Wilfrid Laurier University
Financial Statements
April 30, 2008

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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, 2008 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, 2008 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

KPMG LLP

Chartered Accountants, Licensed Public Accountants

Waterloo, Canada
July 4, 2008

Wilfrid Laurier University

Statement of Financial Position
April 30, 2008
(in thousands of dollars)

		2008		2007
Assets				
Current assets				
Cash and short-term deposits	$	29,754	$	39,095
Accounts receivable		8,458		6,969
Stocks, bonds, debentures and pooled funds (market value $8,633; 2007 - $2,753)		8,633		2,473
Inventories		2,289		2,371
Prepaid expenses		2,010		2,278
Current portion of notes receivable (note 5)		193		193
		51,337		53,379
Long-term assets				
Notes receivable less current portion (note 5)		538		749
Deferred charges (note 6)		-		5,489
Deferred pension costs (note 7)		756		560
		1,294		6,798
Restricted assets				
Cash (note 4)		1,600		850
Endowments -				
Cash and short term deposits		12,189		-
Stocks, bonds, debentures and pooled funds (market value $37,953; 2007 - $36,005)		37,953		35,158
Hedge fund investments (note 8)		650		650
		50,792		35,808
Capital assets (note 9)		226,867		219,787
Sinking fund investments (note 11)		12,567		10,726
Total assets	$	344,457	$	327,348

Signed on behalf of the Board of Governors

Wilfrid Laurier University
Statement of Financial Position (continued)
April 30, 2008
(in thousands of dollars)

	2008	2007
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities (note 10)	$ 18,292	$ 18,466
Accrued vacation pay	3,608	3,190
Deferred revenue	16,037	11,801
Current portion of mortgage payable	155	148
Current portion of term bank loan	890	62
Current portion of other loan	267	242
	39,249	33,909
Long-term liabilities		
Debenture payable (note 11)	109,309	115,000
Mortgages payable (note 12)	11,135	11,290
Term bank loan (note 13)	-	890
Other loan (note 14)	23	290
Retirement incentive plans (note 15)	6,669	7,365
Post retirement benefits (note 7)	37,255	34,407
	164,391	169,242
Deferred contributions (note 16)	14,462	16,271
Deferred capital contributions (note 17)	76,629	72,411
Forgivable loans (note 18)	6,244	5,736
Total liabilities	$ 300,975	$ 297,569
Net assets		
Unrestricted	$ (73,010)	$ (67,882)
Internally restricted (note 19)	17,500	19,821
Invested in capital assets (note 20)	48,200	42,032
Endowments (note 21)	50,792	35,808
	43,482	29,779
Total liabilities and net assets	$ 344,457	$ 327,348

Wilfrid Laurier University
Statement of Operations
April 30, 2008

(in thousands of dollars)

	2008	2007
Revenue		
Government grants	$ 87,509	$ 87,229
Student fees	93,863	89,506
Grants, contracts, and donations	4,395	4,423
Sales and service	18,353	19,461
Amortization of deferred capital contributions (note 17)	4,698	4,208
Investment returns	1,227	2,972
Other revenues	6,050	5,303
	216,095	213,102
Expenses		
Salaries	109,428	98,700
Benefits	24,598	24,353
Operating costs	31,868	32,621
Amortization of capital assets	12,745	12,133
Cost of goods sold	15,064	15,450
Taxes, utilities, and rent	6,538	6,781
Scholarships and bursaries	10,451	9,988
Interest	7,650	7,308
Loss on disposal of capital assets	-	75
	218,342	207,409
Excess of revenue over expenses (expenses over revenue)	$ (2,247)	$ 5,693

Wilfrid Laurier University
Statement of Changes in Net Assets
April 30, 2008

(in thousands of dollars)

