

Wilfrid Laurier University

Financial Statements
April 30, 2005

July 22, 2005

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, 2005 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, 2005 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, 2005

(in thousands of dollars)

	2005 \$	2004 \$
Assets		
Current assets		
Cash (note 3)	29,181	-
Short-term deposits	130	298
Accounts receivable (note 4)	9,504	13,248
Stocks, bonds, debentures and pooled funds (note 5)	4,052	2,985
Inventories	1,679	1,470
Prepaid expenses	1,460	1,879
Current portion of notes receivable (note 6)	176	155
	46,182	20,035
Long-term assets		
Notes receivable less current portion (note 6)	1,124	1,306
Deferred charges (note 7)	5,660	549
Deferred pension cost (note 8)	2,004	1,490
	8,788	3,345
Restricted assets		
Cash (note 3)	8,000	-
Endowments –		
Cash and short-term investments	2,841	-
Stocks, bonds, debentures and pooled funds (note 5)	20,810	18,840
Hedge fund investment (note 5)	650	650
	24,301	19,490
	32,301	19,490
Capital assets (notes 9 and 19)	198,796	194,047
Sinking fund investments (note 5)	1,269	1,118
	200,065	195,165
Total assets	287,336	238,035

Wilfrid Laurier University

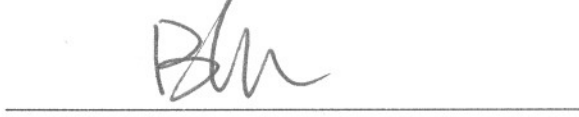
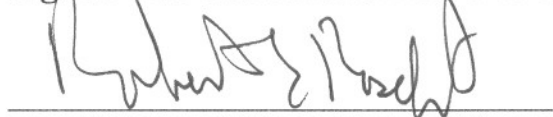
Statement of Financial Position ...continued

As at April 30, 2005

(in thousands of dollars)

	2005 \$	2004 \$
Liabilities		
Current liabilities		
Bank indebtedness	-	11,305
Accounts payable and accrued liabilities (note 4)	15,983	11,087
Accrued vacation pay	2,836	2,844
Deferred revenue	9,663	9,344
Current portion of mortgages payable (note 10)	133	126
Current portion of term bank loans (note 11)	56	2,099
Current portion of other loans (note 12)	279	260
	<u>28,950</u>	<u>37,065</u>
Long-term liabilities		
Debentures payable (note 13)	115,000	-
Mortgages payable (note 10)	11,572	11,811
Term bank loans (note 11)	1,011	69,555
Other loans (note 12)	2,355	2,484
Post retirement benefits (note 8)	28,404	25,515
	<u>158,342</u>	<u>109,365</u>
Deferred contributions (note 14)	<u>11,504</u>	<u>9,485</u>
Deferred capital contributions (note 15)	<u>67,106</u>	<u>57,582</u>
Total liabilities	<u>265,902</u>	<u>213,497</u>
Net assets		
Unrestricted	(46,949)	(51,633)
Internally restricted (note 16)	7,954	2,476
Invested in capital assets (note 17)	36,128	54,205
Endowments (note 18)	24,301	19,490
Total net assets	<u>21,434</u>	<u>24,538</u>
Total liabilities and net assets	<u>287,336</u>	<u>238,035</u>

Signed on behalf of the Board of Governors



Wilfrid Laurier University

Statement of Operations

For the year ended April 30, 2005

(in thousands of dollars)

	2005 \$	2004 \$
Revenue		
Government grants	62,630	56,355
Student fees	77,189	72,740
Grants, contracts, and donations	4,225	4,461
Sales and service	16,925	17,054
Amortization of deferred capital contributions	3,020	3,020
Investment returns	2,124	1,816
Other revenues	4,511	3,801
Gain on sale of capital assets	247	-
	170,871	159,247
Expenses		
Salaries	82,043	75,432
Benefits	19,230	20,085
Operating costs	24,709	22,645
Amortization of capital assets	11,180	10,173
Cost of goods sold	12,160	11,762
Taxes, utilities and rent	5,863	5,977
Scholarships and bursaries	8,219	10,115
Interest	7,437	5,672
Loss on cancellation of interest rate swaps	8,054	-
	178,895	161,861
Excess of expenses over revenue		
	(8,024)	(2,614)

Wilfrid Laurier University

Statement of Change in Net Assets

For the year ended April 30, 2005

(in thousands of dollars)

