PriceWaterhouseCoopers

Wilfrid Laurier University

Financial Statements
April 30,2000

PRICEWATERHOUSECOOPERS

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July 28, 2000

Auditors' Report

To the Board of Governors of
Wilfrid Laurier University

We have audited the statement of financial position of Wilfrid Laurier University as at April 30, 2000 and the statements of operations, change 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, 2000 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

PricewaterhouseCoopers LLP

Chartered Accountants

Wilfrid Laurier University

Statement of Financial Position

As at April 30,2000

(in thousands of dollars)

	2000 $	1999 $
Assets		
Current assets		
Cash	2,956	1,948
Short-term deposits	493	331
Accounts receivable	2,120	1,838
Stocks, bonds and debentures (note 5)	3,894	2,886
Inventories	1,138	1,140
Prepaid expenses	922	777
Deposit on purchase of capital assets	-	22
Current portion of notes receivable (note 3)	187	100
	11,710	9,042
Long-term assets		
Notes receivable less current portion (note 3)	1,960	2,220
Deferred pension	1,900	1,900
	3,860	4,120
Restricted assets (note 4)		
Cash and short-term investments	7,311	3,359
Stocks, bonds and debentures (note 5)	13,566	9,969
Hedge fund investment (note 5)	2,298	2,298
	23,175	15,626
Capital assets (notes 6 and 14)	90,192	77,524
Sinking fund investments	654	366
	90,846	77,890
Total assets	129,591	106,678

Wilfrid Laurier University

Statement of Financial Position

As at April 30,2000

(in thousands of dollars)

	2000 $	1999 $
Liabilities		
Current liabilities		
Accounts payable	3,592	4,296
Accrued vacation pay	1,898	1,725
Deferred revenue	3,748	1,634
Current portion of mortgages payable (note 7)	542	270
Current portion of term bank loans	702	677
	10,482	8,602
Long-term liabilities		
Mortgages payable (note 7)	27,067	18,044
Term bank loans	408	685
other loans	1,025	181
Other contractual liabilities	1,743	1,684
	30,243	20,594
Deferred contributions (note 8)	6,856	4,628
Deferred capital contributions (note 9)	35,399	27,039
Total liabilities	82,980	60,863
Net assets		
Unrestricted	(3,233)	(2,766)
Internally restricted (note 10)	4,016	5,104
Invested in capital assets (note 11)	28,953	27,851
Endowments (note 12)	16,875	15,626
Total net assets	46,611	45,815
Total liabilities and net assets	129,591	106,678

Signed on behalf of the Board of Governors

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Wilfrid Laurier University

Statement of Operations

For the year ended April 30,2000

(in thousands of dollars)

	2000 $	1999 $
Revenue		
Government grants	35,061	32,492
Student fees	41,278	36,926
Grants, contracts, and donations	2,065	3,094
Sales and service	8,324	7,284
Amortization of deferred capital contributions	1,749	1,370
Investment returns	1,429	1,104
Other revenues and additions	1,449	1,254
Pension income (note 15)	-	1,200
	91,355	84,724
Expenses		
Salaries and benefits	57,887	51,777
Operating costs	11,107	11,452
Amortization of capital assets	6,506	5,653
Cost of goods sold	5,809	5,564
Taxes, utilities and rent	3,117	2,670
Scholarships and bursaries	4,654	3,983
Interest	2,522	1,948
Loss on disposal of capital assets	154	25
	91,756	83,072
Excess of revenue over expenses (expenses over revenue)	(401)	1,652

Wilfrid Laurier University

Statement of Change in Net Assets

For the year ended April 30,2000

(in thousands of dollars)

