

**Wilfrid Laurier University**  
**Financial Statements**  
**April 30, 2010**



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## AUDITORS' REPORT

The Board of Governors  
Wilfrid Laurier University

We have audited the statement of financial position of Wilfrid Laurier University as at April 30, 2010 and the statements of operations and 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, 2010 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Chartered Accountants, Licensed Public Accountants

Waterloo, Canada  
July 23, 2010

# Wilfrid Laurier University

## Statement of Financial Position

April 30, 2010

(in thousands of dollars)

	2010	2009
<b>Assets</b>		
<b>Current assets</b>		
Cash and short-term deposits	\$ 41,817	\$ 31,525
Accounts receivable	9,299	9,251
Sinking fund investments	9,976	-
Stocks, bonds, debentures and pooled funds	6,577	7,452
Inventories	2,972	2,298
Prepaid expenses	2,379	2,173
Current portion of notes receivable (note 3)	205	210
	<u>73,225</u>	<u>52,909</u>
<b>Long-term assets</b>		
Notes receivable less current portion (note 3)	140	333
<b>Restricted assets</b>		
Cash (note 4)	5,350	3,100
Endowments -		
Cash and short term deposits	9,650	10,086
Stocks, bonds, debentures and pooled funds	<u>45,088</u>	<u>35,377</u>
	<u>54,738</u>	<u>45,463</u>
<b>Capital assets (note 5)</b>	245,346	226,616
<b>Sinking fund investments</b>	<u>4,549</u>	<u>13,728</u>
<b>Total assets</b>	<u>\$ 383,348</u>	<u>\$ 342,149</u>

# Wilfrid Laurier University

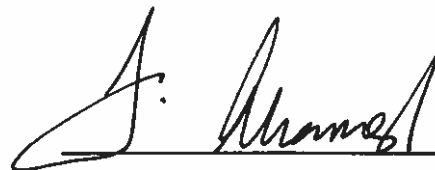
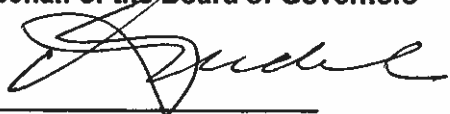
## Statement of Financial Position (continued)

April 30, 2010

(in thousands of dollars)

	2010	2009
<b>Liabilities</b>		
<b>Current liabilities</b>		
Accounts payable and accrued liabilities	\$ 23,392	\$ 20,287
Accrued vacation pay	3,576	3,613
Deferred revenue	13,652	15,619
Current portion of mortgages (note 7)	10,172	164
Current portion of term bank loans (note 8)	74	45
Current portion of other loans (note 9)	-	23
	<u>50,866</u>	<u>39,751</u>
<b>Long-term liabilities</b>		
Debenture (note 6)	109,405	109,356
Mortgages (note 7)	799	10,971
Term bank loans (note 8)	677	783
Retirement incentive plans (note 10)	4,340	5,711
Pension plans (note 11)	6,026	2,079
Post retirement benefits (note 11)	43,249	40,548
	<u>164,496</u>	<u>169,448</u>
<b>Deferred contributions - operations (note 12)</b>	20,021	15,375
<b>Deferred contributions - capital (note 13)</b>	88,520	76,294
<b>Forgivable loans (note 14)</b>	<u>5,216</u>	<u>5,615</u>
<b>Total liabilities</b>	<u>\$ 329,119</u>	<u>\$ 306,483</u>
<b>Net assets</b>		
Unrestricted	\$ (84,978)	\$ (75,427)
Internally restricted (note 15)	29,898	18,693
Invested in capital assets (note 16)	54,571	46,937
Endowments (note 17)	54,738	45,463
	<u>54,229</u>	<u>35,666</u>
<b>Total liabilities and net assets</b>	<u>\$ 383,348</u>	<u>\$ 342,149</u>

Signed on behalf of the Board of Governors



# Wilfrid Laurier University

## Statement of Operations

April 30, 2010

(in thousands of dollars)

	2010	2009
<b>Revenue</b>		
Government grants	\$ 101,746	\$ 101,193
Student fees	112,689	101,266
Grants, contracts, and donations	2,043	3,779
Sales and service	20,534	20,017
Amortization of deferred contributions - capital	4,946	4,786
Investment returns	4,220	329
Other revenues	7,066	6,620
	<u>253,244</u>	<u>237,990</u>
<b>Expenses</b>		
Salaries	121,351	116,692
Benefits	32,326	28,515
Operating costs	31,542	38,792
Amortization of capital assets	13,552	13,334
Cost of goods sold	15,694	15,835
Taxes, utilities, and rent	9,233	6,977
Scholarships and bursaries	12,815	12,811
Interest	7,443	7,521
	<u>243,956</u>	<u>240,477</u>
<b>Excess of revenue over expenses (expenses over revenue)</b>	<u>\$ 9,288</u>	<u>\$ (2,487)</u>

