BUDGET PLAN
2022/23 to 2023/24

April 2022

Prepared for the Finance Committee

UNIVERSITY of GUELPH

Table of Contents

Message from the Provost

As Provost and in collaboration with leadership across the institution, I oversee the creation and allocation of the university's budget, making strategic decisions and investments that support U of G's short- and long-term priorities. I am pleased to present the University of Guelph's 2022/23 to 2023/24 budget plan to the University community. Over the next two years, the budget plan will underpin our strategic decision making, guide University operations and help us to achieve financial resiliency.

Budget plans are critical to supporting and advancing an institution's academic and research mission and vision. The plan submitted here will help the University chart a path forward post-pandemic and strengthen U of G's reputation as a top comprehensive, research-intensive university. As this document shows, the operating budget, which supports the core mission of the University, remains in deficit position for the next two fiscal years. We are committed to moving to a balanced budget in 2024/25. Reaching this goal is not about "making the numbers" work. It will take concerted work of coming together as a community, setting our path and ensuring our precious resources support our collective goals.

To this end, the budget plan presented here continues to support strategic University priorities by:

- Supporting diverse and enriched teaching and learning initiatives that promote student success and enhance the experience of the whole student.
- Stimulating global engagement and internationalization through enhanced partnerships and engagement with the communities we serve, locally, provincially, nationally and around the globe.
- Promoting sustainable and resilient fiscal planning and operations, including cross-campus collaborations to seek efficiencies, innovate, and achieve targeted revenue growth to support balancing the budget.
- Establishing the financial context necessary to create and foster a distinct, inclusive and equitable campus community.

I would like to thank the academic and administrative staff, faculty and leadership across the University for their commitment to sound financial management over the last 2 years and for their contributions to the development of this budget plan. The collaboration demonstrated throughout the planning process was remarkable and it will be even more critical as we work together in reducing our structural deficit and achieving a balanced budget. Together we can ensure that U of G has the foundation it needs to remain a leader in post-secondary education.

Sincerely,

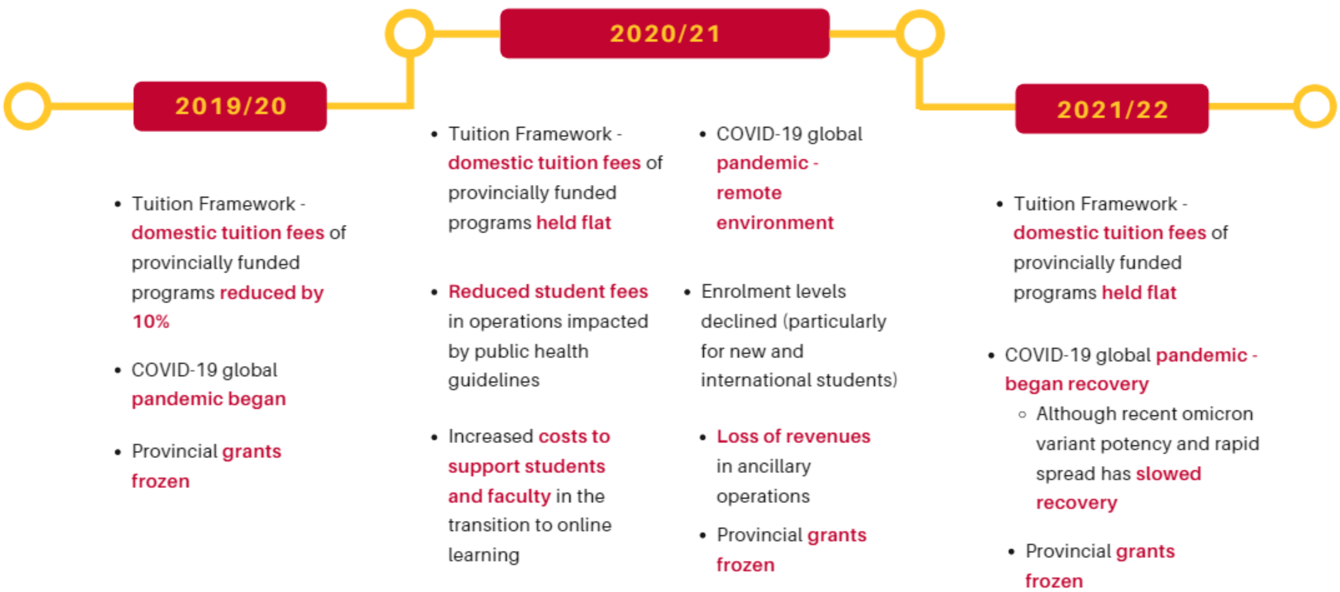
Gwen Chapman

Provost and Vice-President (Academic)

Executive Summary

When the 2021/22 budget plan was drafted in the spring of 2021, the expectation was that the 2021/22 fiscal year would be about sustaining practices and innovations that worked and rethinking what did not as the University community moved beyond a focus on responding to the COVID-19 pandemic. Instead, this past year remained one in which we reacted to the shifting contexts of the pandemic as new strains evolved and public health restrictions changed throughout the year. The University of Guelph community was forced to teach, learn, conduct research and work in an environment of uncertainty for much of the year.

The pandemic, however, has not been the only significant driver of the University's fiscal context. Over the past 3 years, the University Budget Plan has been significantly impacted by changes to government policy on domestic tuition, with the 10 per cent reduction of these fees coming in just before the onset of the pandemic, as outlined in the following timeline.



Though 2021/22 did not go as planned, our students, faculty and staff came together. As we look toward 2022/23 and beyond, we will advance what we have learned and achieved using technology, flexibility in work, teaching, learning, and enhancing accessibility and inclusion.

The University is focused on moving forward and continuing to build and enhance the following key priorities areas as laid out in the 2022/23 budget plan:

- Student success
- Internationalization
- Building financial resiliency
- Indigenization, equity, diversity and inclusion

The success of our students remains of paramount importance. Through a series of planning sessions with the deans and the provost leadership team over the past year, several areas and priorities were identified under this pillar: strategic student recruitment and seamless onboarding, innovative academic programs, enhanced student support and services, improved student employability and readiness, and engagement beyond graduation. While this work will be on-going, the initial and immediate priorities are to focus on student recruitment through investment in an augmented communications and marketing strategy and innovative academic programs through support in pedagogical innovation.

As we strive for global excellence, it is imperative that we recruit the best students from around the world. The University is committed to enhancing and growing internationalization. Our international student population continues to increase, particularly in graduate enrolments, and international research and development activities and partnerships span the globe. A continued and growing focus for this budget plan period will be on increased recruitment of international students through improved enhanced and targeted marketing, increased applications, enhanced conversion (offer to enrolment) strategies, augmentation of student support areas, and increased course-based masters programs.

The University and its leadership adopted a high-level roadmap toward financial resiliency (see Appendix F). It is imperative that the University community continues with a collaborative and integrated planning approach to address current budgetary challenges and ensure the ongoing financial resiliency of the University, while maintaining a commitment to teaching, research and the student experience.

The University has thus launched efficiency building and revenue generating initiatives as well as process and budget model reviews to support the long-term objectives of balancing the budget and achieving fiscal resiliency.

The University is undertaking a [Budget Model Review], using a collaborative and engaged process to seek input from the community. This includes assessing the optimal allocation of budget resources across the University in support of the strategic priorities and our core mission. These changes will require a new way for colleges and units to plan. Discussion on supporting the evolution of growing diversified revenues sources will be a key part of this process. This includes providing appropriate incentives to units for growing and diversifying revenues. For example, a new revenue sharing framework has been implemented with the colleges to share the revenue growth associated with international enrolments to motivate growing enrolments. This is a transitional step towards a budget model that provides units more transparency to their financial position and incentivizes entrepreneur behaviors across the institution.

Fostering a culture of equity and inclusion begins with acknowledging and celebrating the diversity among us and recognizing that members of our community experience barriers to education, employment, and full participation in university life. To that end, the University committed to taking deliberate steps to address racism, hatred and discrimination through the establishment of the Anti-Racism Action Plan. In addition, in early 2021 the Indigenous Initiatives Strategy Report Bi-naagwad: It Comes into View provided recommendations on indigenization of University services, policies, practices and environment. In support of these recommendations, the provost will be announcing support for hiring of Black and Indigenous faculty and staff for 2021/22 and beyond.

Budget Plan Overview

Budget Plan 2022/23 – 2023/24 outlines the expected expenses and revenues for the Guelph and Ridgetown campuses. The Budget Plan considers the fiscal context under which the University is operating, identifies emergent opportunities and estimated risks, and outlines supports for key strategic initiatives arising from the University's academic and research missions. In addition, this Budget Plan provides information on the ancillary operations, capital projects, and our partnership with the Ontario Ministry of Agriculture, Food and Rural Affairs (OMAFRA), and the Ontario Agri-Food Innovation Alliance. The full budget for the University of Guelph-Humber is developed as a separate planning document.

This document summarizes the 2022/23 and 2023/24 fiscal planning across the major operating activities of the University and presents a two-year Budget Plan for approval by the Board of Governors. This Budget Plan presents a consolidated plan that combines the financial structures of each fund as outlined in Appendix G, excluding research and endowments as these are self-contained and balance within their externally restricted funding sources.

The 2022/23 – 2023/24 budget plan includes the following projections for each fund within the University:

- The operating budget is anticipating a total deficit of $15.3 million in 2022/23, including $6 million one-time commitments, and $11 million in 2023/24, including $5.5 million one-time commitments. This is planned to be funded from reserves.
- OMAFRA supported initiatives are anticipating a $5.2 million deficit in 2022/23 which will be funded from existing OMAFRA reserves. The 2023/24 funding allocation from the province is being negotiated through the next agreement term and potential impacts to the University are discussed in Section 4.
- Ancillaries are anticipating a $5.6 million surplus in 2022/23 and $8.4 million surplus in 2023/24.

Opportunities

There are several foundational aspects of our approach to balancing the budget, including:

- Engaged and collaborative processes leading to culture change and shared accountability.
- Path and space for innovative thinking (e.g., Strategic Financial Imperative program).

Planning focused on leveraging the lessons learned from the global pandemic, including finding more efficient and effective ways to teach, work and learn together. More specifically, key opportunities have been leveraged in the 2022/23 budget plan to grow and diversify revenues and reduce expenses as operational synergies are achieved. In all, $7.5 million in deficit reduction strategies are built into the 2022/23 budget presented here. This includes $4.3 million in revenue growth through revenue generation targets for specific units and international tuition and $3.2 million in expense reductions through operational synergies achieved by reviewing hiring needs whenever positions become available through attrition and by adopting a 'digital first' strategy that will reduce printing and mailing costs. The 2023/24 budget includes an additional $5 million in deficit reduction targets that will be assigned to units across the university. In addition, we will continue to work with the university over the coming two years to identify further budget mitigation strategies over and above what is assumed in the plan presented here.

Challenges & risks

There are also several significant identified risks for the current Budget plan. These are:

- Continuation of frozen government grants and tuition fees and the impact of further changes in government policy.
- Several collective agreements will be due for renegotiation within the two-year planning timeframe with unknown outcomes of future bargaining – although Bill 124 requirements may mitigate a portion of this risk.
- Significant investment of funds and resources continues to be required to support physical and IT-related infrastructure renewal.
- Market volatility risk on interest income.
- Competition globally for international students from institutions much more experienced and effective at attracting and supporting these students.
- Changes to provincial utility rebates and energy rates given the current political environment.