	Unrestricted $	Internally restricted $	Invested in capital assets $	Restricted for endowment $	2000 Total $	1999 Total $
Balance – Beginning of year	(2,766)	5,104	27,851	15,626	45,815	39,116
Excess (deficiency) of revenue over expenses	4,510	-	(4,911)	-	(401)	1,652
Internally imposed Restrictions	992	(1,088)	-	96	-	-
Endowment contributions (note 12)	-	-	-	1,153	1,153	5,020
Investment in capital Assets	(5,969)	-	6,013	-	44	27
Balance - End of year	(3,233)	4,016	28,953	16,875	46,611	45,815

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Wilfrid Laurier University

Statement of Cash Flows

For the year ended April 30,2000

(in thousands of dollars)

	2000 $	1999 $
Cash provided by (used in)		
Operating activities		
Excess (deficiency) of revenues over expenses	(401)	1,652
Amortization of deferred capital contributions	(1,749)	(1,370)
Amortization of capital assets	6,506	5,653
Net change in non-cash working capital (note 16)	1,179	3,266
Increase in deferred contributions	2,228	1,606
Loss on disposal of capital assets	154	25
Increase in deferred pension asset	-	(1,200)
	7,917	9,632
Financing and investing activities		
Endowments received	1,153	5,020
Decrease in notes receivable	174	191
Decrease in bank term loans	(252)	(230)
Increase in other loans	844	181
Purchase of capital assets (note 13)	(19,328)	(10,645)
Purchase of sinking fund investment	(244)	-
Purchase of endowment investments	(7,549)	(5,262)
Increase in contractual liabilities	59	57
Deferred capital contributions received	10,109	896
Increase in (repayment of) mortgages - net	9,295	4,605
	(5,739)	(5,187)
Net increase in cash and cash equivalents	2,178	4,445
Cash and cash equivalents – Beginning of year	5,165	720
Cash and cash equivalents – End of year	7,343	5,165
Cash and cash equivalents consist of		
Cash	2,956	1,948
Short-term deposits	493	331
Stocks, bonds and debentures	3,894	2,886
	7,343	5,165

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(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. The university is dedicated to the pursuit of learning through scholarly research, teaching, study, and artistic activity, all within a spirit of free inquiry.

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 service, bookstore, and parking.

Wilfrid Laurier University has an economic interest in a Crown controlled foundation, Wilfrid Laurier Foundation, which is not consolidated. The principal purpose of the Wilfrid Laurier University Foundation is to solicit, receive, and distribute monies to support the activities of the University.

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, and library books. The capital assets, excluding land, are amortized on a straight-line basis in accordance with the following schedule:

Category	**Amortization Rate**
Buildings	2½%
Furniture and equipment	10 – 20%
Leasehold improvements	10%
Library books	20%

Valuation of stocks, bonds and debentures

All securities are recorded at cost

(in thousands of dollars)

Art collection

The University maintains a collection of artwork 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. 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 capital contributions 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 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.

The cost of pension benefits earned by employees is determined using the projected benefit method prorated on service and is charged to operations as services are rendered. The annual cost or income for accounting purposes is actuarially determined based on the assumptions that reflect management's best estimate of the economic variables affecting the actuarial present value of accrued pension obligations and the valuation of pension plan assets. Adjustments to pension costs are amortized on a straight-line basis over twelve years.

Post employment benefits

The University provides dental and extended health care benefits for the retirees. These premium costs are expensed as paid. The cost for the current year was $270 (1999 - $23 1).

(in thousands of dollars)

Financial instruments

At April 30,2000, the carrying amounts reported in the balance sheet for accounts receivable, notes receivable, sinking fund investments, accounts payable, accrued vacation pay, term bank loans, other loans and other contractual liabilities approximate fair market value. The market value of stock, bonds and debentures and hedge fund investment have been reported in note 5.

The carrying value and approximate fair market value of mortgages payable are $27,609 and $30,855 respectively (1999 - $18,314 and $21,700)

3 Notes receivable

The notes receivable are from the Wilfrid Laurier University Student Union and the Wilfrid Laurier University Graduate Student Association.