	Unrestricted	Internally Restricted	Invested in Capital Assets	Restricted for Endowment	2008	2007
Balance - beginning of year	$ (67,882)	$ 19,821	$ 42,032	$ 35,808	$ 29,779	$ 16,935
Change in accounting policy (note 2) Financial instruments	940	-	210	17	1,167	-
	(66,942)	19,821	42,242	35,825	30,946	16,935
Excess of revenue over expenses (expenses over revenue)	5,800		(8,047)		(2,247)	5,693
Internally imposed restrictions	2,137	(2,321)	-	184	-	-
Endowment earnings reserve transferred to deferred contributions	-	-	-	-	-	-
Net endowment contributions	-	-	-	14,783	14,783	5,038
Endowment earnings capitalized	-	-	-	-	-	1,363
Invested in capital assets	(14,005)	-	14,005	-	-	750
Balance - end of year	$ (73,010)	$ 17,500	$ 48,200	$ 50,792	$ 43,482	$ 29,779

Wilfrid Laurier University
Statement of Cash Flows
April 30, 2008

(in thousands of dollars)

	2008	2007
Cash provided by (used in) operating activities		
Excess of revenue over expenses (expenses over revenue)	$ (2,247)	$ 5,693
Changes to earnings not involving cash		
Amortization of deferred capital contributions	(4,698)	(4,208)
Amortization of capital assets	12,745	12,133
Increase in deferred contributions	(1,809)	2,293
Loss on disposal of capital assets	-	75
Decrease (increase) in deferred pension cost	(196)	364
Decrease in retirement incentive plans	(696)	(341)
Increase in post retirement benefits	2,848	2,925
Amortization of deferred charges	45	145
Net change in non-cash working capital (note 23)	5,468	3,104
	11,460	22,183
Financing activities		
Decrease in term bank loans - net	(62)	(63)
Decrease in other loans	(242)	(283)
Proceeds from forgiveable loans	1,337	2,238
Decrease in mortgages - net	(148)	(135)
	885	1,757
Investing activities		
Endowment received	14,783	5,038
Endowment earnings capitalized	-	1,363
Decrease in notes receivable	176	183
Purchase of capital assets (note 24)	(19,825)	(20,508)
Increase (decrease) in accounts payable related to capital assets	(2,127)	54
Increase in sinking fund investment	(1,631)	(2,718)
Increase in restricted endowment investments	(14,967)	(6,543)
Decrease (increase) in restricted cash	(750)	500
Decrease (increase) in stocks, bonds and debentures	(5,432)	828
Deferred capital contributions received	8,087	6,604
	(21,686)	(15,199)
Increase (decrease) in net cash position	(9,341)	8,741
Net cash position - beginning of year	39,095	30,354
Net cash position - end of year	$ 29,754	$ 39,095

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 services, bookstore, and parking. Wilfrid Laurier University is a registered charity and as such is exempt from paying income taxes.

2. Change in Accounting Policy

Financial Instruments

Effective with the 2007/2008 fiscal year, the University adopted the new Canadian Institute of Chartered Accountants (“CICA”) Handbook Section 3855 “Financial Instruments – Recognition and Measurement”. Under the new standard, all financial instruments are initially recorded on the statement of financial position at fair value. They are subsequently recorded at fair value or amortized cost depending on the classification selected for the financial instrument. Financial assets are classified as either “held-for-trading”, “held-to-maturity”, “available for sale” or “loans and receivables” and financial liabilities are classified as either “held-for-trading” or “other liabilities”. Financial assets and liabilities classified as held-for trading are measured at fair value with change in fair value recorded in the statement of operations. Financial assets classified as held-to-maturity or loans and receivables and financial liabilities classified as other liabilities are subsequently measured at amortized cost using the effective interest method. Available-for-sale financial assets that have a quoted price in an active market are measured at fair value with change in fair value recorded in fund balances. Such gains or losses are recorded in the statement of operations when the related financial asset is disposed of or when the decline in value is considered to be other-than-temporary.

The University has classified its financial instruments as follows:

- Accounts receivable are classified as loans and receivables
- Investments are classified as held-for-trading, except for the hedge funds which are classified as available for sale
- Accounts payable and accrued liabilities are classified as other liabilities.
- Mortgages payable are classified as other liabilities.

