



Financial Statements of
St. Jerome's University
Waterloo, Ontario

Year ended April 30, 2003

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Statement of Management Responsibility

Management of St. Jerome's University is responsible for the preparation of the financial statements, the notes thereto and all other financial information in this annual report.

The financial statements have been prepared by management in accordance with Canadian generally accepted accounting principles recommended by the Canadian Institute of Chartered Accountants. Management believes the financial statements present fairly the University's financial position as at April 30, 2003 and the results of its operations for the year then ended.

In fulfilling its responsibilities and recognizing the limits inherent in all systems, management has developed and maintains a system of internal control designed to provide reasonable assurance that University assets are safeguarded from loss and that the accounting records are a reliable basis for the preparation of financial statements.

The Board of Governors is responsible for ensuring that management fulfills its responsibilities for financial reporting and is ultimately responsible for reviewing and approving the financial statements. The Board carries out this responsibility principally through its Audit Committee.

The Audit Committee is appointed by the Board and its members are not officers or employees of the University. The Committee meets periodically with management, as well as the external auditors, to discuss internal controls over the financial reporting process, auditing matters and financial reporting issues to satisfy itself that each party is properly discharging its responsibilities and to review the annual report, the financial statements and the external auditors' reports. The Committee reports its findings to the Board for consideration when approving the financial statements for issuance. The Committee also considers, for approval by the Board, the engagement or reappointment of the external auditors.

Financial statements for the year ended April 30, 2003 have been audited by KPMG LLP. The auditors' report outlines the scope of their audit and their opinion on the presentation of the information included in the financial statements.

AUDITORS' REPORT

To the Governors of St. Jerome's University

We have audited the statement of financial position of St. Jerome's University as at April 30, 2003 and the statements of operations, changes in net assets and cash flows for the year then ended. These financial statements are the responsibility of the University's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

In our opinion, these financial statements present fairly, in all material respects, the financial position of the University as at April 30, 2003 and the results of its operations and the changes in its financial position for the year then ended in accordance with Canadian generally accepted accounting principles.

The image shows the handwritten signature of KPMG LLP in black ink. The letters are bold and slanted, with a horizontal line underneath the signature.

Chartered Accountants

Waterloo, Canada
July 13, 2003

ST. JEROME'S UNIVERSITY

Statement of Financial Position

April 30, 2003, with comparative figures for 2002

	2003	2002
Assets		
Current assets:		
Cash	\$ 1,077,825	\$ 886,625
Accounts receivable (note 3)	544,972	352,403
Current portion of long-term receivable	5,000	-
Inventory	48,152	27,717
Prepaid expenses	44,023	46,338
Total current assets	1,719,972	1,313,083
Long-term receivable	20,000	-
Investments at cost (note 4)	10,138,401	9,127,123
Capital assets (note 5)	7,644,211	7,761,233
	<u>\$ 19,522,584</u>	<u>\$ 18,201,439</u>

Liabilities, Deferred Contributions and Net Assets

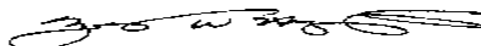
Current liabilities:		
Accounts payable and accrued liabilities (note 6)	\$ 351,642	\$ 382,811
Current portion of long-term debt (note 7)	35,501	32,296
Total current liabilities	387,143	415,107
Long-term debt (note 7)	97,146	132,647
Accrued employee future benefits obligation (note 8)	1,923,080	1,490,522
Deferred contributions (note 9)	398,035	380,159
Deferred capital contributions (note 10)	679,643	713,781
Total liabilities and deferred contributions	3,485,047	3,132,216
Net assets:		
Unrestricted net assets	1,532,088	882,942
Internally restricted net assets (note 11)	4,188,048	4,188,048
Externally restricted	(2,164)	-
Invested in capital assets (note 5)	6,984,678	7,036,517
Endowments (note 12)	3,334,887	2,961,716
	<u>16,037,537</u>	<u>15,069,223</u>
Contingencies (note 13)		
	<u>\$ 19,522,584</u>	<u>\$ 18,201,439</u>

See accompanying notes to financial statements.