	Unrestricted \$	Internally restricted \$	Invested in capital assets \$	Restricted for endowment \$	2005 Total \$	2004 Total \$
Balance – Beginning of year	(51,633)	2,476	54,205	19,490	24,538	25,605
Excess of expenses over revenue	(111)	-	(7,913)	-	(8,024)	(2,614)
Internally imposed restrictions	(5,569)	5,478	-	91	-	-
Net endowment contributions	-	-	-	4,720	4,720	1,547
Invested in capital assets	10,364	-	(10,164)	-	200	-
Balance – End of year	(46,949)	7,954	36,128	24,301	21,434	24,538

Wilfrid Laurier University

Statement of Cash Flows

For the year ended April 30, 2005

(in thousands of dollars)

	2005 \$	2004 \$
Cash provided by (used in)		
Operating activities		
Excess of expenses over revenue	(8,024)	(2,614)
Changes to earnings not involving cash		
Amortization of deferred capital contributions	(3,020)	(3,020)
Amortization of capital assets	11,180	10,173
Increase in deferred contributions	2,019	1,744
Loss (gain) on disposal of capital assets	(247)	-
Decrease (increase) in deferred pension cost	(514)	1,051
Increase in post retirement benefits	2,889	2,442
Amortization and write down of deferred charges	584	23
Net change in non-cash working capital (note 20)	8,146	(1,338)
	13,013	8,461
Financing activities		
Proceeds on debenture issuance	115,000	-
Payment of deferred financing costs	(5,695)	-
Increase (decrease) in term bank loans – net	(70,587)	11,236
Decrease in other loans	(110)	(1,053)
Decrease in mortgages – net	(232)	(13)
	38,376	10,170
Investing activities		
Endowments received	4,720	1,547
Decrease in notes receivable	161	154
Purchase of capital assets	(15,524)	(42,166)
Proceeds on sale of capital assets	1,082	4
Increase (decrease) in accounts payable related to capital assets	1,015	(4,654)
Increase in sinking fund investment	(151)	(133)
Increase in restricted endowment investments	(4,811)	(1,615)
Decrease (increase) in restricted cash	(8,000)	13,655
Increase in stocks, bonds and debentures	(1,067)	(407)
Deferred capital contributions received	11,504	10,325
	(11,071)	(23,290)
Increase (decrease) in net cash position	40,318	(4,659)
Net cash position – Beginning of year	(11,007)	(6,348)
Net cash position – End of year	29,311	(11,007)
Net cash position consists of		
Cash	29,181	-
Bank indebtedness	-	(11,305)
Short-term deposits	130	298
	29,311	(11,007)

Wilfrid Laurier University

Notes to Financial Statements

April 30, 2005

(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 had an economic interest in a Crown foundation, Wilfrid Laurier University Foundation, which was not consolidated. The principal purpose of the Wilfrid Laurier University Foundation was to solicit, receive, and distribute monies to support the activities of the University. The Foundation was wound up on July 30, 2003.

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.

Wilfrid Laurier University

Notes to Financial Statements

April 30, 2005

(in thousands of dollars)

Valuation of stocks, bonds, debentures and pooled funds

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. All investments in pooled funds are recorded at market 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 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. The actuarial cost method used is the Projected Unit Credit Cost method. 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 straight-line 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.

Wilfrid Laurier University

Notes to Financial Statements

April 30, 2005

(in thousands of dollars)

Post retirement benefits

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

Adjustments arising from plan amendments, experience gains and losses and changes in assumptions are amortized straight-line 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.

Changes in plan benefits in the year that result in an Unrecognized Past Service Cost, is amortized on a straight-line basis over the EARSL.

Financial instruments

At April 30, 2005, 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 5.

The carrying value and approximate fair market value of mortgages payable are \$11,705 (note 10) and \$12,505 respectively (2004 - \$11,937 and \$14,706).

3 Restricted cash

The Board of Governors has internally restricted \$8,000 (2004 - \$nil) of cash to be put towards the sinking fund investment for the Bricker Street Residence mortgage (note 10).

Interest is earned on cash balances at a rate of prime less 1.75%.

4 Accounts receivable

Included in accounts receivable as at April 30, 2004 was \$1,418 owed by Waterloo Lutheran Seminary to the University. Included in accounts payable as at April 30, 2005 was \$65 owed by the University to Waterloo Lutheran Seminary.

Wilfrid Laurier University

Notes to Financial Statements

April 30, 2005

(in thousands of dollars)

5 Stocks, bonds, debentures, pooled funds and hedge fund investment

The carrying value and market value of stocks, bonds and debentures and pooled funds included in current assets as at April 30, 2005 is \$4,052 and \$4,314 respectively (2004 - \$2,985 and \$3,249). The cost and market value of stocks, bonds and debentures and pooled funds included in restricted assets as at April 30, 2005 is \$20,810 and \$21,037 respectively (2004 - \$18,840 and \$18,868).

