Wilfrid Laurier University

Financial Statements
April 30, 2003

PRICEWATERHOUSECOOPERS

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July 18, 2003,
except for note 26, which is as of December 30, 2003

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, 2003 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, 2003 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Our original report dated July 18, 2003 has been withdrawn, as the financial statements have been revised subsequent to our original report, for the reasons discussed in note 26.

PricewaterhouseCoopers LLP

Chartered Accountants

Wilfrid Laurier University

Statement of Financial Position

As at April 30, 2003

(in thousands of dollars)

	2003 $	2002 $
Assets		
Current assets		
Restricted cash (note 23)	3,062	-
Short-term deposits	57	289
Accounts receivable (note 24)	3,986	7,629
Stocks, bonds and debentures (note 6)	2,578	5,186
Inventories	1,419	1,275
Prepaid expenses	1,653	870
Deposit on purchase of capital assets	-	5
Current portion of notes receivable (note 3)	154	198
	12,909	15,452
Long-term assets		
Notes receivable less current portion (note 3)	1,461	1,545
Deferred charges (note 4)	572	596
Deferred pension cost (note 5)	2,541	5,104
	4,574	7,245
Restricted assets		
Endowments –		
Cash and short-term investments	1,984	653
Stocks, bonds and debentures (note 6)	15,241	16,009
Hedge fund investment (note 6)	650	650
	17,875	17,312
Other –		
Restricted cash (note 23)	13,655	-
	31,530	17,312
Capital assets (notes 7 and 16)	162,058	116,152
Sinking fund investments	985	864
	163,043	117,016
Total assets	212,056	157,025

Wilfrid Laurier University

Statement of Financial Position …*continued*

As at April 30, 2003

(in thousands of dollars)

	2003 $	2002 $
Liabilities		
Current liabilities		
Bank indebtedness	9,467	6,026
Accounts payable	13,624	10,745
Accrued vacation pay	2,643	2,348
Deferred revenue	3,461	1,465
Current portion of mortgages payable (note 8)	120	113
Current portion of term bank loans (note 9)	875	419
Current portion of other loans (note 10)	1,225	228
	31,415	21,344
Long-term liabilities		
Mortgages payable (note 8)	11,830	11,950
Term bank loans (note 9)	59,543	16,753
Other loans (note 10)	2,572	3,382
Post retirement benefits (note 5)	23,073	20,898
	97,018	52,983
Deferred contributions (note 11)	7,741	9,238
Deferred capital contributions (note 12)	50,277	38,475
Total liabilities	186,451	122,040
Net assets		
Unrestricted	(42,651)	(30,526)
Internally restricted (note 13)	1,172	4,356
Invested in capital assets (note 14)	49,209	43,843
Endowments (note 15)	17,875	17,312
Total net assets	25,605	34,985
Total liabilities and net assets	212,056	157,025

Signed on behalf of the Board of Governors

Wilfrid Laurier University

Statement of Operations

For the year ended April 30, 2003

(in thousands of dollars)

	2003 $	2002 $
Revenue		
Government grants	44,561	43,437
Student fees	55,951	51,103
Grants, contracts, and donations	2,752	3,274
Sales and service	12,742	11,659
Amortization of deferred capital contributions	2,665	2,872
Investment returns	582	1,226
Other revenues and additions	2,649	1,798
	121,902	115,369
Expenses		
Salaries	67,018	61,079
Benefits	16,029	14,059
Operating costs	14,387	13,117
Amortization of capital assets	8,619	7,705
Cost of goods sold	9,931	8,861
Taxes, utilities and rent	3,925	3,738
Scholarships and bursaries	8,202	7,067
Interest	3,629	2,460
Loss on disposal of capital assets	31	25
	131,771	118,111
Excess of expenses over revenue	9,869	2,742

Wilfrid Laurier University

Statement of Change in Net Assets

For the year ended April 30, 2003

(in thousands of dollars)