1 Fiscal Context

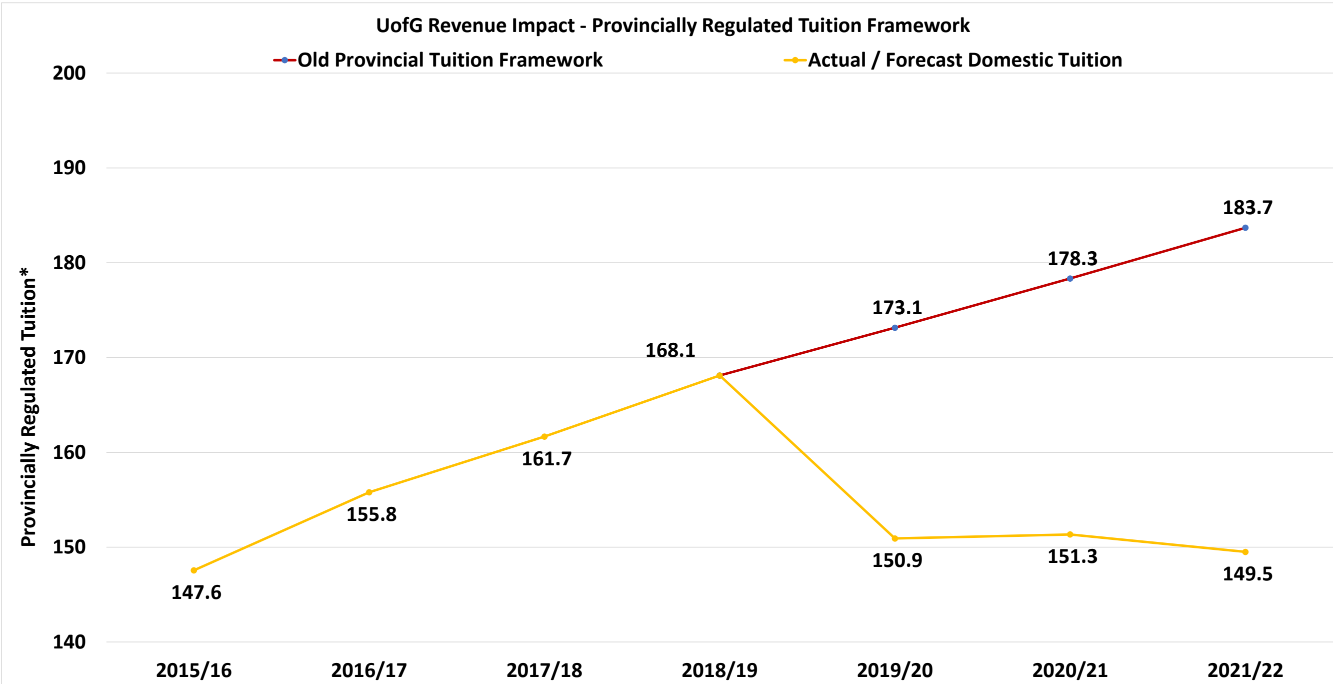
In assessing our current fiscal context, external considerations and the overall financial health of the University were considered. The direction for post-secondary education being charted by the current conditions of reductions in revenue and decreased predictability contribute to this volatile landscape. It is likely that changes to the way universities are funded will continue to evolve over the coming years. In 2020 the sudden and rapid impact of COVID-19 pandemic in Canada created turmoil and uncertainty on the economic front and had wide-ranging implications for the University of Guelph. The impact of the pandemic on the University was varied and included declines in enrolments of planned international and new students, lost revenues from reduced activities on campus, support directed to the increased needs of students, and costs associated with the transition to alternate forms of teaching and enhancements and increased cleaning in the assurance of safe campus facilities.

1.1 External Considerations

The University of Guelph's Budget Plan 2022/23 – 2023/24 (Budget Plan) is shaped by the University's Strategic Framework, the Provost's academic plans (e.g., Teaching and Learning Plan), and the Strategic Research Plan. In addition to the key pillars laid out in the strategic framework, the University remains committed to internationalization, indigenization, equity, diversity and inclusion, financial resiliency (including effective enterprise management), and student success. These priorities coupled with our guiding budgeting principles (see Appendix A) set the basis of the Budget Plan in support of academic programs, operational activities, and strategic investments during the 2022/23 and 2023/24 fiscal years.

Government Landscape

Prior to 2019/20, universities had the ability to increase domestic tuition fees annually by 3 per cent overall (3 per cent for arts & science programs and 5 per cent for professional and graduate programs). This long-standing framework expired on March 31, 2018. In 2019, the provincial government introduced a new tuition framework requiring colleges and universities to reduce tuition fee levels by 10 per cent in 2019/20, relative to 2018/19 levels. Colleges and universities were expected to maintain tuition fees in 2020/21 at the same level as 2019/20 tuition. This policy affects all tuition fees for programs and student categories eligible for MCU operating funding. The only exceptions to this policy are tuition fees charged for cost-recovery programs and international students. In March 2022, MCU announced that domestic tuition fees will remain frozen at 2019/20 levels for the 2022/23 academic year. The provincial tuition framework has had a very significant impact on our current financial position. As outlined in the following graph, this provincial policy has reduced the University's potential annual tuition revenue by $34.2 million by 2021/22.

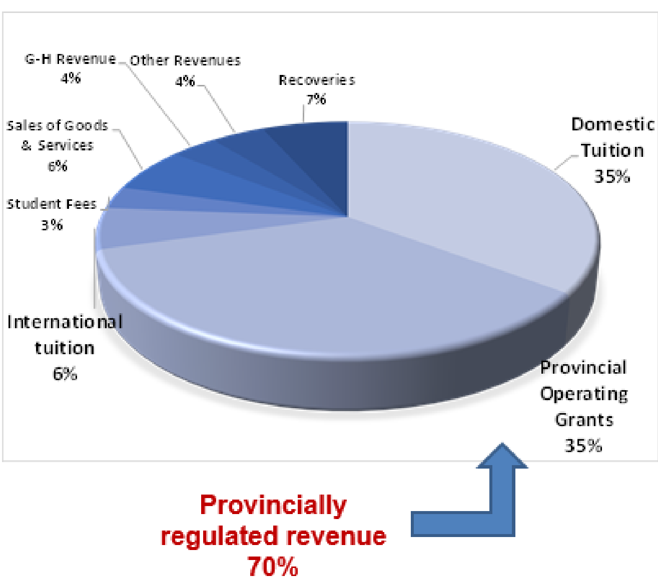


* Domestic tuition reported here is governed by the MCU tuition policy

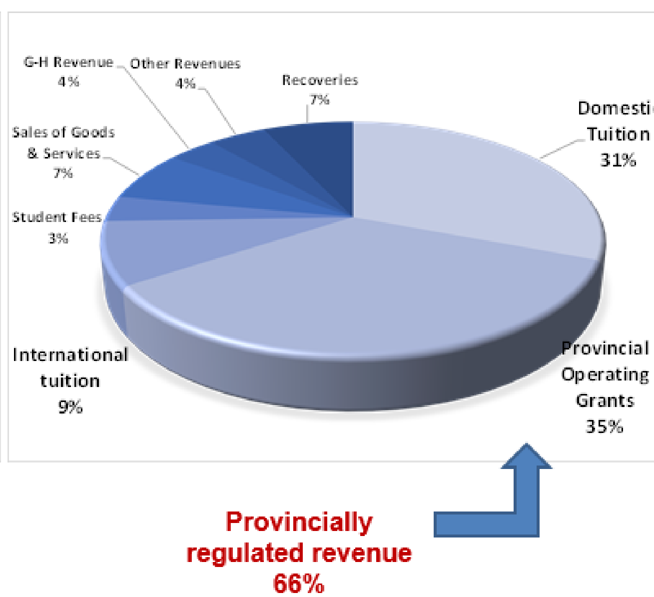
The impact of the tuition framework has been compounded by a freezing of the government grant to the University over the same time period.

Given the high proportion of domestic students at the University of Guelph; the University's revenues have relied heavily on provincially regulated tuition sources and government grants as outlined in the following charts.

2018/19 Operating Budget
Total Revenues & Recoveries $519M



2021/22 Operating Budget
Total Revenues & Recoveries $534M



Diversifying and growing revenue sources beyond those that are regulated by the province is critical to building the University's financial resiliency.

The University community has made significant efforts to mitigate this revenue loss, while maintaining high quality education and globally recognized research excellence. Some of the initiatives implemented to assist in balancing the budget following this provincial policy change are outlined in section 2.3.

In 2019, the provincial government announced the move toward performance-based funding under the framework of a third Strategic Mandate Agreement (SMA3). Under the SMA3, funding is moving from enrolment-based to performance-based funding; gradually shifting from the current 1-2 per cent of total provincial operating grants in 2019/20 to 60 per cent by 2024/25. There is no new grant funding associated with the 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. In response to the COVID-19 pandemic, the provincial government announced in August 2020 that funding would be decoupled from performance for at least the first two years of SMA3 (2020/21 and 2021/22). As of February 2022, MCU extended the decoupling of funding from performance to the third year of SMA3 (2022/23) and decreased the per cent at risk to 10% in year 4 and 25% in year 5. This policy change eliminates any risk to the performance funding for the next fiscal year and greatly reduces it for the following two years.

COVID-19 Global Pandemic

In the Canadian higher education environment, the risks and uncertainties associated with COVID-19 included declines in enrolment levels (i.e., new students and international students), loss of revenues (primarily in ancillary operations), the availability of government resources for additional support, the effect of a downturn in the equity markets on university investments, and the overall economic pressures on individuals, families, and the private sector. These impacts and our responses to them affected the University of Guelph's financial position. To mitigate the short-term risks of the pandemic and minimize the draw on reserves to sustain the University's financial health, the University community took quick action. Several cost containment strategies were brought into immediate effect in 2020 and 2021, including reducing unit base budget allocations, imposing a hiring chill, reducing discretionary spending and setting clear revenue growth and cost reduction targets to support balancing the budget. As public health restrictions began to be lifted in 2021/22, students, faculty and staff returned to a more in-person environment. This change helped mitigate many of the revenue losses experienced in 2020/21, although costs began to return to more pre-COVID pandemic levels. This resulted in the projected operating fund deficit for 2021/22 (as of January 2022) being in line with the 2021/22 budget projection of $25 million. Of this projected deficit, $22.1 million is anticipated to be funded from reserves.

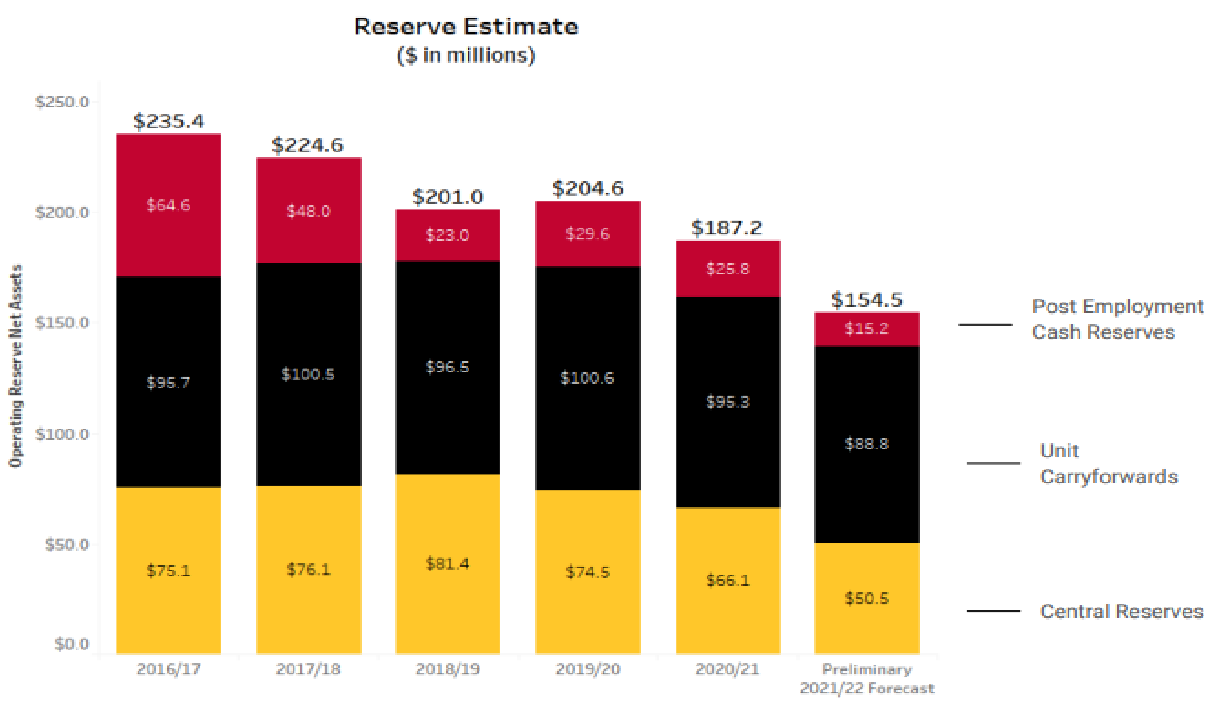
1.2 Financial Health

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 obligations provide important context to the Budget Plan. As of April 30, 2021, the institution had healthy debt ratios (strong viability, low interest burden, and strong debt servicing ratios), indicating that there would be capacity to incur additional debt if needed. Our primary reserve ratio, which is an indicator of the University's resiliency to withstand unexpected impacts on revenue, is forecasted to be 131 days as of April 30, 2022.

It is important to note that approximately 60 per cent of the expendable net assets included in the primary reserve ratio include assets such as the Heritage Fund and debt sinking fund that have already been set aside for important strategic or long-term financial objectives. Continued prudent financial planning and actions to make the institution more effective in its mission (including regarding student success and research excellence) are required to move us beyond a balanced budget in the coming years. This will bring the resources needed for growth and will allow us to replenish University reserves, enabling resilience to persevere through unforeseen financial challenges as were faced in recent years and meet vital strategic priorities in the future.

In addition to the reserves noted in the chart below are funds set aside for capital projects, internally funded research, and funds held in trust aligned with specific purposes that have not yet been paid out. Details on the fund balances can be found in the [2021 Annual Financial Statements](). Excluded from reserves, as they are externally restricted, are sponsored research funds and directed donations which are included as deferred contributions as described in Note 8 of the [Annual Financial Statements]().

