-food sector and promotes innovation for competitiveness, sustainability, and profitability. The financial agreement – nearly $343 million over five years – between the University of Guelph and OMAFRA is integral to the Alliance, providing the necessary financial resources to support faculty, staff, students and the operations of 14 research centres across the province. The Alliance funding is anticipated to decrease by $5 million in 2026-27, necessitating careful management of operating and research activities.

4. Our Environment: Opportunities

Domestic Undergraduate Enrolment[1]: The University of Guelph distinguishes itself by its capacity to draw high-caliber students from across Canada and Ontario. Appendix E provides evidence of University of Guelph's continued increase in domestic applications and first-choice candidates. Renowned for its excellence in STEM education, 70% of U of G undergraduate enrolments are in STEM related fields. With sustained demand in both student and labour markets for these fields, and government interest in STEM, we have a remarkable opportunity to leverage this strength.

International Graduate Enrolment[2]: In recent years, the University of Guelph has intensified its efforts to develop and enhance its graduate programs, particularly focusing on course-based masters (CBMs). These programs have proven to be highly attractive to international graduate students seeking top-tier education opportunities in Canada, positioning us well to strengthen our enrolments in these programs. In 2023-24, four new CBMs were expected to move through the governance cycle, with an additional three planned for 2024-25.

International graduate students are not affected by recent changes to student visas and government has improved access to post-graduation work permits (PGWPs) for international graduate students in Canada by allowing graduate students, including those pursuing a one-year master's degree, to apply to work in Canada for up to three years after graduation.

Strategic Transformation: Modernizing the institution while reducing costs and increasing revenue is central to Strategic Transformation. In 2024-25, the Strategic Transformation Office expects to reduce costs by an additional $18M and continue to drive modernization, spur innovation, and ensure the University advances its digital strategy. We acknowledge that achieving these goals will be exceedingly difficult during a sustained period of fiscal constraint. This will require strong communication and employee engagement, evidence-based decision making and strategic capacity to prioritize and maximize the impact of our efforts.

Micro-credentials and Continuing Education: Micro-credentials and continuing education represent avenues for the University of Guelph to address budgetary challenges by broadening revenue streams and reaching a wider audience. Expanding educational offerings will present significant opportunities for U of G in 2025-26 and beyond.

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[1] Undergraduate domestic and international intake is based on student's fee-paying status as of November 1st. Headcount excludes. Guelph-Humber and Ridgetown

[2] Graduate domestic and international intake is based on student's fee-paying status as of November 1st.

5. Three-Year General Operating Plan: 2024-25 to 2026-27

The operating fund encompasses unrestricted general revenues and expenses directly linked to the University's mission, including education and research support activities not bound by agreements or contracts. This fund largely drives the institution's core mission activities and holds the greatest material impact on the University's fiscal health.

Table 1 outlines the forecasted results for 2023-24 and the anticipated revenues and expenses for the General Operating Budget spanning from 2024-25 to 2026-27. Over the next three years, the General Operating Budget deficit is expected to increase from $14.5 million in 2023-24 to $15.4 million in 2026-27. These projections assume that the University will meet the expense reduction and revenue growth targets outlined below and receive the MCU Postsecondary Education Sustainability Fund one-time grant funding (as outlined in the table).

Table 1: 2024-25 to 2026-27 General Operating Budget

$ in millions	2022/23 Actual	2023/24 Budget	2023/24 Forecast	2024/25 Budget	2025/26 Projections	2026/27 Projections
Revenue	**$ 517.2**	**$ 522.3**	**$ 532.8**	**$ 543.2**	**$ 574.1**	**$ 586.7**
Transfers to Operating:						
From Ancillaries & OMAFRA	$ 37.5	$ 38.9	$ 38.9	$ 40.6	$ 41.1	$ 41.5
For Transformation One-time Costs (debt financing)	$ -	$ 18.0	$ 11.0	$ 15.0	$ 9.0	$ -
Transfers to Operating - sub-total	**$ 37.5**	**$ 56.9**	**$ 49.9**	**$ 55.6**	**$ 50.1**	**$ 41.5**
Transfers from Operating:						
For Transformation debt repayment	$ -	$ -	$ -	$ (3.4)	$ (6.1)	$ (7.8)
For major physical capital & capital debt charges	$ (23.4)	$ (25.4)	$ (25.4)	$ (25.8)	$ (28.7)	$ (31.3)
Transfers from Operating - sub-total	**$ (23.4)**	**$ (25.4)**	**$ (25.4)**	**$ (29.2)**	**$ (34.8)**	**$ (39.1)**
Expenses	**$ (547.4)**	**$ (571.1)**	**$ (571.8)**	**$ (588.5)**	**$ (604.7)**	**$ (619.3)**
Net Operating Results	**$ (16.1)**	**$ (17.3)**	**$ (14.5)**	**$ (18.9)**	**$ (15.4)**	**$ (30.1)**
Additional Grant Revenue:						
Postsecondary Education Sustainability Fund				$ 6.2	$ 10.4	$ 14.7
Net Operating Results - including additional grant revenue	**$ (16.1)**	**$ (17.3)**	**$ (14.5)**	**$ (12.7)**	**$ (5.0)**	**$ (15.4)**

Despite our projection of continued deficit budgets, we remain committed to balancing the operating budget as the foundational step towards reinvesting in the university community and propelling our strategic plan forward. Our three-year plan takes an aggressive approach to revenue and expense drivers such as tuition and operational efficiencies through the strategic transformation initiative, while also prioritizing some opportunities for modernization and digitization.

Tuition Revenue Growth

Tuition revenue accounts for nearly 46% of total operating revenue at U of G. With domestic Ontario tuition frozen for several years and into the near future, and with declining international enrolment and tuition due to the federal government restrictions on visas and work permits, we are severely constrained in our ability to generate revenue to offset increasing costs. Understanding our enrolment strategy is therefore critical to understanding our budget plans.

Recent trends in both total applications and first-choice applicants to U of G (as shown in Appendix E) have allowed for moderate enrolment growth in both undergraduate and graduate programs over the past decade. Our goal over the next five years is to further increase enrolment to meet the rising demand for higher education and maximize our opportunities for financial sustainability. This increase in enrolment requires careful planning and adequate resource sharing with colleges to ensure continued excellence in U of G's educational offerings.

We have comprehensive strategies in place to strategically ramp up enrolment in both domestic and international undergraduate and graduate programs. However, considering the external factors outlined in the risks section, our primary growth opportunities are with domestic undergraduate and international graduate students.

While we pursue more ambitious enrolment targets, our budget plan includes more moderate enrolment estimates in recognition of the uncertain environment in which we are operating. We anticipate total tuition revenue to be $251.6M in 2024-25, a $16.4M increase over 2023-24. Further details on tuition revenue can be found in section 6.3.

Strategic Transformation

In 2023-24, the University launched its Strategic Transformation initiative, with the initial plan and savings targets shown in Table 2. This five-year strategy focuses on modernization through technology and digital solutions, revenue growth, and streamlined operations.

The goal is to achieve $45.7 million in cumulative savings by 2027-28 through a mix of revenue generation and expense reduction. However, it's important to note that the identified savings targets are subject to change. A key part of the University's strategic transformation involves operational reviews. These reviews aim to comprehensively assess our current operations, identify opportunities for modernization and digitization, and find ways to operate more efficiently. As these reviews are completed, we will gain a clearer understanding of the opportunities for change across our campus, and the outcomes may differ from our initial plans.

Of particular note, some of the more significant changes we are exploring offer strong financial returns but may take multiple years to realize the full benefit.

The University achieved nearly 90% of its targeted savings (see Table 2) for 2023-24. In addition to the nearly $5.7M in cumulative savings from 2023-24, the 2024-25 budget plan accounts for an additional $18.4 million in incremental base savings, totaling a cumulative savings of nearly $25M.

Table 2: 2023-24 to 2027-28 Strategic Transformation Savings Plan

	Proposed Base Savings / Targets				
	23/24	24/25	25/26	26/27	27/28
In Thousands	**$'s**	**$'s**	**$'s**	**$'s**	**$'s**
1. Transforming business service delivery including staff restructuring	$ 2,160	$ 7,342	$ 12,350	$ 13,797	$ 13,897
2. Reducing base contributions to non-tuition revenue generating units	$ 2,339	$ 5,207	$ 8,786	$ 10,246	$ 11,716
3. Transforming academic services and research support to enable teaching and research excellence including staff restructuring	$ 1,503	$ 5,268	$ 12,113	$ 14,198	$ 14,198
4. Voluntary Faculty, Veterinarian, and Librarian retirement incentive program	$ 400	$ 7,000	$ 5,898	$ 5,898	$ 5,898
TOTAL	**$ 6,402**	**$ 24,817**	**$ 39,146**	**$ 44,138**	**$ 45,708**

Digitization

Digitization and modernization are key drivers of cost savings and efficiency. Transitioning to digital processes, like electronic record-keeping and online administrative systems, reduces paper waste and streamlines operations. This shift to digital solutions not only saves costs but also provides a sustainable platform for pursuing our core academic and research missions. Additionally, modernizing infrastructure and adopting new technologies improve energy efficiency and lower maintenance costs, contributing to a more sustainable and agile university environment.

Ministry of Colleges and Universities (MCU) Grants

While the assumed increase in grant allocations from the Postsecondary Education Sustainability Fund will help to offset increasing expenses and lessen operating budget deficits in the short-term, a sustained increase in operating grants is required to secure long-term financial sustainability for the University. To support this outcome, we continue to prioritize government advocacy to secure additional and permanent operating grant funding.

Funding Compensation Inflation

Post-Bill 124 compensation inflation poses a significant challenge to the University's goal of achieving a balanced budget by 2027-28. To address some of these impacts, we have adjusted the way in which units budget for compensation increases. Up until 2023-24, central funds have been allocated to cover nearly 100% of the cost of compensation inflation in the operating budget across the University. Starting in 2024-25, units will be required to fund approximately 30% of compensation inflation, which represents a cost saving of approximately $9.1M in 2024-25, increasing to $14.3 million in 2025-26. This change in funding for compensation growth aims to encourage behavioral changes and support the University's trajectory towards financial balance. While the budget plan assumes this new model will continue for the duration of the plan, we will continue to assess how targets are distributed, recognizing that revenue generating units have greater flexibility to account for these adjustments.

To summarize, with these actions we are planning to pull out of the base budget an additional $27.5M in 2024-25. This represents a cumulative base budget reduction of $34M over two budget cycles from 2023-25.

Table 3: Unit Compensation Inflation (2024-25 to 2025-26)

$ in millions	2024/25 Budget	2025/26 Budget	2026/27 Budget
Units Fund Approx 30% of Compensation Inflation	$ 9.1	$ 14.3	$ 14.3

6. 2024-25 General Operating Plan

6.1 General Operating Budget Overview

Table 4 presents a detailed breakdown of the General Operating Budget's anticipated revenues and expenses for 2024-25, and how they compare to the expected results for 2023-24. We are projecting a deficit of $12.7 million for the 2024-25 General Operating Budget, including the Postsecondary Education Sustainability Fund one-time grant funding. This assumes we will achieve the revenue and expense assumptions outlined for 2024-25, including nearly $34 million in cumulative base savings through Strategic Transformation and changes to how we fund compensation inflation. Details for the three-year plan can be found in Appendix F.

Table 4: 2023-24 to 2024-25 General Operating Budget Comparison

		2023/2024 Budget				2024/2025 Budget		
In Thousands	**2022/23 Actual**	**Before Transformation Spending**	**Transformation Spending**	**Total**	**2023/24 Forecast**	**Base**	**One-time**	**Total**
REVENUES								
Provincial Operating Grants	185,492	186,370		186,370	188,144	187,110	-	187,110
Tuition Fees	221,286	235,219		235,219	234,780	251,617	-	251,617
Other Student Fees & Contracts	23,467	21,850		21,850	25,083	26,835	-	26,835
Sales of Goods and Services	38,865	37,998		37,998	39,867	39,846	-	39,846
Guelph-Humber	20,489	18,458		18,458	17,516	15,435	-	15,435
Other Revenues	15,804	22,395		22,395	27,399	22,395	-	22,395
Total Revenues	**505,405**	**522,291**	**-**	**522,291**	**532,790**	**543,239**	**-**	**543,239**
EXPENSES								
Salaries	(327,192)	(327,678)		(327,678)	(339,381)	(341,411)	-	(341,411)
Benefits	(82,706)	(88,007)		(88,007)	(86,528)	(93,516)	-	(93,516)
Scholarships and Bursaries	(32,870)	(28,575)		(28,575)	(26,753)	(28,274)	-	(28,274)
Utilities	(20,570)	(19,165)		(19,165)	(17,954)	(19,490)	-	(19,490)
Operating	(84,033)	(89,716)	(18,000)	(107,716)	(101,201)	(85,187)	(20,660)	(105,846)
Total Expenses	**(547,371)**	**(553,141)**	**(18,000)**	**(571,141)**	**(571,817)**	**(567,878)**	**(20,660)**	**(588,538)**
		-	-	-	-	-	-	-
Net Position - Before Transfers	**(41,967)**	**(30,850)**	**(18,000)**	**(48,850)**	**(39,027)**	**(24,639)**	**(20,660)**	**(45,299)**
TRANSFERS								
From OMAFRA	34,677	22,880		22,880	22,719	22,880	-	22,880
From Ancillaries	14,574	16,011		16,011	16,186	17,716	-	17,716
From Heritage	-	-		-	-	-	-	-
Debt Financing of Transformational Costs		-	18,000	18,000	10,976	-	15,000	15,000
Transfers to Operating	**49,251**	**38,891**	**18,000**	**56,891**	**49,881**	**40,596**	**15,000**	**55,596**
To Major Capital & Debt Servicing	(23,380)	(25,351)		(25,351)	(25,352)	(26,065)	(3,138)	(29,203)
		-	-	-	-	-	-	-
Transfers from Operating	**(23,380)**	**(25,351)**	**-**	**(25,351)**	**(25,352)**	**(26,065)**	**(3,138)**	**(29,203)**
		-	-	-	-	-	-	-
Total Transfers	**25,871**	**13,540**	**18,000**	**31,540**	**24,529**	**14,531**	**11,862**	**26,393**
		-	-	-	-	-	-	-
Net General Operating Results	**(16,095)**	**(17,309)**	**-**	**(17,309)**	**(14,498)**	**(10,108)**	**(8,798)**	**(18,906)**
Additional Grant Revenue:								
Postsecondary Education Sustainability Fund							**6,159**	**6,159**
Net Operating Results - including additional grant revenue	**(16,095)**	**(17,309)**	**-**	**(17,309)**	**(14,498)**	**(10,108)**	**(2,639)**	**(12,747)**

6.2 Revenue and Expense Assumptions

Compared to the 2023-24 budget, we anticipate a 4% increase ($20.9M) in our 2024-25 revenues, excluding the assumed grant allocations from the Postsecondary Education Sustainability Fund. However, our expenses are expected to grow by $32.2 million (5.8%). This growth in expenses is driven by several factors, including $15 million in one-time transformation investments funded by debt financing, as well as inflationary pressures on services provided by the University, such as space costs, utilities, and compensation. These investments are crucial for our ongoing development and support our commitment to excellence in education and research. Transfers from the General Operating Budget to Capital will also increase by $3.8 million, primarily to support our capital renewal program and repay debt associated with strategic transformation investments.

Key Revenue Assumptions for 2024-25:

- Domestic Ontario tuition rates for provincially funded programs are confirmed to be frozen through 2026-27 and will remain at the 2019-20 rates s as per the tuition fee framework, with some exceptions.

- Domestic undergraduate programs with below-market tuition rates will increase by up to 7.5% for students who began in Fall 2023 or after. This adjustment applies to Business, Engineering (Biological, Environmental, Water, Systems & Computing, and Undeclared majors), and Veterinary Medicine programs, with fees increasing by 7.5% until they reach the average for comparable programs, as approved by the Ministry.

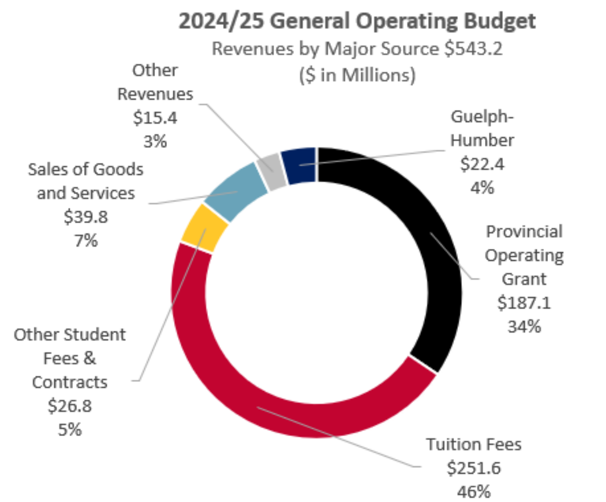


Figure 2: 2024-25 General Operating Budget Major Revenues

- Domestic out-of-province tuition rates for undergraduate programs will increase by 5%.

- International undergraduate tuition rates will increase by 5% for all degree programs, except for the Bachelor of Computing, which has been approved for a 7% increase for entering students.

- International graduate tuition rates for professional programs will increase between 3-7%, while doctoral and thesis-based programs will maintain their 2023-24 rates.

- Domestic undergraduate enrolment is projected to increase beyond 2023-24, while international undergraduate enrolment is expected to decrease.