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.

The carrying value and market value of the sinking fund investments as at April 30, 2005 is \$1,269 and \$1,384 respectively (2004 - \$1,118 and \$1,244).

6 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:

	2005 \$	2004 \$
Wilfrid Laurier University Students' Union		
5% note, repayable by quarterly payments of \$55 including principal and interest, due November 1, 2011	1,228	1,381
 Wilfrid Laurier University Graduate Student Association		
6% note, repayable by quarterly payments of \$4 minimum, including principal and interest	72	80
	1,300	1,461
Less: Principal due within one year	176	155
	1,124	1,306

Wilfrid Laurier University

Notes to Financial Statements

April 30, 2005

(in thousands of dollars)

7 Deferred charges

Deferred charges are made up of deferred refinancing costs, bond forward costs, and costs relating to arranging additional financing, and are charged against earnings over the term of the financing arrangements.

	2005 \$	2004 \$
Bond forward costs	5,223	-
Other costs	472	144
Refinancing costs	-	452
	5,695	596
Less: Accumulated amortization	(35)	(47)
	5,660	549

8 Deferred pension cost and post retirement benefits

	Pension 2005 \$	Post Retirement Benefits 2005 \$	Total 2005 \$	Pension 2004 \$	Post Retirement Benefits 2004 \$	Total 2004 \$
Projected benefit obligation	240,510	30,081	270,591	213,928	26,170	240,098
Fair value of plan assets	211,091	-	211,091	194,628	-	194,628
Funded status	(29,419)	(30,081)	(59,500)	(19,300)	(26,170)	(45,470)
Unrecognized net experience loss	31,423	524	31,947	20,790	12	20,802
Unrecognized past service costs	-	1,153	1,153	-	643	643
Prepaid (accrued) benefit cost recorded in the balance sheet	2,004	(28,404)	(26,400)	1,490	(25,515)	(24,025)

The date used to measure the plan assets and accrued benefit obligation is April 30, 2005.

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.

Wilfrid Laurier University

Notes to Financial Statements

April 30, 2005

(in thousands of dollars)

	Pension Plans		Post Retirement Benefits	
	2005	2004	2005	2004
For determining accrued benefit obligation as of April 30				
Discount rate	5.5%	6.0%	5.5%	6.0%
Rate of compensation increase	4.5%	4.5%	n/a	n/a
For determining benefit cost for the year ended April 30				
Discount rate	6.0%	6.5%	6.0%	6.5%
Rate of compensation increase	4.5%	4.5%	n/a	n/a
Expected return on plan assets	6.5%	7.0%	n/a	n/a

	Pension 2005 \$	Post Retirement Benefits 2005 \$	Total 2005 \$	Pension 2004 \$	Post Retirement Benefits 2004 \$	Total 2004 \$
Benefit cost	7,220	3,465	10,685	6,943	2,970	9,913
Amortization of actuarial losses	-	-	-	803	-	803
Amortization of past service costs	17	59	76	-	58	58
Employer contributions	7,751	635	8,386	6,695	585	7,280
Plan participant contributions	4,923	54	4,977	5,456	-	5,456
Benefits paid	5,943	635	6,578	5,247	585	5,832
Lump sum settlements	5,801	-	5,801	4,977	-	4,977

The most recent actuarial valuations for the University's deferred benefit plans are as follows:

Registered Pension Plan
Other Benefit Plans

December 31, 2004
April 30, 2005

For the University's registered pension plan, the next funding valuation is required to be filed no later than December 31, 2007.

Wilfrid Laurier University

Notes to Financial Statements

April 30, 2005

(in thousands of dollars)

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

	2005	2004
Percentage of plan assets at April 30		
Equity securities	58.85%	60.02%
Debt securities	40.61%	39.98%
Cash and short-term investments	.54%	-
	<u>100.00%</u>	<u>100.00%</u>

9 Capital assets

	2005			2004		
	Cost \$	Accumulated Amortization \$	Net \$	Cost \$	Accumulated Amortization \$	Net \$
Land and land improvements	12,503	-	12,503	12,022	-	12,022
Buildings	204,587	44,534	160,053	198,878	39,194	159,684
Furniture and equipment	52,723	36,662	16,061	48,710	32,847	15,863
Leasehold improvements	-	-	-	1,313	587	726
Library books	20,543	15,673	4,870	18,325	14,036	4,289
Construction in progress	5,309	-	5,309	1,463	-	1,463
	<u>295,665</u>	<u>96,869</u>	<u>198,796</u>	<u>280,711</u>	<u>86,664</u>	<u>194,047</u>

Interest capitalized during the year amounted to \$nil (2004 - \$391).