On behalf of the Board of Governors:



Ms. D.E. Pecoskie, Chair of the Board



Dr. M.W. Higgins, President of the University

ST. JEROME'S UNIVERSITY

Statement of Operations

Year ended April 30, 2003, with comparative figures for 2002

	2003	2002
Revenue:		
Government grants, unrestricted	\$ 3,032,053	\$ 2,666,010
Government grants, restricted	39,611	98,361
Academic fees	2,750,314	2,504,066
Sales and services (ancillary operations)	2,262,687	2,088,631
Investment income, unrestricted (note 4)	395,893	370,971
Investment income, restricted	142,860	127,135
Donations, unrestricted	258,209	233,135
Donations, restricted	63,134	33,596
Other income	302,924	232,370
Research grant	18,117	6,231
Amortization of deferred capital contributions	72,789	71,812
	<u>9,338,591</u>	<u>8,432,318</u>
Expenses:		
Salaries and wages	4,075,746	3,734,612
Employee benefits	949,837	476,083
Supplies and other expenses	406,015	324,667
Advertising and promotional expenses	181,436	260,550
Travel	66,797	50,848
Entertainment	60,003	67,895
Professional development and training	62,163	67,838
Legal, audit and insurance	43,980	33,703
Scholarships and bursaries	197,973	189,820
Memberships	15,086	14,644
Library electronic subscriptions	1,368	1,906
Custodial and contracted services	161,817	170,618
Cost of sales and services	700,080	652,265
Utilities	286,218	262,520
Renovations, maintenance and equipment	350,438	336,159
Administration fee paid to University of Waterloo	684,077	611,430
Amortization of capital assets	511,375	508,719
	<u>8,754,409</u>	<u>7,764,277</u>
Excess of revenue over expenses	<u>\$ 584,182</u>	<u>\$ 668,041</u>

See accompanying notes to financial statements.

ST. JEROME'S UNIVERSITY

Statement of Changes in Net Assets

Year ended April 30, 2003, with comparative figures for 2002

	Unrestricted	Internally restricted	Externally Restricted	Invested in capital assets	Endowments	Total 2003	Total 2002
Net assets, beginning of year	\$882,942	\$4,188,048	\$ -	\$7,036,517	\$2,961,716	\$15,069,223	\$13,793,152
Excess of revenue over expenses for the year	1,024,932	-	(2,164)	(438,586)	-	584,182	668,041
Change in investment in capital assets (note 5)	(278,297)	-	-	386,747	-	108,450	-
Capital preservation of endowments (note12)	(97,489)	-	-	-	97,489	-	211,700
Endowment contributions	-	-	-	-	275,682	275,682	396,330
Net assets, end of year	\$1,532,088	\$4,188,048	\$(2,164)	\$6,984,678	\$3,334,887	\$16,037,537	\$15,069,223

See accompanying notes to financial statements.

ST. JEROME'S UNIVERSITY

Statement of Cash Flows

Year ended April 30, 2003 with comparative figures for 2002

	2003	2002
Operating activities:		
Excess of revenue over expenses	\$ 584,182	\$ 668,041
Add non-cash items:		
Amortization of capital assets	511,375	508,719
Amortization of deferred capital contributions	(72,789)	(71,812)
Net change in non-cash working capital balances related to operations:		
Accounts receivable	(217,569)	(88,498)
Prepaid expenses	2,315	31,650
Inventory	(20,435)	38,879
Accounts payable and accrued liabilities	(31,170)	52,453
	755,909	1,139,432
Investing and financing activities:		
Purchasing of investments, net	(1,011,278)	(1,423,708)
Purchasing of capital assets (note 5)	(296,837)	(526,334)
Purchasing of capital assets, work in progress (note 5)	10,934	(7,944)
Contributions restricted for capital purposes (note 10)	18,540	49,211
Increase in accrued employee future benefits (note 8)	432,558	52,056
Reduction in long-term debt (note 7)	(32,296)	(29,380)
Deferred donations for restricted purposes, net	3,931	(15,067)
Deferred research income, net	2,157	(3,177)
Deferred investment income for restricted purposes, net	11,788	(1,168)
Deferred donations for capital purposes	20,111	-
Endowment contributions (\$373,172 – CPI \$97,489)	275,683	396,329
	(564,709)	(1,509,182)
Increase (decrease) in cash	191,200	(369,750)
Cash, beginning of year	886,625	1,256,375
Cash, end of year	\$ 1,077,825	\$ 886,625

See accompanying notes to financial statements.

ST. JEROME'S UNIVERSITY

Notes to Financial Statements

Year ended April 30, 2003

1. Description:

St. Jerome's University is a public Roman Catholic post-secondary institution incorporated in 1865 and given university status in 1959, 1986, 1996 and 2000 under the laws of the Province of Ontario. It has been federated with the University of Waterloo since 1960. It is dedicated to providing an undergraduate post-secondary education in the Faculties of Arts and Mathematics and to conducting research and community service.