	Unrestricted $	Internally restricted $	Invested in capital assets $	Restricted for endowment $	2003 Total $	2002 Total $
Balance – Beginning of year	(30,526)	4,356	43,843	17,312	34,985	38,099
Excess of revenue over expenses (expenses over revenue)	(3,884)	-	(5,985)	-	(9,869)	(2,742)
Internally imposed restrictions	3,110	(3,184)	-	74	-	-
Net endowment contributions	-	-	-	489	489	1,218
Write-down of endowments	-	-	-	-	-	(1,648)
Invested in capital assets	(11,351)	-	11,351	-	-	58
Balance – End of year	(42,651)	1,172	49,209	17,875	25,605	34,985

Wilfrid Laurier University

Statement of Cash Flows

For the year ended April 30, 2003

(in thousands of dollars)

	2003 $	2002 $
Cash provided by (used in)		
Operating activities		
Excess of expenses over revenue	(9,869)	(2,742)
Changes to earnings not involving cash		
Amortization of deferred capital contributions	(2,665)	(2,872)
Amortization of capital assets	8,619	7,705
Increase (decrease) in deferred contributions	(1,497)	1,345
Loss on disposal of capital assets	31	25
Decrease in deferred pension cost	2,563	4,219
Increase in post retirement benefits	2,175	1,874
Amortization of deferred charges	24	-
Net change in non-cash working capital (note 18)	6,563	(1,220)
	5,944	8,334
Financing and investing activities		
Endowments received – net	489	1,218
Decrease in notes receivable	128	268
Increase in term bank loans	43,246	16,351
Increase in other loans	187	2,846
Purchase of capital assets (note 16)	(54,556)	(29,792)
Increase (decrease) in accounts payable related to capital assets	1,328	1,253
Increase in sinking fund investment	(121)	(103)
Decrease (increase) in restricted endowment investments, net of write-down	(563)	5,082
Increase in restricted cash	(13,655)	-
Decrease (increase) in stocks, bonds and debentures	2,608	(98)
Increase in deferred charges	-	(596)
Deferred capital contributions received	14,467	1,938
Decrease in mortgages – net	(113)	(14,985)
	(6,555)	(16,618)
Decrease in net cash position	(611)	(8,284)
Net cash position – Beginning of year	(5,737)	2,547
Net cash position – End of year	(6,348)	(5,737)
Net cash position consists of		
Bank indebtedness	(9,467)	(6,026)
Restricted cash	3,062	-
Short-term deposits	57	289
	(6,348)	(5,737)

(in thousands of dollars, except note 25)

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 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, leasehold improvements 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	2 ½ – 10%
Furniture and equipment	10 – 33 1/3%
Leasehold improvements	10%
Library books	20%

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

Valuation of stocks, bonds and debentures

All current stocks, bonds and debentures are recorded at lower of cost and market value. Restricted stocks, bonds and debentures and the hedge fund investment are recorded at cost, except where a decline in market value is considered to be other than temporary, in which case, the investment is recorded at market value.

(in thousands of dollars, except note 25)

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 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 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.

Income is charged with the cost of benefits earned by employees as services are rendered. This cost reflects management's best estimates of the pension plan'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 are amortized over the estimated average remaining service life of the employee group to the extent those adjustments are greater than ten percent of the greater of the projected benefit obligation and the fair value of plan assets.

Post retirement benefits

The University provides dental and extended health care benefits for the retirees. These post retirement benefits are recognized using the current accrual method, by which income is charged with the cost of the benefits in the years in which the employees render the service giving then the right to receive such benefits.

Financial instruments

At April 30, 2003, the carrying amounts reported in the balance sheet for short-term deposits, accounts receivable, notes receivable, sinking fund investments, deferred pension cost, accounts payable, accrued vacation pay, term bank loans, other loans and post retirement benefits approximate fair market value. The market value of stock, bonds and debentures and hedge fund investment have been reported in note 6.