# Wilfrid Laurier University

## Statement of Changes in Net Assets

April 30, 2010

(in thousands of dollars)

	Unrestricted	Internally Restricted	Invested in Capital Assets	Restricted for Endowment	2010	2009
Balance - beginning of year	\$ (75,427)	\$ 18,693	\$ 46,937	\$ 45,463	\$ 35,666	\$ 43,482
Excess of revenue over expenses (expenses over revenue)	17,894	-	(8,606)	-	9,288	(2,487)
Internally imposed restrictions	(11,205)	11,205	-	-	-	-
Net endowment contributions	-	-	-	5,131	5,131	2,256
Endowment earnings (loss) capitalized	-	-	-	4,144	4,144	(7,585)
Invested in capital assets	(16,240)	-	16,240	-	-	-
Balance - end of year	\$ (84,978)	\$ 29,898	\$ 54,571	\$ 54,738	\$ 54,229	\$ 35,666

# Wilfrid Laurier University

## Statement of Cash Flows

April 30, 2010

(in thousands of dollars)

	2010	2009
<b>Cash provided by (used in) operating activities</b>		
Excess of revenue over expenses (expenses over revenue)	\$ 9,288	\$ (2,487)
Changes to earnings not involving cash		
Amortization of deferred contributions - capital	(4,946)	(4,786)
Amortization of capital assets	13,552	13,334
Increase in deferred contributions - operations	4,646	913
Decrease in deferred pension cost	3,947	2,835
Decrease in retirement incentive plans	(1,371)	(958)
Increase in post retirement benefits	2,701	3,293
Non cash interest expense	49	47
Net change in non-cash working capital (note 19)	(1,541)	609
	<u>26,325</u>	<u>12,800</u>
<b>Financing activities</b>		
Decrease in term bank loans - net	(77)	(62)
Decrease in other loans	(23)	(267)
Decrease in forgivable loans	(399)	(629)
Decrease in mortgages - net	(164)	(155)
	<u>(663)</u>	<u>(1,113)</u>
<b>Investing activities</b>		
Endowments received	5,131	2,256
Decrease in notes receivable	198	188
Purchase of capital assets (note 20)	(32,282)	(13,083)
Increase in accounts payable related to capital assets	1,714	8
Increase in sinking fund investment	(797)	(1,161)
Increase in restricted endowment investments	(5,131)	(2,256)
Increase in restricted cash	(2,250)	(1,500)
Decrease in stocks, bonds and debentures	875	1,181
Deferred contributions - capital received	17,172	4,451
	<u>(15,370)</u>	<u>(9,916)</u>
<b>Increase in net cash position</b>	<b>10,292</b>	<b>1,771</b>
<b>Net cash position - beginning of year</b>	<b>31,525</b>	<b>29,754</b>
<b>Net cash position - end of year</b>	<b>\$ 41,817</b>	<b>\$ 31,525</b>

# Wilfrid Laurier University

## Notes to Financial Statements

April 30, 2010

(in thousands of dollars)

### 1. Description

Wilfrid Laurier University was established in November 1973 as a fully provincially assisted university when Waterloo Lutheran University became Wilfrid Laurier University after Bill 178 "an Act respecting Wilfrid Laurier University" was given Royal Assent.

These financial statements reflect the assets, liabilities, net assets, revenues, expenses, and other transactions related to the operation of the University. Accordingly, these financial statements include the academic, administrative, and other operating expenditures funded by fees, grants, and other general revenue, restricted purpose endowment funds and the ancillary operations such as residences, food services, bookstore, and parking. Wilfrid Laurier University is a registered charity and as such is exempt from paying income taxes.

### 2. Accounting policies

#### Valuation of inventories

Inventories are valued at the lower of cost and net realizable value with cost being determined substantially on a first-in, first-out basis.

#### Capital assets

Capital assets include the original cost of land and land improvements, buildings, furniture and equipment, leasehold improvements and library books and related library materials. The capital assets, excluding land, are amortized on a straight-line basis in accordance with the following schedule.