- The profit-share from University of Guelph-Humber is anticipated to decrease to reflect lower enrolment, resulting in a neutral impact on the operating budget. This is due to the funding model at Guelph-Humber, where a share of the provincial grant is based on domestic enrolment. As domestic enrolment decreases, more of the provincial operating grant remains in the Guelph operating budget rather than transferring to the Guelph-Humber budget.

Key Expenditure Assumptions:

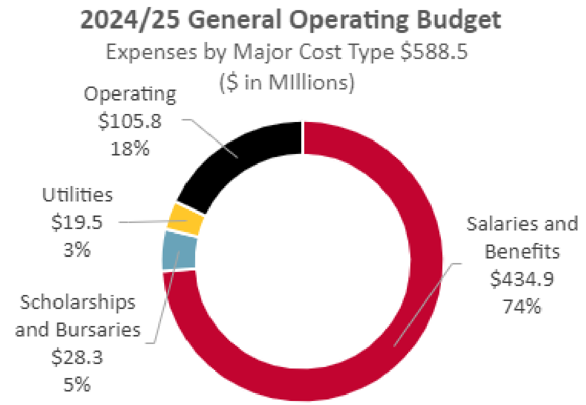


Figure 3: 2024-25 General Operating Budget: Expenses by Major Cost Type

- Compensation estimates include projected market adjustments following the end of the Bill 124 moderation period as well as annual increases consistent with recent collective agreements in the sector.

- The central utilities budget will increase by 3.5% to accommodate inflation.

- Scholarship and bursary expenses in 2023-24 are decreasing relative to 2022-23 actuals due to changes to the domestic entrance scholarship grid. This adjustment ensures that the current base budget can adequately fund expected commitments for international entrance awards, including those with renewable components. Therefore, the 2024-25 budget is not expected to change from the 2023-24 plan.

- Operating costs are expected to marginally increase due to new investments in graduate student supports, Collaborative DVM Program startup costs (offset by grants), revenue sharing with colleges for increased enrolments of undergraduate students, and ongoing resourcing for the new Human Resource Management System (HRMS).

- $5.0 million is allocated for investments in digital infrastructure and existing network infrastructure renewal. This includes the Research Administration and Information Management System (RAIMS) and Finance ERP systems.

Key Transfer Assumptions:

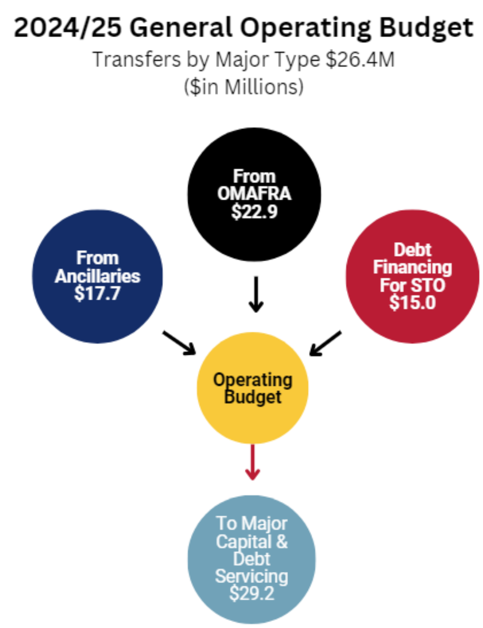


Figure 4: 2024-25 General Operating Budget: Transfers by Major Type

- Transfers from Ancillaries are set to increase to accommodate inflationary impacts on university overhead costs for ancillary units' occupied space. Additional ancillary funds will be allocated for student support services, including mental health services and global pre-arrival support for international students.

- Transfers from OMAFRA to cover indirect costs associated with the Agreement are expected to remain consistent with the 2023-24 budget.

- Transfers to Major Capital and Debt Servicing are projected to rise in 2024-25 to support the capital renewal program, address inflationary pressures, and cover debt financing.

6.3 Tuition and Student Fees

Revenue in the General Operating Budget is generated from tuition (domestic and international) and non-tuition compulsory fees for services, governed by provincially mandated and board-approved protocols.

In 2024-25, projected revenue from tuition and non-tuition fees is $278.5 million (see Figure 5). University degree tuition contributes the majority, $240.8 million or 86.5%, making up 46% of total operating revenue.

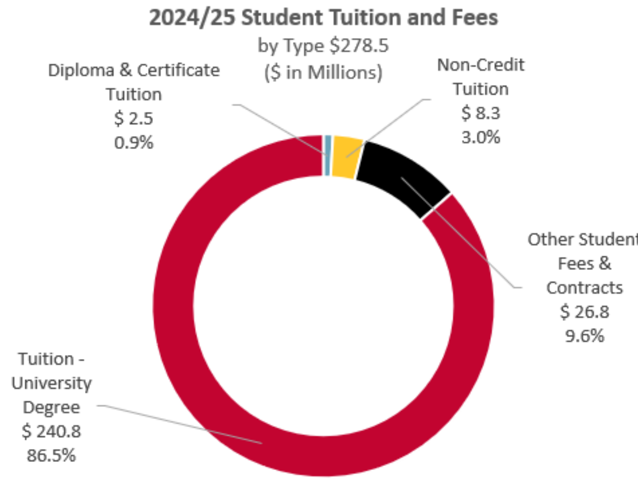


Figure 5: 2024-25 General Operating Budget Tuition and Student Fees Revenue

Tuition

The 2024-25 budget anticipates a $16.4 million increase in total tuition revenue compared to the previous year. Domestic tuition revenue is expected to rise by $15.7 million, driven by increased intake and higher tuition fees for approved programs like Business, Engineering, and Veterinary Medicine. International tuition revenue is projected to grow by $0.7 million. See Appendix G for all 2024-25 tuition rates.

Tuition fees for university degree programs are categorized into three main groups:

- **Provincially regulated:** This group includes undergraduate and graduate student programs that receive core operating grants, as well as domestic (permanent resident) students.
- **International programs:** This group comprises undergraduate and graduate student enrolment that does not receive support under provincial policy. Setting international tuition fees aims to balance accessibility and student needs with maintaining high-quality academic programs and services for international students. The university currently offers some of the lowest international undergraduate tuition fees among our peer group. Increases in these fees are partly offset by increased allocations to scholarships and student financial aid.
- **Full-cost recovery programs:** These are programs, mainly graduate programs, that charge sufficient tuition to cover the full costs of the program. The University of Guelph has relatively few full-cost recovery programs.

Diploma & Certificate Programs

For many years, the University has offered a variety of agricultural diploma programs. These programs are delivered by the Ontario Agricultural College (OAC) at both the Guelph and Ridgetown campuses. The associate diploma programs are not covered by the MCU tuition framework.

Student Fees & Contracts

In addition to tuition, students contribute to the General Operating Budget through fees known as non-tuition compulsory fees, which are included in their registration. Other fees, such as fee-for-services, are charged only when a service is used, such as obtaining a transcript. All non-tuition compulsory fees must be initiated through student referenda in accordance with provincial policy. These fees are also controlled by student-approved protocols, a requirement for all universities in the province. See Appendix H for a list of student fees and approved increases for 2024-25. Student fees for Ridgetown operate in a different manner than main campus; only new fees are brought forward for Board approval. See Appendix I for more details.

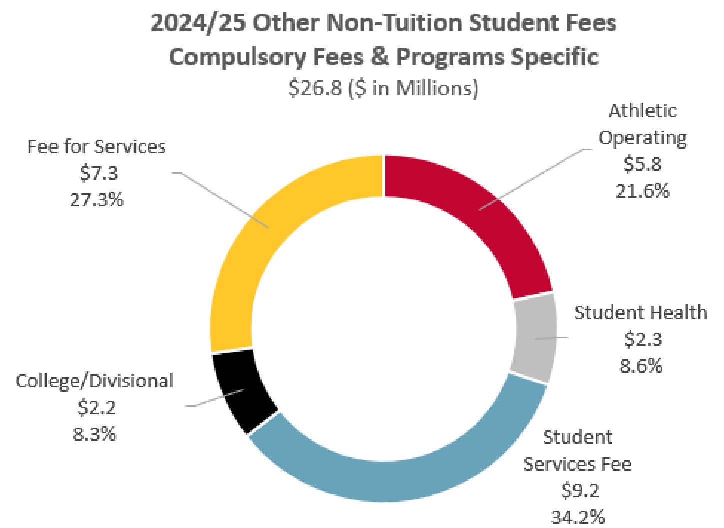


Figure 6: 2024-25 General Operating Budget: Other Student Fees and Contracts Revenue

Several college-based and other fees charged for program-specific services, like co-op placement fees covering direct program costs, are excluded from these protocols[3]. The total estimated revenue from these fees is $26.8 million (Figure 6), with most revenues credited to the units providing the service.

By default, fees may increase by the consumer price index (CPI; 3.8% for 2023). However, increases of up to 3% above CPI may be approved through a referendum or by a student fee advisory committee.

[3] Also excluded are non-tuition fees charged to students that support student-facing infrastructure, such as the Guelph Gryphons Athletics Centre. These fees flow outside of the General Operating Budget.

6.4 Provincial Operating Grants

The provincial operating grants provided by the MCU are a major source of funding for the University's operations, representing 40% of operating revenues.

Figure 7 shows the operating grant funding expected for 2024-25. Operating grants in Ontario have been frozen since 2016-17, further limiting our capacity to raise revenues by admitting more domestic students. The increase in funding from the Postsecondary Education Sustainability Fund is not included in this figure, as these funds will be transferred from a different source and represent one-time funding for three years rather than base funding.

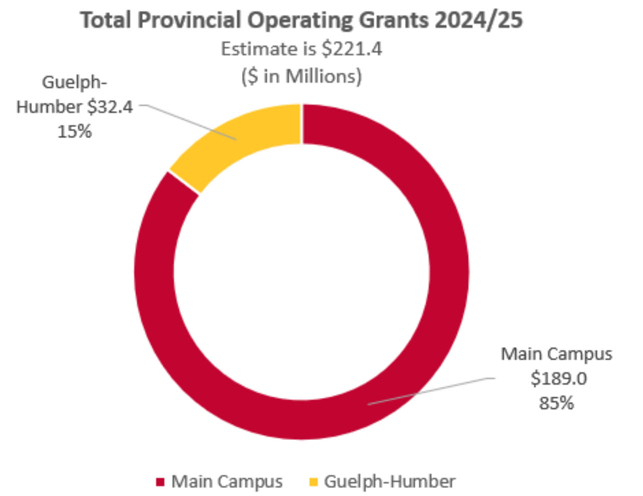


Figure 7: 2024-25 General Operating Budget Operating Grant Revenue Assumptions

Students enrolled in Guelph-Humber programs are considered University of Guelph students for MCU reporting and funding purposes. In 2024-25, the University of Guelph is expected to transfer $32.4 million of provincial operating grants to the University of Guelph-Humber joint venture based on Guelph-Humber's contribution to the University of Guelph's corridor midpoint.

6.5 University of Guelph-Humber

In 2002, the University of Guelph entered a joint venture with the Humber College Institute of Technology and Advanced Learning (Humber) to offer a combined university degree and college diploma within a four-year period. In 2023-24, more than 4,600 students are enrolled in eight major undergraduate program areas. All revenues (provincial grants and tuition fees) and related course delivery and support costs are credited or charged to the joint venture.

The Guelph-Humber joint venture generates approximately $15.4 million in revenue transfers for the University of Guelph (see Figure 8). This revenue is earned through two main streams:

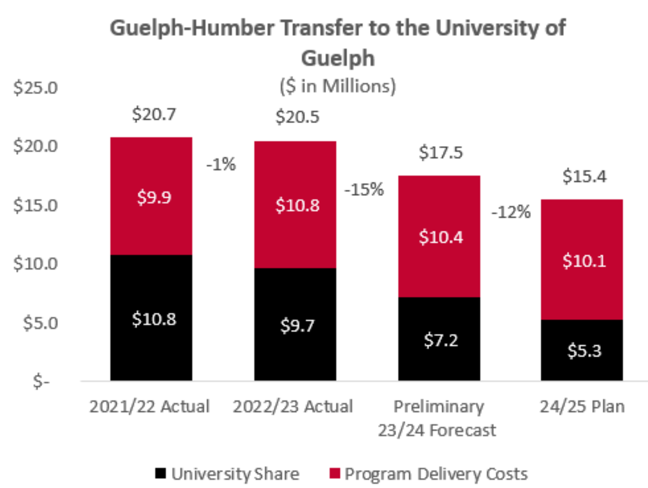


Figure 8: 2024-25 General Operating Budget Guelph-Humber Transfers

- University of Guelph colleges and divisions receive around $10.1 million annually for course delivery and academic support services provided to Guelph-Humber. This income, primarily used to offset direct costs, can vary based on the courses taught and service levels contracted by Guelph-Humber.
- The net income of the joint venture is split equally between the University of Guelph and Humber.

The 2024-25 Guelph-Humber budget projects a net income of $6.6 million, resulting in a net income share of $3.3 million for the university and a management fee of $2 million, totaling $5.3 million. This is a decrease from the $7.2 million forecasted for 2023-24. The transfers from the University of Guelph-Humber partnerships have been declining since 2021-22 due to lower enrolment.

6.6 Inter Fund Transfers

The University utilizes a fund accounting structure to ensure appropriate accountability and reporting for its various revenue sources and expenditures. Transfers within this accounting framework can involve revenues or expenses and serve various purposes, including cost recovery for services, support for capital projects, or covering indirect costs.

These transfers fall into two main categories: major institutional-level transfers established during the budget process at the start of the year, and numerous smaller transfers throughout the year for regular procurement activities such as equipment purchases and research support.

Table 5 below outlines the major institutional-level base operating transfers anticipated for 2024-25. Of particular note are transfers from OMAFRA and Ancillaries to the General Operating fund, which support faculty, cover indirect costs, and contribute to space expenses.

Table 5: Summary of Major Interfund Transfers 2024-25 ($ in millions)

(FROM) TO	General Operating	OMAFRA	Ancillary	Major Capital	Guelph-Humber	Research
RESEARCH						
OMAFRA - Faculty Positions	13.1	(13.1)				
OMAFRA- Indirect Costs	9.8	(9.8)				
FEDERAL - Research Support Fund	5.6					(5.6)
Other Research Indirect Support	5.6					(5.6)
Total RESEARCH	**34.0**	**(22.9)**	-	-	-	**(11.1)**
ANCILLARY						
Indirect Costs, Space Contributions	17.7		(17.7)			
Total ANCILLARY	**17.7**	-	**(17.7)**	-	-	-
CAPITAL						
Capital Projects	(11.6)			11.6		
Debt Servicing	(14.5)			14.5		
Total CAPITAL	**(26.1)**	-	-	**26.1**	-	-
GUELPH HUMBER						
Program Delivery	10.1				(10.1)	
50% Share of Net Income & Mgmt Fee	5.3				(5.3)	
Total GUELPH HUMBER	**15.4**	-	-	-	**(15.4)**	-
TOTAL TRANSFERS	**41.1**	**(22.9)**	**(17.7)**	**26.1**	**(15.4)**	**(11.1)**

6.7 Total Compensation

Total compensation, including salaries and benefits, accounts for approximately 74% of total operating expenses. In the 2024-25 fiscal year, employee agreements have been established for some major employee groups, such as P&M (professional and managerial employees) and USW, as well as several smaller groups.

Total compensation cost increases for all employee labour groups[4] have been accounted for in the 2024-25 budget plan, including for those who are expected to enter negotiations over the next 18 months, such as the UGFA and CUPE.

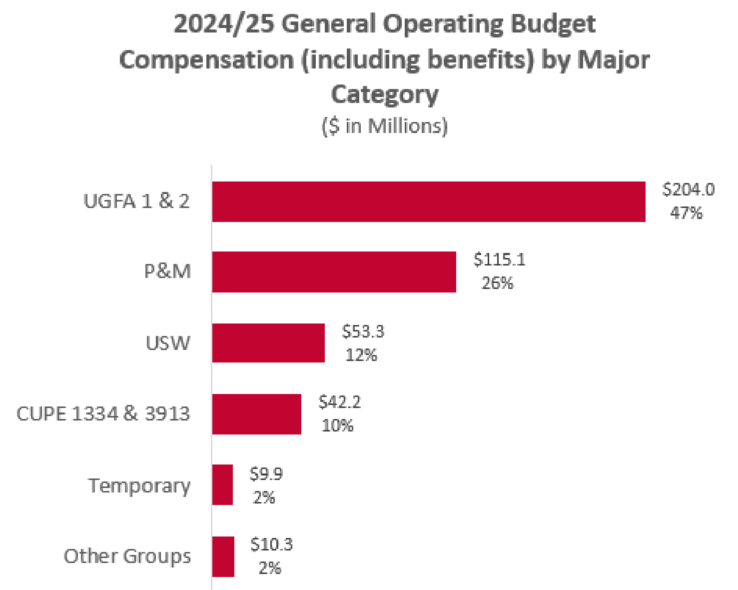


Figure 9: 2024-25 General Operating Budget Total Compensation Cost Assumptions

Employee Benefits

With an expected total University cash cost of $93.5 million (see figure 10), employee benefits represent 17% of total revenue and 27% of total salary costs. Many negotiated benefit coverages are based on actual claims. The major change in benefit costs between the 2023-24 forecast and the 2024-25 plan is due to increases in benefit usage trends, resulting in higher premiums expected from the provider for Extended Health Care (EHC) and Long-Term Disability (LTD) benefits, as well as statutory benefit increases for Canadian Pension Plan (CPP) contributions.