(in thousands of dollars, except note 25)

The carrying value and approximate fair market value of mortgages payable are $11,950 (note 8) and $14,463 respectively (2002 - $12,063 and $15,446).

Interest rate risk

The University has entered into interest rate swap contracts as part of its risk management strategy to minimize exposure to interest rate fluctuations. The interest rate swap contract involves an exchange of floating rate and fixed rate interest payments between the University and financial institutions. The swap transactions are completely independent from and have no direct effect on the relationship between the University and its lenders. The notional amount of the interest rate swap contracts outstanding at April 30, 2003 is detailed in note 9.

At April 30, 2003, the net unrecognized loss on these contracts was $5,514.

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:

	2003 $	2002 $
Wilfrid Laurier University Students' Union		
5% note, repayable by quarterly payments of $55 including principal and interest, due November 1, 2011	1,524	-
6% note, repayable by quarterly payments of $50 including principal and interest, due August 1, 2005	-	613
6% note payable, interest commencing May 1, 2005, $50 semi-annual payments, commencing after repayment of the note detailed above	-	100
6% note, repayable by quarterly payments of $8 including principal and interest, due November 1, 2005	-	130
6% note, repayable interest only paid quarterly with principal payments of $50 quarterly commencing November 1, 2005, due November 1, 2009	-	800
	1,524	1,643
Wilfrid Laurier University Graduate Student Association		
6% note, repayable by quarterly payments of $4 minimum, including principal and interest	91	100
	1,615	1,743
Less: Principal due within one year	154	198
	1,461	1,545

(in thousands of dollars, except note 25)

4 Deferred charges

Deferred charges are made up of deferred refinancing costs, and costs relating to arranging additional financing.

Financing costs, incurred on the issuance of debt, are deferred and charged against earnings over the term of the financing arrangements.

5 Deferred pension cost and post retirement benefits

	Pension Costs 2003 $	Post Retirement Benefits 2003 $	Total 2003 $	Pension Costs 2002 $	Post Retirement Benefits 2002 $	Total 2002 $
Projected benefit obligation	190,390	25,603	215,993	181,855	20,898	202,753
Fair value of plan assets	164,223	-	164,223	173,298	-	173,298
Funded status	(26,167)	(25,603)	(51,770)	(8,557)	(20,898)	(29,455)
Unrecognized net experience loss	28,708	1,889	30,597	13,661	-	13,661
Unrecognized past service costs	-	641	641	-	-	-
Prepaid (accrued) benefit cost recorded in the balance sheet	2,541	(23,073)	(20,532)	5,104	(20,898)	(15,794)
Weighted-average assumptions						
Discount rate	6.50%	6.50%		7%	7%	
Expected return on plan assets	7.00%	n/a		7%	n/a	
Rate of compensation increase	5.00%	n/a		5%	n/a	

For measurement purposes, a 7.5% annual increase in the per capita cost of health care benefits was assumed for 5 years, with a rate of 6.5% for five years thereafter, a rate of 5.5% for five years thereafter and a rate of 5% thereafter. A 4% annual increase in the cost of dental case benefits was also assumed.

(in thousands of dollars, except note 25)

	Pension Costs 2003 $	Post Retirement Benefits 2003 $	Total 2003 $	Pension Costs 2002 $	Post Retirement Benefits 2002 $	Total 2002 $
Benefit cost	5,747	2,661	8,408	4,263	2,305	6,568
Amortization of past service costs	59	-	59	-	-	-
Employer contributions	3,184	486	3,670	45	431	476
Plan participants contributions	4,075	-	4,075	3,505	-	3,505
Benefits paid	5,436	486	5,922	5,454	431	5,885
Lump sum settlements	1,393	-	1,393	1,792	-	1,792

6 Stocks, bonds and debentures and hedge fund investment

The carrying value and market value of stocks, bonds and debentures included in current assets as at April 30, 2003 is $2,578 and $2,587 respectively (2002 - $5,186 and $5,186). The cost and market value of stocks, bonds and debentures included in restricted assets as at April 30, 2003 is $15,241 and $15,104 respectively (2002 - $16,009 and $15,773).