Category	Amortization Rate
Buildings	2 1/2 - 10%
Furniture and equipment	10 - 33 1/3 %
Leasehold improvements	10%
Library books and related materials	20%

The interest costs of debt attributable to the construction of major new facilities is capitalized during the construction period.

#### Valuation of stocks, bonds, debentures and pooled funds

All stocks, bonds, debentures, investments, and pooled funds are recorded at fair value.

#### Art collection

The University maintains a collection of art work of cultural and historical significance. The collection is not capitalized but rather included in capital assets at nominal value on the statement of financial position. New acquisitions, substantially all received as gifts, are recorded as income and expense at their appraised value in the period received.

#### Revenue recognition

The University follows the deferral method of accounting for contributions, which include donations and government grants. 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. Unrestricted



# **Wilfrid Laurier University**

## **Notes to Financial Statements**

**April 30, 2010**

(in thousands of dollars)

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donations are recorded as received. Contributions externally restricted for purposes other than endowment or the acquisition of capital assets are deferred and recognized as revenue in the year in which the related expenses are recognized.

Contributions restricted to the acquisition of capital assets having a limited life are initially recorded as deferred contributions - capital in the period in which they are received. They are recognized as revenue over the useful life of the related assets. Endowment contributions are recognized as direct increases 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 the point of sale or when the service has been provided.

### **Pensions**

The University has a pension plan which is available to full and part time faculty and staff. The plan is a money purchase plan with a minimum guarantee supplement based on the member's best five years of earnings.

Income is charged with the cost of benefits earned by employees as services are rendered. The actuarial costs method used is the Projected Unit Credit Cost method. This cost reflects management's best estimates of the member's salary escalations, mortality of members, terminations, and the ages at which members will retire. Adjustments arising from plan amendments, experience gains and losses and changes in assumptions, to the extent these adjustments are greater than ten percent of the greater of the projected benefit obligation or the fair value of plan assets, are amortized on a straight-line basis over the estimated average remaining service life of the employee group.

### **Retirement incentive plans and post retirement benefits**

The University has a plan which provides dental and extended health care benefits for retirees. In addition, the University has a special voluntary exit plan which is available to staff and faculty and a phased in retirement option plan which is available to faculty to provide the individuals with an incentive to retire. The costs for these plans are recognized using the Projected Unit Credit Actuarial Cost method, and income is charged with the cost of the benefits in the years in which the employees render the service which gives them the right to receive such benefits. Adjustments arising from plan amendments, experience gains and losses and changes in assumptions, to the extent these adjustments are greater than ten percent of the greater of the projected benefit obligation or the fair value of plan assets, are amortized on a straight-line basis over the estimated average remaining service life of the employee group. Unrecognized Past Service Costs, resulting from changes in plan benefits in the year, are amortized on a straight-line basis, over the Estimated Average Remaining Service Life ("EARSL").

### **Financial instruments**

The carrying amounts reported in the Statement of Financial Position for short-term deposits, accounts receivable, notes receivable, sinking fund investments, accounts payable, accrued vacation pay, term bank loans, and other loans approximate fair market value. The fair values of the debenture, mortgages and the term bank loan were determined using the future cash flow of the actual debt instruments, discounted at current market rates available to the University for similar instruments.

# Wilfrid Laurier University

## Notes to Financial Statements

April 30, 2010

(in thousands of dollars)

### 3. Notes Receivable

	2010	2009
<b>Wilfrid Laurier University Students' Union</b>		
5% note, repayable by quarterly payments of \$55 including principal and interest, due November 1, 2011	\$ 345	\$ 524
<b>Wilfrid Laurier University Graduate Students' Association</b>		
6% note, repayable by quarterly payments of \$4 minimum, including principal and interest	-	19
	\$ 345	\$ 543
Less: Principal due within one year	(205)	(210)
	<u>\$ 140</u>	<u>\$ 333</u>

### 4. Restricted cash

The Board of Governors has internally restricted \$5,350 (2009 - \$3,100) of cash to be put towards an investment fund for the funding of the post retirement benefits.

### 5. Capital Assets

	2010			2009		
	Cost	Accumulated Amortization	Net	Cost	Accumulated Amortization	Net
Land and land improvements	\$ 14,382	\$ -	\$ 14,382	\$ 13,756	\$ -	\$ 13,756
Buildings	265,259	73,998	191,261	250,643	67,566	183,077
Furniture and equipment	71,974	55,856	16,118	67,594	50,797	16,797
Library books	30,562	25,302	5,260	28,467	23,286	5,181
Construction in progress	18,325	-	18,325	7,805	-	7,805
	<u>\$ 400,502</u>	<u>\$ 155,156</u>	<u>\$ 245,346</u>	<u>\$ 368,265</u>	<u>\$ 141,649</u>	<u>\$ 226,616</u>

There was no interest capitalized during the 2010 or 2009 fiscal years.