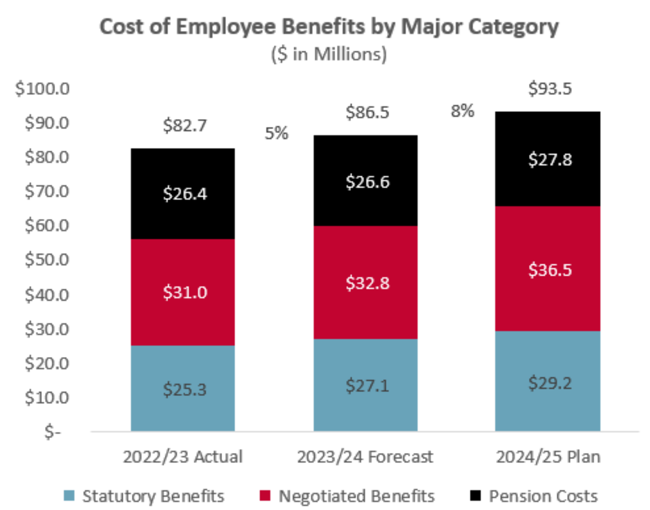


Figure 10: Employee Benefit Costs by Category 2022-23 to 2024-25

University benefit programs provided to employees have three major cost components:

- Statutory benefits: This includes CPP, Employment Insurance (EI), Employee Health Tax (EHT) and Workplace Safety Insurance (WSIB) costs. The employer contribution to CPP is expected to increase in 2024-25 due to the growth in additional maximum pensionable earnings contributions. This increase is a result of the enhanced plan that raised contribution rates starting in 2019, with 2024 being the last year of this planned increase.

[4] Details on staff composition at the University can be found in the Fact Book https://www.uoguelph.ca/iar/fact-book

- Negotiated benefits: A variety of programs are offered, with the four largest being extended health (drug and other medical benefits), long-term disability coverage, dental plan, and life insurance. Benefits are estimated to experience an overall 11% increase in costs based on rate increases and usage/experience in the plans.

- Post-employment benefits: These benefits for retirees comprise both non-pension post-employment benefit costs (mainly dental and extended health, including a supplemental drug plan) and pension plan benefits. The post-employment non-pension benefit program is budgeted on a "pay-as-you-go" basis, meaning only the actual annual cash costs are funded annually. In 2024-25, that annual cash cost is projected to be $7.5 million. This contrasts with the 2022-23 annual net accounting expense of $24.1 million, excluding remeasurement impact, which is based on the accrued liability for these programs estimated at $362.2 million. While the University is not required to fund the liability (i.e., set aside an equivalent value of assets), the actual cash costs are expected to increase, becoming more significant costs over the next 5-10 years.

6.8 Student Aid

The University of Guelph is committed to reducing barriers to education and our decision-making is guided by the principle that all qualified students should be able to attend university regardless of their financial status. This is our guarantee to accessible University education.

The University funds student financial aid through two main sources: the General Operating Budget and Endowments and Trusts, which include funds from external donors or funding agencies such as the federal research granting councils. External sources, such as donors and funding agencies, often restrict their support to merit-based programs.

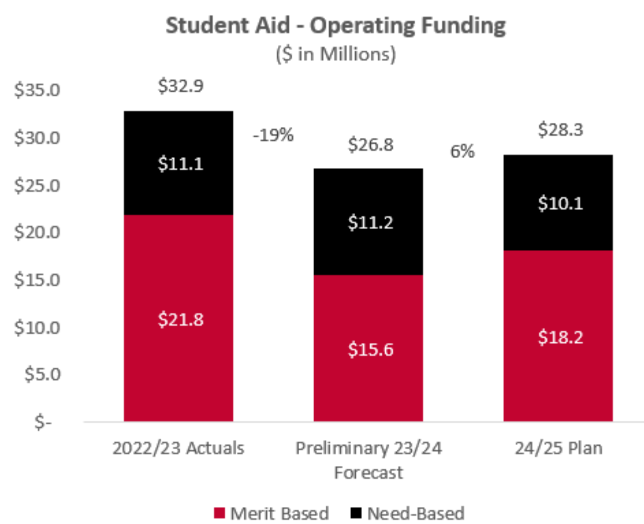


Figure 11: Student Financial Aid Operating Budget Expenses (2022-23 to 2024-25)

Student financial aid is generally categorized as either needs- or merit-based, with some scholarships incorporating elements of both criteria. Alongside University support, students receive financial assistance from the federal and provincial governments through programs like the Ontario Student Assistance Program (OSAP). The definition of “need” typically aligns with OSAP criteria, supplemented by the University to address funding gaps.

In recent years, General Operating funding for scholarships has fluctuated (see figure 11). This is due in part to adjustments made to the undergraduate entrance grid in 2023-24 to better match competitor offerings and prioritize areas such as international entrance scholarships. The 2024-25 budget remains consistent with 2023-24 levels, reflecting a 6% increase over the 2023-24 forecast.

6.9 Infrastructure Costs

At the University, central services form the operational backbone for nearly all programs and services, with costs influenced by external price inflation, legal requirements, and internal demand.

Central Utilities

These are costs related to heating (natural gas), hydro (including cooling), waste management, and water. Central Utilities primarily cover the main Guelph campus through the Central Utilities Plant (CUP), providing climate control for 6.6 million square feet of space. Some operations, such as research stations and facilities in the Research Park, manage their own utilities costs. For budgeting, funds are allocated based on long-term estimates of natural gas pricing for heating. New space additions and provincial rebates for hydro costs also impact these expenses.

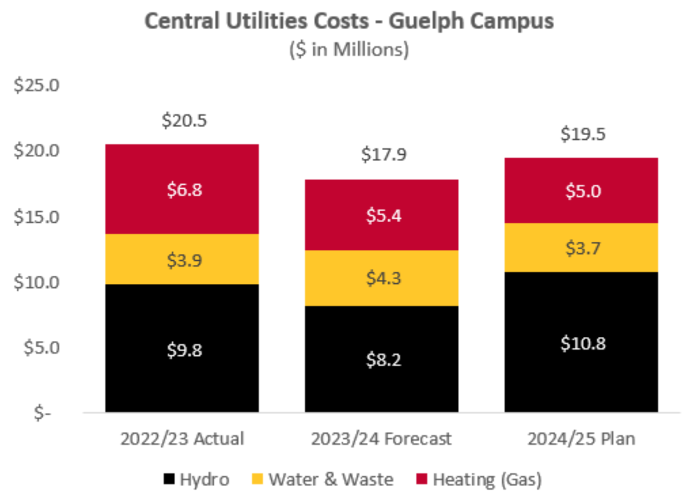


Figure 12: General Operating Budget Central Utilities 2022-23 to 2024-25

As shown in Figure 12, the central utilities budget's ongoing allocation is expected to increase compared to the 2023-24 forecast but remain lower than the 2022-23 actuals. This change is mainly due to the carbon tax and uncertainties related to Ontario's billing system for the carbon tax. Additionally, a 3.5% increase in central utilities over the 2023-24 budget has been included to account for inflation pressures.

6.10 Academic, Research and Activity-Based Funds

Academic Supports

The teaching units are the largest portion of the operating budget making up approximately 55% of the total expenditures.

The colleges at the University deliver high-quality academic curriculum to achieve this vision through inspiring learning and inquiry. In support of this role in the University's mission, the University has agreed to several internal revenue sharing agreements which allow colleges to receive budget allocations tied to a portion of confirmed tuition revenue in key program areas. These agreements incentivize innovation, strategic enrolment, and revenue growth. This encourages performance-based funding and possibly provides greater budget accountability at the college level.

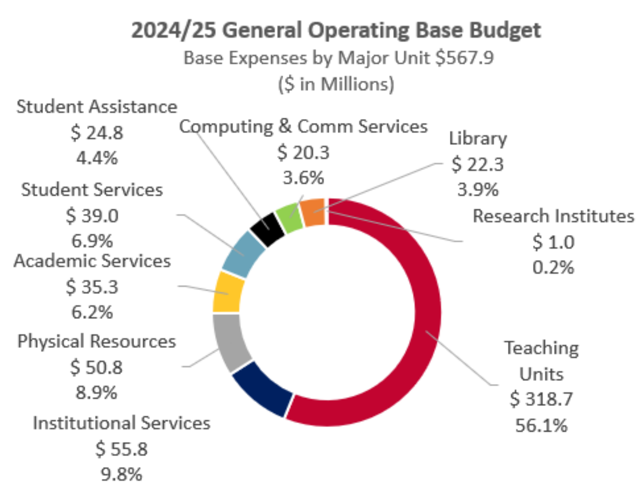


Figure 13: 2024-25 Base Expenses by Major Unit

In the past three years, the University has been phasing in a new budget revenue sharing agreement for international course-based master programs (refer to the chart). Starting in 2024-25, undergraduate revenue share agreements will be implemented to support colleges as they grow domestic enrolments. It is assumed that additional agreements are necessary to bridge the gap between the direct academic support required and moving to a performance-based model to incentivize innovation, strategic enrolment, and revenue growth.

6.11 Planned One-time Commitments

The 2024-25 budget incorporates planned one-time commitments which are detailed below. They include one-time costs for planned investments in digital infrastructure and financing of the Strategic Transformation initiative, as well as operating commitments to Nokom's House and the Royal Winter Fair.

Table 6: 2024-25 Planned One-time Commitments

Planned One-Time Commitments:	
Operating Commitments	665
Digital Infrastructure Commitments	4,698
Repayment of Interest and Principle associated with Transformation Savings	3,435
Total	**8,798**

Nokom's House

Nokom's House (Formerly Nokum's House) is a land-based research lab in the Arboretum that will bring together three community-engaged Indigenous scholars to explore questions of relationship in an interdisciplinary research environment. The construction of a sustainable Indigenous land-based research lab on campus in close relationship to the land will be one of the first of its kind and embody the values that ground the research carried out within. The budget includes one-time support of $400k for the Nokom's House construction project. This is the last year of planned operating funding for this project.

Royal Winter Fair

To support an enhanced U of G presence at the Royal Winter Fair pilot began in 2023-24. The 2024-25 budget includes $265k in one-time support to fund the second year of the pilot. U of G's exhibit at the fair in 2023 centered on the Future of Food, interactive experiences, and opportunities to learn about careers in the agri-food sector. This event participation is intended to showcase U of G's finest and exemplify our community's brilliance and values in action. This also supports building the University's reputation and strengthening life-long connections with alumni.

Digital Infrastructure (Existing Projects)

Advancing our technology and business systems is core to fulfilling the University's mission and the next few years will continue to require strategic investments in IT upgrades and new platforms. The University will continue to update and modernize systems with the goals of improving service, bettering the student experience, increasing capacity for evidence-based decision making, reducing risk, supporting research excellence, and increasing efficiencies. Projects that have been prioritized by the IT Governance Council (ITGC) include a new human resource management system (HRMS) – which is well underway and expected to go live in July 2024 – electronic CV system, upgrades to the Student Information System, Research Administration and Information Management System (RAIMS) and a new Financial Enterprise Resource Planning system (Finance ERP). The budget plan aligns the estimates for this investment in digital infrastructure outlined in the digital capital plan (section 9.2) with the operating fund. However, the University continues to manage our investment portfolio with the goal of generating excess gains which can be directed to reduce the impact on the budget.

TRANSFORMATION SAVINGS – INVESTMENT COSTS

The initial one-time expense to implement the Strategic Transformation plan is projected to be $35 million. This cost will be financed and repaid over a five-year period. The budget plan anticipates that the funds will be spent in three annual installments between 2023-24 and 2025-26, with repayment completed by 2031, as outlined in the following table.

Table 7: Financing One-time Strategic Transformation Costs

Financing of One-Time Costs:

$ thousands	**2023/24**	**2024/25**	**2025/26**	**2026/27**	**2027/28**	**2028/29**	**2029/30**	**2030/31**	**Total**
External Funding	**$ 11,000**	**$ 15,000**	**$ 9,000**						**$ 35,000**
Principal repayment		$ (2,795)	$ (5,152)	$ (6,769)	$ (7,070)	$ (6,971)	$ (4,614)	$ (1,630)	$ (35,000)
Interest repayment		$ (640)	$ (988)	$ (1,030)	$ (730)	$ (417)	$ (162)	$ (31)	$ (3,998)
Debt Payments		**$ (3,435)**	**$ (6,140)**	**$ (7,800)**	**$ (7,800)**	**$ (7,388)**	**$ (4,776)**	**$ (1,660)**	**$ (38,998)**
Total	$ 11,000	$ 11,565	$ 2,860	$ (7,800)	$ (7,800)	$ (7,388)	$ (4,776)	$ (1,660)	$ (3,998)

The 2023-24 spending is driven primarily by the voluntary retirement incentive and remaining spending in 2024-25 to 2025-26 for the staff buyout programs, consultants and Transformation office costs.

7. Ontario Agri-Food Innovation Alliance (OMAFRA-U of G Agreement)

7.1 Overview

Activities under the Agreement include operating two major animal health and food testing laboratories located in Guelph; managing extensive, state-of-the-art agri-food research centres across Ontario; supporting veterinary capacity and regulatory training; providing individual faculty-based research project funding across a range of disciplines and commodities and supporting knowledge mobilization, innovation, and commercialization.

On March 16, 2023, the University of Guelph signed a five-year renewal of the Alliance to continue the long-term collaboration for discovery and innovation. The Alliance continues to provide support for faculty, staff, research, and facilities across six major programs including Research and Innovation, Veterinary Capacity, Animal Health Laboratory (AHL), Agriculture and Food Laboratory (AFL), Property Management, and Regulatory Training.

The renewal of this landmark agreement enables U of G researchers to continue to successfully create and apply groundbreaking, globally relevant innovation to address the challenges and opportunities in the agri-food sector and rural communities. The renewed agreement emphasizes innovation and includes expanded access to the research centres to help businesses de-risk new technologies. Further, the renewal codifies a commitment to Indigenization, Equity, Diversity and Inclusion (IEDI), unifies all OMAFRA-UofG activities under one umbrella, enhances property management practices and increases the focus on research security.

While the Alliance is segregated for accounting and reporting purposes, the level of funding and the nature of expenses supported also mean the OMAFRA relationship is both complex and critical in the University's overall multi-year planning. At the University level, the Agreement generates $105.1 million (2023-24, forecasted – refer to table in section 4.3) in total revenue. Within the University, this funding provides:

- $59.8 million annually of total research funding (39% of the total external research funding received by the University);
- 9% of the total University Faculty and College Professor positions;
- 16% of the total University regular staff appointments;
- $9.8 million for a portion of Guelph campus support costs (consisting of elements such as physical plant, library, and administration);
- $5.5 million in support of the OVC veterinary capacity development in livestock animal health and veterinary public health; and
- $27.9 million for property costs at Research Centres across the Province and the Ridgetown regional campus.

7.2 Highlights for 2024-25 (Agreement year 2 of 5):

Provincial Revenue Assumptions

- Revenue is expected to be $71.6 million in years 1 and 2 and $66.6 million in years 3, 4 and 5.

Program Expense Assumptions

- Salary and employee benefit cost increases align with existing University employee agreements in place for 2024.
- Program expense estimates include a 2% allowance for inflation across many activities.
- Additional inflationary support has been approved for the Property Management Program.

Approved Agreement Program Allocations

The following table summarizes the budget allocations for the term of the OMAFRA-UofG Agreement. The General and Inflation Reserves will be used to balance the budget annually through the five-year funding agreement.

Table 8: OMAFRA -U of G Agreement Budget Summary ($ in millions)

	2023-24 Budget	2024-25 Budget	2025-26 Budget	2026-27 Budget	2027-28 Budget
Annual Maximum Funds per Agreement	71.6	71.6	66.6	66.6	66.6
Net Program Expenses	69.9	70.4	67.8	68.5	69.3
Annual Net Surplus (Deficit)	**1.8**	**1.2**	**(1.1)**	**(1.9)**	**(2.7)**
General and Inflation Reserves [1]	4.4	5.7	4.5	2.7	0.0
Agreement Interest Fund (Exigency Fund) [2]	1.0	1.2	1.0	0.7	0.3
Total Agreement Reserves [3]	**5.4**	**6.8**	**5.6**	**3.4**	**0.3**

Notes:

1) The Agreement budget has General and Inflation Reserves held separately from Program Schedule carryforwards which are used to balance the budget in future years.
2) The University credits the Agreement with interest earned on the balance of funds advanced to the University (both prior unspent funds and current year advances). The interest income is held separately on OMAFRA's behalf for the Agreement under their approval (also known as the Exigency Fund). Support for the Property Management Program has been approved from the Exigency Fund.
3) Total Agreement Reserves (uncommitted) are the sum of the General and Inflation Reserves and the Agreement Interest Fund (Exigency Fund) held in the Agreement on behalf of the Ministry. These exclude committed program funds (see OMAFRA-UofG Agreement Fund Balances table below). These funds are reported as deferred contributions in the Annual Financial Statements consistent with financial reporting accounting standards.

Funds from the OMAFRA-UofG Agreement are directed to each of the six programs to support their specific purposes and outcomes.