The chart below shows the historic (2016/17-2020/21) and preliminary forecasted (2021/22) operating reserves:

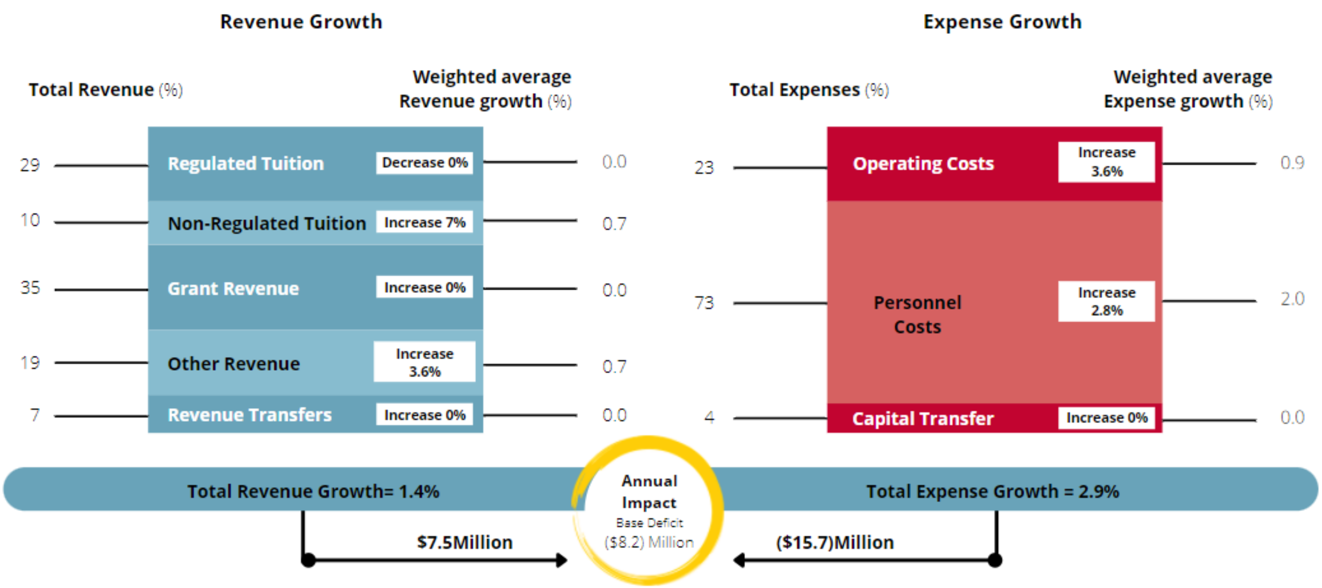


2 Strategies to Balance

The University has articulated a path to overcome the projected budget deficit over the next few years and has changed its approach to budget planning processes to better navigate current and forthcoming challenges, whilst improving accountability and transparency.

Over the past couple years, the growth in expenditures has outpaced the growth in revenues. This was largely due to the changes in the provincial tuition framework and frozen government grants. Tuition and government grants make 66 per cent of the revenues in the operating budget which supports the core mission of the University. At the same time, expenses (primarily salary and benefits) continued to increase due to inflation (see figure below), necessary investments in aging business systems and IT infrastructure, and unanticipated costs in responding to the pandemic. The operating budget framework, displayed below, outlines how these pressures would impact the operating budget, if no action was taken to support balancing the budget:

Operating Budget Framework



On average, the University's net fiscal pressures (revenue growth less expense growth) are between $8 to $10M million annually, prior to any active budget balancing. Annual inflationary pressures range depending on revenue growth levers in our scope of control (e.g., non-regulated tuition).

2.1 Planning Process

In 2020/21, the University made significant progress in implementing more transparent and integrated planning processes to support evidence-based decision making. This included launching an integrated approach to financial planning across the university through the establishment of the Integrated Financial Planning Committee, additional in-year forecasting and enhanced unit budget submissions including a two-year planning horizon.

The Integrated Financial Planning Committee is advisory to the president and makes recommendations in achievement of the overall purpose. The committee provides strategic guidance, immediate and longer-term, on financial matters affecting the financial health of the University, including all funds such as operating, ancillaries, investments, donations, etc.

In-year monitoring of our financial position was enhanced through the preparation by units of two in-year forecasts in September and January. This newly introduced September forecast was pivotal to support evidence-based decision making in mitigating the potential financial impacts of the COVID-19 pandemic. The additional in-year unit forecast also allowed for enhanced transparency on our evolving financial position and further consultation with the University community. These enhancements continued to build greater shared accountability with units and departments.

Engagement on this budget plan included University union leads, student groups, community-wide town hall and ongoing consultation with College Deans and University leadership.

2.2 Plan to Balance

In 2022/23, the University is targeting to generate new revenue and reduced expenses of $7.5 million. Targeted increased revenues will be achieved through focused and strategic growth in a variety of key areas, including increased domestic and international enrolment, contributions from ancillaries and revenue generating units, and implementation of full cost recovery of research. Reduced expenses are anticipated through the ongoing hiring limitations and absorption of resignation savings, while also implementing operational efficiencies such as the digital first strategy across units to reduce printing and other related costs. These additional revenues and reduced expenses will support moving towards a balanced budget while also driving priorities for investments.

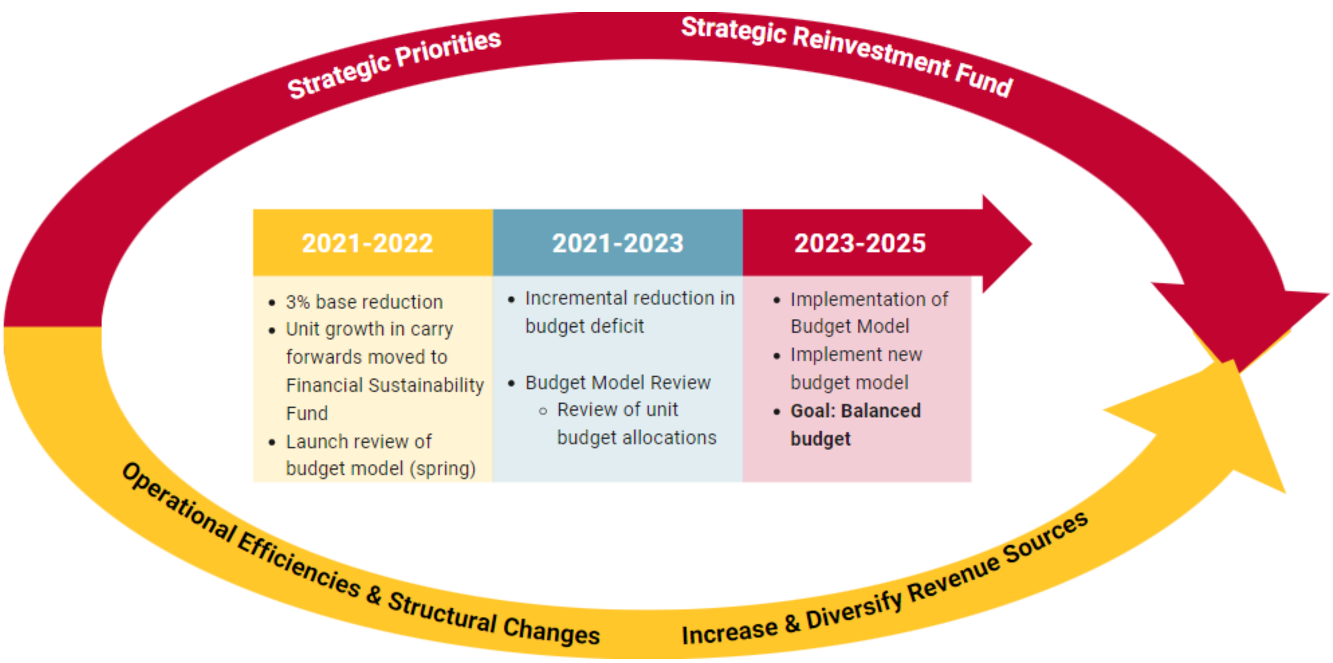
The University's strategic approach to dealing with increasing expenses while taking the time to build new streams of revenue is to focus on driving forward innovations in how we work, teach and support our students with the goal of achieving operational and financial efficiencies, whilst delivering the core academic and research missions of the University. This involves long-term strategic planning and action aimed at evolving the University culturally in order to diversify revenue and advance innovative opportunities with the goal of maintaining acceptable financial health indicators and balancing the budget. Revenue growth targets are set for units that support more than 30 per cent of their budget with external revenues.

Units were advised to plan to absorb operating inflation (outside of negotiated salary increases) within current base budget allocations. This planning parameter allows for a realignment of budget allocations to actual results, while encouraging units to examine and adjust operations / structures to seek efficiencies and opportunities for revenue generation. Units were reminded of current levers they have within the existing budget model to reduce their base expenditures including vacancy and resignation savings, central funding of compensation increases and utilization of carry forward (divisional reserves) to support through the interim transition to lower budget allocations.

In addition, units were advised not to plan for any growth in carry forward funds. Growth in carry forward funds (in-year surpluses) above the allowed 10% of total budget will be redirected to the Strategic Reinvestment Fund, similar to the approach taken in 2021/22. The Strategic Reinvestment Fund allows leadership to fund one-time pressures and invest in strategic priorities such as initiatives that support growth and diversification of revenues in support of balancing the budget. Use of growth in carry forward funds for this purpose has strong support from colleges. As well, it is important to note that the University has strong internal controls in place to ensure spending is in line with available budgets and aligns with the Universities priorities. Units submit annual carry forward spending plans which are approved by their respective executive member. Spending outside of the plan is verified to ensure planned growth is achieved.

The current budget model framework is the focus of the Operating Budget Model and Resource Allocation review currently underway. Base budgets of colleges and administrative units were established over the course of many years and additively from historical decisions. The current model provides limited incentives to encourage revenue generation and support achieving efficiencies; key changes are required to achieve financial resilience. The budget model review will be assessing the optimal model for allocating base budgets in a principled and transparent manner and ensure allocation approaches drive operations to support fiscal resiliency across the university.

The planning horizon for achieving financial resilience, including balancing the budget, is outlined in the following figure.



2.3 Initiatives Supporting Balancing

Financial planning work since 2019/20 has included a focus on seeking potential cost efficiencies and revenue generation opportunities, with targeted efficiencies/revenues anticipated for 2022/23 and beyond. Such initiatives stem from strategic and targeted investments in IT, organizational structural changes, and entrepreneurial units' self-initiating change.

Examples of efficiencies which have been or are being implemented through 2022/23 include:

- The College of Biological Sciences has implemented guided curriculum overhauls to simplify the path for students' success and find curriculum efficiencies to reduce costs including common courses shared across degree programs, increase class sizes (reduce sections) and reducing the number of electives offered. Other colleges are exploring similar opportunities to reduce costs and streamline programs.
- Colleges are currently assessing their programs using a growth-cost model to assess opportunities to increase students for programs with high demand and relatively low incremental costs. This will help assess recruitment and marketing needs and ultimately increase net revenues.
- Colleges have made difficult decisions to remove programing that wasn't directly supporting the academic mission of the college or with low enrolments and high costs.
- Colleges are reassessing organizational and operational structures to serve the need for supporting both their academic and increasingly their enterprise needs.
- Collaborating to centralize services and reduce resources – including a current pilot between the colleges and research finance.

Examples of revenue diversification and growth which have been or are being implemented through 2022/23 include:

- Strategic financial imperative projects that will positively impact the coming fiscals:
  - Secured one-time HST rebates of $8 million in 2021/22 to support moving towards financial resilience. This rebate will help finance the one-time investment in the 2021/22 budget, reducing the projected draw on reserves, and $2 million will finance the RFP and planning stage of the Engineering building project in the capital budget.
  - Ongoing initiatives and recruitment plans have been put in place to support converting new international enrolments.
- The Ontario Veterinary College is actively pursuing to co-deliver the DVM program with Lakehead University to expand domestic enrolment and respond to the increased demand for veterinarians.
- Colleges are actively seeking opportunities to better utilize vacant facilities in the summer semester including additional summer camps and providing advanced credit programs for high school students.
- Micro credentials and non-degree offerings will continue to grow including the development of a new Personal Support Worker accreditation.

The move to a remote work and teaching environment due to COVID-19 has provided an opportunity to think about and approach our work and teaching differently. Learnings from the pandemic will serve us well in the coming years. This has allowed for reduced travel and training expenses – as more organizations provide remote opportunities to seek education.

For continued success, the process of identifying and pursuing more efficient ways to work and creative avenues for increasing revenues must continue to engage the University community. As well, it must be supported by strategic investments that will allow for targeted revenue growth and increased contributions to the operating budget.

Leadership is actively seeking and guiding actions to support balancing the budget. Some of the initiatives implemented to assist in balancing the budget include:

- Increased international enrolments;
- Limiting and rethinking discretionary spending;
- Redirecting in-year surpluses in units to the Strategic Reinvestment Fund – to fund strategic priorities for the university (e.g., student supports, marketing and recruitment);
- A hiring chill to facilitate review and reassessment of positions when employees retire or resign; and,
- Revenue growth targets for units identified as revenue generating.

3 General Operating

3.1 General Operating Budget Plan Summary

The table below presents the major components of revenues and expenses for the General Operating Budget Plan for 2022/23 and 2023/24 compared with the budget and preliminary forecast results for 2021/22.