The line of credit is secured by a collateral mortgage in the amount of \$7,000 constituting a fixed charge on the lands and improvements located at Laurier Place and a general assignment of rents with respect to Laurier Place.

# Wilfrid Laurier University

## Notes to Financial Statements

April 30, 2010

(in thousands of dollars)

### 6. Debenture

	2010	2009
Debenture, bearing interest at 5.429% payable semi-annually, due February 1, 2045	\$ 115,000	\$ 115,000
Less: Deferred charges	<u>(5,595)</u>	<u>(5,644)</u>
	<u>\$ 109,405</u>	<u>\$ 109,356</u>

The approximate fair market value of the debenture is \$111,997 (2009 - \$106,790).

The Board of Governors has approved that a sinking fund be established for the repayment of the \$115,000 at maturity and that the annual contribution be set at a minimum of \$1,000. The Board of Governors has approved the suspension of the annual contributions for the 2009/10, 2010/11 and 2011/12 fiscal years. Sinking fund investments held to discharge the debenture payable are \$4,549 (2009 - \$3,851).

### 7. Mortgages

	Rate	Due Date	2010	2009
Bricker Street Residence	11.04%	November 1, 2010	\$ 10,000	\$ 10,000
Conrad Hall, A & B Wings	5.38%	January 1, 2012	40	62
Dining Hall, MacDonald House	5.13%	March 1, 2013	105	137
Willison Hall, Conrad Hall, C Wing	5.13%	July 1, 2013	137	174
Conrad Hall D Wing, Little House, Euler Residence, Leupold Residence, Dining Hall	5.38%	July 1, 2017	<u>689</u>	<u>762</u>
			\$ 10,971	\$ 11,135
Less: Principal payable within one year			<u>(10,172)</u>	<u>(164)</u>
			<u>\$ 799</u>	<u>\$ 10,971</u>

The approximate fair market value of the mortgages is \$11,564 (2009 - \$13,051).

The aggregate amount of principal payments in each of the next five years to meet retirement provisions is as follows:

Year ending April 30,	2011	\$ 10,172
	2012	176
	2013	166
	2014	101
	2015	95
	Thereafter	<u>261</u>
		<u>\$ 10,971</u>

# Wilfrid Laurier University

## Notes to Financial Statements

April 30, 2010

(in thousands of dollars)

### 8. Term Bank Loans

	2010	2009
Bank loan, bearing interest at 4.79%, repayable in blended monthly payments of \$7, due September 30, 2013	\$ 751	\$ 828
Less: Principal payable within one year	<u>(74)</u>	<u>(45)</u>
	<u>\$ 677</u>	<u>\$ 783</u>

The approximate fair market value of the term bank loan is \$773 (2009- \$894).

### 9. Other Loans

	2010	2009
Energy savings loan, bearing interest at 7.5%, repayable in blended monthly payments of \$23, due May 1, 2009	\$ -	\$ 23
Less: Principal payable within one year	<u>-</u>	<u>(23)</u>
	<u>\$ -</u>	<u>\$ -</u>

# Wilfrid Laurier University

## Notes to Financial Statements

April 30, 2010

(in thousands of dollars)

### 10. Retirement Incentive Plans

The University has two plans, the special voluntary exit plan (SVEP) and the phased in retirement option (PIRO) which provide eligible staff and faculty with an incentive to retire. The figures stated here provide information for these plans.

	2010			2009		
	SVEP	PIRO	Total	SVEP	PIRO	Total
Change in benefit obligation						
Benefit obligation, beginning of year	\$ 5,774	\$ 391	\$ 6,165	\$ 5,610	\$ 86	\$ 5,696
Benefits paid	(1,667)	(115)	\$ (1,782)	(1,274)	(29)	(1,303)
Current service costs	112	14	\$ 126	167	14	181
Interest Costs	278	19	\$ 297	244	4	248
Actuarial loss / (gain)	2,419	216	\$ 2,635	1,027	316	1,343
Benefit obligation, end of year	\$ 6,916	\$ 525	\$ 7,441	\$ 5,774	\$ 391	\$ 6,165
Change in plan assets						
Plan assets, beginning of year	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employer contributions	1,667	115	1,782	1,274	29	1,303
Benefits paid	(1,667)	(115)	(1,782)	(1,274)	(29)	(1,303)
Actual return on plan assets	-	-	-	-	-	-
Plan assets, end of year	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Funded status	\$ (6,916)	\$ (525)	\$ (7,441)	\$ (5,774)	\$ (391)	\$ (6,165)
Unamortized net actuarial loss / (gain)	2,890	433	3,323	471	306	777
Unamortized plan amendment	(222)	-	(222)	(323)	-	(323)
Accrued benefit costs	\$ (4,248)	\$ (92)	\$ (4,340)	\$ (5,626)	\$ (85)	\$ (5,711)