The details of the notes are as follows:

	2000 $	1999 $
Wilfrid Laurier University Students' Union		
6% note, repayable by quarterly payments of $50 including principal and interest, due August 1, 2005	909	1,041
6% note payable, interest commencing May 1, 2005, $50 semi-annual payments, commencing after repayment of the note detailed above	100	100
6% note, repayable by quarterly payments of $8 including principal and interest, due November 1, 2005	177	203
6% note, repayable interest only paid quarterly with principal payments of $50 quarterly commencing November 1, 2005, due November 1, 2009	800	800
	1,986	2,144
Wilfrid Laurier University Graduate Student Association		
6% note, repayable by quarterly payments of $4 minimum, including principal and interest	161	176
	2,147	2,320
Less – principal due within one year	187	100
	1,960	2,220

(in thousands of dollars)

4 Restricted assets and capital commitments

Restricted assets include those assets related to the endowments of the University in addition to $6,300 received from the Province of Ontario, which is to be used for the northwest campus development.

The northwest campus development is expected to cost approximately $12,000 with the remainder financed primarily through fundraising efforts and operating revenues.

5 Stocks, bonds and debentures and hedge fund investment

The cost and market value of stocks, bonds and debentures included in current assets and restricted assets as at April 30,2000 is $17,460 and $17,860 respectively (1999 - $12,855 and $12,821). The current year cost of stocks, bonds and debentures includes $3,894 of current assets and $13,566 of restricted assets.

The cost and market value of the hedge fund investment units, which were received as a donation in December 1998, is $2,298 and $1,918 respectively (1999 - $2,298 and $2,298).

6 Capital assets

			2000			1999
	Cost	**Accumulated Depreciation**	**Net**	**Cost**	**Accumulated Depreciation**	**Net**
	$	$	$	$	$	$
Land and land improvements	8,167	-	8,167	6,053	-	6,053
Buildings	98,024	29,393	68,631	88,466	26,864	61,602
Furniture and equipment	29,790	21,085	8,705	26,319	19,959	6,360
Leasehold improvements	1,285	64	1,221	181	-	181
Library books	11,876	8,408	3,468	10,413	7,085	3,328
	149,142	58,950	90,192	131,432	53,908	77,524

(in thousands of dollars)

7 Mortgages payable

Security	Rate	Due date	2000 $	1999 $
Bricker Street Residence	11.04%	November 1, 2010	10,000	10,000
Conrad Hall, A & B Wings	5 3/8%	January 1, 2012	208	221
Dining Hall, MacDonald House	5 1/8%	March 2, 2013	360	379
Willison Hall, Conrad Hall, C Wing	5 1/8%	January 1, 2013	434	457
Conrad Hall D Wing, Little House, Euler Residence, Leupold Residence, Dining Hall	5 3/8%	July 1, 2017	1,270	1,312
202 Regina Street and 50 University Place	5.465%	December 20, 2003	5,774	5,945
183 Albert Street	6.00%	October 12, 2001	279	-
187 Albert Street	6.00%	October 12, 2001	184	-
Willison Hall addition	6.23%	May 30, 2007	2,251	-
Laurier Place	6.23%	May 30, 2007	6,849	-
			27,609	18,314
Less: principal payable within one year			542	270
			27,067	18,044

The aggregate amount of principal payments in each of the next five years to meet retirement provisions is as follows. It is assumed that the 202 Regina Street and 50 University Place mortgage will be renewed on similar terms in fiscal 2004.