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, 2005

(in thousands of dollars)

10 Mortgages payable

Security	Rate	Due date	2005 \$	2004 \$
Bricker Street Residence	11.04%	November 1, 2010	10,000	10,000
Conrad Hall, A & B Wings	5 3/8%	January 1, 2012	135	151
Dining Hall, MacDonald House	5 1/8%	March 2, 2013	249	273
Willison Hall, Conrad Hall, C Wing	5 1/8%	January 1, 2013	303	333
Conrad Hall D Wing, Little House, Euler Residence, Leupold Residence, Dining Hall	5 3/8%	July 1, 2017	1,018	1,075
29 Bricker Avenue	3.75%	May 1, 2007	-	105
			11,705	11,937
Less: Principal payable within one year			133	126
			11,572	11,811

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

	\$
Year ending April 30, 2006	133
2007	140
2008	147
2009	155
2010	163
Thereafter	
	10,967
	11,705

Wilfrid Laurier University

Notes to Financial Statements

April 30, 2005

(in thousands of dollars)

11 Term bank loans

	2005 \$	2004 \$
Bank loan, bearing interest at 6.5% repayable in blended quarterly payments of \$345 due October 5, 2027	-	16,434
Bank loan, bearing interest at 6.7% repayable in blended quarterly payments of \$385 due September 30, 2027	-	18,025
Bank loan, bearing interest at 6.9% repayable in blended quarterly payments of \$285 due October 2, 2028	-	13,391
Bank loan, bearing interest at 6.0% repayable in blended monthly payments of \$131 due September 1, 2033	-	21,834
Bank loan, bearing interest at prime, paid May 3, 2004	-	850
Bank loan, bearing interest at 5.96%, repayable in blended payments of \$9, due September 30, 2008	1,067	1,120
	1,067	71,654
Less: Principal payable within one year	56	2,099
	1,011	69,555

The first four term bank loans listed above were discharged as part of the issuance of debentures in the amount of \$115,000 during the year (note 13).

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

	\$
Year ending April 30, 2006	56
2007	59
2008	62
2009	890
	1,067

Wilfrid Laurier University

Notes to Financial Statements

April 30, 2005

(in thousands of dollars)

12 Other loans

	2005 \$	2004 \$
Interest free loan, \$320 forgivable over a period of one year, and \$143 repayable in annual payment of \$80 due September 1, 2007	463	862
Energy savings loan, bearing interest at 7.5%, repayable in blended monthly payments of \$21 due May 1, 2009	951	1,132
Interest free loan, forgivable over a period of five years, beginning in 2005, due May 2009	920	750
Interest free loan forgivable over a period of five years, beginning in 2006, due May 2010	300	-
	2,634	2,744
Less: Principal payable within one year	279	260
	2,355	2,484

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

	\$
Year ending April 30, 2006	279
2007	602
2008	242
2009	1,186
2010	325
Thereafter	-
	2,634

Wilfrid Laurier University

Notes to Financial Statements

April 30, 2005

(in thousands of dollars)

13 Debenture payable

	2005 \$	2004 \$
Debenture payable, bearing interest at 5.429%, payable semi-annually, due February 1, 2045	115,000	-

The effective interest rate on the bonds is 5.72% from the use of the bond forwards (note 7).

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.

14 Deferred contributions

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

	2005 \$	2004 \$
Research grants	4,030	4,159
Scholarships and bursaries	2,270	2,045
Unspent designated donations	2,796	1,526
Other amounts	2,408	1,755
	11,504	9,485

15 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:

	2005 \$	2004 \$
Balance – Beginning of year	57,582	50,277
Add: Contributions received during the year	12,544	10,325
Less: Amortization for the year	(3,020)	(3,020)
Balance – End of year	67,106	57,582

Wilfrid Laurier University

Notes to Financial Statements

April 30, 2005

(in thousands of dollars)

16 Internally restricted net assets

Details of the internally restricted net assets are as follows:

	2005 \$	2004 \$
Dr. Alvin Woods building renovation	3,000	-
Departmental carry forwards	1,365	-
Endowment reserve	948	664
Program development	640	640
Operating budget stabilization reserve	581	297
Cooling tower replacement	425	-
Capital levy	366	366
Library acquisitions	250	-
Parking capital	120	-
Bookstore capital	90	-
Special pension appropriation	60	60
Repairs – operating	50	50
Major capital equipment	38	36
University Plan Initiatives	10	10
Access to Opportunities Program	8	8
Residences	3	3
2004/2005 budget	-	342
	7,954	2,476