# Wilfrid Laurier University

## Notes to Financial Statements

April 30, 2010

(in thousands of dollars)

### 10. Retirement Incentive Plans (cont'd)

	2010		2009	
	SVEP	PIRO	SVEP	PIRO
For determining benefit obligations for the year ending April 30				
Discount rate	4.50%	4.50%	5.50%	5.50%
Rate of compensation increase	4.50%	4.50%	4.50%	4.50%
For determining benefit costs for the year ending April 30				
Discount rate	5.50%	5.50%	4.75%	4.75%
Rate of compensation increase	4.50%	4.50%	4.50%	4.50%
Expected return on plan assets	7.00%	7.00%	7.00%	7.00%

	2010			2009		
	SVEP	PIRO	Total	SVEP	PIRO	Total
Components of benefit expense						
Current service costs	\$ 112	\$ 14	\$ 126	\$ 167	\$ 14	\$ 181
Interest costs	278	19	297	244	4	248
Negative Plan Amendment	(101)	-	(101)	(84)	-	(84)
Amortization of net actuarial loss / (gain)	-	89	89	-	(1)	(1)
	<u>\$ 289</u>	<u>\$ 122</u>	<u>\$ 411</u>	<u>\$ 327</u>	<u>\$ 17</u>	<u>\$ 344</u>

# Wilfrid Laurier University

## Notes to Financial Statements

April 30, 2010

(in thousands of dollars)

### 11. Deferred Pension Cost and Post Retirement Benefits

The University has several pension plans with the membership determined based on stipulated conditions. The figures stated here include the information from all plans.

	2010			2009		
	Pension	Retirement Benefits	Total	Pension	Retirement Benefits	Total
Change in benefit obligation						
Benefit obligation, beginning of year	\$ 255,347	\$ 33,120	\$ 288,467	\$ 319,285	\$ 34,626	\$ 353,911
Employee contributions	7,651	-	\$ 7,651	7,192	-	\$ 7,192
Benefits paid	(13,377)	(986)	\$ (14,363)	(15,473)	(931)	\$ (16,404)
Current service costs	9,405	1,249	\$ 10,654	10,681	1,997	\$ 12,678
Interest Costs	20,592	2,625	\$ 23,217	19,765	2,169	\$ 21,934
Actuarial loss / (gain)	75,193	14,364	\$ 89,557	(86,103)	(4,741)	\$ (90,844)
Benefit obligation, end of year	\$ 354,811	\$ 50,372	\$ 405,183	\$ 255,347	\$ 33,120	\$ 288,467
Change in plan assets						
Plan assets, beginning of year	\$ 228,026	\$ -	\$ 228,026	\$ 275,950	\$ -	\$ 275,950
Employee contributions	7,650	-	\$ 7,650	7,192	-	\$ 7,192
Employer contributions	9,935	986	\$ 10,921	9,286	931	\$ 10,217
Benefits paid	(13,377)	(986)	\$ (14,363)	(15,473)	(931)	\$ (16,404)
Return on plan assets	45,098	-	\$ 45,098	(48,929)	-	\$ (48,929)
Plan assets, end of year	\$ 277,332	\$ -	\$ 277,332	\$ 228,026	\$ -	\$ 228,026
Funded status	\$ (77,479)	\$ (50,372)	\$ (127,851)	\$ (27,321)	\$ (33,120)	\$ (60,441)
Unamortized net actuarial loss / (gain)	71,453	6,890	78,343	25,242	(7,718)	17,524
Unamortized past service costs	-	233	233	-	290	290
Accrued benefit costs	\$ (6,026)	\$ (43,249)	\$ (49,275)	\$ (2,079)	\$ (40,548)	\$ (42,627)

The date used to measure the plan assets and accrued benefit obligation is April 30, 2010.

For measurement purposes, a 9% increase in the per capita cost of health care costs are assumed for 2009/2010, with the rate of annual increase decreasing by 0.5% per annum until the annual rate of increase reaches an ultimate rate of 5% in 2018/2019. In addition, a 4% annual increase in the cost of dental care was assumed.