General Operating Budget Plan Summary ($ in Thousands)

In Thousands	2020/21 Actuals	2021/22 Budget			2021/22 Forecast1	2022/2023 Budget			2023/2024 Budget[2]		
		Base	One-time	Total		Base	One-time	Total	Base	One-time	Total
REVENUES											
Provincial Operating Grants	186,358	186,450		186,450	185,500	186,450		186,450	186,450		186,450
Tuition Fees	208,073	211,770		211,770	205,046	215,750		215,750	226,075		226,075
Other Student Fees & Contracts	15,122	18,930		18,930	19,435	18,930		18,930	18,930		18,930
Sales of Goods and Services	31,884	37,200		37,200	32,525	37,200		37,200	37,200		37,200
Guelph-Humber	22,588	19,820		19,820	19,633	19,220		19,220	19,630		19,630
Other Revenues	22,503	23,670		23,670	23,613	25,670		25,670	25,670		25,670
Total Revenues	**486,528**	**497,840**	**-**	**497,840**	**485,752**	**503,220**	**-**	**503,220**	**513,954**	**-**	**513,954**
EXPENSES											
Salaries	(306,192)	(317,030)		(317,030)	(313,367)	(323,005)		(323,005)	(331,280)		(331,280)
Benefits	(71,598)	(77,180)		(77,180)	(73,874)	(79,025)		(79,025)	(80,870)		(80,870)
Pension (GC and PBGF)	(12,631)	(6,500)		(6,500)	(3,953)	-		-	-		-
Scholarships and Bursaries	(35,237)	(28,040)	(1,500)	(29,540)	(34,763)	(28,040)	(2,000)	(30,040)	(28,040)	(2,000)	(30,040)
Utilities	(14,048)	(18,570)		(18,570)	(18,715)	(18,570)		(18,570)	(18,570)		(18,570)
Operating	(74,038)	(78,430)	(9,750)	(88,180)	(80,668)	(78,792)	(3,965)	(82,757)	(75,535)	(3,520)	(79,055)
Total Expenses	**(513,744)**	**(525,750)**	**(11,250)**	**(537,000)**	**(525,339)**	**(527,432)**	**(5,965)**	**(533,397)**	**(534,295)**	**(5,520)**	**(539,815)**
Net Position - Before Transfers	**(27,216)**	**(27,910)**	**(11,250)**	**(39,160)**	**(39,587)**	**(24,212)**	**(5,965)**	**(30,177)**	**(20,341)**	**(5,520)**	**(25,861)**
TRANSFERS											
From OMAFRA	23,545	22,875		22,875	22,875	22,875		22,875	22,875		22,875
From Ancillaries	12,267	13,030		13,030	12,898	15,402		15,402	15,402		15,402
From Heritage	1,568	1,235		1,235	1,447	-		-	-		-
From Pension	-	-		-	-	-		-	-		-
To Major Capital & Debt Servicing	(23,722)	(23,380)		(23,380)	(23,380)	(23,380)		(23,380)	(23,380)		(23,380)
Total Transfers	**13,658**	**13,760**	**-**	**13,760**	**13,840**	**14,897**	**-**	**14,897**	**14,897**	**-**	**14,897**
Net General Operating Results	**(13,558)**	**(14,150)**	**(11,250)**	**(25,400)**	**(25,747)**	**(9,315)**	**(5,965)**	**(15,280)**	**(5,444)**	**(5,520)**	**(10,964)**
Net Position Funding:											
From Reserves	13,558	14,150	7,600	21,750	22,097	9,315	5,965	15,280	5,444	5,520	10,964
From Other Sources			3,650	3,650	3,650			-			
Total Net Position Funding	**13,558**	**14,150**	**11,250**	**25,400**	**25,747**	**9,315**	**5,965**	**15,280**	**5,444**	**5,520**	**10,964**

Notes:

1) The 2021/22 Forecast is based on projections in January 2022.
2) Includes $5.0M base reduction of deficit in 2023/24

3.2 Assumptions and Highlights

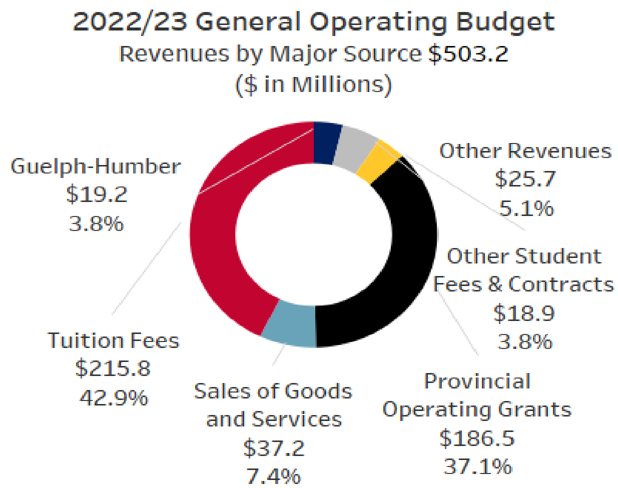
Overview of Budget Plan

For the operating budget we are projecting an in-year $15.3 million deficit in 2022/23 and $11.0 million deficit in 2023/24.

Compared to the 2021/22, budget it is projected that in 2022/23 our revenues will increase by $5.4 million (1 per cent), while our expenses will essentially be held flat. Overall transfers (e.g., from ancillaries) will increase

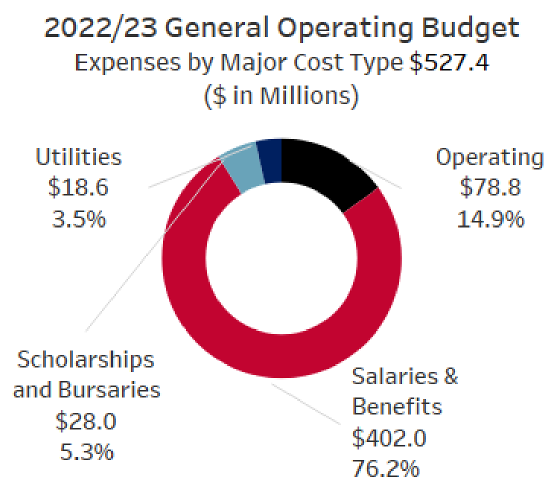
$1.2 million due to the planned growth in ancillary revenues partially offset by the completion of the heritage funding for the start-up of the Office of International Strategy and Partnerships.

Key Revenue Assumptions:



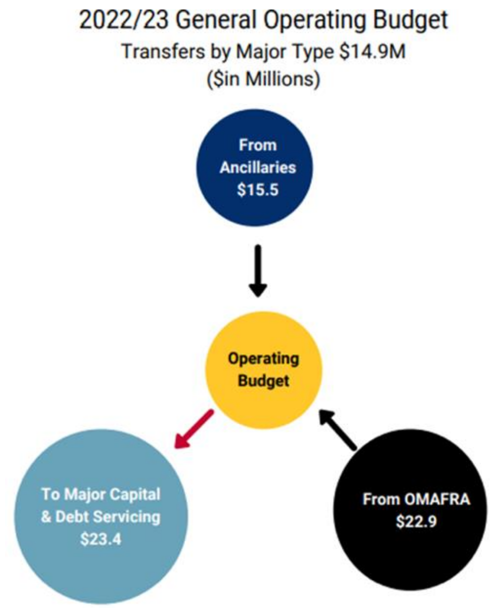
- Domestic tuition fees of provincially funded programs will be maintained at the 2019/20 rates under the Tuition Framework.
- International undergraduate tuition remains amongst the lowest in our peer group. Balancing the needs of students with demand for programs, international undergraduate tuition fees are increased between 5 per cent and 9 per cent for degree programs. International graduate tuition fees will increase on average by 3 per cent.
- Domestic undergraduate enrolment is projected to remain consistent from 2021/22, while international enrolment is expected to slightly increase.
- Provincial operating grants are assumed to remain flat at 2020/21 levels.
- Guelph-Humber revenue share is anticipated to decrease to reflect their slightly lower full-time enrolment and increased expenses related to the Brampton relocation project and increased efforts to support internationalization and marketing efforts.

- Key Expenditure Assumptions:



  - Subject to employee group collective agreements, compensation inflation is between 1.0 per cent and 3.0 per cent.
  - Pension special payments for the Pension Benefits Guarantee Fund (PDGF) are anticipated to end in 2021/22, because of the University transitioning to the UPP.
  - Central utilities budget will be consistent with the 2021/22 budget and assumes that current hydro rebates continue. There is a risk the rebate program may be discontinued.
  - Scholarships and bursaries are anticipating that the base program will remain unchanged from the 2021/22 budget. One-time commitments are anticipated for domestic and international entrance awards that have renewable components that are being piloted.
  - Operating costs are slightly increasing to include additional support for communications.

- Key Transfer Assumptions:
    - Transfers from ancillaries are planned to increase to reflect revenue growth that was unable to be achieved in the past two years due to the COVID-19 pandemic.
    - Transfers from OMAFRA to support indirect costs associated with the agreement are anticipated to remain at 2021/22 budget levels.
    - Transfers to Major Capital and Debt Servicing line finances debt servicing and deferred maintenance. This transfer is projected to remain unchanged from the 2021/22 budget as debt servicing costs, the largest portion, remains consistent with prior years.

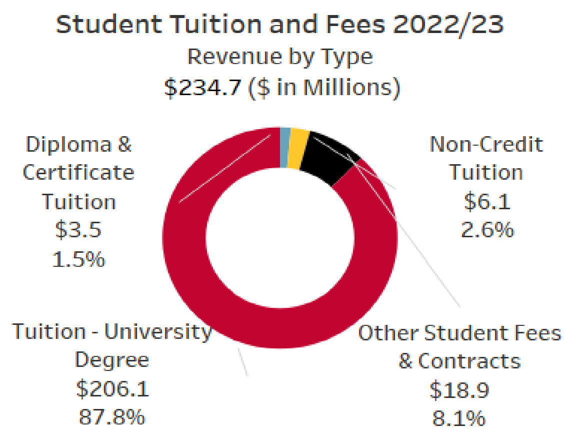


The 2023/24 plan is projecting a $11.0 million deficit, including $5.5 million in one-time commitments. The 2023/24 projected plan includes assumptions for compensation contract renewals, anticipated trends in enrolments for forecasting revenues and targeted revenue growth and diversification along with operational efficiency cost savings.

3.3 Revenue generated from student fees

Revenues generated from student fees in the General Operating Fund consist of tuition and non-tuition fees charged for specific services. Non-tuition fees, which are charged in addition to the program tuition fee, are governed under provincially mandated and board approved protocols.

In 2022/23 the estimate for tuition and non-tuition fees is $234.7 million. As shown in the accompanying chart, 87.8 per cent or $206.1 million of this revenue is from University-degree tuition. Altogether, fees charged to students for all academic programs comprise 47 per cent of operating revenues.



The two major components in determining total revenue from student fees are the number of students (enrolment) and the rate of the fees charged. For most University degree-credit programs, changes in tuition fees must adhere to the provincial tuition framework policy. The new tuition fee framework introduced in 2019/20 cut tuition by 10% and froze it for 2020/21, 2021/22, and 2022/23. For budget planning purposes, the assumption is that the 2023/24 domestic tuition fees will remain frozen at the 2019/20 rates.

Non-tuition compulsory fee increases are controlled either through student referendum or under protocols agreed to by students. The non-tuition fees shown above ($18.9 million) do not include student-led government, associations or societies as those fees are flowed directly to the groups[1].

[1] 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.

Tuition Fees

The 2022/23 budget shows an expected increase in total tuition revenues of $4.0 million over the planned 2021/22 budget. Of this increase, additional international tuition revenue of $7.1 million is anticipated and increased domestic graduate tuition of $0.2 million. These increases are partially offset by a reduction in undergraduate domestic tuition revenues of $3.3 million. The projected increase in international tuition revenue relates to increased target enrolments expected to be achieved as public health restrictions are lifted. The projected lost undergraduate domestic tuition revenues primarily relate to more domestic students taking courses part-time rather than full-time course loads.

Change in tuition fees for university degree programs are classified into three major groups:

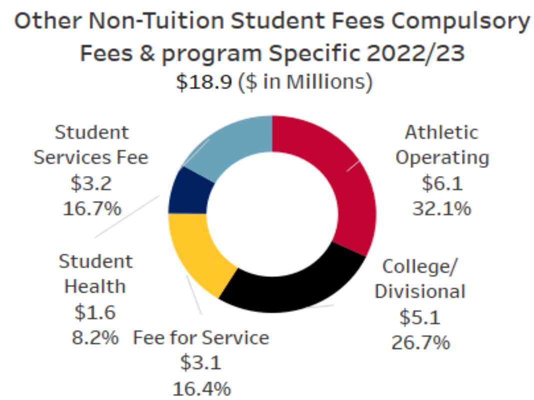
- **Provincially regulated:** undergraduate and graduate student programs that receive core operating grant and domestic (permanent resident) students.
- **International programs:** undergraduate and graduate student enrolment that does not receive provincial support under provincial policy. The approach in setting the international tuition fees recognized the balance of accessibility to students while reflecting the need to continue to support the delivery of high quality academic programs and services to international students. The university continues to charge some of the lowest international undergraduate tuition fees amongst our peer group. Some of these increases are being offset for students with increased scholarships and student aid. Appendix B provides a listing of rate changes for 2022/23 for all international tuition fees.
- **Full-cost recovery programs:** these are undergraduate and graduate programs that charge sufficient tuition to recover 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 delivered a range of agricultural diploma programs. All programs are delivered by the Ontario Agricultural College (OAC) at both the Guelph campus and at the regional campus located in Ridgetown, Ontario. Consistent with long standing history, the associate diploma programs do not fall within the MCU tuition framework. However, consistent with programs within the framework, the associate diploma programs will not be subject to fee increases for the 2022/23 year.