The change in accounting policy is treated prospectively as required under the standard. The effect on the opening net asset balances at May 1, 2007 is an increase of $920.

The University has elected to apply transaction costs associated with the issuance of long term debt to the carrying amount of the debt. Prior to the 2007-2008 fiscal year these costs were being amortized on a straight line basis and charged to operations. Effective with the 2007-2008 fiscal year the amortization of these costs are being recognized using the effective interest rate method. The impact of this change was to increase the unrestricted net asset balance as at May 1, 2007 by $247. In addition, the unamortized deferred charges as at April 30, 2008 are classified as a reduction in debenture payable.

3. 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 and debentures and investments and pooled funds are recorded at fair value. The hedge fund investment is recorded at cost (see note 8).

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 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 the 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

At April 30, 2008 the carrying amounts reported in the balance sheet for short-term deposits, accounts receivable, notes receivable, sinking fund investments, accounts payable, accrued vacation pay, term bank loan and other loan are recorded at their approximate fair value.

4. Restricted cash

The Board of Governors has internally restricted $1,600 (2007 - $850) of cash to be put towards an investment fund for the funding of the post retirement benefits.

(in thousands of dollars)

5. Notes Receivable

The details of the notes are as follows:

		2008		2007
Wilfrid Laurier University Students' Union				
5% note, repayable by quarterly payments of $55 including principal and interest, due November 1, 2011	$	697	$	895
Wilfrid Laurier University Graduate Students Association				
6% note, repayable by quarterly payments of $4 minimum, including principal and interest		34		47
	$	731	$	942
Less: Principal due within one year		(193)		(193)
	$	538	$	749

6. Deferred Charges

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

		2007
Bond forward costs	$	5,223
Other costs		592
		5,815
Less: Accumulated amortization		(326)
	$	5,489

In accordance with the changes in accounting policy (see note 2) the deferred charges are being treated as a reduction to the debenture payable. In addition, the valuation of the deferred charges reflects amortization using the effective interest rate method.

(in thousands of dollars)

7. 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.

	2008			2007		
	Pension	Retirement Benefits	Total	Pension	Retirement Benefits	Total
Change in benefit obligation						
Benefit obligation, beginning of year	$ 308,987	$ 34,926	$ 343,913	$ 289,998	$ 29,280	$ 319,278
Employee contributions	7,238	-	$ 7,238	5,922	-	5,922
Benefits paid	(14,756)	(1,373)	$ (16,129)	(11,479)	(782)	(12,261)
Current service costs	10,486	2,248	$ 12,734	8,181	1,953	10,134
Interest Costs	16,765	1,916	$ 18,681	16,410	1,696	18,106
Actuarial loss (gain)	(9,435)	(3,091)	$ (12,526)	(45)	2,779	2,734
Benefit obligation, end of year	$ 319,285	$ 34,626	$ 353,911	$ 308,987	$ 34,926	$ 343,913
Change in plan assets						
Plan assets, beginning of year	$ 275,243	$ -	$ 275,243	$ 245,627	$ -	$ 245,627
Employee contributions	7,237	-	$ 7,237	5,922	-	5,922
Employer contributions	8,287	1,373	$ 9,660	8,301	782	9,083
Benefits paid	(14,599)	(1,373)	$ (15,972)	(11,480)	(782)	(12,262)
Actual return on plan assets	(218)	-	$ (218)	26,873	-	26,873
Plan assets, end of year	$ 275,950	$ -	$ 275,950	$ 275,243	$ -	$ 275,243
Funded status	$ (43,335)	$ (34,626)	$ (77,961)	$ (33,744)	$ (34,926)	$ (68,670)
Unamortized net actuarial loss (gain)	44,091	(2,977)	41,114	34,304	113	34,417
Unamortized past service costs	-	348	348	-	406	406
Prepaid (accrued) benefit costs	$ 756	$ (37,255)	$ (36,499)	$ 560	$ (34,407)	$ (33,847)

The date used to measure the plan assets and accrued benefit obligation is April 30, 2008.