The carrying value of the hedge fund investment units is $650, after a write-down in the 2002 fiscal year of $1,648 to the units' estimated market value. These units were received as a donation in December 1998, at a stated value of $2,298.

7 Capital assets

	2003			2002		
	Cost $	Accumulated Amortization $	Net $	Cost $	Accumulated Amortization $	Net $
Land and land improvements	10,475	-	10,475	9,775	-	9,775
Buildings	147,614	35,722	111,892	106,134	33,260	72,874
Furniture and equipment	46,567	32,857	13,710	39,861	28,427	11,434
Leasehold improvements	1,313	325	988	1,295	323	972
Library books	16,375	12,522	3,853	14,735	11,094	3,641
Construction in progress	21,140	-	21,140	17,456	-	17,456
	243,484	81,426	162,058	189,256	73,104	116,152

Interest capitalized during 2003 amounted to $203.

(in thousands of dollars, except note 25)

8 Mortgages payable

Security	Rate	Due date	2003 $	2002 $
Bricker Street Residence	11.04%	November 1, 2010	10,000	10,000
Conrad Hall, A & B Wings	5 3/8%	January 1, 2012	167	181
Dining Hall, MacDonald House	5 1/8%	March 2, 2013	296	319
Willison Hall, Conrad Hall, C Wing	5 1/8%	January 1, 2013	360	386
Conrad Hall D Wing, Little House, Euler Residence, Leupold Residence, Dining Hall	5 3/8%	July 1, 2017	1,127	1,177
			11,950	12,063
Less: Principal payable within one year			120	113
			11,830	11,950

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

	$
Year ending April 30, 2004	120
2005	126
2006	133
2007	140
2008	147
Thereafter	11,284
	11,950

(in thousands of dollars, except note 25)

9 Term bank loans

	2003 $	2002 $
Bank loan, bearing interest at 6.68% repayable in blended monthly payments of $21 due September 1, 2002	-	105
Bank loan, bearing interest at 6.5% repayable in blended quarterly payments of $345 due October 5, 2027	16,736	17,067
Bank loan, bearing interest at 6.7% repayable in blended quarterly payments of $385 due September 30, 2027	18,347	-
Bank loan, bearing interest at 6.9% repayable in blended quarterly payments of $285 due October 2, 2028	3,335	-
Bank loan, bearing interest at 6.0% repayable in blended monthly payments of $131 due September 1, 2033	22,000	-
	60,418	17,172
Less: Principal payable within one year	875	419
	59,543	16,753

The blended monthly payments of $345 on the 6.5% loan are a result of the University having entered into an interest rate swap agreement to convert floating rate debt to fixed rate debt until October 5, 2027.

The blended quarterly payments of $385 on the 6.7% loan are a result of the University having entered into an interest rate swap agreement to convert floating rate debt to fixed rate debt until September 30, 2027.

The blended quarterly payments of $285 on the 6.9% loan are a result of the University having entered into an interest rate swap agreement to convert floating rate debt to fixed rate debt until October 2, 2028.

The blended monthly payments of $131 on the 6.0% loan are a result of the University having entered into an interest rate swap agreement to convert floating rate debt to fixed rate debt until September 1, 2033.

The bank indebtedness and term bank loans for $16,736, $18,347 and $3,335 are 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.

The bank loan for $22,000 is secured by a collateral mortgage in the maximum principal amount of $50,000, creating a first ranking lien against the King Street residence and an assignment of the insurance policies relating to the residence.