Other Student Fees & Contracts

In addition to tuition, students provide support to the General Operating Budget through fees charged for specific services. These fees are in the form of "non-tuition compulsory fees" charged to students as part of their registration in an academic program. Other fees, in the form of fee-for-services, are charged only as a service is used (e.g., obtaining a transcript). In accordance with provincial policy, all non-tuition compulsory fees must be initiated through student referenda.



In addition, compulsory fee increases are controlled under student approved protocols required by the province for all universities. See Appendix C for a listing of the student fees and approved increases for 2022/23.

Excluded from protocols are several college-based and other fees charged for program-specific services, such as co-op placement fees, which cover direct costs incremental to programs.

The total estimated revenue from these fees is $18.9 million (refer to chart).

All revenues from student fees in this category are credited to the units providing the service. For example, the Athletics department receives $6.1 million in fees charged to all students for both capital and operating costs to provide recreational programs and facilities.

By default, fees may increase by the consumer price index (CPI; 3.5 per cent for 2021). However, increases greater than CPI can be approved either through a referendum or increases up to 3 per cent above CPI may be approved through the various student fee advisory committees which oversee spending of these fees.

Enrolments

Overall, undergraduate enrolment had grown slowly over the period leading up to 2020/21 and then decreased slightly for 2021/22. The overall undergraduate enrolment is expected to remain close to 2021/22 levels in 2022/22. Domestic students make up the majority of the enrolment, and for purposes of this budget plan, domestic enrolment is expected to remain close to 2021/22 levels for 2022/23. There has been a noticeable shift in students' course loading trends to more part-time loading given the ongoing pressures of the pandemic. While we are hopeful that these trends will return to pre-pandemic levels with the lifting of public health restrictions, we are cautious in our current estimates for 2022/23. Our increased domestic applications for 2022/23 are also an indication that we will be able to increase domestic enrolments beyond the levels included in this budget plan. Increasing undergraduate international enrolment continues to be a priority for the University as we currently have among the smallest share of international undergraduate students in the sector. Undergraduate international enrolment is projected to slightly increase for 2022/23 and continue to steadily increase.

Consistent with the University's status as a research-intensive institution, strong graduate enrolment continues to be a priority. Domestic enrolment in graduate programs has risen slowly over the past 5 years and is expected to remain steady for 2021/22. International graduate enrolment dropped in 2020/21 due the pandemic, however in 2021/22 there was a strong recovery, reaching a record high in international graduate students. Continued growth in international graduate students remains a priority. International graduate enrolment is expected to continue to grow for 2022/23.

3.4 Planned One-time Commitments

PLANNED ONE-TIME COMMITMENTS

Student Supports

The budget includes one-time support of $2.0 million that will be allocated to entrance scholarships to support recruitment of students.

Summer Teaching Support

To support remote delivery offerings in the Summer 2022 semester and anticipated increased enrolments, additional one-time funding has been included in the budget to support sessional and teaching assistant costs of $0.8 million.

Planned One-Time Commitments:	
Student Supports (i.e., scholarships & bursaries)	2,000
Summer Teaching Support	800
COA Matching	723
AODA Compliance	125
Operating Commitments	**3,648**
IT Systems Projects (approved by IT governing council)	2,000
Network Infrastructure	317
Infrastructure Commitments	**2,317**
Total	**5,965**

Information Technology Infrastructure

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 approved by the IT governing council (ITGC) include a new human resource management system, electronic CV system, data strategy and upgrades to the Student Information System. Other projects under review and consideration to be moved forward in the coming years, are new research management and finance systems. In addition to these systems renewal projects, investments are required to maintain cyber security, network infrastructure, and provide software to support compliance in Accessibility for Ontarians with Disabilities. All of these projects will increase efficiencies in the way we work and allow for improved student experience, decision making and academic planning.

Strategic Reinvestment Fund – Potential One-Time Investments

Similar to the 2021/22 budget process, units were advised not to plan for any growth in carry forward funds at year-end. Growth in carry forward funds (in-year surpluses) will be redirected to the Strategic Reinvestment Fund (SRF). At the end of 2020/21 this fund had $6.2 million in funding for institutional priorities that supported moving towards a balanced budget through increased efficiencies and targeted revenues. The guiding governance principle for the SRF is that the funding allocation process is transparent, easy to understand and fosters responsible decision making. Initiatives funded through the SRF to date include an enhanced marketing initiative to recruit students, transitionary support for colleges impacted by public health guidelines (i.e. in-person class caps), enhanced entrance scholarships to secure student recruitment and resourcing the operating budget model and resource allocation review.

4 Ontario Agri-Food Innovation Alliance (OMAFRA Agreement)

4.1 Overview

Since its founding, the University of Guelph has had a unique relationship with the Ontario Ministry of Agriculture, Food and Rural Affairs (OMAFRA). The aims of the OMAFRA–University of Guelph Agreement (the Agreement) are multi-fold: assure food safety; protect animal, plant and public health, and the environment; grow Ontario's capacity to produce food; support a globally and domestically competitive agri-food sector for Ontario to deliver research, innovation, and other services. Activities covered in the Agreement include operating two major animal health and food testing laboratories located in Guelph; managing extensive agri-food research platforms located across Ontario; supporting veterinary capacity; providing individual faculty-based research project funding across a wide range of disciplines and commodities and supporting knowledge mobilization, innovation, and commercialization.

On January 30, 2018, the University of Guelph signed a five-year renewal of the OMAFRA-University of Guelph Agreement to continue the long-term partnership for discovery and innovation. The Agreement continues to provide support for faculty, staff, research and facilities across the five existing major program areas covering Research, Veterinary Capacity, Animal Health Laboratory (AHL), Agriculture and Food Laboratory (AFL) and the Research Centre Property Management.

Despite the COVID-19 pandemic, the University of Guelph has continued to deliver on the aims, objectives, expectations, and desired outcomes of the Agreement with OMAFRA. Crucially, this has included sustained agricultural, food, and animal health testing – ensuring that the province's agri-food sector continues to provide safe, healthy, and nutritious food to Ontarians, while protecting the health and productivity of crops and livestock. The University has also been able to sustain critical R&D work that continues to address provincial priorities that underpin the ongoing integrity of the agri-food sector. The University of Guelph has been diligent in ensuring that these activities are conducted in a manner that conforms with public health directives and guidance.

During the initial five-year term of the Agreement, OMAFRA was required to conduct, with the University's assistance and cooperation, one comprehensive review of the entire Agreement. The review was completed in December 2021. Renewal of the Agreement is expected to be contingent on the outcomes of the review. Following the review, OMAFRA will make a submission to Treasury Board, seeking permission to formally begin the re-negotiation process. The University is expecting to receive notice of intent to renew from the Ministry in Spring 2022. Although renewal is likely, the University is uncertain about the future budget commitment from the government. Pending the decision on the funding envelope, the University may need to adjust OMAFRA-related activities to match the funding.

While the OMAFRA-University of Guelph Agreement 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 OMAFRA Agreement generates $93.8 million (2021/22, forecasted – refer to table in section 4.4) in total revenue. Within the University, this funding provides:

- $57 million annually of total research funding;
- 9 per cent of the total University Faculty and College Professor positions;
- 19 per cent of the total University regular staff appointments;
- $9.83 million for a portion of Guelph campus support costs (~55% of total support costs consisting of elements such as physical plant, library, and administration);
- $5.3 million in support of the OVC veterinary capacity development in livestock animal health and veterinary public health; and
- $23.4 million for property costs at major research stations across the province and the Ridgetown regional campus.

4.2 Assumptions and Highlights for 2022/23 (year 5 of 5):

PROVINCIAL REVENUE

On May 1, 2019, OMAFRA notified the University that there would be a $5.2 million decrease in the scheduled Annual Maximum Funds of $71.3 million in each of the remaining four years of the current funding plan. A scenario planning process between the University and OMAFRA leadership was undertaken in order to maintain highest priority program activities and seek approval from the Ministry to use Uncommitted Reserve Funds to balance the 2022/23 budget plan for the Alliance.

PROGRAM EXPENSE ASSUMPTIONS

- Program expense estimates include a 2 per cent allowance for inflation across many program schedules.
- Salary and employee benefits cost increases according to existing University employee agreements already in place for 2022 estimated at approximately $0.8 million.
- Program reductions of $0.5 million per year, affecting most program schedules.

APPROVED OMAFRA PROGRAM ALLOCATIONS

The following table summarizes the revised budget allocations for 2022/23 and include targeted program reductions. Uncommitted Reserves will be used to balance the budget annually through the remainder of the five-year funding agreement.

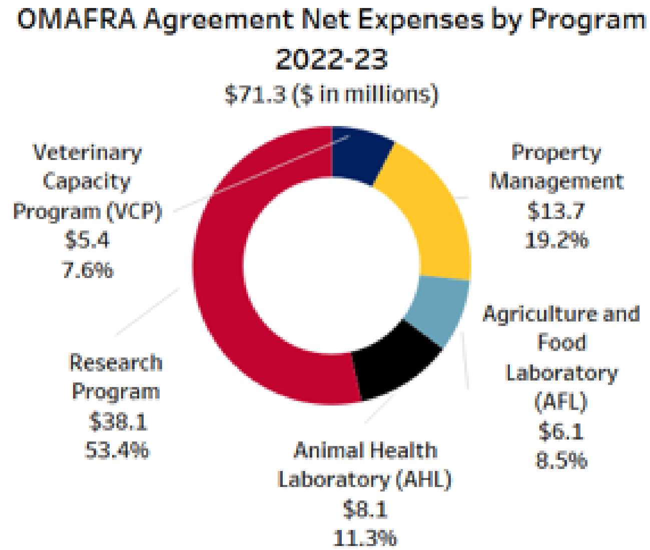
OMAFRA Agreement Budget Summary ($ in millions)

	2018/19 Budget	2019/20 Budget	2020/21 Budget	2021/22 Budget	2022/23 Budget
Annual Maximum Funds per Agreement	71.3	71.3	71.3	71.3	71.3
Budget Reduction		(5.2)	(5.2)	(5.2)	(5.2)
Revised Annual Maximum Funds	**71.3**	**66.1**	**66.1**	**66.1**	**66.1**
Net Program Expenses - Current Plan	69.3	70.3	71.0	71.2	71.8
Targeted Program Expense Reduction [1]			(0.5)	(0.5)	(0.5)
Revised Program Expense Plan	**69.3**	**70.3**	**70.5**	**70.7**	**71.3**
Annual Net Surplus (Deficit)	**2.0**	**(4.2)**	**(4.4)**	**(4.6)**	**(5.2)**
Annual Deficit Management Plan					
Uncommitted Reserves [2]	19.7	15.5	11.1	6.5	1.3
Agreement Interest Fund (Exigency Fund) [3]	0.3	0.8	0.9	0.9	1.0
Total Agreement Reserves [4]	**20.0**	**16.3**	**11.9**	**7.4**	**2.3**

Notes:

1) Program reductions approximating 0.75 per cent of planned program schedules or $0.5 million beginning in 2020/21 affecting most program schedules. There are no expected position losses due to these targeted program reductions.
2) The Agreement budget has Uncommitted Reserves held separate from program schedule carryforwards which the Ministry targeted to the balancing of the Agreement budget going forward. The original plan for the ten-year renewal of the Agreement indicated that Uncommitted Reserve Funds would be used to fund inflationary costs incurred over the life of the Agreement, mainly in the second five-year term. The subsequent budget reduction in 2019 required a significant modification of the budget plan as shown here.
3) In addition to the Program Schedules, 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 the Ministry's behalf for the Agreement under their approval (also known as the Exigency Fund). No planned expenses are approved in the 2022/23 budget plan.
4) Total Agreement Reserves are the sum of the Uncommitted Reserves and the Agreement Interest Fund (Exigency Fund) held in the Agreement on behalf of the Ministry, excluding committed program funds (see OMAFRA Agreement Fund Balances table below). These funds are reported as deferred contributions in the Annual Financial Statements consistent with financial reporting accounting standards.

Funding in the OMAFRA Agreement is directed to major program groups each with specific established purposes and outcomes. The major activities under the Research program support the discovery of leading-edge technology and mobilize knowledge ensuring industry and sector partners can address emerging challenges and remain on the forefront of agri-food innovation. The Property Management Program consists of the operating costs of 14 research stations and main campus research related infrastructure. Agriculture and Food Laboratory (AFL) and Animal Health Laboratory (AHL) programs are the operations of food safety and animal health laboratories under contract with the Ministry to perform a variety of food safety (e.g., milk) and animal surveillance services for the province. 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.



4.3 OMAFRA 2022/23 Budget & Prior Year Results

The table below summarizes the major revenue and expense components of the OMAFRA Agreement. Any funds not spent in any year are retained within the Agreement under "Fund Balances".