For measurement purposes, a 9.5% increase in the per capita cost of health care costs are assumed for 2008/2009, with the rate of annual increase decreasing by .5% per annum until the annual rate of increase reaches an ultimate rate of 5% in 2017/2018. In addition, a 4% annual increase in the cost of dental care was assumed.

(in thousands of dollars)

	2008		2007	
	Pension	**Retirement Benefits**	**Pension**	**Retirement Benefits**
For determining accrued benefit obligations as at April 30				
Discount rate	6.00%	5.25%	5.50%	5.50%
Rate of compensation increase	4.50%	n/a	4.50%	n/a
For determining benefit costs for the year ended April 30				
Discount rate	5.25%	5.25%	5.50%	5.50%
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

	2008			2007		
	Pension	**Retirement Benefits**	**Total**	**Pension**	**Retirement Benefits**	**Total**
Components of benefit expense						
Current service costs	$ 10,486	$ 2,248	$ 12,734	$ 8,181	$ 1,953	$ 10,134
Interest costs	16,765	1,916	18,681	16,410	1,696	18,106
Expected return on plan assets	(19,299)	-	(19,299)	(17,290)	-	(17,290)
Amortization of net actuarial loss (gain)	295	-	295	1,364	-	1,364
Amortization of past service costs	-	57	57	-	58	58
Benefit expense	$ 8,247	$ 4,221	$ 12,468	$ 8,665	$ 3,707	$ 12,372

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

Registered Pension Plan	December 31, 2006
Other Benefit Plan	April 30, 2007

For the University's registered pension plan, the next funding valuation is required to be filed no later than December 31, 2009.

The assets of the pension plan at fair value, as at the measurement date of April 30, are allocated as follows:

Percentage of plan assets as at April 30	**2008**	**2007**
Equity securities	60.70%	60.26%
Debt securities	39.30%	39.74%
Cash and short term investments	0.00%	0.00%
	100.00%	100.00%

(in thousands of dollars)

8. Hedge fund investments

The carrying value of the hedge fund investment units is $650, after a write-down in the 2002 fiscal year of $1,648. These investments have been classified as "an available for sale financial asset" and, in the absence of a verifiable market value, are being recorded using the cost method. These units were received as a donation in December 1998, at a stated value of $2,298.

9. Capital Assets

	2008			2007		
	Cost	Accumulated Amortization	Net	Cost	Accumulated Amortization	Net
Land and land improvements	$ 13,557	$ -	$ 13,557	$ 13,567	$ -	$ 13,567
Buildings	249,891	61,164	188,727	226,156	55,070	171,086
Furniture and equipment	68,284	49,887	18,397	64,363	45,479	18,884
Library books	26,120	21,297	4,823	24,176	19,379	4,797
Construction in progress	1,363	-	1,363	11,453	-	11,453
	$ 359,215	$ 132,348	$ 226,867	$ 339,715	$ 119,928	$ 219,787

There was no interest capitalized during the 2008 or 2007 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.

10. Accounts Payable

Included in accounts payable as at April 30, 2008 was $281 (2007 -$50) owed by the University to Waterloo Lutheran Seminary.

11. Debenture Payable

	2008	2007
Debenture payable, bearing interest at 5.429% payable semi-annually, due February 1, 2045	$ 115,000	$ 115,000
Less: Deferred charges (see note 6)	(5,691)	-
	$ 109,309	$ 115,000

The approximate fair market value of debenture payable is $118,345 (2007 - $117,225).

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. Sinking fund investments held to discharge the debenture payable are $12,567 (2007 - $10,726).