These financial statements reflect the assets, liabilities, net assets, revenue, expenses and other transactions of all of the operations of the University. Accordingly, these financial statements include the academic, administrative and other operating expenditures funded by fees, grants, donations and other general revenue; restricted purpose endowment and non-endowment funds; and the ancillary operations, such as residences, food services, conferences and parking.

The University is a not-for-profit organization and, as such, is exempt from income taxes under the Income Tax Act (Canada).

2. Significant accounting policies:

The financial statements have been prepared by management in accordance with Canadian generally accepted accounting principles applied within the framework of the accounting policies summarized below:

(a) Inventory:

Supplies and other inventories are carried at the lower of cost and replacement cost, with cost determined on a first-in first-out basis.

(b) Investments:

The University's investment portfolio comprises a large number of different securities carrying a variety of terms and conditions. Debt securities pay interest monthly, semi-annually or annually at a fixed rate. Fair market values are based on quoted market prices of the securities per RBC Dominion Securities and TD Asset Management Inc.

Investments are accounted for at cost. Discounts and premiums are amortized over the life of the investment and recorded as income or expense annually. Investments are written down in the year where there is deemed to be an impairment in value which is other than temporary.

ST. JEROME'S UNIVERSITY

Notes to Financial Statements

Year ended April 30, 2003

2. Significant accounting policies (continued):

(c) Capital assets:

Purchased capital assets are recorded at cost. Contributions of capital assets are recorded at fair market value at the date of contribution. Capitalized assets are amortized on a straight-line basis using the following years of expected life:

Asset	Rate
Land improvements	1 to 40 years
Buildings	40 years
Building improvements	1 to 40 years
Equipment and furnishings	5 to 10 years
Computer equipment and software	5 years
Library books	7 years

Work-in-progress is not amortized in the current period. Art collections are recorded at cost.

(d) Deferred capital contributions:

Deferred capital contributions represent the unamortized amount of donations received for the purchase of capital assets. The amortization of deferred capital contributions is recorded as revenue in the statement of operations.

(e) Pension expense and obligations:

The University participates in the University of Waterloo registered pension plan, which is a defined benefit pension plan. Pension expense is actuarially determined using the projected benefit method pro-rated on services and management's best estimate assumptions. The pension expense for the period (2003 - \$140,719 and 2002 - \$70,825), is the total of the contributions during the year in exchange for the employee service rendered. As at the date of the last actuarial valuation, the plan was in a small deficit position.

(f) Employee future benefit obligations:

Post-employment benefits for extended health care, life insurance and unregistered private payroll pension commitments related to the employees' current service are accounted for on an accrual basis. The cost is computed on an actuarial basis using the projected benefit method estimating the usage frequency and the cost of services covered and management's best estimates of investment yields, salary escalation and other factors.

ST. JEROME'S UNIVERSITY

Notes to Financial Statements

Year ended April 30, 2003

2. Significant accounting policies (continued):

(g) Revenue recognition:

The University follows the deferral method of accounting for contributions, which include donations, government grants and investment revenue. Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured. Contributions externally restricted for purposes other than endowment are deferred and recognized as revenue in the year in which the related expenses are recognized. Spendable endowment investment revenues are deferred and recognized as revenue in the year in which the related expenses are recognized. Endowment contributions are recognized as a direct increase in net assets in the period in which they are received. Student fees are recognized as revenue when courses and seminars are held. Sales and services revenue is recognized at point of sale or when the service has been provided.

(h) Contributed services:

Volunteers contribute an indeterminable number of hours per year. Because of the difficulty of determining their fair value, contributed services are not recognized in these financial statements.

(i) Expense recognition:

The University follows the accrual basis for accounting by recording expenses when materials or services are received. Encumbrances, including commitments for goods and services not yet received, are not included in expenses.

(j) Measurement uncertainty:

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. In determining estimates of accrued liabilities, the University relies on assumptions regarding applicable industry performance and prospects, as well as general business and economic conditions that prevail and are expected to prevail. Actual results could differ from those estimates.