# Wilfrid Laurier University

## Notes to Financial Statements

April 30, 2010

(in thousands of dollars)

### 11. Deferred Pension Cost and Post Retirement Benefits (cont'd)

	2010		2009	
	Pension	Retirement Benefits	Pension	Retirement Benefits
For determining accrued benefit obligations as at April 30				
Discount rate	5.75%	5.75%	7.75%	7.75%
Rate of compensation increase	4.50%	n/a	4.50%	n/a
For determining benefit costs for the year ended April 30				
Discount rate	7.75%	7.75%	6.00%	6.00%
Rate of compensation increase	4.50%	n/a	4.50%	n/a
Expected return on plan assets	7.00%	n/a	7.00%	n/a

	2010			2009		
	Pension	Retirement Benefits	Total	Pension	Retirement Benefits	Total
<b>Components of benefit expense</b>						
Current service costs	\$ 9,405	\$ 1,249	\$ 10,654	\$ 10,681	\$ 1,997	\$ 12,678
Interest costs	20,592	2,625	23,217	19,765	2,169	21,934
Expected return on plan assets	(16,109)	-	(16,109)	(19,352)	-	(19,352)
Amortization of net actuarial (gain) loss	(7)	(245)	(252)	1,027	-	1,027
Amortization of past service costs	-	58	58	-	58	58
<b>Benefit expense</b>	<b>\$ 13,881</b>	<b>\$ 3,687</b>	<b>\$ 17,568</b>	<b>\$ 12,121</b>	<b>\$ 4,224</b>	<b>\$ 16,345</b>

The assets of the pension plan on a cost basis, as at the measurement date of April 30, are allocated as follows:

Percentage of plan assets as at April 30	2010	2009
Equity securities	60.00%	62.02%
Debt securities	39.49%	37.98%
Cash and short term investments	0.51%	0.00%
	<u>100.00%</u>	<u>100.00%</u>



# Wilfrid Laurier University

## Notes to Financial Statements

April 30, 2010

(in thousands of dollars)

### 12. Deferred Contributions - Operations

Deferred contributions, which are subject to externally imposed restrictions, consist of the following:

	2010	2009
Research grants	\$ 5,974	\$ 6,627
Scholarships and bursaries	3,893	2,158
Unspent designated donations	6,970	5,494
Other amounts	3,184	1,096
	<u>\$ 20,021</u>	<u>\$ 15,375</u>

### 13. Deferred Contributions - Capital

Deferred contributions - capital consist of the unamortized amount of donations and grants received for the purchase of capital assets. These amounts are recorded as income of the University over the same period as the amortization expense for the related capital asset is recorded. The change in the balance consists of the following:

	2010	2009
Balance - Beginning of year	\$ 76,294	\$ 76,629
Contributions received during the year	16,612	3,682
Loans forgiven during year	560	769
Amortization for the year	<u>(4,946)</u>	<u>(4,786)</u>
Balance - End of year	<u>\$ 88,520</u>	<u>\$ 76,294</u>

# Wilfrid Laurier University

## Notes to Financial Statements

April 30, 2010

(in thousands of dollars)

### 14. Forgivable Loans

	2010	2009
Interest free loan, from the City of Kitchener, for the renovations to accommodate the Faculty of Social Work, forgivable at the rate of \$500 per year commencing January 1, 2007	3,333	3,833
Interest free loan, from the City of Brantford, for the construction of the Research and Academic Centre (formerly Brantford University Centre), forgivable on August 30, 2010	1,100	1,100
Interest free loan, from the City of Brantford, for the Wilkes House renovations, which totals \$900; forgivable over a period of 25 years beginning in 2009	783	622
Interest free loan, from the City of Brantford, for the Odeon Theatre project, forgivable over a period of five years, beginning in 2006, due May 2010	-	60
	<u>\$ 5,216</u>	<u>\$ 5,615</u>

The forgiveness of the principal is contingent on the University maintaining certain operations and completing certain capital expenditures in Brantford and Kitchener over specified time periods.