OMAFRA Agreement ($ in thousands)

	2020/21 Actuals	2021/22 Budget	2021/22 Forecast	2022/23 Budget	% Change Budget To Forecast
REVENUES					
OMAFRA Agreement	66,100	66,100	66,100	66,100	0.0%
OMAFRA Minor Capital	3,244	4,500	4,500	4,500	0.0%
Sales of Goods and Services	21,299	21,472	22,457	21,864	-2.6%
Other Revenues	1,066	620	710	435	-38.7%
Total Revenues	**91,709**	**92,691**	**93,766**	**92,899**	**-0.9%**
EXPENSES					
Salaries	34,118	36,183	35,532	36,720	3.3%
Benefits and Pension	8,771	9,317	8,822	9,536	8.1%
Scholarships and Bursaries	872	787	845	675	-20.1%
Utilities	2,829	2,876	2,742	2,900	5.8%
Operating	21,990	25,207	27,083	25,411	-6.2%
Total Expenses	**68,579**	**74,371**	**75,022**	**75,242**	**0.3%**
UNIVERSITY TRANSFERS					
To Operating for Faculty Costs	13,045	13,045	13,045	13,045	0.0%
To Operating for Indirect Costs	10,500	9,830	9,830	9,830	0.0%
Total University Transfers	**23,545**	**22,875**	**22,875**	**22,875**	**0.0%**
Annual Operating Results	(416)	(4,554)	(4,131)	(5,218)	
Exigency Fund - Interest Income	47	56	57	57	
Exigency Fund - Approved Expenditures	-	-	-	-	
Exigency Fund - Annual Change	**47**	**56**	**57**	**57**	
Opening Fund Balances	40,062	39,694	39,694	35,620	
Closing Fund Balances	39,694	35,195	35,620	30,459	

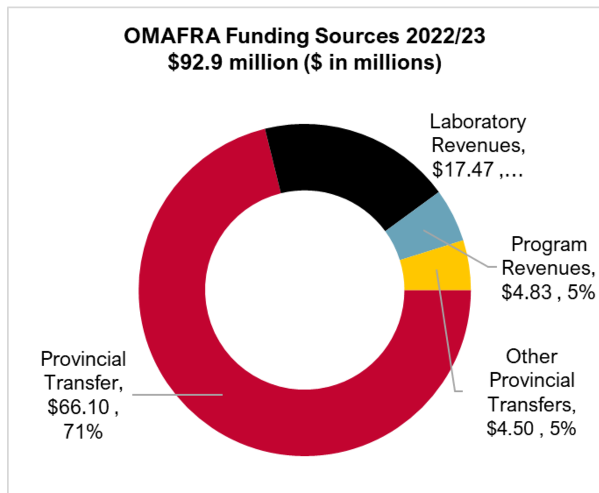
OMAFRA Agreement Fund Balances

Statement of Changes in Fund Balances ($ in thousands)

Category	2020/21	2021/22		2022/23	
	Balance	Forecast	Balance	Budget	Balance
Committed Program Funds	27,761	423	28,184	-	28,184
Uncommitted Reserve Funds	11,075	(4,554)	6,521	(5,218)	1,303
Exigency Fund	857	57	914	57	971
Fund Balances	**39,694**	**(4,074)**	**35,620**	**(5,161)**	**30,459**

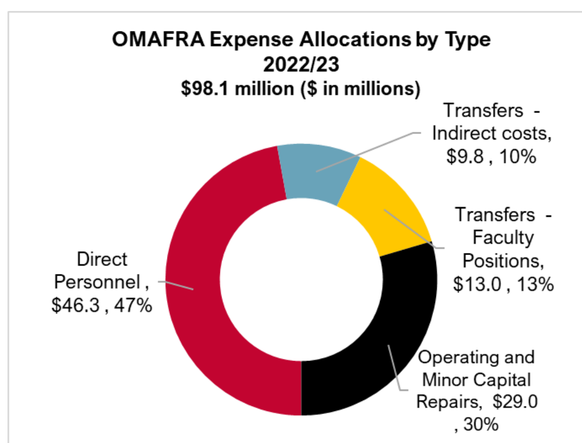
OMAFRA Revenues $92.9 million

For 2022/23, Agreement revenues will be $66.1 million after the provincial reduction of $5.2 million announced in 2019. Additional revenues mainly earned from the delivery of laboratory testing (food and animal health) services and property management activities will remain relatively stable.



OMAFRA Expenses $98.1 million

OMAFRA 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 support costs. These transfers of $22.9 million form a critical funding component of the University’s General Operating Budget; however, it should be noted the University operating covers all inflation on expenses and faculty salaries. Overall expenses are expected to remain relatively stable when compared to last year.



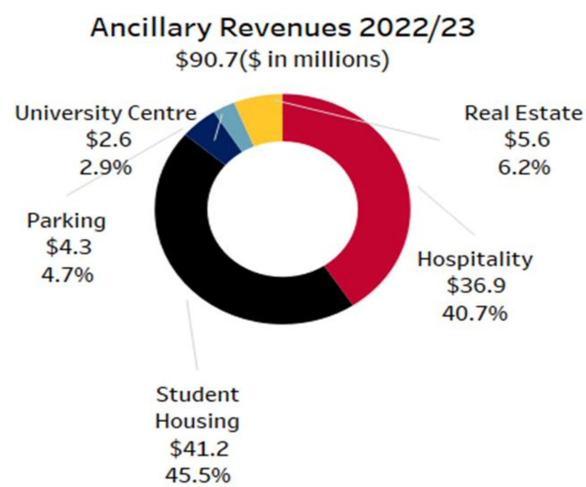
5 Ancillaries

COVID-19 has had a materially negative impact on ancillary operations as students, faculty, staff and the community have not been able to visit the campus due to public health restrictions and guidelines. These restrictions, along with the University's focus on safety, have resulted in lower on campus activity which is planned to return to levels much closer to historical levels, but not yet a full recovery. While Student Housing occupancy is expected to be at pre-pandemic levels, the other ancillary units are planning on lower on-campus levels of activity driving lower food and parking revenues.

Ancillary units at the University provide important support services to the students and university community that are not directly associated with the delivery of academic programs.

The University's five ancillary units consist of:

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



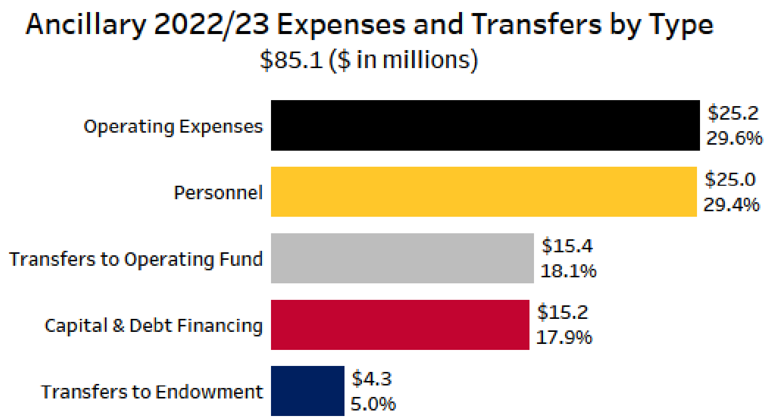
Ancillaries are ineligible for support from provincial grants and are self-sustaining operations with the mandate to run as independent units. Revenue is mainly earned on a fee-for-service basis from both internal clients (students and employees) and the public through events and retail services.

Full costs include all capital expenditure such as the acquisition and maintenance of buildings, land, and equipment plus operating expenses. Ancillary operations transfer the required institutional funds to the University's operating fund to compensate for space used and cover central administration costs.

In setting budget assumptions, each ancillary unit develops an annual plan that reflects the unique nature of their operations. Please refer to the pie chart above that shows the revenue contribution from each ancillary in 2022/23.

The top contributors are Student Housing (45 per cent) and Hospitality Services (41 per cent). Income is derived from student contracts for either food or residence charged on a per semester basis. In setting fees 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.

Expenses across all ancillary units are spread across personnel, operating, and capital costs. Most capital improvement costs are incurred by Student Housing (75 per cent) for further upgrades and improvements to their physical structures. Transfers from the ancillaries to the general operating fund are budgeted to be $15.4 million overall, reflecting an increase of $2.4 million.



The combined ancillary results in the 2022/23 fiscal year reflect an overall surplus of $5.6 million reflecting a significant, though not full recovery from COVID-19 net losses related to reduced revenues. Capital and renovation costs are financed internally, from operating cash flows without increasing external debt. See Appendix D for a listing of the residence and meal plan fees increases for 2022/23.

5.1 Combined Ancillary Unit Budget Table 2022/23-2023/24

The following table summarizes total income, expense and transfers for the University's five Ancillary units.

Combined Ancillary Units Budget Table ($ in thousands)

	2019/20 Actuals	2020/21 Actual	2021/22 Budget	2021/22 Forecast	2022/23 Budget	2023/24 Budget
REVENUES						
Student Contracts (Food & Housing)	46,456	12,342	37,217	49,851	57,451	59,836
Other Sales of Goods and Services	28,504	7,854	25,766	14,490	23,319	24,454
Real Estate - Lease and Property Income	6,049	5,779	5,579	5,662	5,611	5,611
Parking Revenues	4,191	136	1,713	3,023	4,293	4,505
Total Revenues	**85,200**	**26,111**	**70,275**	**73,026**	**90,674**	**94,406**
EXPENSES						
Salaries	(21,274)	(10,971)	(18,996)	(17,636)	(20,550)	(21,071)
Benefits	(4,357)	(2,910)	(4,173)	(3,916)	(4,453)	(4,568)
Renovations/Capital Equipment	(11,506)	(3,306)	(5,291)	(1,852)	(2,705)	(1,975)
Debt Servicing	(6,955)	(6,866)	(6,789)	(6,789)	(6,383)	(5,684)
Utilities	(991)	(1,085)	(1,203)	(1,142)	(1,253)	(1,283)
Operating	(21,976)	(9,218)	(23,183)	(18,704)	(23,967)	(24,793)
Total Expenses	**(67,059)**	**(34,356)**	**(59,635)**	**(50,039)**	**(59,311)**	**(59,374)**
UNIVERSITY TRANSFERS						
To Heritage	(4,875)	(4,787)	(4,263)	(4,724)	(4,270)	(4,216)
To Operating	(12,651)	(12,267)	(13,030)	(12,898)	(15,402)	(15,402)
To Major Capital & Debt Servicing*	(3,258)	16,674	(5,669)	(4,891)	(6,111)	(7,016)
Total Transfers	**(20,784)**	**(380)**	**(22,962)**	**(22,513)**	**(25,783)**	**(26,634)**
Net Operating Results	**(2,643)**	**(8,625)**	**(12,322)**	**474**	**5,580**	**8,398**
Opening Fund Balances - Unrestricted	13,345	10,702	2,077	2,077	2,551	8,131
Change	(2,643)	(8,625)	(12,322)	474	5,580	8,398
Closing Fund Balances - Unrestricted	**10,702**	**2,077**	**(10,245)**	**2,551**	**8,131**	**16,529**

The 2022/23 Budgeted net operating results is a projected surplus of $5.6 million from all the ancillaries combined, primarily due to a return to full occupancy in student housing. COVID-19 pandemic impacts are expected to continue to affect hospitality and parking revenues as a result of various staff utilizing flexible work arrangements and continuing to work from home part of the time.

Total 2022/23 revenues are expected to increase from 2021/22 forecasted amounts and exceed pre-pandemic levels in total. It is planned that revenues will continue to grow in the following fiscal year to $94.4 million.

Total expenses budgeted for 2022/23 and 2023/24 are expected to be lower than pre-pandemic levels in fiscal 2018/19 despite inflationary pressures, due to cost reduction strategies implemented over the past two years as well as reduced levels of capital expenditure in the short term.

5.2 Highlights for Ancillary Units for 2022/23

HOSPITALITY SERVICES

Hospitality Services will generate revenues of approximately $36.9 million from its primary operations of food sales and catering services on the Guelph campus. Hospitality Services prepares meals for approximately 4,000 students in residence and over 18,000 off-campus students and 3,000 staff and faculty. Other income is earned from operating the University Bookstore, conference and retail services.

The 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 2022/23:

- Meal Plan (minimum) rates to increase by 4.8 per cent to cover the increases in fixed and variable costs, including inflation impacts.
- Product mixes will be adjusted to deal with the significant impacts of the pandemic over the past two years with a continuing focus on high quality products and services.
- Product costs are subject to inflationary pressures and there remains limits on how quickly they can be recovered through price increases.
- Prices in the food services area are expected to increase 5%. It is expected that food revenues will grow from 2021/22 levels but not back to historic levels until 2024.
- Renovation and capital equipment purchases budgeted to remain modest and only for priority capital items that have outlasted their useful life.
- Net Operating results after net transfers to the University is $0.8 million. This profit will reduce the deficit that began accumulating in March 2020, and this unit will continue to pursue opportunities to grow business and aggressively cut costs to rebuild a stable financial position.

STUDENT HOUSING SERVICES

Student Housing Services (SHS) provides on-campus accommodation to approximately 4,700 students in nine residence facilities, two apartment and townhouse complexes dedicated to family and graduate housing. SHS annually generates revenues in excess of $35 million. SHS plans for 2022/23 anticipate revenues increasing to $41.2 million and further increasing to $43.3 million in 2023/24 as operations return to full capacity.

A Budget Advisory Committee is formed each year consisting of SHS staff and Interhall Council members to discuss all major components of the SHS budget plan.