3. Accounts receivable:

	2003	2002
Accounts receivable	\$ 85,548	\$ 110,107
Accrued interest receivable	152,376	140,497
Accrued tuition receivable	307,048	101,799
	<u>\$ 544,972</u>	<u>\$ 352,403</u>

ST. JEROME'S UNIVERSITY

Notes to Financial Statements

Year ended April 30, 2003

4. Investments:

(a) Endowment Investments consist of the following:

	2003	2002
Government of Canada bonds and Treasury bonds with interest varying between 5.0% and 6.5%, maturing between 2003 and 2006	\$ 280,580	\$ 755,734
Provincial and Municipal bonds with interest varying between 5.25% and 13.5%, maturing between 2003 and 2012	617,266	483,664
Corporate bonds and debentures with interest varying between 4.75% and 10.35%, maturing between 2004 and 2014	2,436,170	1,693,471
Guaranteed Investment Certificates	-	110,100
RBC Dominion Securities, cash	14,232	64,315
Total cost	\$ 3,348,248	\$ 3,107,284
Fair market value	\$ 3,504,048	\$ 3,286,846
Fair market value over cost	155,800	179,562

(b) Non-endowment Investments consist of the following:

	2003	2002
Government of Canada bonds and Treasury bonds with interest varying between 5.0% and 5.25%, maturing between 2003 and 2013	\$ 790,756	\$ 590,181
Provincial and Municipal bonds with interest varying between 4.625% and 6.375%, maturing between 2004 and 2010	1,606,756	2,108,465
Corporate bonds and debentures with interest varying between 4.75% and 10.8%, maturing between 2003 and 2012	1,593,991	975,392
Canadian equities	1,205,409	680,200
Non-Canadian equities	534,034	431,268
TD Asset Management Inc. indexed mutual funds/CIBC Mellon	429,767	425,000
RBC Dominion Securities, cash	629,440	809,333
Total cost	\$ 6,790,153	\$ 6,019,839
Fair market value (RBC & TD/CIBC Mellon)	\$ 6,809,149	\$ 6,152,944
Fair market value over cost	18,996	133,105

ST. JEROME'S UNIVERSITY

Notes to Financial Statements

Year ended April 30, 2003

4. Investments (continued):

(c) Total Investments:

	2003	2002
Total Investments for Endowments	\$ 3,348,248	\$ 3,107,284
Total Investments for Non-endowments	6,790,153	6,019,839
	\$ 10,138,401	\$ 9,127,123

(d) Investment income recorded in the statement of operations is calculated as follows:

	2003	2002
Total investment income earned	\$ 550,542	\$ 496,938
Income related to deferred restricted funds	(154,649)	(125,967)
	\$ 395,893	\$ 370,971

5. Capital assets:

	2003		2002	
	Cost	Accumulated amortization	Net book value	Net book value
Land	\$ 50,825	\$ -	\$ 50,825	\$ 50,825
Land improvements	540,443	152,040	388,403	329,887
Buildings	6,412,130	2,353,182	4,058,948	4,202,308
Building improvements	2,599,075	682,845	1,916,230	2,000,620
Equipment and furnishings	2,499,999	1,888,466	611,533	684,284
Computer equipment and software	581,265	469,185	112,080	87,902
Library books	1,316,178	1,130,136	186,042	182,772
Art collection	320,150	-	320,150	211,700
Work in progress	-	-	-	10,935
	\$ 14,320,065	\$ 6,675,854	\$ 7,644,211	\$ 7,761,233

ST. JEROME'S UNIVERSITY

Notes to Financial Statements

Year ended April 30, 2003

5. Capital assets (continued):

The increase in net book value of capital assets is due to the following:

	2003	2002
Balance, beginning of year	\$ 7,761,233	\$ 7,523,974
Purchases of work in progress	(10,934)	7,944
Purchase of capital assets funded by deferred capital contributions	18,540	49,211
Purchase of capital assets internally funded	278,297	477,123
Gift-in-Kind art collection	108,450	211,700
Amortization of capital assets	(511,375)	(508,719)
Balance, end of year	\$ 7,644,211	\$ 7,761,233

The investment in capital assets consists of the following:

	2003	2002
Capital assets	\$ 7,644,211	\$ 7,761,233
Less capital assets in work in progress	-	(10,935)
Less amounts financed by deferred capital contributions	(659,533)	(713,781)
Balance, end of year	\$ 6,984,678	\$ 7,036,517

6. Accounts payable and accrued liabilities:

	2003	2002
Accounts payable and accrued liabilities	\$ 351,641	370,209
Accrued vacation pay	-	12,602
	\$ 351,641	\$ 382,811