17 Invested in capital assets

Invested in capital assets consists of the following:

	2005 \$	2004 \$
Capital assets – net book value (see note 9)	198,796	194,047
Add: Sinking fund investments held to discharge long-term Debt	1,269	1,118
	200,065	195,165
Less: Amounts financed by long-term debt	97,445	86,335
Deferred capital contributions	67,106	57,582
Internal advances	(614)	(2,957)
	36,128	54,205

Wilfrid Laurier University

Notes to Financial Statements

April 30, 2005

(in thousands of dollars)

18 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:

	2005 \$	2004 \$
Endowments restricted externally	19,510	14,791
Endowments restricted internally	4,791	4,699
	<u>24,301</u>	<u>19,490</u>

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

Total earnings	<u>1,438</u>	<u>1,888</u>
Disposition of earnings		
Used to fund the academic development program	240	191
Used to fund endowed scholarships and bursaries	653	557
Used to increase the endowment balance	17	476
Used to establish the endowment reserve	284	664
Used to fund Century Campaign expenses	244	-
	<u>1,438</u>	<u>1,888</u>

Wilfrid Laurier University

Notes to Financial Statements

April 30, 2005

(in thousands of dollars)

19 Additions to capital assets

The additions to capital assets consist of the following:

	2005 \$	2004 \$
Waterloo Campus		
Furniture and equipment	3,703	6,807
Athletics Complex – Phase 3	2,665	-
Library books	2,219	1,950
Northdale School	1,400	-
St. Michael's School	1,300	97
Faculty of Social Work	1,100	1,044
Science research building	526	5,320
King Street residence	435	14,157
Bricker Academic building	396	7,708
Northwest campus development	224	258
Waterloo College Hall	5	216
House purchases	-	1,106
Residence Internet project	-	456
Alvin Woods building renovations	-	297
Software Career services	-	82
Other	-	63
Food services renovations	-	32
Conrad Hall renovations	-	20
	13,973	39,613
Brantford Campus		
Odeon Theatre Project – Brantford	1,143	714
Old Post House – Brantford	-	1,094
Carnegie Building	1,000	-
Student Centre	520	-
Grand River Hall – Brantford	128	745
	2,791	2,553
	16,764	42,166

Wilfrid Laurier University

Notes to Financial Statements

April 30, 2005

(in thousands of dollars)

20 Statement of cash flows

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

	2005 \$	2004 \$
Accounts receivable	3,744	(5,380)
Inventories	(209)	(51)
Prepaid expenses	419	(226)
Accounts payable and accrued liabilities – net of amounts related to capital assets	3,881	2,117
Accrued vacation pay	(8)	201
Deferred revenue	319	2,001
	8,146	(1,338)

21 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	376,940
Furniture and equipment	51,772
Library books	173,383
Total	602,095

The University has artwork which is insured for \$3,000.

Wilfrid Laurier University

Notes to Financial Statements

April 30, 2005

(in thousands of dollars)

22 Ontario Student Opportunity Trust Fund – Phase 1

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.

	2005 \$	2004 \$
Schedule of Changes in Endowment Fund Balance for the year ended April 30, 2005		
Endowment balance – Beginning of year	5,302	5,123
Investment income capitalized	55	179
Endowment balance – End of year	5,357	5,302

Schedule of Changes in Expendable Funds Available for Awards for the year ended April 30, 2005

Expendable funds – Beginning of year	234	263
Investment income, net of direct investment related expenses	213	205
Interest capitalized	(55)	5
Bursaries awarded (total number: 196)	(182)	(239)
Expendable funds – End of year	210	234

The market value of the endowment is \$5,415 (2004 - \$5,309) and expendable funds is \$239 (2004 - \$234).

Wilfrid Laurier University

Notes to Financial Statements

April 30, 2005

(in thousands of dollars)

23 Commitments and guarantees

Costs to complete major capital projects in progress and commitments to purchase property as at April 30, 2005 are estimated to be \$10,096 (2004 - \$9,188) and will be financed primarily by provincial and municipal grants and borrowings.

Future minimum payments for the next five years under non-cancellable operating leases and other agreements at April 30, 2005 are payable as follows:

	\$
2006	535
2007	535
2008	535
2009	535
2010	112

The University has also guaranteed debt for Wilfrid Laurier University Student Union in the amount of \$696 at April 30, 2005.

24 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.

25 Supplemental disclosure of cash flow information

	2005 \$	2004 \$
Interest paid	6,086	5,532