# Wilfrid Laurier University

## Notes to Financial Statements

April 30, 2010

(in thousands of dollars)

### 15. Internally Restricted Net Assets

	2010	2009
2011/2012 operating budget	\$ 4,993	\$ -
2010/2011 operating budget	4,779	1,000
Departmental carry forwards	4,756	4,024
Information technology capital renewal projects	2,599	2,000
WLU centennial celebration	1,454	310
Land banking	1,000	1,000
Endowment commitments for chairs and fellows	980	-
2012/2013 operating budget	889	-
Congress of Humanities and Social Sciences	663	-
Program development	640	640
Emergency broadcast system	600	100
Capital projects	585	585
Operating budget stabilization reserve	581	581
CFI capital project renovations	513	-
Faculty professional expenses and travel reserve	456	274
Bookstore improvements	450	-
Residences	438	3
President's innovation fund	380	200
Facility renewal projects	368	368
Capital levy	366	366
Development campaign budget reserve	364	555
Parking capital	259	123
Safety and AODA related projects	250	-
Endowment awards	240	1,000
Enrolment management	200	200
MDRC research project contribution	200	-
RFP for Global Innovation Exchange	150	150
Library acquisitions	126	126
Post retirement benefit reserve	100	100
CPAM graphic design support	65	-
Special pension appropriation	60	60
Repair reserve	50	50
Visual identify and brand awareness	50	100
Toronto office incidentals	50	50
Activity based budgeting - design and implementation	50	50
Capital plan initiatives	44	44
Major capital equipment	39	39
Residence laptop program	33	33
Northdale lighting reserve	30	30
Security cameras	25	-
University Plan initiatives	10	10
Access to Opportunities Program	8	8
Biology microscopes	4	4
Space audit	1	50
2009/2010 operating budget	-	4,286
Accessible learning deficiency	-	174
	<u>\$ 29,898</u>	<u>\$ 18,693</u>

# Wilfrid Laurier University

## Notes to Financial Statements

April 30, 2010

(in thousands of dollars)

### 16. Invested in Capital Assets

	2010	2009
Capital assets - net book value (see note 5)	\$ 245,346	\$ 226,616
Add: Sinking fund investments held to discharge long term debt	<u>14,525</u>	<u>13,728</u>
	\$ 259,871	\$ 240,344
Less: Amounts financed by long term debt	(105,560)	(106,852)
Deferred contributions - capital (see note 13)	(88,520)	(76,294)
Internal advances	<u>(11,220)</u>	<u>(10,261)</u>
	<u>\$ 54,571</u>	<u>\$ 46,937</u>

### 17. Endowments

Endowments include restricted donations received by the University and endowments restricted internally by the Board of Governors. The University endowment policy has the objective of protecting the value of the endowed principal by limiting spending of investment income earned on endowments. The balance is used to establish a reserve or increase the endowment balances.

The details of the endowments are as follows:

	2010	2009
Endowments restricted externally	\$ 50,112	\$ 41,342
Endowments restricted internally	<u>4,626</u>	<u>4,121</u>
	<u>\$ 54,738</u>	<u>\$ 45,463</u>

# Wilfrid Laurier University

## Notes to Financial Statements

April 30, 2010

(in thousands of dollars)

### 18. Ontario Student Opportunity Trust Fund

#### Phase I

Externally restricted endowments include grants provided by the Government of Ontario from the Ontario Student Opportunity Trust Fund. Under the program, the government matched funds raised by the University. The purpose of the program is to assist academically qualified individuals who, for financial reasons, would not otherwise be able to attend university.

	2010	2009
<b>Schedule of Changes in Endowment Fund Balance for the year ended April 30</b>		
Endowment balance - beginning of year	\$ 5,004	\$ 6,275
Cash donations	-	10
Investment gain (loss) capitalized	579	(1,245)
Accumulated interest transferred to scholarships	-	(36)
Endowment balance - end of year	<u>\$ 5,583</u>	<u>\$ 5,004</u>
<b>Schedule of Changes in Expendable Funds Available for Awards for the year ended April 30</b>		
Expendable funds - beginning of year	\$ 86	\$ 300
Investment income, net of direct investment related expenses	201	(6)
Special board appropriation	126	-
Endowment stabilization reserve fund	251	-
Accumulated interest capitalized	-	3
Bursaries awarded (total number 2010: 134, 2009: 171)	<u>(117)</u>	<u>(211)</u>
Expendable funds - end of year	<u>\$ 547</u>	<u>\$ 86</u>

The market value of the endowment is \$5,583 (2009 - \$5,004) and expendable funds is \$547 (2009 - \$86).