ST. JEROME'S UNIVERSITY

Notes to Financial Statements

Year ended April 30, 2003

7. Long-term debt:

	2003	2002
Long-term loan	\$ 132,647	\$ 164,943
Less current portion of long-term debt	35,501	32,296
	<u>\$ 97,146</u>	<u>\$ 132,647</u>

On September 1, 1996 a supplier advanced \$300,000 to St. Jerome's University (formerly St. Jerome's College) to be used to renovate and purchase equipment for the Food Services activity. The \$300,000 will be amortized over a period of 120 months at an annual interest rate of 9.5%. In connection with advancing the monies, the parties entered into an agreement. The agreement provides that interest and principal payments on the loan will be forgiven annually by the supplier as long as the agreement is not terminated. The forgiven principal amount of \$32,296 (2002 - \$29,380) has been included in sales and services (ancillary operations) on the statement of operations.

If the agreement is terminated by either party prior to August 31, 2006 then the supplier shall be entitled to the unamortized balance outstanding as noted in the following schedule:

	Forgivable principal	Balance outstanding
April 30, 2002	\$ 29,380	\$ 164,943
April 30, 2003	32,296	132,647
April 30, 2004	35,501	97,146
April 30, 2005	39,024	58,122
April 30, 2006	42,897	15,225
August 31, 2006	15,225	-

ST. JEROME'S UNIVERSITY

Notes to Financial Statements

Year ended April 30, 2003

8. Accrued employee future benefits:

	2003	2002
Post-employment accrued benefit obligation	\$ 1,311,000	\$ 938,000
Unregistered private payroll pension obligation	612,080	552,522
	<hr/>	<hr/>
	\$ 1,923,080	\$ 1,490,522

The University maintains an unregistered non-contributory defined benefit private payroll pension plan and post-employment benefits for most of its employees.

The University increased its unregistered non-contributory defined benefit private payroll pension plan to include more employees. The current balance is \$612,080. The fund will increase annually by charging the salaries, wages and benefits lines of the statement of operations. The first unregistered pension plan payment was made in July 1, 2002.

The accrued benefit obligations were determined by independent actuaries as at January 1, 2003.

In 2003, the expense for the University's future benefit plans is as follows:

	Pension benefit plans	Other benefit plans
Defined benefit plans	\$ 59,558	\$ 373,000
Benefits paid	4,419	42,000

ST. JEROME'S UNIVERSITY

Notes to Financial Statements

Year ended April 30, 2003

8. Accrued employee future benefits (continued):

The significant actuarial assumptions adopted in measuring the University's accrued benefit obligation are as follows:

	Pension benefit plans	Other benefit plans
Discount rate	7.00	7.00
Rate of compensation increase	5.50	-

The rates used for purposes of adopting the new accounting standard at May 1, 2000 were identical to those listed above. For measurement purposes, a 10.0% annual rate of increase in the per capita cost of covered health care benefits was assumed for 2000. The rate was assumed to decrease to 5.0% for 2006 and remain at that level thereafter.

Other information about the University's defined benefit plans is as follows:

	Pension benefit plans	Other benefit plans
Employer contribution	\$ 140,719	\$ 129,825

9. Deferred contributions:

Deferred contributions represent unspent externally restricted grants, investment income and donations for research and other restricted purposes. The changes in the deferred contribution balance are as follows:

	2003	2002
Balance, beginning of year	\$ 380,159	\$ 399,571
Amount recognized as revenue during the year	(224,111)	(166,962)
Amount received relating to future years	241,987	147,550
Balance, end of year	\$ 398,035	\$ 380,159

ST. JEROME'S UNIVERSITY

Notes to Financial Statements

Year ended April 30, 2003

10. Deferred capital contributions:

The changes in the deferred contributions balance are as follows:

	2003	2002
Balance, beginning of year	\$ 713,781	\$ 736,382
Less amortization of deferred capital contributions	(72,789)	(71,812)
Less contributions returned for capital purposes	-	-
Add contributions received and expended for capital purposes	18,540	49,211
Add contributions received for capital purposes not expended	20,111	-
Balance, end of year	\$ 679,643	\$ 713,781

11. Internally restricted net assets:

	2003	2002
Salary security	\$ 2,642,858	\$ 2,642,858
Major renovations	1,545,190	1,545,190
	\$ 4,188,048	\$ 4,188,048

Amounts committed for specific purposes include amounts available for spending at the discretion of the Board of Governors:

- (a) Salary security reflects monies transferred from the unrestricted net assets. The amounts are intended to be used by the University to help maintain the negotiated salaries of continuing faculty and staff.
- (b) Major renovations reflects monies transferred from the unrestricted net assets. The amounts are intended to be used by the University to assist in financing any extraordinary University renovation that cannot be supported by the operating budget.