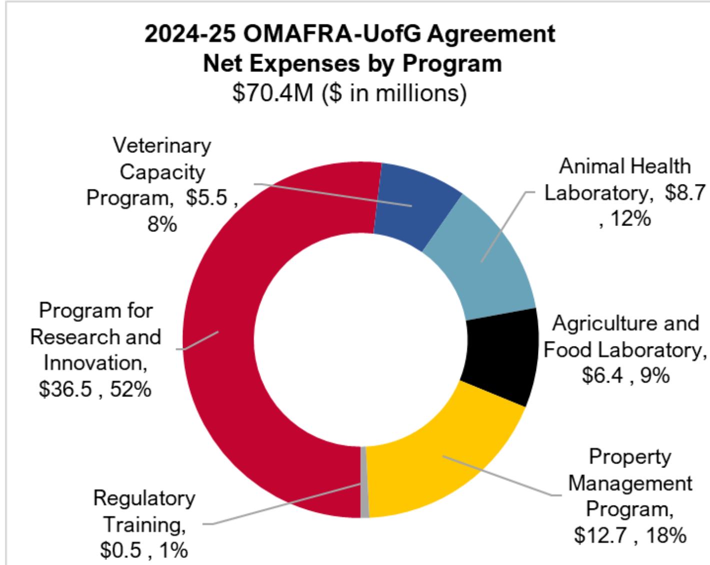


Figure 14: 2024-25 OMAFRA-UofG Agreement Net Expenses by Program

- The Program for Research and Innovation funds support discovery and knowledge mobilization.
- The Property Management Program funds support the operating costs of the ARIO-owned Research Centres at 13 locations across Ontario, as well as some main campus research infrastructure.
- Agriculture and Food Laboratory (AFL) and Animal Health Laboratory (AHL) funds support the operations of food safety and animal health laboratories under contract with OMAFRA.
- The Veterinary Capacity Program (VCP) funding is allocated to the Ontario Veterinary College (OVC) in support of OMAFRA-approved clinical experience in priority species and livestock production for veterinary students.
- The Regulatory Training Program funds support the development of critical training and certification programs for regulatory requirements governed by agricultural policy and legislation.

7.3 Agreement 2024-25 Budget & Prior Year Results

The table below summarizes the major revenue and expense components of the Alliance. Allocated funds not spent each year are retained under "Fund Balances". The 2024-25 Budget reflects the information in the Consolidated Annual Business Plan and Budget.

Table 9: OMAFRA-U of G Agreement Budget – Net Results ($ in thousands)

	2022-23 Actuals	2023-24 Budget	2023-24 Forecast	2024-25 Budget	% Change Budget To Forecast
REVENUES					
OMAFRA-UofG Agreement	66,100	71,646	71,646	71,646	0.0%
OMAFRA/ARIO Minor Capital	4,983	6,000	6,000	5,500	-8.3%
Interest Income	1,916	642	644	948	47.2%
Sales of Goods and Services	24,854	25,261	25,542	26,466	3.6%
Other Revenues	936	383	634	378	-40.4%
Total Revenues	**98,789**	**103,932**	**104,466**	**104,938**	**0.5%**
EXPENSES					
Salaries	36,224	37,496	37,468	38,802	3.6%
Benefits and Pension	9,296	10,950	10,312	11,926	15.6%
Scholarships and Bursaries	727	527	528	195	-63.1%
Utilities	3,086	2,908	3,065	3,120	1.8%
Operating	27,661	27,395	30,087	26,780	-11.0%
Total Expenses	**76,993**	**79,275**	**81,461**	**80,823**	**-0.8%**
UNIVERSITY TRANSFERS					
To Operating for Faculty Costs	13,045	13,045	13,045	13,045	0.0%
To Operating for Indirect Costs	9,830	9,830	9,830	9,830	0.0%
Total University Transfers	**22,875**	**22,875**	**22,875**	**22,875**	**0.0%**
Annual Operating Results	(1,079)	1,782	129	1,240	
Exigency Fund - Interest Income	1,190	1,159	1,363	1,133	
Exigency Fund - Approved Expenditures	(1,916)	(642)	(642)	(948)	
Exigency Fund - Annual Change	**(726)**	**517**	**720**	**185**	
Opening Fund Balances	36,011	34,205	34,205	35,055	
Closing Fund Balances	34,205	36,504	35,055	36,480	

Agreement Fund Balances

Table 10: OMAFRA-U of G Fund Statement of Changes ($ in thousands)

Category	2022-23	2023-24		2024-25	
	Balance	Forecast	Balance	Budget	Balance
Committed Program Funds	31,303	(1,653)	29,650	-	29,650
General and Inflation Reserve Funds	2,651	1,782	4,433	1,240	5,673
Exigency Fund	251	720	972	185	1,157
Fund Balances	**34,205**	**850**	**35,055**	**1,425**	**36,480**

Agreement Revenues $104.9 million

For 2024-25, the Provincial Transfers from OMAFRA will be $71.6 million. Additional revenue earned from the delivery of laboratory testing services (food and animal health) and property management activities are expected to increase due to higher testing fees and commodity prices.

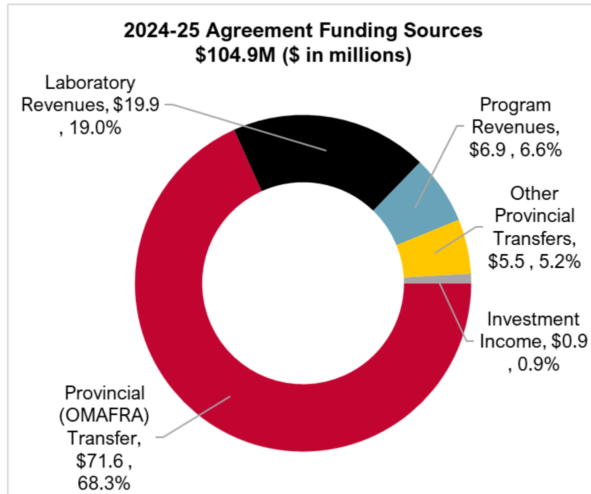


Figure 15: 2024-25 OMAFRA- U of G Agreement Funding Sources

Agreement Expenses $103.7 million

Agreement funding supports a wide range of operating expenses including the salaries and benefits for more than 400 University staff. Assumptions for compensation increases mirror those of the University. In addition, the contract provides funding in the form of fixed "transfers" into the General Operating Budget to support University faculty positions and indirect costs. These transfers of $22.9 million form a critical funding component of the University's General Operating Budget; however, it should be noted that the University's General Operating Budget covers all inflation on expenses and faculty salaries related to these transfers. Overall, expenses are expected to increase due to inflationary impacts.

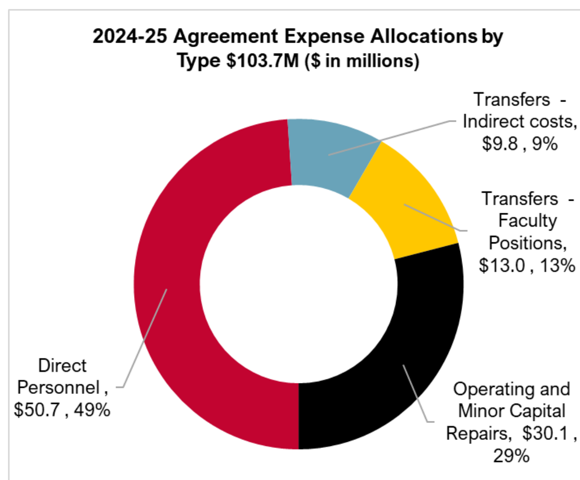


Figure 16: OMAFRA- U of G Agreement Expenses

8. Ancillaries

Ancillary units at the University provide important non-academic services to students and the University community. These units support achieving our mission of student success while offering a rich student experience and contributing to the University's financial sustainability. Student Housing Services and Hospitality Services have been recognized as leaders and best-in-class for over a decade by peer institutions. The mission to Improve Life is integrated into all that we do.

As Canada's Food University we take pride in what we serve: local, sustainable food that is cherished from farm to fork and back to farm in a circular economy. We strive to nourish students, faculty and staff with food that is culturally diverse and delicious. We work to inform and educate our staff and the UofG community with knowledge to treasure food as a precious resource.

The University's five ancillary units consist of:

1. Student Housing Services
2. Hospitality Services
3. Real Estate Division
4. Parking and Sustainable Transportation Services
5. University Centre Services

Ancillary units are ineligible for support from provincial grants and are therefore required to operate as self-sustaining independent units. This means that revenue generated must cover all operating and capital costs and related financing. Revenue is mainly earned on a fee-for-service basis from both internal and external clients.

ANCILLARY REVENUE

Housing and Hospitality generate the highest proportion of ancillary revenue, while Real Estate, Parking and the University Centre also contribute meaningfully to the total revenue. Revenue is often generated from student contracts for food or residence and is charged on a per semester basis. In setting rates and service options, both Hospitality and Student Housing Services engage extensively with students through advisory committees. Budgets are reviewed in detail by these student groups to ensure support for the major underlying assumptions.

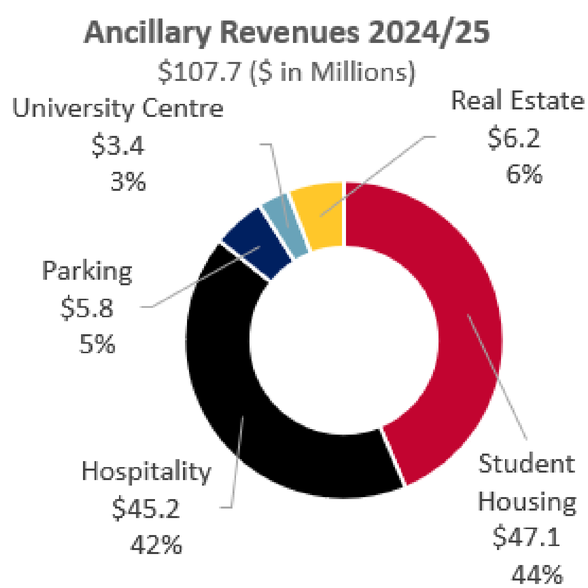


Figure 17: 2024-25 Ancillary Fund Revenue

ANCILLARY EXPENSES

Expenses across all ancillary units consist of operating, personnel, capital costs and institutional transfers. The Ancillary Units, and Hospitality in particular, have high input costs as compared to the other operations on campus as they must acquire the goods that they will then sell to the community.

Most capital improvement costs, roughly 75%, are incurred by Student Housing Services to upgrade their physical structures and maintain high quality inventory.

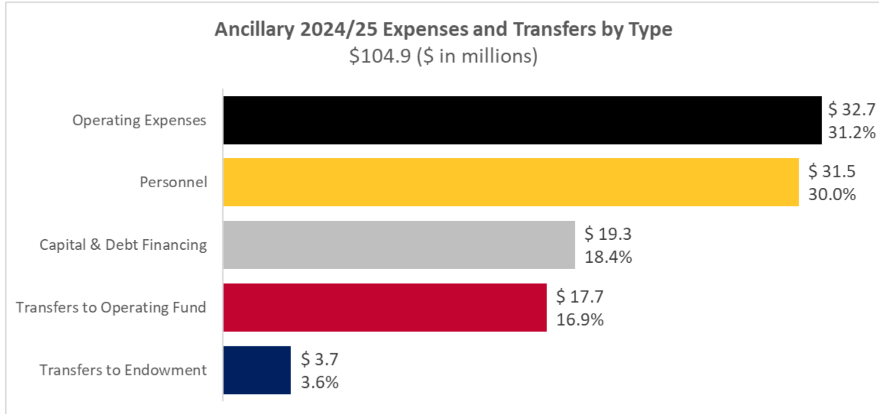


Figure 18: 2024-24 Ancillary Fund Expenses and Transfers

ANCILLARY TRANSFERS

Transfers from ancillaries to the General Operating Budget are expected to increase from the prior year due to inflationary pressures and additional support for student mental health services and global pre-arrival supports of $1.0 million starting in 2024-25.

The Ancillary Units have a long-standing history of supporting the academic and research missions through having contributions more than $19.2 million to pay for space, health and wellness supports, food supports, and many other initiatives to increase the student experience.

8.1 Combined Ancillary Unit Budget Table 2024-25 to 2026-27

The following table summarizes total revenues, expenses, and transfers for the University's five ancillary units.

Table 11: Ancillary Fund Budget (2022-23 to 2026-27)

	2022/23 Actual	2023/24 Budget	2023/24 Forecast	2024/25 Budget	2025/26 Budget	2026/27 Budget
REVENUES						
Student Contracts (Food & Housing)	67,753	63,272	66,603	67,988	70,921	72,648
Other Sales of Goods and Services	25,064	24,627	28,416	27,947	28,792	29,621
Real Estate - Lease and Property Income	6,781	5,813	5,482	6,188	6,188	5,988
Parking Revenues	5,183	5,381	5,384	5,546	5,712	5,883
Total Revenues	**104,781**	**99,093**	**105,885**	**107,669**	**111,613**	**114,140**
EXPENSES						
Salaries	(22,200)	(22,981)	(23,644)	(26,041)	(26,331)	(26,522)
Benefits	(4,332)	(5,051)	(5,221)	(5,433)	(5,552)	(5,707)
Renovations/Capital Equipment	(4,641)	(3,102)	(5,684)	(3,656)	(5,408)	(5,194)
Debt Servicing	(6,425)	(5,684)	(5,684)	(6,623)	(4,340)	(2,199)
Utilities	(1,077)	(1,272)	(1,248)	(1,166)	(1,198)	(1,227)
Operating	(28,772)	(26,701)	(30,476)	(31,556)	(32,413)	(33,244)
Total Expenses	**(67,447)**	**(64,791)**	**(71,957)**	**(74,475)**	**(75,242)**	**(74,093)**
UNIVERSITY TRANSFERS						
To Heritage	(4,866)	(3,683)	(5,042)	(3,749)	(4,295)	(4,571)
To Operating	(14,574)	(16,087)	(16,187)	(17,697)	(18,198)	(18,718)
To Major Capital & Debt Servicing	(5,297)	(7,636)	(6,534)	(8,974)	(8,950)	(8,300)
Total Transfers	**(24,737)**	**(27,406)**	**(27,763)**	**(30,420)**	**(31,443)**	**(31,589)**
Net Operating Results*	**12,597**	**6,896**	**6,165**	**2,774**	**4,928**	**8,458**
Opening Fund Balances - Unrestricted	6,355	18,952	18,952	25,117	27,891	32,819
Change	12,597	6,896	6,165	2,774	4,928	8,458
Transfers to(from) Internally Restricted	-	-	-	-	-	-
Closing Fund Balances - Unrestricted	**18,952**	**25,848**	**25,117**	**27,891**	**32,819**	**41,277**

The 2024-25 projected net operating result for ancillary units is a decrease to the surplus. The decrease is primarily due to an increase in wages, financing recent capital additions and rental costs for the offsite residence building.

Total ancillary revenues are expected to increase between 2%-3% per year. Total ancillary expenses and transfers are expected to increase between 0%-5% per year. The fluctuation in expenses and transfers is mainly due to financing and capital renovation costs. Student Housing has several large capital projects being completed and financed in the next two to three years which is offset by external debt being extinguished at the end of four years.

The following table summarizes the net operating results projected for each ancillary unit for the next five years.

Table 12: Ancillary Units' Net Operating Results (2022-23 to 2026-27)

$ in thousands	2022/23 Actual	2023/24 Budget	2023/24 Forecast	2024/25 Budget	2025/26 Budget	2026/27 Budget
Student Housing	8,707	5,361	5,296	293	2,405	5,014
Hospitality	2,585	578	1,474	867	1,153	1,707
Parking	920	1,385	718	1,002	1,064	1,884
University Centre	209	30	28	8	31	62
Real Estate	176	(458)	(1,351)	604	275	(209)
Net Operating Results	**12,597**	**6,896**	**6,165**	**2,774**	**4,928**	**8,458**

8.2 2024-25 Ancillary Unit Highlights

HOSPITALITY SERVICES

Hospitality Services is expected to generate revenues of approximately $45.2 million from food sales and catering services on the Guelph campus. Other income is earned from operating the University Bookstore and conference and retail services.

The Hospitality Services annual budget is presented to the Hospitality Services Advisory Committee (HSAC) for endorsement after the financial sub-committee reviews and endorses the regular and customary increases within the budget.

For 2024-25:

- The average meal plan price will increase by 3.1% to increase buying power for students.
- A realignment between Basic and Flex dollars in the meal plan will result in increasing most meal plans Basic dollars. Operationally this will reduce the instance of a student running out of meal plan dollars early in the semester. Further, this should retain more dollars on campus by reducing the flex dollar allocation which is allowed to be spent off campus.
- The minimum meal plan is budgeted to be $5,200 for the year. This price point positions the University of Guelph in the bottom third in relation to our competitors. Some institutions with higher meal plan rates than Guelph are Queen's, Western, Wilfrid Laurier, Waterloo, and McMaster.
- Some key initiatives Hospitality has planned for next year are:
    - Student Nutrition Awareness Program (SNAP) promotes healthy lifestyle and offers support and outreach to students.
    - Promote reusable water bottles and coffee mugs by providing customers with the lowest price when bringing their own mugs. Continuation of the #iamreuseable green container program and the pay by weight program helps reduce food waste by allowing customers to take only what they will eat.
    - Hospitality employs over 500 student staff, offering experiential learning opportunities in all areas of their operation.

STUDENT HOUSING SERVICES

Student Housing Services (SHS) provides on-campus accommodation to approximately 4,800 students in ten residence facilities, and 314 apartments in two apartment and townhouse complexes dedicated to family and graduate housing. SHS revenue is expected to increase to $47.1 million in 2024-25 and $49.3 million in 2025/26. These increases are a result of planned increases in residence room rates.

A Budget Advisory Committee consisting of SHS staff and Interhall Council members comes together every year to discuss all major components of the SHS budget plan.