	$
Year ending April 30,2001	542
2002	1,034
2003	605
2004	642
2005	680
	3,503

(in thousands of dollars)

8 Deferred contributions

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

	2000 $	1999 $
Research grants	2,726	1,843
Scholarships and bursaries	1,821	976
Other amounts	2,309	1,809
	6,856	4,628

9 Deferred capital contributions

Deferred capital contributions 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 specific capital asset. The change in the balance consists of the following:

	2000 $	1999 $
Balance - beginning of year	27,039	27,513
Add - contributions received during the year	10,109	896
Less - amortization for the year	(1,749)	(1,370)
Balance - end of year	35,399	27,039

(in thousands of dollars)

10 Internally restricted net assets

Details of the internally restricted net assets are as follows:

	2000 $	1999 $
Program development	640	640
Departmental carry forwards	498	1,094
Future pension costs	1,900	1,900
Access to Opportunities Program	8	288
University Plan Initiatives	10	10
Food service	271	700
Residences	227	240
Bookstore, Purple & Gold, and parking	42	155
Special needs	40	-
Library renovations	300	-
Major capital equipment	30	27
Repairs – operating	50	50
	4,016	5,104

11 Investment in capital assets

The investment in capital assets consists of the following:

	2000 $	1999 $
Capital assets – net book value (see note *6)*	90,192	77,524
Plus – sinking fund investments held to discharge long-term debt	654	366
	90,846	77,890
Less – amounts financed by long-term debt	29,744	19,857
– deferred capital contributions	35,399	27,039
– internal advances	(3,250)	3,143
	28,953	27,851

(in thousands of dollars)

12 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 of investment income is recorded as an increase in the endowment balance.

The details ofthe endowments are as follows*

	2000 $	1999 $
Endowments restricted externally	11,577	10,424
Endowments restricted internally	5,298	5,202
	16,875	15,626

The endowment earnings, and the disposition of these earnings can be summarized as follows:

	2000 $	1999 $
Total earnings	708	642
Disposition of earnings		
Used to fund the academic development program	241	219
Used to fund endowed scholarships and bursaries	451	340
Used to increase the endowment balance	16	83
	708	642

(in thousands of dollars)

13 Additions to capital assets

The additions to capital assets consist of the following:

	2000 $	1999 $
Willison Hall Residence addition	1,721	872
202 Regina Street building	-	174
Furniture and equipment	4,455	2,890
50 University Place	-	4,718
Brantford Campus renovation costs	1,105	181
Tri University library computer system	-	52
Library books	1,463	1,460
Elevator, heating, ventilating and air conditioning upgrade – 232 King Street building	395	283
Laurier Place	7,709	-
Athletic complex renovation	1,118	-
House purchases	487	-
65 Lodge Street	364	-
Concourse redevelopment	86	-
Banner finance system	413	-
Other	12	15
	19,328	10,645

14 Insurance

The University entered into a reciprocal insurance arrangement with other Canadian universities and 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 1,2003. During this time the University is obligated to share proportionately in gains or losses realized by the member universities.

The University insures its capital assets for the following amounts:

	$
Buildings	177,884
Furniture and equipment	33,583
Library books	104,393
Total	315,860

(in thousands of dollars)

15 Pension plan

The last actuarial valuation report was July 1, 1997 and was based on projections of employees' compensation levels to the time of retirement. At that time the plan had a funding surplus of **$18,593.** Since that report, estimates prepared by consulting actuaries indicate that the present value of the accrued pension benefits and the net assets available to provide for these benefits, at market value, as at April 30, are as follows:

	2000 $	1999 $
Accrued pension benefits	186,647	155,343
Pension fund assets	201,849	171,068

Pension income recorded during the year is nil (1999 - $1,200).

16 Statement of cash flows

The change in the non-cash working capital balances consists of the following:

	2000 $	1999 $
Accounts receivable	(282)	(268)
Inventories	2	(51)
Prepaid expenses	(146)	(84)
Deposit on purchase of capital assets	22	1,701
Accounts payable	(704)	657
Accrued vacation pay	173	226
Deferred revenue	2,114	1,085
	1,179	3,266

(in thousands of dollars, except note 19)

17 Ontario Student Opportunity Trust Fund

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.