ST. JEROME'S UNIVERSITY

Notes to Financial Statements

Year ended April 30, 2003

12. Endowments:

Contributions restricted for endowments consist of restricted donations received by the University and donations internally designated by the Board of Governors, in the exercise of its discretion. The endowment principal is required to be maintained intact. The investment income generated from endowments must be used in accordance with the various purposes established by donors or the Board of Governors. The University ensures, as part of its fiduciary responsibilities, that all funds received with a restricted purpose are expended for the purpose for which they were provided.

University policy has been established with the objective of protecting the real value of the endowments by limiting the amount of income available for spending and requiring the reinvestment of an amount of the earned income equal to the average percentage change (last 12 months) in the consumer price index for Canada prepared by Statistics Canada. This preservation of capital is recorded in the statement of changes in net assets as a transfer from unrestricted (2003 - \$97,489, and 2002 - \$59,464).

External donations are recorded as a direct increase of endowments.

Contributions restricted for endowments consist of the following:

	2003	2002
Ignatian	\$ 11,448	\$ 11,110
Devlin	26,180	24,930
Faculty position, Catholic Studies	-	31,555
Faculty position, English	18,650	17,751
M.A. in Theology	485,786	260,097
J. Wintermeyer lecture	35,366	31,606
T. Dease lecture	26,541	25,728
Scarborough mission	10,402	5,100
Catholic board lecture	11,502	11,120
Todd Earl spirit award	3,728	3,131
John Sweeney lecture	5,886	14,429
Quantum Computations Research	1,844	1,010
Ontario Student Opportunity Trust Fund bursaries	864,606	839,643
Scholarship/bursaries	1,832,948	1,684,506
	<u>\$ 3,334,887</u>	<u>\$ 2,961,716</u>

ST. JEROME'S UNIVERSITY

Notes to Financial Statements

Year ended April 30, 2003

12. Endowments (continued):

The Ontario Student Opportunity Trust Fund consists of the following:

	2003	2002
Endowment Funds		
Balance, beginning of year	\$ 839,643	\$ 820,773
Donations	(1,159)	-
Matching funds from the Government of Ontario	(1,159)	-
Investment income re. Capital Preservation	27,281	18,870
Balance, end of year	\$ 864,606	\$ 839,643
Expendable Funds		
Balance, beginning of year	\$ 90,798	\$ 101,164
Investment income	45,074	39,984
Bursaries awarded (total number: 41)	51,350	50,350
Balance, end of year	\$ 84,522	\$ 90,798

13. Contingencies:

The nature of St. Jerome's University activities is such that there could be litigation pending or in process at any time. At April 30, 2003, management is not aware of any claims but believes that St. Jerome's University has valid defenses and appropriate insurance coverage in place should a claim be made. In the event claims are successful, management believes that such claims are not expected to have a material effect on the financial position of St. Jerome's University.

ST. JEROME'S UNIVERSITY

Executive Compensation Disclosure

Year ended April 30, 2003

The Public Sector Salary Disclosure Act, 1996 requires public disclosure of the salary and benefits paid in respect of employment to employees who are paid a salary of \$100,000 or more in a year. There were 10 individuals in this category in the University who earned over \$100,000 in 2002 and the following is a list of names and salaries.

Name	Salary	Benefits	Position
Bonner, Kieran	\$105,307.96	\$837.62	Vice President/Professor
Campbell, Gerry	\$104,821.56	\$981.94	Associate Professor
Centore, Floyd	\$108,717.60	\$796.44	Professor
Fogel, Stan	\$ 99,498.04	\$520.56	Professor
Higgins, Michael	\$153,656.42	\$956.94	President/Professor
Letson, Douglas R.	\$132,632.16	\$971.04	Past President/Professor
McCormack, Eric	\$110,480.84	\$809.36	Associate Professor
McGee, Ted	\$101,070.56	\$787.16	Associate Professor
McLaughlin, Kenneth M.	\$116,767.48	\$844.28	Professor
Vanstone, Scott	\$120,709.76	\$884.08	Professor