For 2024-25:

- Residence room rates for 2024-25 are planned to increase by 5% over 2023-24 rates (refer to Appendix J for proposed fees). The increase keeps U of G aligned with sector averages for residence room rates. The budgeted occupancy rate for fall 2024 is 97% and 94% for winter 2025.
- The increase in rent for ***new*** Family Housing tenants will be 5% of 2023-24 rates. Rent increases for existing tenants will follow the guidelines from the Residential Tenancies Act (RTA) and will therefore increase by 2.5% for 2024-25. Family Housing rents are far below market, even with the planned increases.
- The operating expenses for 2024-25 are expected to be higher than in 2023/24. This is primarily due to the costs associated with renting the additional residence space known as Gordon Hall (formerly the Days Inn).
- The capital plan is a major component of the SHS budget, accounting for $89.1 million in expenses over the past decade. (2014-15 to 2023-24). The three-year budget plan projects $38.9 million in capital expenditures for SHS; including in 2024-25 renovation costs of $15.4 million which are all included in the Capital Planning process and presented to the Physical and Digital Infrastructure Committee.
- The net surplus after transfers to the University is projected to be $0.3 million for 2024-25.

This Student Housing budget plan does not account for the potential expansion of housing inventory. Housing inventory is currently undergoing strategic review and demand assessment.

CAMPUS PARKING SERVICES

Campus Parking Services historically generates $6.0 million in annual revenue and is responsible for the administration of 5,500 parking spaces on the University's main campus. Revenues are derived from parking fees (i.e., permit sales, daily fees) and citations. In addition, Parking Services is also responsible for: coordinating transportation services such as Guelph Transit and Metrolinx to campus; increasing community awareness of alternative transportation options; 22 kilometers of university roadways; 56 kilometers of sidewalk; bike shelters; outdoor lighting; signage and emergency phone poles.

The financial health of Campus Parking Services is recovering from the 2019-20 and 2020-21 impacts of significant revenue losses resulting from the COVID-19 pandemic. Details on proposed 2024-25 parking fees are outlined in Appendix K.

For 2024-25:

- Parking revenue is anticipated to be $5.8 million with the following rate increases:
  - black permit by 3.0%
  - red permit by 3.0%
  - yellow permit by 3.0%
  - daily rates by $0.50
- Net position after transfers to the University is expected to be $1.0 million.

REAL ESTATE DIVISION

The primary goal of the Real Estate Division is to optimize revenue generation from designated properties through the Heritage Fund to support the University's mission. Main revenue sources are from rental or lease of select properties. All net proceeds are transferred to the Heritage Fund Endowment under Board policy.

A separate Board of Trustees has been delegated the responsibility for the operational oversight of the Real Estate Division activities.

For 2024-25:

- Revenue is projected to be $6.2 million, 7.3% higher than the 2023-24 forecasted revenue.
- Operating results project a profit of $4.2 million prior to the Board of Trustee approved transfer to the Heritage fund of $3.7 million which is related to the prior year's net earnings.
- Division debt is expected to decrease by $0.3 million to $3.1 million.
- Estimated unrestricted funds available for transfer to the Heritage Fund are $4.2 million to occur in 2025-26.

UNIVERSITY CENTRE

The University Centre's mandate is to provide social, recreational, and special theme events that enhance the student experience on campus. The University Centre's historical revenue of $3.0 million is derived primarily from building administration, including operation of a fully licensed lounge (Brass Taps) and management of tenant leases, room reservations, digital media advertising, and special events and performances.

The University Centre has a separate University Centre Board of Governors that oversees its operations and has a direct reporting relationship to the University of Guelph Board of Governors.

For 2024-25:

- Revenues are expected to be $3.4 million, which is a 5% increase over 2023-24.
- Operating expenses are expected to increase by 6% as inflationary impacts and supply chain issues drive up costs.
- Capital expenditures are projected to return to historical levels, with approximately $150-$200 thousand a year.
- Accumulated surpluses are estimated to be small as operations and costs return to pre-pandemic levels.

9. Physical & Digital Capital

9.1 Physical Capital Projects

The University of Guelph is a well-established community of over 150 buildings, and one of the oldest campuses in the Ontario University system. Most buildings were constructed in the late 1960's and early 1970's and are due for significant maintenance updates. Three buildings are designated as heritage buildings: Massey Hall, President's House, and Alumni House. Several other buildings are located off the main campus and require further investment to support the community adequately.

As part of the annual process of completing the Physical and Digital Capital Plan, funding requirements for major capital projects, including deferred maintenance programs, are reviewed for the next year. Physical Resources prioritizes the objectives for a three-to-five-year timeframe - with the goal to consider up to ten years. This plan was presented at the January 24, 2024, Board of Governors meeting and the approved projects at that meeting have been included in the Operating Budget.

Table 13: 2024-25 Physical Capital Plan Summary

SUMMARY - 2024-25 ANNUAL PHYSICAL CAPITAL PLAN:		**Budget**	**Funding**							
Category	**2024-2025 Capital Budget ($ million)**	**Est. Cost**	**Fundraising**	**Grants (FRP)**	**Student Fees**	**Central Reserves**	**Unit Reserves**	**Heritage**	**Financing**	**Total Funding**
AMO	Annual Maintenance Operating	$5.7							$5.7	$5.7
Capital Renewal	Capital Renewal	$11.9		$5.3					$6.6	$11.9
	Capital Renewal Planning	$0.8							$0.8	$0.8
	Athletics	$4.9			$3.0				$1.9	$4.9
	Student Housing	$4.7							$4.7	$4.7
	Student Housing – East Residence Exterior Rehabilitation	$15.0							$15.0	$15.0
	Totals	**$43.0**	-	**$5.3**	**$3.0**	-	-	-	**$34.7**	**$43.0**

A formal annual capital planning and prioritization process for major projects has been ongoing across the University for several years. As part of this annual process, funding requirements for major capital projects, including deferred maintenance programs, are reviewed for the next year in the context of available resources including the level of provincial support and debt capacity. Capital program decisions are made in the context of two major objectives: maintaining what we have and enabling new and improved programs and services. More specifically, plans are organized around the following project groupings:

1. **Physical Infrastructure Capital Renewal**: this refers to investments for main campus buildings and related infrastructure used for teaching, research, and service programs. For the most part, spending in this category is directed to ensuring on-going capacity, with limited program enhancements. For capital renewal planning on the Guelph campus and other major operational centres that are capital dependent (e.g., residences, parking, and athletics), rolling five-year capital renewal and major maintenance (CRM) plans are prepared each year and presented in the Annual Capital Plan. For major buildings and utility infrastructures, an extensive building and facilities condition audit is used to determine capital priorities, project schedules and the capital investment requirements. The plan enables the University to prioritize the capital investment required to address critical CRM to reduce the likelihood of a major building or utility breakdown.

2. **Major Physical Infrastructure Development and ARM**: this group consists of major individual projects (normally more than $2 million) such as new buildings or major alterations, renovations and/or modernization (ARM) of existing buildings. Investments in this category often include major refurbishment for adaptive reuse/repurposing and/or modernization of existing spaces that can enhance program delivery and services. Recent examples in this category include the Strategic Infrastructure (SIF) projects.

In response to the current environment, the University completed a detailed risk assessment of capital projects and is planning on completing only those projects of highest priority within the level of capital investment made available.

9.2 Digital Infrastructure

Three-Year Digital Capital Renewal Plan (2024-25 to 2026-27)

Below, represents a strategic overview of upcoming digital and infrastructure projects including enhancements to student, human resources, and research management systems, alongside financial system upgrades. It highlights the reevaluation and streamlining of projects such as the Awards CRM and Data Strategy, emphasizing cost efficiency and operational improvements. These initiatives are critical for supporting the institution's strategic objectives and ensuring a robust, integrated technological framework to enhance overall efficiency and effectiveness in administration and services.

Table 14: Three-Year Digital Capital Renewal Plan Summary

Digital Projects	**2024/2025**	**2025/2026**	**2026/2027**
HRMS	$14.5	$7.5	$0.0
Finance	$1.14	$15.34	$2.65
RAIMS	$3.16	$3.10	$3.11
RSO Human Ethics	$0.05	$0.05	$0.05
Data Strategy Phase 2	$0.26	$0.26	$0.26
SIS Awards CRM	$0.50	$0.11	$0.11
Total	**$19.61**	**$26.36**	**$6.18**

9.3 Debt Capacity

For financing, the University typically has two options: 1) external debt (e.g., from any number of banks); and-or, 2) temporarily using internal cash resources. In the prior fiscal, the University sought $30 million of external debt to refinance previously approved capital projects for strategic purposes. Moving forward, the University will continue to externally finance future physical capital projects and pause or consider alternatives to using internal working capital (liquidity). Tactically, this will allow the University to preserve liquidity, a key component in many metrics (i.e., credit rating agencies) and support the ongoing strategic transformation initiative. This decision is based upon the current overall financial position the University is in with respect to funds which are not immediately required for spending while maintaining sufficient funds to maintain our core services in support of the mission.

External debt is normally applied to very large projects with extended life expectancies (e.g., new major buildings). Internal financing generally is used on lower-cost projects that have shorter expected pay-

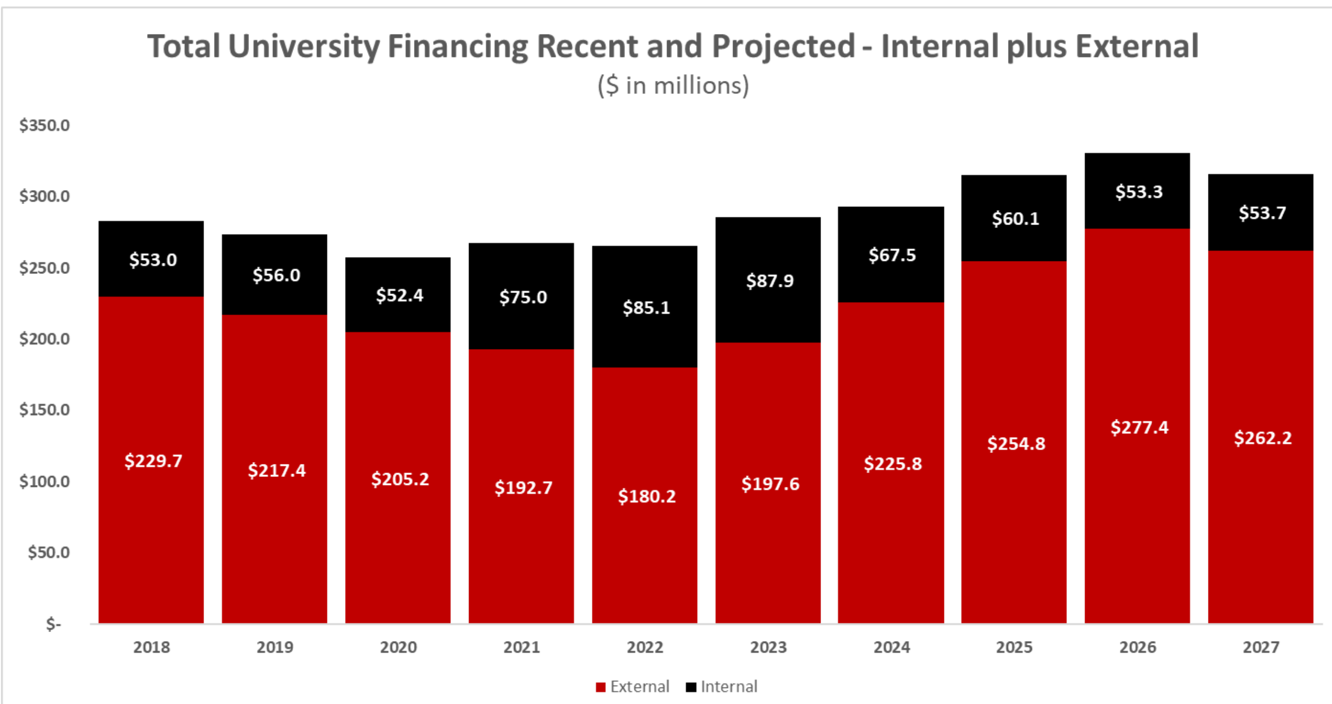


Figure 19: Total University Financing (2018 to 2027)

back periods and economic impact. Capital financing decisions are made in the context of risk/return, cost/benefit of the project under consideration for approval, and projected liquidity requirements. The adjacent chart shows the current total University projected external and internal debt for the next three years. It assumes external debt financing limited primarily to critical deferred maintenance, renovation items, and strategic transformation initiatives. It is important to note that this projection is not a plan, but a trajectory of what the current debt loads would be, given the 2024/25 Capital Plan completion and external borrowing per the strategic transformation budget. Other considerations should be Provincial guidelines, S&P Global credit ratings and University target which are not discussed.

Borrowing rates will remain high. All major banks and the market rates anticipate cuts by 2024, Q2 at the earliest. However, the University should continue to expect debt service costs to rise and new rates to be above

400 BPS on long-term debt. As new external debt is contemplated, the impact of new debt will be shown in the University's financial health metrics. The University is within major debt-management benchmarks under our policies. However, when external organizations monitor our debt metrics limits, they do not consider internal debt. If new Provincial funding or improved fiscal prudence leads to the unexpected creation of excess funds then the University could consider internal funding to fund capital.

9.4 Financing Costs

The total financing costs as a result of the 2024/25 capital plan spending, once fully completed, are estimated to be able to be included in the existing allocation to Capital from the General Operating Budget and anticipated external debt outlined in the approved budget.

Appendix A: Planning Process Enhancements

The University of Guelph's budget planning process is a comprehensive and collaborative effort that involves input from various stakeholders. University leaders, units and departments work with the budget team to develop a budget plan that is informed by and aligns with the institution's strategic goals and priorities.

U of G recently implemented additional tools to support in-year monitoring and budget planning:

- Starting in 2020-21: two in-year budget forecast submissions (September and January) for all units. The in-year forecast submissions improve our ability to monitor in-year finances, track our results against our budgeted assumptions and make evidence-based decisions for the future.
- Starting in 2021-22: establishing the Integrated Financial Planning Committee (IFPC). The IFPC provides oversight and guidance, ensuring that we remain focused on an all-accounts approach to our finances.
- Starting in 2022-23: establishing regular monitoring of budget inputs and assumptions to assess budget scenarios.
- Starting in 2022-23: implement a multi-year budget plan and monitoring tools to assess budget pressures for the longer-term planning horizon.

Appendix B: Fiscal Outlook

The 2024-25 to 2026-27 budget plan results in the following net income projections, excluding the one-time Postsecondary Education Sustainability Fund grant funding:

$ in millions	2022/23 Actual	2023/24 Forecast	2024/25 Budget	2025/26 Budget	2026/27 Budget
General Operating Budget	**$ (16.1)**	**$ (14.5)**	**$ (18.9)**	**$ (15.4)**	**$ (30.1)**
Employee-future benefit - unfunded expense	$ (18.9)	$ (18.0)	$ (18.0)	$ (18.0)	$ (18.0)
Transformation - one-time spending debt financed	$ -	$ (11.0)	$ (12.2)	$ (3.9)	$ 6.8
Operating Fund - total (per FS presentation)	$ (35.0)	$ (43.5)	$ (49.1)	$ (37.3)	$ (41.3)
Capital Fund	$ 8.4	$ 16.0	$ 17.3	$ 11.8	$ 6.0
Capital - Ancillary Impact	$ 5.9	$ 7.0	$ 6.6	$ 6.2	$ 2.9
Ancillary Enterprises Budget	$ 12.6	$ 6.2	$ 2.8	$ 4.9	$ 8.5
Research	$ 2.6	$ (2.0)	$ -	$ -	$ -
Trust	$ 6.8	$ (3.8)	$ (2.4)	$ (0.6)	$ 8.5
Endowment	$ 17.5	$ 12.8	$ 10.7	$ 14.6	$ 12.0
TOTAL	**$ 18.8**	**$ (7.3)**	**$ (14.1)**	**$ (0.4)**	**$ (3.4)**

- A total General Operating Budget deficit of $18.9 million in 2024-25 and slight deficit in 2025-26.
- Ancillary surpluses are projected throughout the 5-year plan including $2.5 million in 2024-25.
- The Endowment surpluses are driven by the expected positive investment returns aligned with a 6% investment return net of fees; this assumption has historically varied significantly from negative returns to even greater positive returns.
- The Trust has a near term deficit position as it will be funding IT projects from the past investment gains earned.
- OMAFRA fund projects surpluses of $1.8 million in 2023-24 and $1.2 million in 2024-25 and balance by 2027-28 as indicated in the agreement. The surpluses are not reflected in the table above as OMAFRA fund surpluses flow through the balance sheet (deferred contributions).

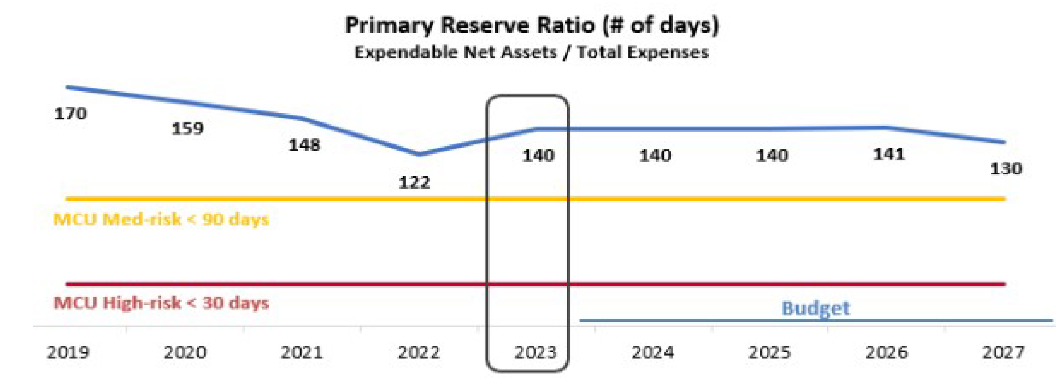
The Net Income/Loss Ratio will continue to hover near 0% until the operating budget begins to trend towards balance. The Primary Reserve Ratio will hold relatively stable through 2026/27; fluctuations will be largely driven by the external financing of the transformational one-time costs and to support depleted cash flow given multiple years of operating deficits as well as anticipated capital renewal projects. This issuance of new external debt of $125 million from 2023-24 to 2025-26 will increase the debt burden of the University compared to current levels and will be subject to market conditions with the cost of that debt being closely aligned to our ability to retain our 'AA' debt rating from S&P. The limit of $125 million is estimated to be near our upper limit of debt borrowing capacity before reconsideration of our 'AA' rating, which was determined through modeling our Maximum Allowable Debt Servicing levels as determined by S&P.