(in thousands of dollars)

12. Mortgages Payable

	Rate	Due Date	2008	2007
Bricker Street Residence	11.04%	November 1, 2010	$ 10,000	$ 10,000
Conrad Hall, A & B Wings	5.38%	January 1, 2012	82	101
Dining Hall, MacDonald House	5.13%	March 1, 2013	167	196
Willison Hall, Conrad Hall, C Wing	5.13%	July 1, 2013	210	244
Conrad Hall D Wing, Little House, Euler Residence, Leupold Residence, Dining Hall	5.38%	July 1, 2017	831	897
			$ 11,290	$ 11,438
Less: Principal payable within one year			(155)	(148)
			$ 11,135	$ 11,290

The approximate fair market value of mortgages payable is $13,462 (2007 - $13,632).

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

Year ending April 30,	2009	$ 155
	2010	164
	2011	10,172
	2012	176
	2013	166
	Thereafter	457
		$ 11,290

13. Term Bank Loan

	2008	2007
Bank loan, bearing interest at 5.31%, repayable in blended payments of $9, due September 30, 2008	$ 890	$ 952
Less: Principal payable within one year	(890)	(62)
	$ -	$ 890

The approximate fair market value of the term bank loan is $900 (2007 - $958).

(in thousands of dollars)

14. Other Loan

	2008	2007
Energy savings loan, bearing interest at 7.5%, repayable in blended monthly payments of $21 due May 1, 2009	$ 290	$ 532
Less: Principal payable within one year	(267)	(242)
	$ 23	$ 290

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

Year ending April 30,	2009	$ 267
	2010	23
		$ 290

(in thousands of dollars)

15. 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.

	2008			2007		
	SVEP	**PIRO**	**Total**	**SVEP**	**PIRO**	**Total**
Change in benefit obligation						
Benefit obligation, beginning of year	$ 6,812	$ 81	$ 6,893	$ 7,109	$ 67	$ 7,176
Employee contributions	-	-	-	-	-	-
Benefits paid	(1,101)	-	(1,101)	(770)	-	(770)
Current service costs	187	11	198	180	11	191
Interest Costs	274	4	278	293	3	296
Actuarial gain	(562)	(10)	(572)	-	-	-
Benefit obligation, end of year	$ 5,610	$ 86	$ 5,696	$ 6,812	$ 81	$ 6,893
Change in plan assets						
Plan assets, beginning of year	$ -	$ -	$ -	$ -	$ -	$ -
Employee contributions	-	-	-	-	-	-
Employer contributions	1,101	-	1,101	770	-	770
Benefits paid	(1,101)	-	(1,101)	(770)	-	(770)
Actual return on plan assets	-	-	-	-	-	-
Plan assets, end of year	$ -	$ -	$ -	$ -	$ -	$ -
Funded status	$ (5,610)	$ (86)	$ (5,696)	$ (6,812)	$ (81)	$ (6,893)
Unamortized net actuarial loss (gain)	(556)	(10)	(566)	5	-	5
Unamortized plan amendment	(407)	-	(407)	(477)	-	(477)
Accrued benefit costs	$ (6,573)	$ (96)	$ (6,669)	$ (7,284)	$ (81)	$ (7,365)

(in thousands of dollars)

	2008		2007	
	SVEP	**PIRO**	**SVEP**	**PIRO**
For determining benefit obligations for the year ending April 30				
Discount rate	4.75%	4.75%	4.25%	4.25%
Rate of compensation increase	4.50%	4.50%	4.50%	4.50%
For determining benefit costs for the year ending April 30				
Discount rate	4.25%	4.25%	4.25%	4.25%
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%

	2008			2007		
	SVEP	**PIRO**	**Total**	**SVEP**	**PIRO**	**Total**
Components of benefit expense						
Current service costs	$ 187	$ 11	$ 198	$ 180	$ 11	$ 191
Interest costs	274	4	278	293	3	296
Amortization of net actuarial gain	(70)	-	(70)	(59)	-	(59)
	$ 391	$ 15	$ 406	$ 414	$ 14	$ 428