# Wilfrid Laurier University

## Notes to Financial Statements

April 30, 2010

(in thousands of dollars)

### 18. Ontario Student Opportunity Trust Fund (cont'd)

#### Phase II

	2010	2009
<b>Schedule of Changes in Endowment Funds Balance for the year ended April 30</b>		
Fund balance - beginning of year	\$ 1,714	\$ 2,150
Investment income (loss)	176	(436)
Fund balance - end of year	<u>\$ 1,890</u>	<u>\$ 1,714</u>
<b>Schedule of Changes in Expendable Funds Available for Awards for the year ended April 30</b>		
Balance - beginning of year	\$ 16	\$ 65
Special board allocation	34	-
Realized investment income, net of direct investment-related expenses and preservation of capital contributions	84	-
Endowment stabilization reserve fund	71	-
Bursaries awarded (total number: 2010: 33, 2009: 39)	<u>(32)</u>	<u>(49)</u>
Balance - end of year	<u>\$ 173</u>	<u>\$ 16</u>

The market value of the endowment is \$1,890 (2009 - \$1,714) and expendable funds is \$173 (2009 - \$16).

### 19. Statement of Cash Flows

The changes in non-cash operating working capital is comprised of the following:

	2010	2009
Accounts receivable	\$ (48)	\$ (793)
Inventories	(674)	(9)
Prepaid expenses	(206)	(163)
Accounts payable and accrued liabilities - net of amounts related to capital assets	1,391	1,987
Accrued vacation pay	(37)	5
Deferred revenue	<u>(1,967)</u>	<u>(418)</u>
	<u>\$ (1,541)</u>	<u>\$ 609</u>

# Wilfrid Laurier University

## Notes to Financial Statements

April 30, 2010

(in thousands of dollars)

### 20. Additions to Capital Assets

	2010	2009
<u>Waterloo Campus</u>		
Furniture and Equipment	\$ 4,446	\$ 3,343
Athletic Complex, pool renovations	3,923	34
Library Books	2,095	2,347
Landscaping improvements	1,610	-
Aird Building Renovations	914	3,848
Houses	185	753
Land	100	200
Milton Campus Project	45	-
	<u>\$ 13,318</u>	<u>\$ 10,525</u>
<u>Brantford Campus</u>		
Research and Academic Centre	\$ 9,980	\$ 2,558
Lucy Marco Place	3,981	-
SC Johnson building	3,976	-
Land	526	-
97 Dalhousie St (formerly Moody's)	491	-
YMCA/Laurier Athletic Centre	10	-
	<u>\$ 18,964</u>	<u>\$ 2,558</u>
	<u>\$ 32,282</u>	<u>\$ 13,083</u>

### 21. Insurance

The University, in conjunction with other Canadian universities, formed an insurance reciprocal called the Canadian University Reciprocal Insurance Exchange. The Exchange provides property and general liability insurance coverage and replaces the coverage previously obtained through commercial sources. The University is committed to a five year program which continues until January 1, 2013. During this time, the University is obligated to share proportionately in gains and losses realized by the member universities.

The University insures its capital assets for the following amounts:

Buildings	\$ 532,849
Furniture and equipment	69,175
Library books	139,457
	<u>\$ 741,481</u>

The University has artwork which is insured for \$2,000.

# Wilfrid Laurier University

## Notes to Financial Statements

April 30, 2010

(in thousands of dollars)

### 22. Commitments and Guarantees

Costs to complete major capital projects in progress and commitments to purchase property as at April 30, 2010 are estimated to be \$29,054 (2009- \$19,339) and will be financed primarily by provincial and municipal grants, borrowings, and fundraising.

Future minimum payments for the next five years under non-cancellable operating leases and other agreements at April 30, 2010 are payable as follows:

2011	\$	524
2012		479
2013		194
2014		141
2015		43

The University has also guaranteed debt for the Wilfrid Laurier University Students' Union in the amount of \$1,665 as at April 30, 2010 (2009 - \$1,979).

### 23. Contingency

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

### 24. Capital Management

In managing capital, the University focuses on maintaining sufficient liquidity. The objective is to have sufficient liquid resources to continue operating even if adverse financial events were to occur and to provide it with the flexibility to take advantage of opportunities that will advance its mission. The need for sufficient liquidity is considered in the preparation of its annual operating, ancillary and capital budgets. The University maintains a line of credit of \$25 million which is available, if needed. The line of credit was not used in 2010. In addition, the University can, subject to the approval of the Board of Governors, issue unsecured debentures or long-term debt to assist in the financing of capital projects.

### 25. Supplemental Disclosure of Cash Flow Information

	2010	2009
Interest paid	\$ 7,443	\$ 7,470

### 26. Comparative figures

Certain comparative figures have been reclassified to conform with the financial statement presentation adopted in the current year.