$ in millions	2022/23 Actual	2023/24 Budget	2023/24 Forecast	2024/25 Budget	2025/26 Budget	2026/27 Budget
Operating - Net Results	$ (16.1)	$ (17.3)	$ (14.5)	$ (18.9)	$ (15.4)	$ (30.1)
Net Income Loss Ratio (Revenues less Expenses / Total Revenues)	1.9%	0.5%	-0.8%	-1.5%	0.0%	-0.3%
Primary Reserve Ratio (days)	140	111	140	140	141	130
New External Debt	$ 30.0	$ 30.0	$ 40.2	$ 45.0	$ 39.0	*nil*

The University is committed to ensuring the long-term effectiveness and financial sustainability of the institution. Several financial health metrics that provide insight into the operational health of the organization and its capacity to meet its obligations provide important context to the budget plan. On April 30, 2023, the institution had healthy debt ratios: strong viability, low interest burden, and strong debt servicing ratios. This indicated a capacity to incur additional debt to support investment.

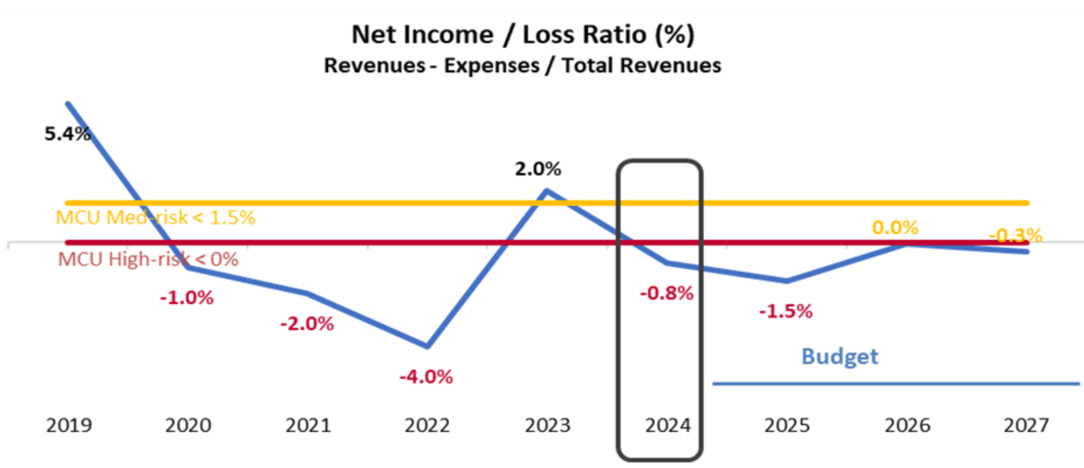
Our **Primary Reserve ratio**—an indicator of the University's ability to withstand unexpected impacts on revenue—is forecasted to be 140 days as of April 30, 2024. This ratio, similar to the Net Income/Loss ratio, presents an all-funds view of the University's financial performance. The declining reserves of the Operating Fund are largely offset by growth in both the Heritage Fund and debt sinking fund, which are assumed to grow at the long-term average return rate of 6.0% for the fund. These returns have been volatile in recent years, and this is expected to continue from one year to the next. Any shortfall in this investment assumption will have a negative impact on the Primary Reserve ratio. The University's projected results exceed both of the province's thresholds of 30 days for high risk and 90 days for medium risk.

The Primary Reserve ratio is planned to be supported through the continued issuance of external debt. External debt will stabilize reserves while enabling investment into our physical infrastructure and the financing of the projected one-time costs associated with the base savings in the plan. The budget plan includes an estimated $84 million of new external debt over the five-year period with the estimated cost of this new debt included in section 3.1 *General Operating Budget Plan Summary.* It is important to note that approximately 60% of the expendable net assets in the Primary Reserve ratio include the Heritage Fund and debt sinking fund. The Heritage Fund was created to enable investments into key initiatives that support the long-term success of the University while the sinking fund exists to ensure that the University can repay the $100 million debenture[5] in 2042.



	2019	2020	2021	2022	2023	2024	2025	2026	2027
Primary Reserve Ratio (# of days)	*170*	*159*	*148*	*122*	*140*	*140*	*140*	*141*	*130*
Expendable Net Assets	380.7	362.8	334.9	292.8	348.5	362.8	371.2	383.0	361.6
Total Expenses	819.4	834.5	828.3	879.5	911.6	945.9	970.4	992.9	1,014.0

The second key financial ratio impacted by the Operating budget is the **Net Income/Loss ratio**. This ratio highlights the University's ability to grow or reduce its resources in any given year. The University is forecasting a fifth consecutive year of operating losses driven by the forecasted General Operating Budget deficit of $14.5 million for 2023-24. The Operating Fund also includes the non-cash employee future benefit expense for the pay-as-you-go benefit plan which is forecasted to be $18 million. Partially offsetting these losses in the Operating Fund are the expected positive results from the other University Funds, most notably the Ancillary Units and the Endowment, which have benefited from strong student enrolment and financial markets. This positive trend in the budgeted Net Income/Loss ratio is reliant upon achieving the base budget savings outlined for transformation and unit compensation growth contributions as well as the investment return assumption noted above.



The remaining financial statement ratios from the University Financial Accountability Framework are included in Appendix C.

In addition to the reserves noted in the chart below, some funds have been set aside for capital projects and internally funded research. These funds are held in trust and are earmarked for specific projects or initiatives that have not yet been paid out. Details on the fund balances can be found in the 2023 Annual Financial Statements. Sponsored research funds and directed donations are similarly not accounted for in our reserve

[5] $100 million unsecured debenture was issued October 11, 2002 that is due October 10, 2042.

funds as they are restricted for their legally required purposes. These funds are considered deferred contributions as described by Note 8 of the 2023 Annual Financial Statements.

Appendix C: University Financial Accountability Framework Metrics

The following metrics reflect financial ratios calculated in accordance with the University Financial Accountability Framework ("UFAF") issued by the Ministry of Colleges and Universities ("MCU"); figures are based on audited financial statements information for fiscal years 2019 to 2023 and forecast and budget plan information for fiscal years 2024 to 2027.

UFAF groups eight key metrics into three categories that reflect important aspects of financial health.

1. **Liquidity Category**: indicates ability to meet short term cash requirements and includes:
   a. **Primary Reserve Days**
   b. **Working Capital Ratio**
2. **Sustainability Category**: indicates ability to sustain operations over the long term, including having the flexibility to handle unexpected difficult situations and includes:
   a. **Viability Ratio**
   b. **Debt Ratio**
   c. **Debt to Revenue Ratio**
   d. **Interest Burden Ratio**
3. **Performance Category**: indicates ability to maintain and grow resources over time and includes:
   a. **Surplus/Loss Ratio (**also called **Net Income/Loss Ratio)**
   b. **Net Operating Ratio**

Each metric is measured against High and Medium risk thresholds then averaged across each category to assign an overall financial health risk score and corresponding action plan based on these categories. While the UFAF did not apply to years prior to fiscal 2023, metric calculations have been extended back to fiscal 2019 and projected forward to fiscal 2027 with summarized results below.

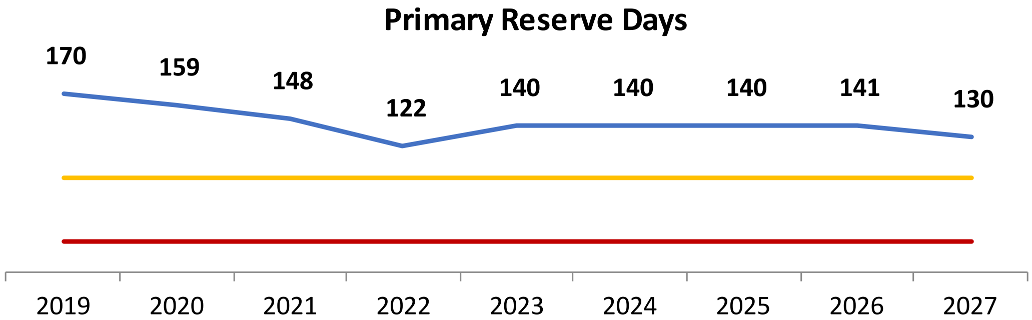
	Actual					*Forecast*	*Budget*		
	2019	**2020**	**2021**	**2022**	**2023**	**2024**	***2025***	***2026***	***2027***
Liquidity Category	0.5	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Sustainability Categor	0.25	0.25	0.25	0.00	0.25	0.25	0.25	0.25	0.25
Performance Category	0.0	1.5	1.0	2.0	0.0	1.5	1.5	1.5	1.5
Overall Action Plan	No	Medium	Low	High	Low	Medium	Medium	Medium	Medium

< 1 point - No action
=> 1 point & < 1.5 points - Low action - No reporting required (communication only)
=> 1.5 point & < 2 points - Medium action plan - Internal recovery plan
= 2 points - High action plan - Independent advisor assisted recovery plan

1. Liquidity Category Metrics

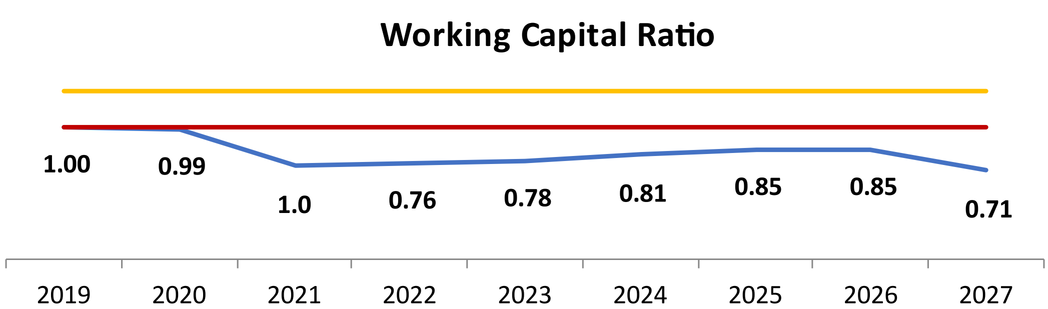
a. **Primary Reserve Days**: Key indicator of financial health and flexibility, reflecting how many days the University could function using only its accumulated expendable net assets without relying on additional resources generated by operations. Expendable net assets consist of internally restricted endowments and net assets and unrestricted surplus (deficit) adjusted to exclude employee future benefits net liability. The MCU high-risk threshold is below 30 days and the medium-risk threshold is below 90 days for this metric.

	Actual					Forecast	Budget		
	2019	2020	2021	2022	2023	2024	2025	2026	2027
Primary Reserve Days	*170*	*159*	*148*	*122*	*140*	*140*	*140*	*141*	*130*
Expendable Net Assets ($M)	380.7	362.8	334.9	292.8	348.5	362.8	371.2	383.0	361.6
Total Expenses ($M)	819.4	834.5	828.3	879.5	911.6	945.9	970.4	992.9	1,014.0
Metric Score	0	0	0	0	0	0	0	0	0



b. **Working Capital Ratio**: Indicates ability to meet short-term financial obligations by comparing current assets to current liabilities. The University's approach to classification of short-term versus long-term investments and the inclusion of deferred contributions for research and trust grants in current liabilities has a significant impact on this metric, like many other Ontario Universities. The MCU high-risk threshold is below 1.0 and medium-risk threshold is below 1.25.

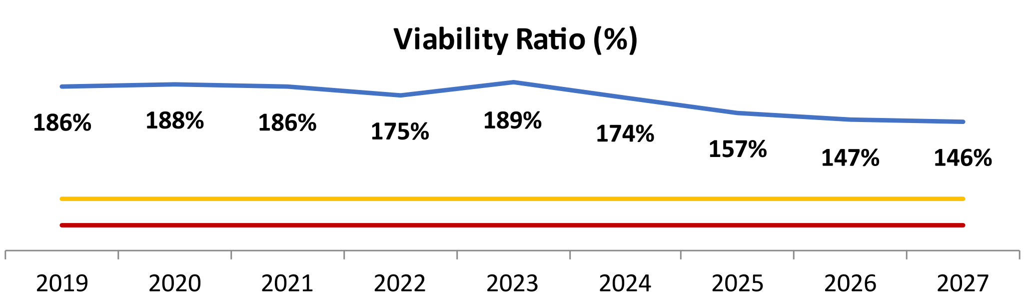
	Actual					Forecast	Budget		
	2019	2020	2021	2022	2023	2024	2025	2026	2027
Working Capital Ratio	*1.00*	*0.99*	*0.74*	*0.76*	*0.78*	*0.81*	*0.85*	*0.85*	*0.71*
Current Assets ($M)	301.2	272.5	242.6	241.6	262.0	267.9	284.9	285.1	237.2
Current Liabilities ($M)	301.2	275.0	325.8	317.2	337.1	330.2	335.4	336.8	336.1
Metric Score	1	2	2	2	2	2	2	2	2



2. Sustainability Category Metrics

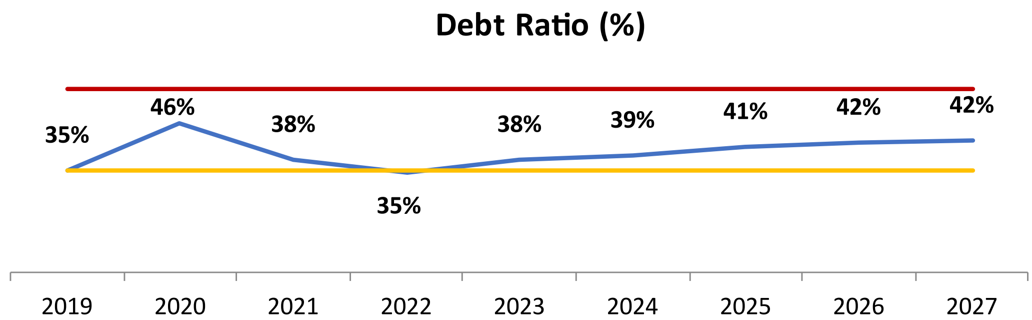
a. **Viability Ratio**: Gauges the extent to which the University has available resources to cover its debt, providing an assessment of current debt capacity, i.e. the ability to take on new debt. The MCU high-risk threshold is below 30% and medium-risk threshold is below 60%.

	Actual					Forecast	Budget		
	2019	2020	2021	2022	2023	2024	2025	2026	2027
Viability Ratio	*186%*	*188%*	*186%*	*175%*	*189%*	*174%*	*157%*	*147%*	*146%*
Expendable Net Assets ($M)	380.7	362.8	334.9	292.8	348.5	362.8	371.2	383.0	361.6
Long-Term Debt ($M)	205.0	192.7	180.1	167.4	184.5	208.7	237.2	260.6	246.9
Metric Score	0	0	0	0	0	0	0	0	0



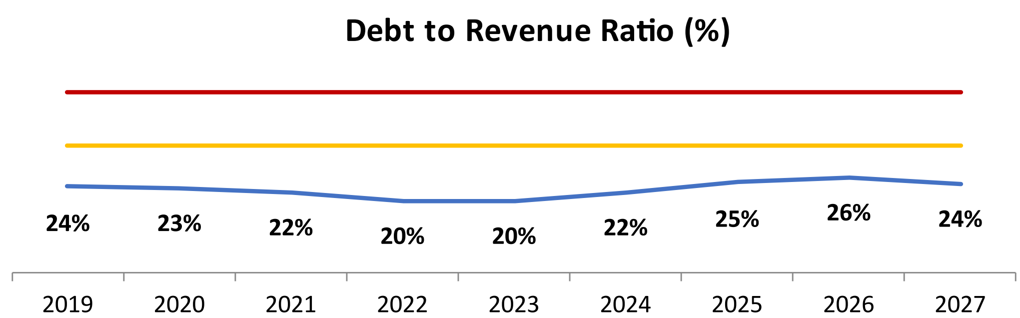
b. **Debt Ratio**: Measures financial leverage by comparing total liabilities, excluding deferred capital contributions, to total assets. The accounting valuation of the University's pay-as-you-go employee future benefits plan has a considerable impact on this ratio. The MCU high-risk threshold is above 55% and the medium-risk threshold is above 35%.