(in thousands of dollars, except note 25)

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

	$
Year ending April 30, 2004	875
2005	1,190
2006	1,267
2007	1,346
2008	1,429
Thereafter	54,311
	60,418

10 Other loans

	2003 $	2002 $
Loan, bearing interest at 5.05%, due January 1, 2004	982	-
Interest free loan, forgiveable over a period of five years due September 1, 2004	246	505
Interest free loan, $1,280 forgiveable over a period of five years, and $383 repayable in annual payment of $80 due September 1, 2007	1,262	1,663
Energy savings loan, bearing interest at 7.5%, repayable in blended monthly payments of $21 due May 1, 2009	1,307	1,442
	3,797	3,610
Less: Principal payable within one year	1,225	228
	2,572	3,382

(in thousands of dollars, except note 25)

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

	$
Year ending April 30, 2004	1,225
2005	260
2006	279
2007	282
2008	242
Thereafter	1,509
	3,797

11 Deferred contributions

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

	2003 $	2002 $
Research grants	3,555	2,933
Scholarships and bursaries	1,844	1,737
Other amounts	2,342	4,568
	7,741	9,238

12 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:

	2003 $	2002 $
Balance – Beginning of year	38,475	39,409
Add: Contributions received during the year	14,467	1,938
Less: Amortization for the year	(2,665)	(2,872)
Balance – End of year	50,277	38,475

(in thousands of dollars, except note 25)

13 Internally restricted net assets

Details of the internally restricted net assets are as follows:

	2003 $	2002 $
Program development	640	640
Departmental carry forwards	-	333
Access to Opportunities Program	8	8
University Plan Initiatives	10	10
Food service	-	46
Residences	3	3
Brantford campus	-	92
2002/2003 budget	-	1,900
Northwest campus development	-	875
Major capital equipment	34	33
Capital levy	366	366
Repairs – operating	50	50
Operating budget stabilization reserve	61	-
	1,172	4,356

14 Invested in capital assets

Invested in capital assets consists of the following:

	2003 $	2002 $
Capital assets – net book value (see note 7)	162,058	116,152
Add: Sinking fund investments held to discharge long-term Debt	985	864
	163,043	117,016
Less: Amounts financed by long-term debt	76,165	32,845
Deferred capital contributions	50,277	38,475
Internal advances	(12,608)	1,853
	49,209	43,843

(in thousands of dollars, except note 25)

15 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 of the endowments are as follows:

	2003 $	2002 $
Endowments restricted externally	13,243	12,171
Endowments restricted internally	4,632	5,141
	17,875	17,312

The endowment earnings which include interest, dividends and realized gains and losses, and the disposition of these earnings can be summarized as follows:

	2003	2002
Total earnings (loss)	(528)	347
Disposition of earnings		
Used to fund the academic development program	123	146
Used to fund endowed scholarships and bursaries	(659)	177
Used to increase the endowment balance	8	24
	(528)	347

The University guarantees a 5% return on externally restricted endowments. Due to the investment performance experienced in the current year, the 5% guarantee was not met. Accordingly, the University used internally restricted endowments of $531 (2002 - $410) and operating funds of $707 (2002 - nil) to meet the current year funding requirements of the externally restricted endowments.

(in thousands of dollars, except note 25)

16 Additions to capital assets

The additions to capital assets consist of the following:

	2003 $	2002 $
Waterloo Campus		
Northwest campus development	11,968	7,511
King Street residence	9,129	-
Waterloo College Hall	8,682	6,252
Teaching office building	6,008	231
Science research building	3,268	447
Furniture and equipment	3,264	3,434
Food services renovations	3,211	623
Library books	1,640	1,621
House purchases	1,092	1,835
Parking lot construction	397	-
Student services building	380	904
Conrad Hall renovations	373	-
Residence Internet project	282	-
St. Michael’s School purchase and renovations	82	1,254
Software Career services	82	-
Other	67	1
Energy savings project	-	1,486
Athletic complex renovation	-	222
81 Lodge Street	-	926
266 Marsland Drive	-	518
	49,925	27,265
Brantford Campus		
Grand River Hall – Brantford	1,850	-
Old Post House – Brantford	1,698	-
Brantford Campus renovation costs	1,083	2,144
TD bank building – Brantford	-	383
	4,631	2,527
	54,556	29,792

(in thousands of dollars, except note 25)

17 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, 2008. 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	309,593
Furniture and equipment	44,687
Library books	157,240
Total	511,520

18 Statement of cash flows

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

	2003 $	2002 $
Accounts receivable	3,643	(4,205)
Inventories	(144)	(11)
Prepaid expenses	(783)	151
Deposit on purchase of capital assets	5	15
Accounts payable – net of amounts related to capital assets	1,306	4,681
Accrued vacation pay	540	201
Deferred revenue	1,996	(2,052)
	6,563	(1,220)

(in thousands of dollars, except note 25)

19 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.