16. Deferred Contributions

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

	2008	2007
Research grants	$ 5,669	$ 4,887
Scholarships and bursaries	2,216	1,996
Unspent designated donations	4,401	5,158
Endowment reserve	-	1,280
Other amounts	2,176	2,950
	$ 14,462	$ 16,271

(in thousands of dollars)

17. 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 related capital asset is recorded. The change in the balance consists of the following:

	2008	**2007**
Balance - Beginning of year	$ 72,411	$ 70,233
Contributions received during the year	8,087	6,604
Loans forgiven during year	829	532
Transfer to equity	-	(750)
Amortization for the year	(4,698)	(4,208)
Balance - End of year	$ 76,629	$ 72,411

18. Forgivable Loans

	2008	**2007**
Interest free loan, from the City of Brantford, for the Old Post House renovations, forgivable over a period of five years, beginning in 2005, due May 2009	$ 230	$ 460
Interest free loan, from the City of Brantford, for the Brantford University Centre project, forgivable entirely on August 1, 2009	1,100	-
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	120	180
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	4,333	4,833
Interest free loan, from the City of Brantford, for the Wilkes House renovations, which will total $900 when fully advanced by May 1, 2009; forgivable over a period of 25 years beginning in 2009	461	263
	$ 6,244	$ 5,736

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.

(in thousands of dollars)

19. Internally Restricted Net Assets

Details of internally restricted net assets are as follows:

	2008	2007
Departmental carry forwards	$ 4,634	$ 4,960
2007/2008 operating budget	-	4,495
Capital projects	585	2,000
University stadium remediation	-	1,500
2008/2009 operating budget	6,442	1,250
Facility renewal projects	368	1,000
Library acquisitions	825	830
Program development	640	640
Operating budget stabilization reserve	581	581
Development campaign budget reserve	555	555
Cooling tower replacement	-	425
Capital levy	366	366
Bookstore capital	-	344
CFI IOF science grants	-	204
Bricker Academic Building - Faculty of Education renovations	-	200
Parking capital	123	123
Post retirement benefit reserve	100	100
Special pension appropriation	60	60
Repair reserve	50	50
Capital plan inititatives	44	44
Major capital equipment	39	39
Northdale lighting reserve	30	30
University Plan initiatives	10	10
Access to Opportunities Program	8	8
Biology microscopes	4	4
Residences	3	3
Aird Building additional renovation costs	800	-
Residence laptop program	205	-
2009/2010 operating budget	1,028	-
	$ 17,500	$ 19,821

(in thousands of dollars)

20. Net Assets - Invested in Capital Assets

Invested in capital assets consists of the following:

	2008	2007
Capital assets - net book value (see note 9)	$ 226,867	$ 219,787
Add: Sinking fund investments held to discharge long term debt	12,567	10,726
	$ 239,434	$ 230,513
Less: Amounts financed by long term debt	(107,336)	(107,280)
Deferred capital contributions (see note 17)	(76,629)	(72,411)
Internal advances	(7,269)	(8,790)
	$ 48,200	$ 42,032

21. 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:

	2008	2007
Endowments restricted externally	$ 45,796	$ 30,628
Endowments restricted internally	4,996	5,180
	$ 50,792	$ 35,808

(in thousands of dollars)

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

	2008	2007
Disposition of Earnings (Loss)		
Fund (charged to) the academic development program fund	$ (52)	$ 274
Fund (charged to) the endowed scholarship, bursaries, and other projects	(30)	1,085
Fund (charged to) the endowment balance	(4)	1,363
Fund (charged to) the endowment reserve	(510)	345
Total Earnings (Loss)	$ (596)	$ 3,067

	2008	2007
Summary of Use of Endowment Reserve		
Balance - beginning of year	$ 1,280	$ 935
Fund endowed scholarship, bursaries, and other projects	(770)	-
Fund endowment reserve	-	345
Fund loss on endowments	(510)	-
Balance - end of year	$ -	$ 1,280

The endowment stabilization reserve was used, to the extent possible, to honour the 4% spending commitment. However, many endowments did not have sufficient funding in the stabilization reserve resulting in a negative allocation to their disbursement account. These amounts may be recovered from capitalized excess earnings of the respective endowment subject to communication with the donor and the terms of the individual endowment.