	Actual					Forecast	Budget		
	2019	2020	2021	2022	2023	2024	2025	2026	2027
Debt Ratio	*35%*	*46%*	*38%*	*35%*	*38%*	*39%*	*41%*	*42%*	*42%*
Total Liabilities less DCC ($M)	783.3	990.3	832.7	746.9	844.8	880.0	931.3	973.9	977.2
Total Assets ($M)	2,238.0	2,130.3	2,209.4	2,158.2	2,245.3	2,258.6	2,283.5	2,313.8	2,301.6
Metric Score	1	1	1	0	1	1	1	1	1



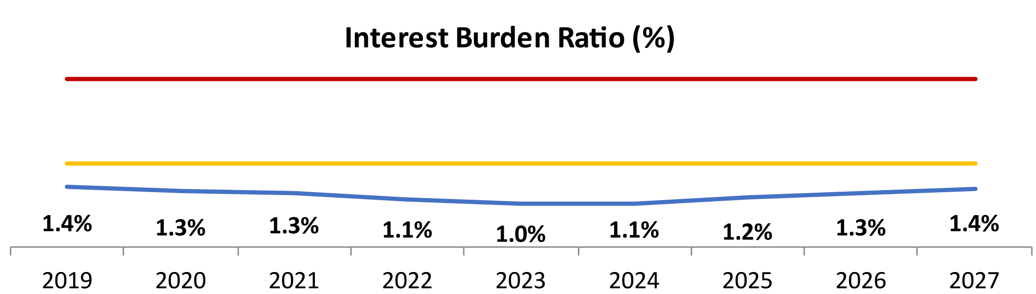
c. **Debt to Revenue Ratio**: Indicates debt capacity, measuring long-term debt over total revenues. The MCU high-risk threshold is above 50% and the medium-risk threshold is above 35%.

	Actual					Forecast	Budget		
	2019	2020	2021	2022	2023	2024	2025	2026	2027
Debt to Revenue Ratio	*24%*	*23%*	*22%*	*20%*	*20%*	*22%*	*25%*	*26%*	*24%*
Long-Term Debt ($M)	205.0	192.7	180.1	167.4	184.5	208.7	237.2	260.6	246.9
Total Revenues ($M)	865.9	826.6	812.5	845.6	930.4	938.6	956.2	992.5	1,010.5
Metric Score	0	0	0	0	0	0	0	0	0



d. **Interest Burden Ratio**: Indicates cost of borrowing by measuring the extent to which interest is a portion of total expenses excluding capital asset amortization. MCU high-risk threshold is above 4% and medium-risk threshold is above 2%.

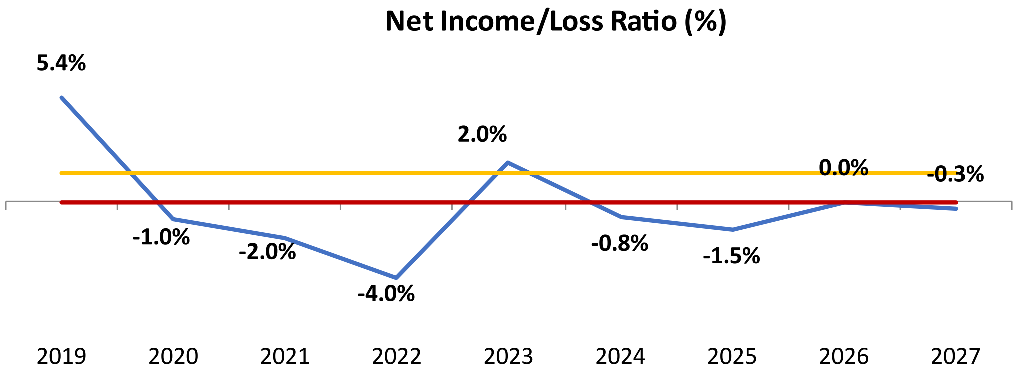
	Actual					Forecast	Budget		
	2019	2020	2021	2022	2023	2024	2025	2026	2027
Interest Burden Ratio	*1.4%*	*1.3%*	*1.3%*	*1.1%*	*1.0%*	*1.1%*	*1.2%*	*1.3%*	*1.4%*
Interest Expense ($M)	11.1	10.5	10.0	9.5	8.9	9.5	11.1	12.3	13.4
Total Expenses less Amort ($M	770.7	783.8	776.1	825.9	857.9	890.8	912.9	933.0	951.8
Metric Score	0	0	0	0	0	0	0	0	0



3. Performance Category Metrics

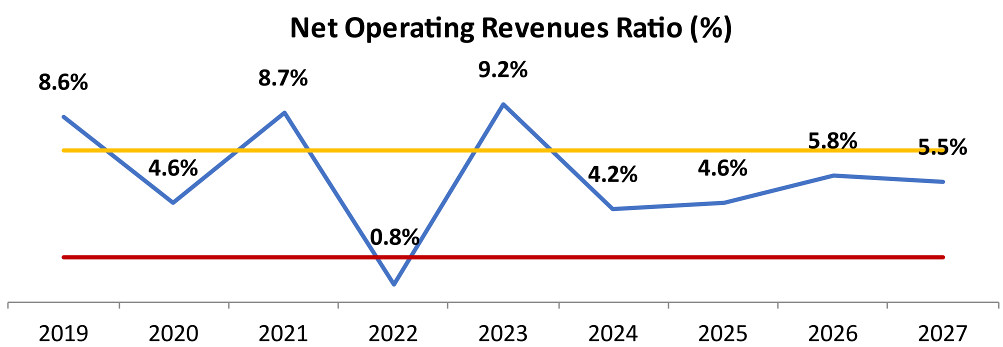
a. **Surplus/Loss Ratio**: Measures whether the University is growing its resources by comparing the current year's excess of revenues over expenses to total revenues. This metric can be volatile year to year, so a long-term view of this ratio should be taken into consideration. The MCU high-risk threshold is below 0.0% and the medium-risk threshold is below 1.5%.

	Actual					Forecast	Budget		
	2019	2020	2021	2022	2023	2024	2025	2026	2027
Surplus (Deficit) Ratio	*5.4%*	*-1.0%*	*-2.0%*	*-4.0%*	*2.0%*	*-0.8%*	*-1.5%*	*0.0%*	*-0.3%*
Revenues less Expenses ($M)	46.5	(7.9)	(15.9)	(33.9)	18.8	(7.3)	(14.1)	(0.3)	(3.5)
Total Revenues ($M)	865.9	826.6	812.5	845.6	930.4	938.6	956.2	992.5	1,010.5
Metric Score	0	2	2	2	0	2	2	2	2



b. **Net Operating Ratio**: Compares cash provided by or used in operating activities, as per the cash flow statement, to total revenues. Similarly to the Surplus/Loss ratio this metric can be volatile year to year. The MCU high-risk threshold is below 2.0% and the medium-risk threshold is below 7.0%.

	Actual					Forecast	Budget		
	2019	2020	2021	2022	2023	2024	2025	2026	2027
Net Operating Ratio	*8.6%*	*4.6%*	*8.7%*	*0.8%*	*9.2%*	*4.2%*	*4.6%*	*5.8%*	*5.5%*
Cash from Operations ($M)	74.2	37.7	70.8	6.6	85.1	39.7	43.6	57.5	55.6
Total Revenues ($M)	865.9	826.6	812.5	845.6	930.4	938.6	956.2	992.5	1,010.5
Metric Score	0	1	0	2	0	1	1	1	1



Appendix D: COU Blue Ribbon Panel Summary

On November 15, 2023, the provincial government released the report from the Blue-Ribbon Panel (the “Panel”) on financial sustainability in the postsecondary education sector.

The report provides a great deal of context detailing the financial pressures experienced by the sector, identifying the factors contributing to the current circumstance and creation of the Panel. Emphasis is placed on the ongoing cut-and-freeze on tuition and the declining value of per-student funding in particular.

The Panel has proposed a multi-pronged approach to financial sustainability in the postsecondary education sector, with contributions from the government (policy and financial), institutions (efficiencies, accountability and savings), and students (tuition).

The severity of the risk to the financial sustainability of the sector is emphasized by the Panel, which notes that the costs of failure to act on the part of government are too high to not move forward with concerted efforts to restore financial security for Ontario’s postsecondary institutions. The report warns of potential consequences for the reputation of the province, international student recruitment, advancement of regional economies, workforce development and attraction of foreign investment.

Key themes from the report include:

- **Implementing an integrated funding model**, including adjustments to the corridor mechanism for operating grants, an increase in Weighted Grant Units (WGU) and Weighted Funding Units (WFU), adjustments to the performance funding model, targeted investments in Northern and French-language institutions, and a multi-year tuition framework.
- **Implementing a financial accountability framework** so that the ministry can monitor the financial health of institutions and flag areas of concern for possible remediation.
- **Enhancing cost-efficiency and effectiveness**, through a range of initiatives identified by the Nous Group, in order to reduce institutional costs by up to 10%. The Panel suggested that further enhancements to automation and digital learning could help institutions meet this goal, in addition to other initiatives currently underway (e.g. space optimization).

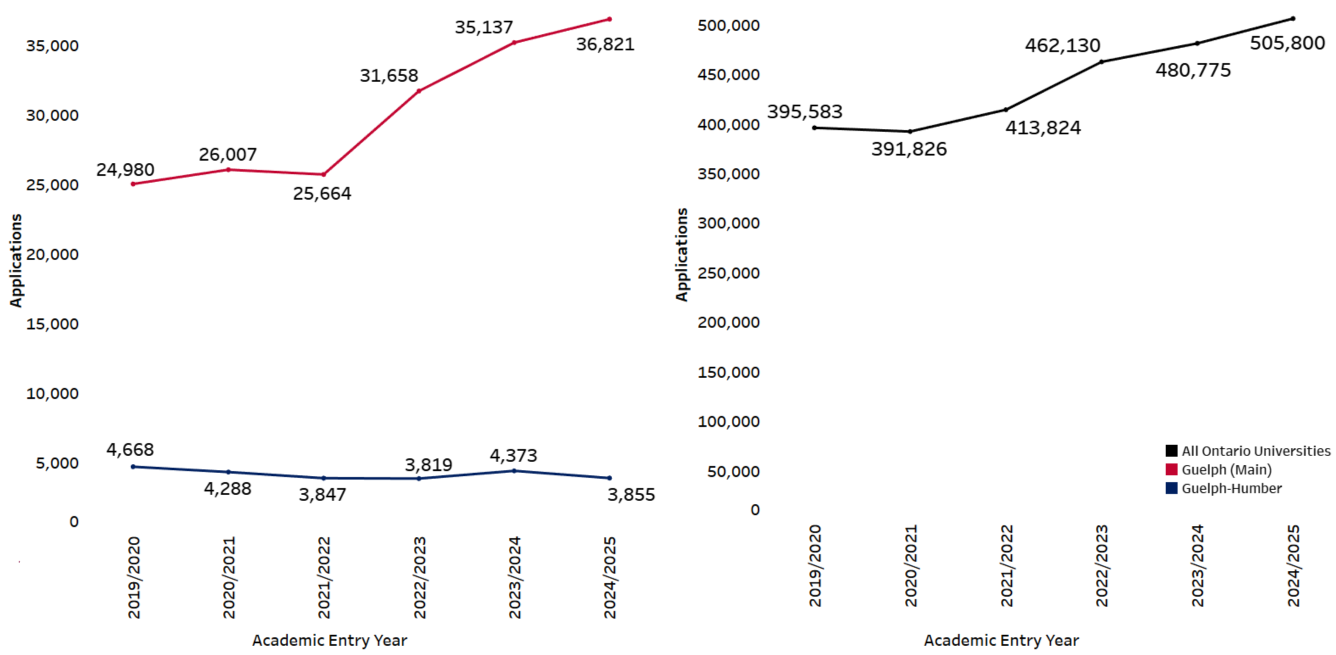
Key recommendations from the report include:

- **Tuition Framework (Student Contribution):** The Panel recommended that the province approve an increase of up to 5% in domestic tuition, beginning in September 2024. Thereafter, tuition rates increase by the greater of 2% or the cost of living. The Panel further recommended flexibility to increase tuition by an additional 3% starting in September 2024 in professional universities programs and high-demand colleges programs, where graduate earnings are demonstrably higher. COU estimates that the proposed tuition rate increases would result in a minimum of \$158.1M in additional revenue for 2024-25; \$66.4M for \$2025-26; and \$67.7M for 2026-27 (excl. changes for professional programs).
- **Operating Funding (Government Contribution):** The Panel recommended that the province increase the value of Weighted Grant Units (WGUs) for universities and Weighted Funding Units (WFUs) for colleges by 10%. Thereafter, the Panel recommended that these rates increase by the greater of 2% or the cost of living. Based on a preliminary analysis, COU estimates that the proposed WGU increases would result in an additional \$335.2 in revenue for 2024-25; \$73.7 for \$2025-26; and \$75.2M for 2026-27.

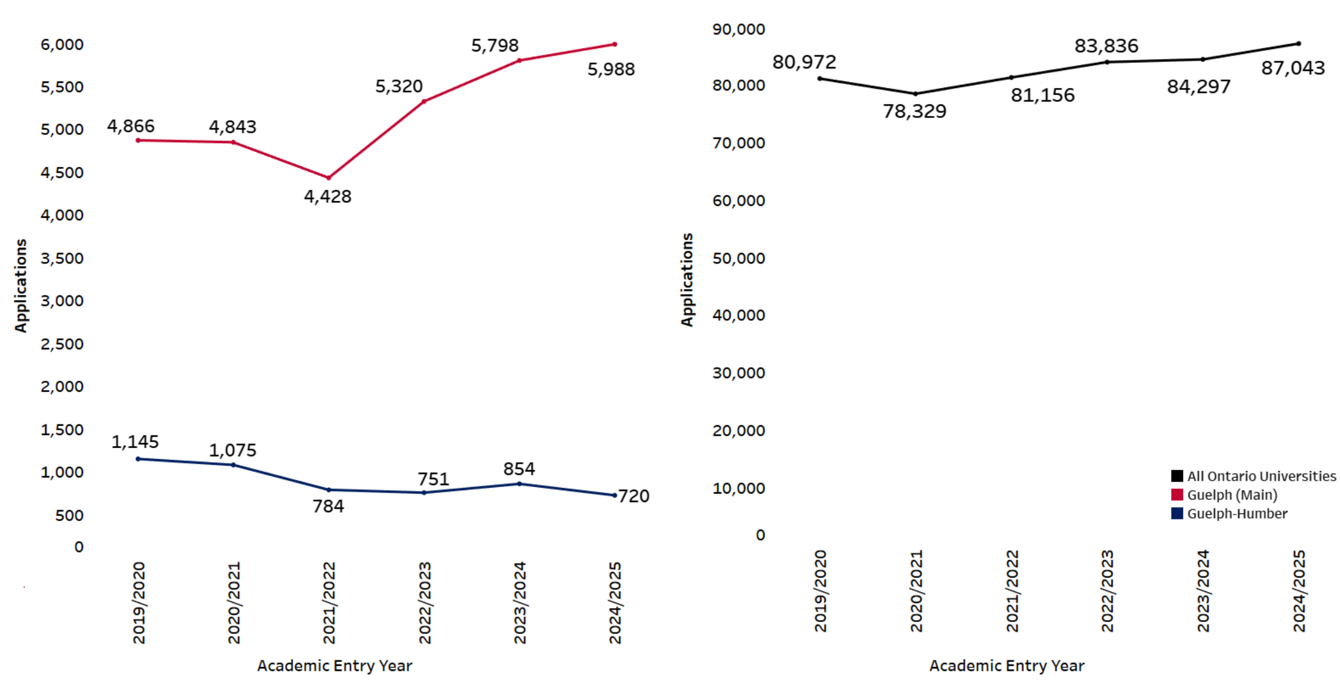
- **Efficiencies/Savings (Institutions’ Contributions):** The Panel agreed with Nous Group that administrative savings up to 10% administrative savings would be possible, leveraging automation and space modernization initiatives, among others.

Appendix E: University Application Trends

The University of Guelph distinguishes itself by its capacity to draw high-caliber students from across Canada and Ontario. Trends over the past six years continue to demonstrate strong demand among domestic students. International undergraduate trends show a consistent decrease over the same period.