	2003 $	2002 $
Schedule of Changes in Endowment Fund Balance for the year ended April 30, 2003		
Endowment balance – Beginning of year	5,026	4,949
Donations received	63	77
Investment income capitalized	34	-
Endowment balance – End of year	5,123	5,026
Schedule of Changes in Expendable Funds Available for Awards for the year ended April 30, 2003		
Expendable funds – Beginning of year	310	203
Investment income, net of direct investment related expenses	252	244
Interest recapitalized	(33)	-
Bursaries awarded (total number: 238)	(266)	(137)
Expendable funds – End of year	263	310

20 Commitments

Costs to complete major capital projects in progress as at April 30, 2003 are estimated to be $30,800 (2002 - $21,700) and will be financed primarily by government grants and borrowings.

21 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.

(in thousands of dollars, except note 25)

22 Comparatives

Certain comparative figures have been reclassified to conform to the current year's financial statement presentations.

23 Restricted cash

At year end, there is $16,717 of cash restricted for the construction of the King Street residence. Accounts payable includes $3,062 of costs related to this project.

24 Accounts receivable

Included in accounts receivable is $902 (2002 - $796) due from the Waterloo Lutheran Seminary.

25 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 2002 calendar year.

Name	Position	Salary $	Taxable Benefits $
Amoaku-Adu, Ben	Professor	138,808	619
Ashcroft, Ira	Professor	114,719	583
Athanassakos, George	Professor	127,139	572
Banks, John	Associate Professor	115,251	569
Banks, William	Associate Professor	115,976	540
Bennett, Edward	Professor	117,650	625
Bezner, Hart	Associate Professor	115,045	611
Binding, Frederick	Associate Professor	104,315	553
Blackburn, James	Professor	111,911	654
Blenkhorn, David	Professor	118,264	629
Boots, Barry	Professor	119,240	632
Brown, Steven	Associate Professor	103,755	510
Bulman-Fleming, Sydney	Assistant Dean	114,104	554
Cameron, J. Gary	Associate Professor	112,639	597
Campbell, Robert	Dean	123,187	587
Carayannopoulos, Peter	Associate Professor	118,143	478
Carson, A. Scott	Dean	159,871	781
Cawsey, Thomas	Professor	126,239	636
Christy, Richard	Assistant Professor	120,338	507
Clarke, Juanne	Professor	123,981	609
Copp, Terry	Professor	120,348	639

(in thousands of dollars, except note 25)