For 2022/23:

- Residence room rates for 2022/23 are planned to increase by 5 per cent and maintain University of Guelph's position in the mid-range in comparison to other Ontario universities. The occupancy rate is assumed to be back to near full capacity and revenue levels are expected to exceed prior years.
- Operating costs including utilities are increasing in 2022/23 over the 2021/22 forecast as inflationary impacts are assumed along with anticipated COVID-19 risk mitigation costs.

- The capital plan forms a major component of the SHS budget with $47 million planned for the next 5 years (2022/23 to 2026/27), of which $8.0 million of renovation projects is planned for 2022/23 with the most significant spend being associated with the 6-year exterior cladding and window project for South residences which will be completed the 5th year of the project. Most of these capital expenditures are expected to be financed, reducing the impact on the unit's in-year net operating results.
- Net Surplus after transfers to the University is $4.7 million.

SHS will continue to focus on maintaining physical infrastructure to compete with new inventory.

CAMPUS PARKING SERVICES

Campus Parking Services historically generates $4.0 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 (permit sales, daily fees) and citations. In addition, Parking Services is also responsible for: the liaison and coordination of transportation services (Guelph Transit, Metrolinx) to campus; to increased 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 condition of Campus Parking Services is showing preliminary signs of recovery after two years of relatively significant revenue losses arising from impacts of the COVID-19 pandemic.

For 2022/23:

- Parking revenue is anticipated to be $4.3 million with rate increases of 3% across the existing rate structure commencing in September 2022. Due to uncertainty regarding demand, the unit is expecting to provide more flexible pricing options to align with staff on flexible work arrangements.
- Capital and renovations costs of $0.5 million are planned, earmarked primarily for safety related repairs to stairways and sidewalks and annual maintenance on the roadways as all capital renewal and major maintenance for parking infrastructure are being deferred for two years.
- Net position after transfers to the University is essentially breakeven at $0.1 million.

REAL ESTATE DIVISION

The primary goal of the Real Estate Division is to optimize net revenue from designated properties for the enrichment of the University Heritage Fund. Main revenue sources are from rental or lease of certain University's real estate properties and the occasional property sales. 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 2022/23:

- Revenues projected at $5.6 million which is flat compared to 2021/22 forecasted revenues and 2.9 per cent lower than the 2020/21 actual revenue received.

- Operating results project a profit of $4.2 million prior to the Board of Trustee approved transfer to the Heritage fund of $4.3 million which is related to the prior year net earnings.
- Division debt is expected to decrease by $0.3 million to $2.9 million.
- Estimated unrestricted funds available for transfer to the Heritage Fund are $4.2 million to occur in 2023/24.

UNIVERSITY CENTRE

University Centre's mandate is to be the focal point for the University as a community by providing social, recreational, and special theme events that enhance student life and are not provided through other services. University Centre historical revenue of $3.0 million consists of the administration of the University Centre building where it operates a fully licensed lounge (Brass Taps) and manages tenant leases, room reservations, digital media advertising, and organizes special events and performances.

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

For 2022/23:

- Management of the University Centre will have a formal reporting alignment within the Vice-President of Finance and Operations; similar to the other ancillaries. This will maintain the UC Policy board's role in space allocation while facilitating working towards budget efficiencies.
- Revenues are expected to be $2.6 million, which is a 27 per cent increase over 2021/22 forecasted results but remain 14 per cent lower than full capacity run-rate which is expected to be more closely achieved in 2023/24.
- Operating costs are expected to grow as operations increase and inflationary impacts increase input costs.
- Capital expenditures are delayed to facilitate a return to profitability in the current year. Net position after transfers to the University is essentially breakeven at $0.1 million.

6 Capital

6.1 Capital Projects

The average age of the University of Guelph's 150 buildings is 51 years, making it one of the largest and oldest campuses in the Ontario university system. Several buildings have "heritage" characteristics with many dating back to the 19th and early 20th century in origin. In addition, as with many other universities in Ontario, a large portion of the University's buildings were constructed in the late 1960's and early 1970's, meaning many of these structures are reaching or surpassing their normal expected life spans. Paralleling buildings, and as important, are the utilities infrastructures necessary to support the extensive research, teaching and service facilities contained in 7.1 million square feet of buildings across the main campus. Combined buildings and utilities infrastructure have an estimated total replacement value of $2.9 billion. With decades of limited funding for maintaining these assets, a deferred maintenance estimate for the University's main campus (all building including residences) is estimated to be approximately $500 million. Our three-year Facilities Condition Index (FCI3) is 23.3% and continues to increase. Any FCI rating above 15 is considered *"poor"*. By comparison, the Ontario university system average has an FCI_3 of 17%. As outlined in the capital renewal forecast (refer to the 22/23 Annual Capital Plan– Appendix B), an estimated investment of *at least* $210 million is required to upgrade and maintain the basic systems and infrastructure of the University's physical plant. This estimated investment will not significantly improve the FCI_3 for the University.

Maintaining capacity and quality of space under these conditions is an ongoing challenge, not only from the practical consideration of just how much can be done each year and still operate programs and services, but also to find sufficient funding for deferred maintenance to sustain an ongoing improvement program at the level it should be. Physical infrastructure has currently been funded by an annual transfer from operating, as noted above, as well as other grants which service debt payments as well as providing direct funding for deferred maintenance projects. As debt is repaid, more funds become available to flow directly into deferred maintenance projects.

In 2007, recognizing that current provincial funding support for capital renewal of $1.5 million annually was inadequate; the University undertook a multi-year borrowing program with the main objective of balancing growing critical deferred maintenance requirements with affordable debt. While recent past investments under this program (averaging between $15 million and $20 million annually) were considerable, they will not be able to address the growing backlog of capital maintenance created from many years of underfunding.

THE 2022/23 ANNUAL PLAN:

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. **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 deferred maintenance plans are prepared each year and presented in the Annual Capital Plan. For major building and utility infrastructures, an extensive building and facilities condition audit is used to determine capital priorities, project schedules and the capital investments required. The plan enables the University to prioritize the capital investment required to address critical capital renewal and reduce the likelihood of a major building or utility breakdown.

2. **Major Building and Renovations**: this grouping consists of major individual projects (normally more than $2 million) such as new buildings or major repurposing-renovations of existing buildings. Investments in this category often include major refurbishment and renewal that can enhance program delivery and services. Recent examples in this category include the Strategic Infrastructure (SIF) projects.

In response to the COVID-19 pandemic, the University completed a detailed risk assessment of capital projects and is planning on completing only those projects of highest priority.

2022/23 CAPITAL PLAN

In January 2022, the Board of Governors approved the University's 22/23 Annual Capital Plan at $28.4 million. The approved portion of the plan includes continuing renewal, student housing upgrades, service tunnels and enhancements to ancillaries. In addition, there are three major capital projects (Bedrock Aquifer, Honeybee Research Centre and Centre for Plant Health) approved for fundraising with a total proposed combined budget of $25.3M. Of significant interest, extensive planning and design work is underway for the School of Engineering (SOE) expansion project. The expected costs of the SOE expansion will be significant with external financing expected. Major Building projects which will be presented for approval when project estimates and funding are confirmed. Details of projects can be found in the 2022/23 Capital Plan.

The approved plan includes a significant decrease to the recommended capital renewal plan to recognize and support the current fiscal challenges faced by the University of Guelph. The prior year capital plan recommended a funding level of $31.7 million for the upcoming fiscal. The overall budget for 2022/23 is $15.0 million including $4.5 million for service tunnel rehabilitation and $3.2 million for Bovey Complex envelope.

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. The University has been temporarily using internal working capital (liquidity) as this internal financing source and has reached the recommended limit for new issuance of this type of financing. As such, new internal financing is expected to be limited to the level of repayment in the current year. This 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. Temporarily using these funds for these capital financing purposes will avoid more expensive external debt and is replenished over time under an amortization schedule that will charge the Operating Budget over a period not to exceed 15 years.

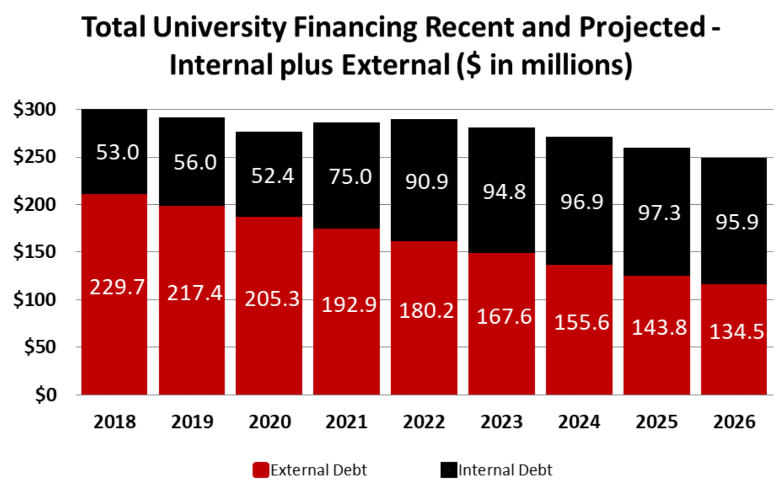
6.2 Debt Capacity

Under the University's Capital Debt Policy are a series of metrics or "financial health indicators" with benchmarks that are used in monitoring capital debt levels and the costs of servicing that debt. (These metrics are reported each year as part of the [Annual Financial Report and Audited Financial Statements](#).)

External debt is normally applied to very large projects with extended life expectancies (e.g., major new buildings). Internal financing generally is used on lower-cost projects that have shorter expected pay-back periods and economic impact. Examples where internal financing has been used include many of the parking renovations and capital renewal projects including the financing required for the federal government's *Strategic Innovation Fund* (SIF) program projects.

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 five-years. It assumes no new external borrowing and internal financing limited primarily to critical deferred maintenance, renovation items, and strategic priorities. 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 2022/23 Capital Plan completion and minimal future external borrowing.

The anticipated rising interest rate environment is not anticipated have a negative impact on the University's financial health metrics and the University is within major debt-management benchmarks under our policies.



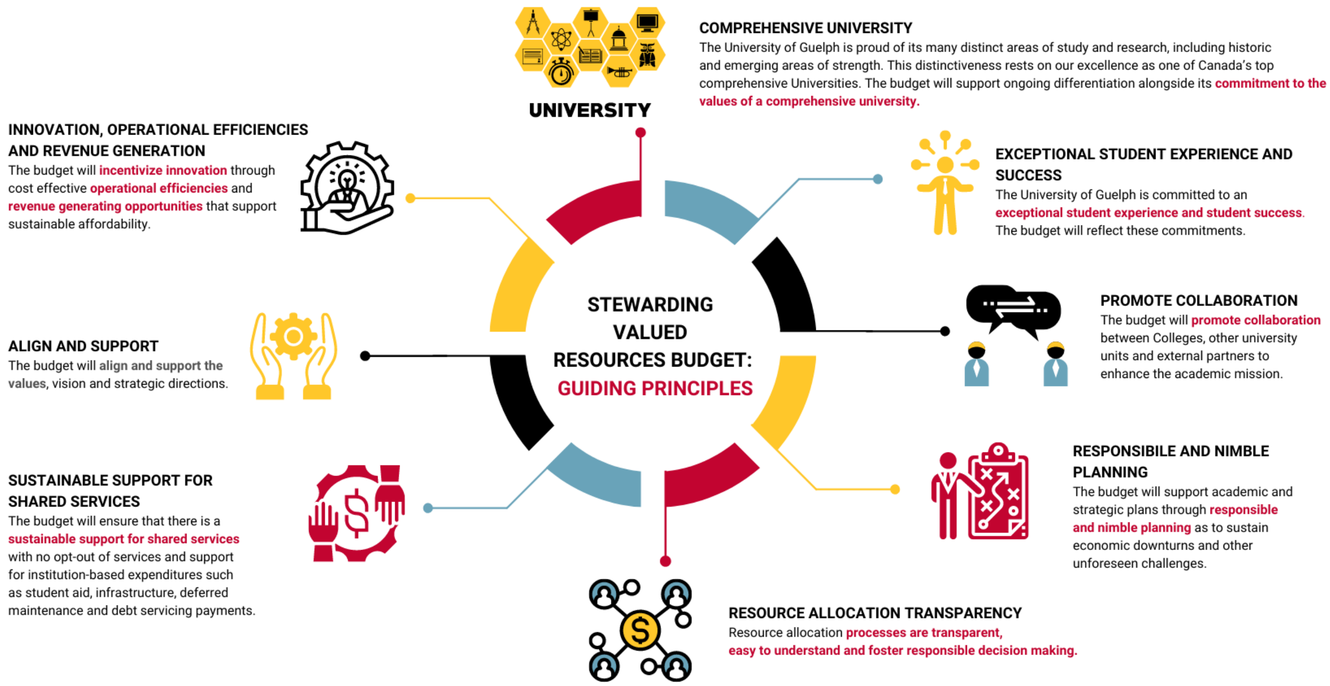
In the prior year fiscal, The Board approved an internal loan to Student Housing Services not to exceed $23.9 million. The internal loan balance is within the internal loan policy and continues to support the restrained use of external debt for strategic priorities while ensuring sufficient liquidity for stability in services.