	2000 $	1999 $
Endowment balance - beginning of year	4,664	2,618
Donations received	37	1,007
Matching funds from the Government of Ontario	-	1,007
Investment income capitalized	38	32
Endowment balance - end of year	4,739	4,664
Expendable funds – beginning of year	140	56
Investment income	200	154
Bursaries awarded	(180)	(70)
Expendable funds - end of year	160	140

18 Contingency

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

19 Public sector salary disclosure

In accordance with provisions of the Public Sector Salary Disclosure Act, the following employees of the University received salaries of $100,000 or more in the 1999 calendar year.

Name	Position	Salary $	Taxable Benefits $
Amoako-Adu, Ben	Professor	116,132	556
Athanassakos, George	Professor	104,257	901
Baetz, Mark	Professor	113,752	980
Baker, Donald	Acting Dean	147,228	734
Bennett, Edward	Professor	107,522	582

Name	Position	Salary $	Taxable Benefits $
Berczi, Andrew	Professor	176,509	962
Bezner,Hart	Associate Professor	103,553	2,534
Blackburn, James	Professor	110,456	595
Blenkhorn,David	Professor	108,111	585
Boots, Barry	Professor	105,636	5,465
Borras, Angelo	Professor	107,396	581
Cameron, Gary	Associate Professor	102,275	528
Cawsey, Thomas	Professor	118,196	621
Christy, Richard	Assistant Professor	109,793	448
Clarke, Juanne	Professor	110,519	555
Copp,Terry	Professor	108,149	585
De, Mitali	Associate Professor	104,865	576
Deszca, Frederick	Professor	111,298	3,888
Ellis, Robert	Associate Professor	109,803	537
Fisher, James	Professor	107,345	581
Fournier, Bruce	Associate Professor	110,731	2,918
Friesen, Gerhard	Professor	103,114	1,385
Fusco, Luke	Acting Dean	122,372	580
Gillen, David	Professor	108,986	589
Gough, Barry	Professor	113,711	596
Guenther, Mathias	Professor	103,588	2,229
Hall, Anne	Dean	124,757	675
Hall, Jerry	Associate Professor	111,466	948
Hanna, Edward	Professor	103,594	563
Hecht, Alfred	Professor	109,052	570
Hewitt, Kenneth	Professor	109,858	593
Hunsberger, Bruce	Professor	100,552	542
Hurn-Mather, Jannah	Dean	173,878	688
Keller, Gerald	Professor	102,623	554
Kott, Edward	Professor	106,155	572
Laurence, Marty	Professor	103,810	564
Lit, John	Professor	110,810	591
Lorimer, Douglas	Associate Professor	105,285	512
Marr, William	Professor	108,309	585
McCready, Douglas	Professor	111,135	609
McCutcheon, John	Associate Professor	111,195	532
McDougall, Gordon	Professor	113,170	582
McMenemy,John	Professor	114,029	571
McMurray, David	Assistant Vice-President	102,373	551
McPherson, Barry	Dean	142,583	773
Miljan, Toivo	Professor	102,022	550
Millerd, Frank	Associate Professor	111,096	552
Munro, Hugh	Professor	114,080	610
Murray, Alex	Professor	137,779	751
Nelson, Morton	Professor	109,455	591
Noori, Hamid	Professor	107,496	568

Name	Position	Salary	Taxable Benefits
		$	$
Parker, Linda	Professor	101,158	498
Preece, Rodney	Professor	102,619	554
Read, Arthur	Dean	146,448	1,591
Rodrigo, Russell	Professor	112,019	1,427
Rosehart, Robert	President	218,015	5,175
Schnabel, Jacques	Professor	103,993	561
Seringhaus, Rolf	Professor	102,118	506
Smith, Brian	Professor	102,249	450
Smith, Rowland	Vice-President	158,061	849
Stack, Stephen	Associate Professor	108,524	584
Stephen, Arthur	Vice-President	115,853	582
Teall, Howard	Professor	129,637	3,909
Warrack, Brian	Associate Professor	101,184	517
Wong, Philip	Assistant Vice-President	117,040	558
Young, Gordon	Professor	100,139	539