(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.

		2008		2007
Schedule of Changes in Endowment Fund Balance for the year ended April 30				
Endowment balance - beginning of year	$	6,276	$	5,922
Investment income (loss) capitalized		(1)		354
Endowment balance - end of year	$	6,275	$	6,276
Schedules of Changes in Expendable Funds Available for Awards for the year ending April 30				
Expendable funds - beginning of year	$	583	$	518
Investment income, net of direct investment related expenses		(100)		248
Bursaries awarded (total number 2008: 179 2007: 208)		(183)		(203)
Endowment Stabilization Reserve Fund		-		20
Expendable funds - end of year	$	300	$	583

The market value of the endowment is $6,275 (2007 - $6,427) and expendable funds is $300 (2007- $583).

(in thousands of dollars)

Ontario Student Opportunity Trust Fund - Phase II

Schedule of Changes in Endowment Funds Balance for the year ended April 30

		2008		2007
Fund balance - beginning of year	$	2,150	$	2,038
Cash donations received		-		-
Preservation of capital		-		112
Fund balance - end of year	$	2,150	$	2,150

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

		2008		2007
Balance - beginning of year	$	164	$	156
Realized investment income, net of direct investment related expenses and preservation of capital contribution		(32)		82
Bursaries awarded (total number: 2008:56, 2007:72)		(67)		(74)
Balance - end of year	$	65	$	164

The market value of the endowment is $2,215 (2007 - $2,370) and expendable funds is $65 (2007 - $164).

23. Statement of Cash Flows

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

		2008		2007
Accounts receivable	$	(1,489)	$	(470)
Inventories		82		(401)
Prepaid expenses		268		1
Accounts payable and accrued liabilities - net of amounts related to capital assets		1,953		2,405
Accrued vacation pay		418		170
Deferred revenue		4,236		1,399
	$	5,468	$	3,104

(in thousands of dollars)

24. Additions to Capital Assets

The additions to capital assets consist of the following:

	2008	2007
Waterloo Campus		
Dr. Alvin Woods building renovations	$ 2,661	$ 7,371
Furniture and equipment	4,090	3,190
Library books	1,944	1,978
Centre for Co-operative Education & Career Development	3,530	1,963
Alumni Field	-	1,957
University Stadium remediation	4,941	641
12 Lodge Street building	-	405
Software purchases	-	275
Alumni Hall renovations	1,322	251
Aird building renovations	124	8
Land	-	5
	18,612	18,044
Brantford Campus		
Journalism House	-	413
Wilkes House	-	238
Brantford Student Centre	-	12
Brantford Academic Centre	1,213	-
Land	-	12
	1,213	675
Kitchener Campus		
Faculty of Social Work	-	1,789
	$ 19,825	$ 20,508

(in thousands of dollars)

25. 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	$ 440,534
Furniture and equipment	61,819
Library books	179,153
Total	$ 681,506

The University has artwork which is insured for $2,200.

26. Commitments and Guarantees

Costs to complete major capital projects in progress and commitments to purchase property as at April 30, 2008 are estimated to be $24,079 (2007 - $12,229) and will be financed primarily by provincial and municipal grants, borrowings, fundraising and internally restricted net assets.

Future minimum payments for the next three years under non-cancellable operating leases and other agreements at April 30, 2008 are payable as follows:

2009	$ 573
2010	198
2011	33

The University has also guaranteed debt for Wilfrid Laurier University Student Union in the amount of $3,000 as at April 30, 2008. The outstanding balance of these loans, as at April 30, 2008 was $2,277 (2007 - $2,562).

27. 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.

28. Supplemental Disclosure of Cash Flow Information

	2008	2007
Interest paid	$ 7,501	$ 7,530