6.3 Financing Costs

The total financing costs as a result of the 2022/23 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 is not anticipated to require new funding.

Appendix A: Budget Principles

Developed with and endorsed by university leadership, the following principles guide the budgeting process at the University of Guelph.



Appendix B: 2022/23 Tuition Fee Increases

This table contains the approved changes in tuition fees by category effective Fall 2023. Listed fees are rounded to the nearest dollar and reflect 2 semesters for undergraduate and 3 semesters for graduate programs unless otherwise noted. In March 2022, MCU announced a continuation of the tuition freeze for in-province domestic students, and an allowed increase of up to 5% for out-of-province domestic students.

Fees Under MCU Tuition Framework	Fee Increase
Undergraduate In-Province	0%
Undergraduate Out-of-Province	5%
Graduate In-Province	0%
Graduate Out-of-Province	0%

Domestic Fees Outside of MCU Tuition Framework	Fee Increase	2022-23 Rate
Masters of Business Administration (Food & Agribusiness Mgmt) (Note #1)	0%	$34,586
Assoc. Diploma in Agriculture (Turfgrass) In-Province	0%	$6,091
Assoc. Diploma in Agriculture (Turfgrass) Out-of-Province	5%	$6,396
Assoc. Diploma in Agriculture (Ridgetown) In-Province	0%	$3,199 - $3,306
Assoc. Diploma in Agriculture (Ridgetown) Out-of-Province	5%	$3,359 - $3,471
Graduate Diploma - Accounting (Note #4)	6.1%	$8,195

International Fees (Note #3)	Fee Increase (New Students)	2022-23 Rate (New Students)	Fee Increase (Continuing Students) (Note #6)
Undergraduate 2022-23 Fee Increase			
Arts & Sciences	7%	$30,317	5%
Arts & Sciences - Guelph-Humber	7%	$30,317	5%
Business - Main Campus	7%	$35,959	5%
Business - Guelph-Humber	7%	$34,839	5%
Engineering	9%	$43,847	5%
Computing	9%	$35,144	5%
Landscape Architecture	7%	$39,121	5%
Doctor of Veterinary Medicine (DVM)	6%	$78,144	4.5%
Assoc. Diploma in Agriculture (Turfgrass)	5%	$27,265	5%
Assoc. Diploma in Agriculture (Ridgetown)	5%	$12,618 - $13,462	5%

International Fees (Note #3)	Fee Increase (All Students)	2022-23 Rate (All Students)
Graduate 2022-23 Fee Increase		
Doctoral	0%	$19,681
Regular Masters (MA, MSc, MASc) and Graduate Diplomas (Excl. Accounting)	0%	$20,512
Professionally Oriented Graduate Programs		
MBA (Note #1)	3%	$50,475
MA Leadership (Note #1)	3%	$36,053
Masters of Cybersecurity and Threat Intelligence	0%	$42,000
Masters of Data Science	0%	$42,000
Masters of Engineering	6%	$29,479
Masters of Science in Management	46%	$30,000
Masters of Biotechnology	10%	$28,600
Masters of Bioinformatics	10%	$28,325
Masters of Biomedical Science	4%	$28,122
MSc - Food Safety and Quality Assurance	3%	$27,371
Masters of Applied Nutrition	3%	$29,705
Masters of Landscape Architecture	3%	$31,615
Masters of Conservation Leadership (Note #1)	0%	$36,000
Graduate Diploma - Accounting (Note #4)	3%	$8,195
Other Professionally Oriented Graduate Programs (Note #5)	4%	$24,467

Note 1: Shows full program fees

Note 2: Professionally Oriented Graduate Programs includes all course based masters excluding MBA, MA Leadership, MCL and MCTI

Note 3: 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.

Note 4: Graduate Diploma in Accounting is a one term program

Note 5: Other Professionally Oriented Graduate Programs include:

DVSc Biomedical Sciences
DVSc Clinical Studies
DVSc Pathobiology
DVSc Population Medicine
DVSc Veterinary Science
MES Environmental Sciences
MFA Creative Writing
MFA Studio Art
MFARE Food, Agriculture and Resource Economics
MPH Public Health
MPlan Rural Planning & Development

Note 6: 2022-23 tuition fee rates vary for continuing students depending their cohort

Appendix C: Non-Academic Student Fees – Guelph Campus

This table contains the approved fee changes starting in Fall Semester 2022 (fees to be effective September 1, 2022, to August 31, 2023). The fees shown are not the full list of activity related fees but only include those where the fee revenue accrues to the University's operating budget for services provided.

In accordance with MCU regulations, non-academic student fees can only be introduced/changed under a protocol or referendum established and agreed to with 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 per cent 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 2021 was 3.5 per cent.

Guelph Campus	2021-22 FT Approved Fees	2022-23 FT Recommended Fees	% Increase (Note #3)
Athletic Fee (Note #2)			
Undergraduate and Graduate	$131.69	$138.27	5.00%
Athletic Building Fee (Note #1)			
Undergraduate and Graduate	$54.17	$55.80	3.00%
Student Health Services Fee (Note #2)			
Undergraduate and Graduate	$34.64	$36.89	6.50%
CBE: Business Career Centre Fee			
Undergraduate BComm	$55.76	$57.71	3.50%
University Centre Fee			
Undergraduate and Graduate	$16.01	$16.57	3.50%
Orientation Week Fee (Note #2)			
Undergraduate, Semester 1, Fall only	$72.00	$74.52	3.50%
Student Volunteer Connections Fee (Note #2)			
Undergraduate	$1.79	$1.91	6.50%
Graduate	$1.35	$1.44	6.50%
OUTline (Note#2)			
Undergraduate	$0.42	$0.43	3.50%

Guelph Campus	2021-22 FT Approved Fees	2022-23 FT Recommended Fees	% Increase (Note #3)
Unbundled Student Service Fee			
Undergraduate Students			
Student Life Enhancement Fund	$3.55	$3.67	3.50%
School of Fine Art & Music	$0.62	$0.64	3.50%
Library: Academic Support (Note #2)	$13.07	$13.92	6.50%
Student Experience: Academic Support (Note #2)	$16.62	$17.70	6.50%
Financial Aid Services	$9.15	$9.47	3.50%
Career Services (Note #2)	$6.92	$7.37	6.50%
Mental Health Services (Note #2) (prev. Counselling Services)	$20.42	$21.75	6.50%
Centre for International Programs	$0.62	$0.64	3.50%
Graduate Students			
Student Life Enhancement Fund	$3.55	$3.67	3.50%
School of Fine Art & Music	$0.62	$0.64	3.50%
Library: Academic Support (Note #2)	$12.48	$13.29	6.50%
Student Experience: Academic Support (Note #2)	$16.25	$17.31	6.50%
Financial Aid Services	$8.53	$8.83	3.50%
Career Services (Note #2)	$6.68	$7.11	6.50%
Mental Health Services (Note #2) (prev. Counselling Services)	$20.42	$21.75	6.50%
Centre for International Programs	$0.62	$0.64	3.50%

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: Approved by the Compulsory Fees Committee as per the Protocol.

Note 3: Fee increases will apply to both Part-Time and Full-Time students.

Note 4: All fees listed had an increase in 2021-22 academic year.

Note 5: Fees are applied on a per-semester basis unless otherwise noted.

Appendix D: Ancillary Fees – Guelph Campus

This table contains the approved fee changes starting in Spring Semester 2022 (Fees to be effective May 1, 2022 to April 30, 2023).

Ancillary Fees *	Year of Last Increase	% Increase	Notes
Residence fees			
Student Residence - Contracts	2021	5.0%	Note #1
Family Housing (New Tenants)	2021	5.0%	Note #2
Family Housing (Existing Tenants)	2020	1.2%	Note #2
Meal Plan Fees			
Required for all Residence Students	2021	4.8%	Note #3

* *Effective May 1, 2022 to April 30, 2023*

Note 1: Student housing maintains nine buildings and provides accommodation to approximately 4,700 students in a typical year. U of G's residence fees were 7th highest in the province in 2021-22 and will remain 7th for 2022-23 with these increases.

Note 2: Increases in rent at Family Housing follow the guidelines from the Residential Tenancies Act (RTA).

Note 3: The On-Campus Meal Plans are mandatory meal plans for students living in a traditional residence and optional for other students who live on campus. Taking into accoun the proposed increases, the meal plan rates remain among the lowest in the province.

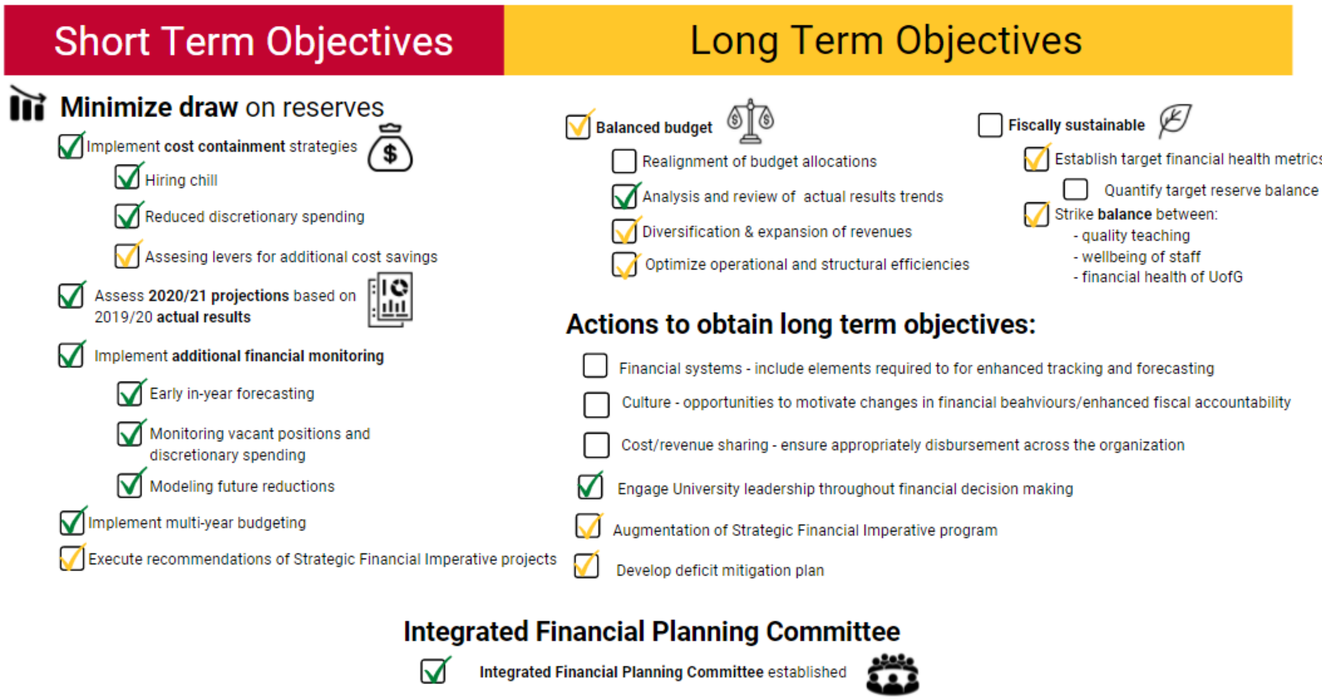
Appendix E: Campus Parking Services– Guelph Campus

Parking fees were approved to change to a 3-tier structure in 2020/21 to ensure fair pricing that brought parking rates in-line with other areas of the city. Parking fees for 2022/23 are recommended to increase as outlined in the table below.

	Year of Last Increase	2020-21 Fee	2022-23 Recommended Fees	% Increase
Parking Tier				
Tier 1	2020	$155.00	$160.00	3.1%
Tier 2	2020	$85.00	$88.00	3.4%
Tier 3	2020	$75.00	$77.00	2.6%

Appendix F: Financial Resiliency Roadmap

Developed with and endorsed by university leadership, the following Financial Resilience Roadmap guides the objectives of financial planning at the University of Guelph. Progress on each objective, at the time of preparing the budget plan in March 2022, is outlined in the Roadmap whereby green objectives are achieved and yellow highlights objectives in progress.



Appendix G: Fund Structure

The University's financial results and budget plan are outlined in separate funds set-up for activities, with each fund comprised of its own revenue and expenses. The following funds are used:

1. Operating Fund: Unrestricted general revenues and expenses that are directly related to the mission of the University, education and activities supporting research (i.e., not restricted by an agreement or contract).
2. OMAFRA Funds: Restricted revenues and expenses that are directly related to the Ontario Agri-Food Innovation Alliance (OMAFRA – University of Guelph Agreement).
3. Ancillary Fund: Sales of goods and services by Ancillary units that provide important support services to the students and university community that are not directly associated with the delivery of academic programs. The University's five ancillary units consist of: Hospitality Services, Student Housing Services, Real Estate Division, Parking and Sustainable Transportation Services, University Centre Services. Ancillary operations are self-sustaining.
4. Capital Fund: Funding and expenditures for capital projects.
5. Research Funds: Research-related funds externally restricted by an agreement or contract for specific research purposes. The use of these funds is restricted by the donor or granting agency.
6. Endowments: Donations and bequests received by the University that have a nonexpendable requirement as well as other legal requirements for use as agreed upon by the donor and the University.