Name	Position	Salary $	Taxable Benefits $
Craig, Ron	Professor	127,433	590
Christi, F. Renato	Professor	100,912	533
De, Mitali	Associate Professor	118,569	503
Deszca, Frederick	Professor	122,260	583
Dupuis, Ronald	Assistant Vice-President	112,493	589
Eglin, Peter	Professor	122,607	508
Elliott, Richard	Associate Professor	100,849	533
Ellis, Robert	Associate Professor	112,073	554
Erb, Peter	Professor	113,049	598
Fine, Marshall	Associate Professor	100,332	507
Fusco, Luke	Dean	133,900	648
Gebotys, Robert	Associate Professor	103,584	432
Gillen, David	Professor	124,055	655
Gough, Barry	Professor	122,671	653
Govindarajan, J.	Executive Director	109,394	574
Grimes, Ronald	Professor	115,469	604
Groarke, Leo	Dean	112,898	538
Guenther, Mathias	Professor	105,673	621
Hecht, Alfred	Professor	119,905	618
Heyer, Paul	Professor	101,561	533
Horton, Keith	Professor	103,248	514
Iyogun, Paul	Professor	123,194	525
Kilgour, Joan	Assistant Professor	101,944	540
Kilgour, Marc	Professor	117,514	621
Kitchell, Susan	Associate Professor	103,695	485
Knight, Dean	Associate Professor	112,617	503
Kominar, R. John	Associate Professor	107,688	561
Kott, Edward	Professor	116,735	621
Krech, Michael	Associate Professor	112,674	597
Lambert, Gary	Assistant Vice-President	107,533	565
Levesque, Terrence	Professor	108,077	572
Lit, John	Professor	109,487	639
Litke, Robert	Professor	110,795	543
Lorimer, Douglas	Associate Professor	106,279	561
Marr, William	Professor	122,048	649
McConomy, Bruce	Associate Professor	104,435	495
McCready, Douglas	Professor	123,740	624
McCutcheon, James	Associate Professor	117,252	565
McCutcheon, John	Associate Professor	131,025	555
McDougall, Gordon	Professor	139,349	636
McMenemy, John	Professor	135,904	611
McMurray, J. David	Assistant Vice-President	130,840	621
McPherson, Barry	Dean	156,647	774
Miljan, Toivo	Professor	114,986	609
Millerd, Frank	Associate Professor	114,916	545
Moore, Michael	Professor	104,974	554
Morrison, Charles	Dean	112,540	509

(in thousands of dollars, except note 25)

Name	Position	Salary $	Taxable Benefits $
Munro, Hugh	Professor	147,084	576
Nelson, Geoffrey	Professor	103,615	544
Nelson, Morton	Professor	114,100	642
Noori, Hamid	Professor	129,067	636
Overduin, Jan	Professor	105,493	547
Pancer, S. Mark	Professor	109,292	579
Peirson, David	Associate Dean	117,363	561
Pratt, Michael	Professor	103,530	540
Preece, Rodney	Professor	118,950	629
Purves-Smith, Michael	Associate Professor	101,490	533
Ramsoomair, Franklin	Associate Professor	109,618	478
Read, Arthur	Professor	154,916	829
Robertson, Alastair	Assistant Professor	110,710	565
Rosehart, Robert	President	245,133	5,301
Santi, Angelo	Professor	111,405	576
Saunderson, Houston	Professor	110,402	587
Schnabel, Jacques	Professor	134,004	614
Seringhaus, F. H. Rolf	Professor	125,079	576
Sharma, Sanjay	Associate Professor	102,677	508
Siklos, Pierre	Professor	108,431	569
Sinclair, Peter	Associate Professor	104,552	529
Smith, Brian	Professor	104,072	540
Smith, Rowland	Vice-President	181,494	936
Stack, Stephen	Associate Professor	113,389	583
Stephen, Arthur	Vice-President	142,537	711
Szabo, Arthur	Dean	135,238	655
Teall, Howard	Professor	117,513	558
Tiessen, Paul	Professor	109,422	579
Verduyn, Christl	Professor	100,561	619
Wang, Edward	Professor	100,675	533
Warrack, Brian	Associate Professor	121,638	576
Westhues, P. Anne	Professor	107,377	566
Witmer, Douglas	Executive Director	104,393	548
Wong, Philip	Assistant Vice-President	133,236	700

26 Subsequent event

One December 30, 2003, the University received information from the Ministry of Training, Colleges and Universities (MTCU) that casts significant doubt as to the collectibility of grants of $1.93 million originally recorded as receivable as at April 30, 2003. This grant was believed to have been receivable for enrolment growth, however the MTCU has indicated that in its view the funding will not be forthcoming. Under the circumstances, management has revised these financial statements such that the grant amount now in question is not recognized. Should the amount, or any portion thereof, be ultimately collected by the University it will be recorded as income in the year it is received.