Trends in OUAC Total Applications for Domestic Secondary Students (2019-20 to 2024-25)



Trends in OUAC First Choice Applicants for Domestic Secondary Students (2019-20 to 2024-25)

Table 15: Semester 1 International Undergraduate Applications by mid-January (2020-21 to 2024-25)

	Academic Entry Year				
	2020/2021	**2021/2022**	**2022/2023**	**2023/2024**	**2024/2025**
Number of Applications	3,355	3,028	2,499	2,469	1,845
Year over Year Change		-9.7%	-17.5%	-1.2%	-25.3%
Number of Offers	201	298	318	501	767
Year over Year Change		48.3%	6.7%	57.5%	53.1%

Appendix F: Detailed General Operating Budget Plan 2024-25 to 2026-27

In Thousands	2022/23 Actual	2023/2024 Budget: Before Transformation Spending	2023/2024 Budget: Transformation Spending	2023/2024 Budget: Total	2023/24 Forecast	2024/2025 Budget: Base	2024/2025 Budget: One-time	2024/2025 Budget: Total	2025/2026 Budget: Base	2025/2026 Budget: One-time	2025/2026 Budget: Total	2026/2027 Budget: Base	2026/2027 Budget: One-time	2026/2027 Budget: Total
REVENUES														
Provincial Operating Grants	185,492	186,370		186,370	188,144	187,110	-	187,110	187,110	-	187,110	187,110	-	187,110
Tuition Fees	221,286	235,219		235,219	234,780	251,617	-	251,617	277,336	-	277,336	288,799	-	288,799
Other Student Fees & Contracts	23,467	21,850		21,850	25,083	26,835	-	26,835	30,701	-	30,701	31,001	-	31,001
Sales of Goods and Services	38,865	37,998		37,998	39,867	39,846	-	39,846	41,125	-	41,125	41,985	-	41,985
Guelph-Humber	20,489	18,458		18,458	17,516	15,435	-	15,435	15,435	-	15,435	15,435	-	15,435
Other Revenues	15,804	22,395		22,395	27,399	22,395	-	22,395	22,395	-	22,395	22,395	-	22,395
Total Revenues	**505,405**	**522,291**	**-**	**522,291**	**532,790**	**543,239**	**-**	**543,239**	**574,103**	**-**	**574,103**	**586,726**	**-**	**586,726**
EXPENSES														
Salaries	(327,192)	(327,678)		(327,678)	(339,381)	(341,411)	-	(341,411)	(352,212)	-	(352,212)	(366,774)	-	(366,774)
Benefits	(82,706)	(88,007)		(88,007)	(86,528)	(93,516)	-	(93,516)	(97,847)	-	(97,847)	(101,259)	-	(101,259)
Scholarships and Bursaries	(32,870)	(28,575)		(28,575)	(26,753)	(28,274)	-	(28,274)	(28,169)	-	(28,169)	(28,084)	-	(28,084)
Utilities	(20,570)	(19,165)		(19,165)	(17,954)	(19,490)	-	(19,490)	(19,957)	-	(19,957)	(20,440)	-	(20,440)
Operating	(84,033)	(89,716)	(18,000)	(107,716)	(101,201)	(85,187)	(20,660)	(105,846)	(92,379)	(14,171)	(106,550)	(94,949)	(7,822)	(102,771)
Total Expenses	**(547,371)**	**(553,141)**	**(18,000)**	**(571,141)**	**(571,817)**	**(567,878)**	**(20,660)**	**(588,538)**	**(590,564)**	**(14,171)**	**(604,735)**	**(611,506)**	**(7,822)**	**(619,328)**
		-	-	-	-	-	-	-	-	-	-	-	-	-
Net Position - Before Transfers	**(41,967)**	**(30,850)**	**(18,000)**	**(48,850)**	**(39,027)**	**(24,639)**	**(20,660)**	**(45,299)**	**(16,461)**	**(14,171)**	**(30,632)**	**(24,780)**	**(7,822)**	**(32,602)**
TRANSFERS														
From OMAFRA	34,677	22,880		22,880	22,719	22,880	-	22,880	22,880	-	22,880	22,880	-	22,880
From Ancillaries	14,574	16,011		16,011	16,186	17,716	-	17,716	18,172	-	18,172	18,646	-	18,646
From Heritage	-	-		-	-	-	-	-	-	-	-	-	-	-
Debt Financing of Transformational Costs		-	18,000	18,000	10,976	-	15,000	15,000	-	9,000	9,000	-	-	-
Transfers to Operating	**49,251**	**38,891**	**18,000**	**56,891**	**49,881**	**40,596**	**15,000**	**55,596**	**41,052**	**9,000**	**50,052**	**41,526**	**-**	**41,526**
To Major Capital & Debt Servicing	(23,380)	(25,351)		(25,351)	(25,352)	(26,065)	(3,138)	(29,203)	(28,681)	(6,140)	(34,821)	(31,267)	(7,800)	(39,067)
		-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers from Operating	**(23,380)**	**(25,351)**	**-**	**(25,351)**	**(25,352)**	**(26,065)**	**(3,138)**	**(29,203)**	**(28,681)**	**(6,140)**	**(34,821)**	**(31,267)**	**(7,800)**	**(39,067)**
		-	-	-	-	-	-	-	-	-	-	-	-	-
Total Transfers	**25,871**	**13,540**	**18,000**	**31,540**	**24,529**	**14,531**	**11,862**	**26,393**	**12,372**	**2,860**	**15,232**	**10,259**	**(7,800)**	**2,459**
		-	-	-	-	-	-	-	-	-	-	-	-	-
Net General Operating Results	**(16,095)**	**(17,309)**	**-**	**(17,309)**	**(14,498)**	**(10,108)**	**(8,798)**	**(18,906)**	**(4,089)**	**(11,311)**	**(15,400)**	**(14,520)**	**(15,622)**	**(30,142)**
Additional Grant Revenue:														
Postsecondary Education Sustainability Fund							**6,159**	**6,159**		**10,388**	**10,388**		**14,701**	**14,701**
Net Operating Results - including additional grant revenue	**(16,095)**	**(17,309)**	**-**	**(17,309)**	**(14,498)**	**(10,108)**	**(2,639)**	**(12,747)**	**(4,089)**	**(923)**	**(5,012)**	**(14,520)**	**(920)**	**(15,441)**

Appendix G: 2024-25 Tuition Fee Increases

This table contains the approved changes in tuition fees by category effective Fall 2024. Listed fees are rounded to the nearest dollar and reflect two semesters for undergraduate programs and three semesters for graduate programs, unless otherwise noted. In February 2024, MCU announced a continuation of the tuition freeze for domestic Ontario students, and an allowed increase of up to 5% for out-of-province domestic students. Additionally, post-secondary institutions across Ontario had the opportunity to adjust tuition rates in select program (see table below). International fees were approved in April 2023.

Tuition Fee Changes 2024-25
MCU tuition policy required universities to cut domestic tuition rates by 10% relative to 2018-19 levels for 2019-20 and subsequently freeze those rates from 2020-21 through 2026-27 with some exception.

Fees Under MCU Tuition Framework (Note #5)	Fee Increase New Students	Fee Increase Continuing Students (Note #4)
Undergraduate In-Province (Excl. Program Exceptions)	0%	0%
Undergraduate Out-of-Province (Excl. Program Exceptions)	5%	5%
Graduate In-Province	0%	0%
Graduate Out-of-Province	0%	0%

Fees Under MCU Tuition Framework (Program Exceptions) (Note #4)	Fee Increase 2023/24 Entering Cohorts and Later	2024-25 Rate New Students	Fee Increase 2022/23 Entering Cohorts or Earlier
Bachelor of Commerce	7.5%	$9,835	0%
Bachelor of Engineering (Biological, Environmental, Water, Systems & Computing, Undeclared Majors)	7.5%	$10,682	0%
Doctor of Veterinary Medicine	7.5%	$10,682	0%

Domestic Fees Outside of MCU Tuition Framework	Fee Increase All Students	2024-25 Rate All Students
Assoc. Diploma in Turfgrass Management- In-Province	0%	$6,091
Assoc. Diploma in Turfgrass Management - Out-of-Province	5%	$7,051
Assoc. Diplomas (Ridgetown) In-Province	3%	$3,393 - $3,507
Assoc. Diplomas (Ridgetown) Out-of-Province	5%	$3,703- $3,827
Graduate Diploma in Accounting (Note #3)	2.94%	$8,750
Master of Business Administration in Food & Agribusiness Management (Note #1)	0%	$34,586

International Fees (Note #2)	Fee Increase New Students	2024-25 Rate New Students	Fee Increase Continuing Students (Note #4)
Undergraduate 2024-25 Fee Increase			
Assoc. Diploma in Turfgrass Management	5%	$31,206	5%
Assoc. Diplomas (Ridgetown)	5%	$14,442 - $15,408	5%
Arts & Sciences	5%	$34,698	5%
Arts & Sciences - Guelph-Humber	0%	$31,833	0%
Business - Main Campus	5%	$42,289	5%
Business - Guelph-Humber	0%	$36,581	0%
Computing	7%	$42,117	5%
Engineering	5%	$51,565	5%
Doctor of Veterinary Medicine (DVM)	5%	$87,795	5%
Landscape Architecture	5%	$46,007	5%

International Fees (Note #2)	Fee Increase All Students	2024-25 Rate All Students
Graduate 2024-25 Fee Increase		
Doctoral	0%	$19,681
Regular Masters (MA, MSc, MASc) and Graduate Diplomas (Excl. Accounting and Project Management)	0%	$20,512
<u>Professionally Oriented Graduate Programs</u>		
Doctor of Veterinary Science (DVSc)	0%	$25,690
Graduate Diploma in Accounting (Note #3)	5%	$8,925
Graduate Diploma in Project Management	0%	$12,500
Master of Applied Nutrition	5%	$32,750
Master of Arts in Leadership (Note #1)	5%	$39,749
Master of Bioinformatics	6%	$30,925
Master of Biomedical Science	6%	$31,000
Master of Biotechnology	3%	$30,931
Master of Business Administration (Note #1)	3%	$54,589
Master of Conservation Leadership (Note #1)	5%	$39,690
Master of Cybersecurity and Threat Intelligence	5%	$44,100
Master of Dairy Technology Management	0%	$27,000
Master of Data Science	0%	$42,000
Master of Engineering	5%	$34,048
Master of Environmental Sciences	5%	$26,975
Master of Fine Arts in Creative Writing	5%	$26,975
Master of Fine Arts in Studio Art	5%	$26,975
Master of Food, Agriculture and Resource Economics	7%	$27,488
Master of Landscape Architecture	3%	$32,563
Master of Planning	5%	$26,975
Master of Project Management	0%	$37,500
Master of Public Health	0%	$32,000
Master of Science in Management	3%	$30,900
Master of Science in Food Safety and Quality Assurance	3%	$29,602
Master of Wildlife Biology	0%	$30,000

Note 1: Shows full program tuition

Note 2: For 2016- 2017 and earlier cohorts, the in course international students will have no increase in accordance with the University's past practice of a cohort fee for the length of the program. Students who entered in 2017-18 or later no longer have the cohort fee rate guarantee and will be subject to any approved fee increases. These fees have been previously approved and are only included for information purposes.

Note 3: Graduate Diploma in Accounting is a one term program

Note 4: 2024-25 tuition fee rates vary for continuing students depending on their cohort

Note 5: Only applies to students registered in Biomedical, Computing and Mechanical Engineering programs

Appendix H: Non-Academic Student Fees – Guelph Campus

This table contains the approved fee changes starting in Fall 2024 (fees effective September 1, 2024 to August 31, 2025). The fees shown are not all our activity-related fees; only fees where revenue accrues to the University's General Operating Budget for services provided are included.

In accordance with MCU regulations, non-academic student fees can only be introduced or changed under a protocol or referendum established and agreed to by student representatives. The University and student representatives have signed such an agreement which covers the fees shown below. The compulsory fees committee may approve fee increases up to 3% above the CPI for Ontario. (Full-Time FT, Part-Time PT). The published Statistics Canada Consumer Price Index (CPI) annual average for Ontario (all items) for 2023 was 3.8%.

Guelph Campus (Note #4)	2023-24 FT Approved Fees	2024-25 FT Recommended Fees	% Increase (Note #3)
Athletic Fee			
Undergraduate and Graduate	$151.82	$157.59	3.8%
Athletic Building Fee (Note #1)			
Undergraduate and Graduate	$57.47	$59.19	3.0%
Student Health Services Fee (Note #2)			
Undergraduate and Graduate	$40.51	$42.66	5.3%
LANG: Business Career Centre Fee			
Undergraduate B.Comm	$63.37	$65.78	3.8%
University Centre Fee			
Undergraduate and Graduate	$17.70	$18.37	3.8%
Orientation Week Fee (Note #2)			
Undergraduate, Semester 1, Fall only	$81.82	$86.16	5.3%
Student Volunteer Connections Fee			
Undergraduate – Full-Time Only	$2.10	$2.18	3.8%
Graduate – Full-Time Only	$1.58	$1.64	3.8%
OUTline			
Undergraduate	$0.46	$0.46	0%

Guelph Campus (Note #4)	2023-24 FT Approved Fees	2024-25 FT Recommended Fees	% Increase (Note #3)
Unbundled Student Service Fee			
Undergraduate Students			
Student Life Enhancement Fund	$3.92	$4.07	3.8%
School of Fine Art & Music	$0.68	$0.71	3.8%
Library: Academic Support (Note #2)	$15.28	$16.32	6.8%
Student Experience: Academic Support (Note #2)	$19.43	$20.46	5.3%
Financial Aid Services	$10.11	$10.49	3.8%
Career Services	$8.09	$8.40	3.8%
Mental Health Services (Note #2)	$23.88	$25.15	5.3%
Centre for International Programs	$0.68	$0.71	3.8%
Graduate Students			
Student Life Enhancement Fund	$3.92	$4.07	3.8%
School of Fine Art & Music	$0.68	$0.71	3.8%
Library: Academic Support (Note #2)	$14.59	$15.58	6.8%
Student Experience: Academic Support (Note #2)	$19.01	$20.02	5.3%
Financial Aid Services	$9.43	$9.79	3.8%
Career Services	$7.81	$8.11	3.8%
Mental Health Services (Note #2)	$23.88	$25.15	5.3%
Centre for International Programs	$0.68	$0.71	3.8%

Note 1: This is a 30-year fee initiated in fall 2009 (until 2039) and approved through a referendum process to increase annually by 3%.

Note 2: As per the protocol, the Compulsory Fees Committee has approved an increase above the CPI, and up to an additional 3%.

Note 3: Fee increases will apply to both full-time undergraduate and graduate students and part-time undergraduate students unless otherwise noted.

Note 4: Fees are applied on a per-semester basis unless otherwise noted.

Appendix I: Non-Academic Student Fees – Ridgetown Campus

Referendum Report: New Ridgetown Campus Orientation Fee

INTRODUCTION

The Ridgetown Campus Student Council held a referendum to gather student feedback on implementing an $81.82 one-time orientation fee, similar to the one at the main campus, for incoming students during their initial fall semester. This report summarizes the process, results, and conclusions of the referendum.

PROCESS

1. **Proposal Formulation:** The Student Council carefully crafted the proposal, considering budgetary needs and program enhancement.
2. **Communication:** The proposal was shared via email, social media, and campus notices. An information session was held to clarify the purpose and usage of the fee.
3. **Voting:** A paper ballot system was utilized, with students required to present their student ID for eligibility. The registrar's office provided an eligible voting list to ensure the integrity of the process.

RESULTS

- Total Eligible Voters: 543
- Total Votes Cast: 90
- Participation Percentage: 16.57%
- Quorum: 10%
- Votes For New Fee: 69
- Votes Against New Fee: 21
- Abstentions: 0

CONCLUSION

The referendum was successful, with 76.67% expressing approval for the fee. The Student Council appreciates student engagement and is committed to serving their interests.

USAGE OF THE FEE

The fee is designated to enrich the orientation experience by enabling the addition of:

1. **Diverse Workshop Series**: Offering essential sessions on topics such as academic success strategies, sexual and gender-based violence, cultural competency, and mental health awareness.

2. **Peer Mentorship Program**: Establishing a peer leader program where experienced students guide and support incoming students, providing them with valuable insights, advice, and assistance as they navigate their first year on campus.

3. **Community Engagement Initiatives**: Organizing community service projects or volunteer opportunities to introduce students to the local community, fostering a sense of civic responsibility and engagement.

4. **Social Events and Mixers**: Hosting social events, mixers, and networking opportunities to encourage students to connect with their peers, build friendships, and establish a support network within the campus community, with special attention to creating inclusive environments where all students feel welcome and safe.

5. **Campus Tours and Exploration**: Facilitating guided campus tours and exploration sessions to familiarize students with campus facilities, resources, and key locations, while emphasizing the importance of safety protocols and fostering a sense of inclusion for all students, regardless of background or identity.

6. **Academic Department Introductions**: Arranging sessions where students can meet faculty members and learn about different academic departments, and academic support services available on campus.

Additionally, instituting a new fee will enable the Ridgetown Campus Student Council to provide more robust support for clubs and activities year-round. Currently, a considerable portion of the student council fee is earmarked for the orientation program, leaving limited resources for programming outside of this period.

Note: The administration will manage the collection of the Orientation fee, guaranteeing transparency through detailed reports to the Student Council. The council will actively provide input on the type of programming offered and will play a pivotal role in assisting with the planning, facilitating and promoting of Orientation Week activities.

Appendix J: Ancillary Fees – Guelph Campus

This table contains the approved fee changes starting in Spring Semester 2024 (Fees to be effective May 1, 2024 to April 30, 2025).

Ancillary Contracts *	Year of Last Increase	% Increase	Notes
Residence Contracts			
Student Residence	2023	5.0 %	Note #1
Family Housing (New Tenants)	2023	5.0 %	Note #2
Family Housing (Existing Tenants)	2023	2.5 %	Note #3
Meal Plan Contracts			
Required for all Residence Students	2023	3.1 %	Note #4

* Effective May 1, 2024 to April 30, 2025

Note 1: Student housing maintains ten residence facilities and provides accommodation to approximately 4,800 students in a typical year. U of G's residence rates for traditional double occupancy was 7th among 10 other competitors (a total of 11) in the province.

Note 2: Family Housing consists of 314 apartments in two apartment and townhouse complexes dedicated to family and graduate housing. Family Housing 2-bedroom townhouse rate of $1,575 per month is comparable to Guelph Campus Co-Operative rate, however, well below market rate of $2,575 per month by our closest competitor.

Note 3: Increases in rent at Family Housing follow the guidelines from the Residential Tenancies Act (RTA).

Note 4: On-campus Meal Plans are mandatory for students living in a traditional residence room and optional for students who live on campus in a suite style residence room. U of G's meal plan rates for a Minimum Plan was 8th highest among 10 other competitors (a total of 11) in the province.

Appendix K: Campus Parking Services– Guelph Campus

Parking fees for 2024/25 are recommended to increase as outlined in the table below.

	Year of Last Increase	2023-24 Rate	2024-25 Recommended Rate	% Increase
Parking Tier				
Black Permit	2023	$160.00	$164.75	3.0%
Red Permit	2023	$ 90.25	$ 93.00	3.0%
Yellow Permit	2023	$ 79.00	$ 81.40	3.0%
Daily Rate	2023	$ 20.50	$ 21.00	2.4%
Hourly Rate	2023	$ 3.25	$ 3.50	7.7%