

Wilfrid Laurier University
Financial Statements
April 30, 2011



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INDEPENDENT AUDITORS' REPORT

To the Board of Governors of Wilfrid Laurier University

We have audited the accompanying financial statements of Wilfrid Laurier University which comprise the financial position as at April 30, 2011, the statements of operations and changes in net assets and cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian generally accepted accounting principles, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

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 comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.



Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Wilfrid Laurier University as at April 30, 2011, and its results of 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

September 23, 2011
Waterloo, Canada

Wilfrid Laurier University

Statement of Financial Position

April 30, 2011

(in thousands of dollars)

	2011	2010
Assets		
Current assets		
Cash and short-term deposits	\$ 61,169	\$ 41,817
Accounts receivable	12,331	9,299
Sinking fund investments	-	9,976
Stocks, bonds, debentures and pooled funds	-	6,577
Inventories	3,182	2,972
Prepaid expenses	2,660	2,379
Deposit on capital assets	1,546	-
Current portion of notes receivable (note 4)	62	205
	<u>80,950</u>	<u>73,225</u>
Long-term assets		
Notes receivable less current portion (note 4)	<u>1,902</u>	<u>140</u>
Restricted assets		
Cash (note 5)	<u>8,350</u>	<u>5,350</u>
Endowments -		
Cash and short term deposits	303	9,650
Stocks, bonds, debentures and pooled funds	<u>64,518</u>	<u>45,088</u>
	<u>64,821</u>	<u>54,738</u>
Capital assets (note 6)	<u>260,012</u>	<u>245,346</u>
Sinking fund investments	<u>4,982</u>	<u>4,549</u>
Total assets	<u>\$ 421,017</u>	<u>\$ 383,348</u>

Wilfrid Laurier University
Statement of Financial Position (continued)
April 30, 2011

(in thousands of dollars)

	2011	2010
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities	\$ 27,220	\$ 23,392
Accrued vacation pay	3,693	3,576
Deferred revenue	14,499	13,652
Current portion of mortgages (note 8)	175	10,172
Current portion of term bank loan (note 9)	78	74
	<u>45,665</u>	<u>50,866</u>
Long-term liabilities		
Debenture (note 7)	109,457	109,405
Mortgages (note 8)	624	799
Term bank loan (note 9)	606	677
Retirement incentive plans (note 10)	3,075	4,340
Pension plans (note 11)	7,955	6,026
Post retirement benefits (note 11)	47,665	43,249
	<u>169,382</u>	<u>164,496</u>
Deferred contributions - operations (note 12)	<u>24,336</u>	<u>18,940</u>
Deferred contributions - capital (note 13)	<u>100,289</u>	<u>88,520</u>
Forgivable loans (note 14)	<u>4,677</u>	<u>5,216</u>
Total liabilities	<u>\$ 344,349</u>	<u>\$ 328,038</u>
Net assets		
Unrestricted	\$ (87,841)	\$ (84,978)
Internally restricted (note 15)	41,510	30,979
Invested in capital assets (note 16)	58,178	54,571
Endowments (note 17 & 18)	64,821	54,738
	<u>76,668</u>	<u>55,310</u>
Total liabilities and net assets	<u>\$ 421,017</u>	<u>\$ 383,348</u>
Signed on behalf of the Board of Governors		

Wilfrid Laurier University

Statement of Changes in Net Assets

April 30, 2011

(in thousands of dollars)

	Unrestricted	Internally Restricted	Invested in Capital Assets	Restricted for Endowment	2011	2010
Balance - beginning of year (as previously stated)	\$ (84,978)	\$ 30,979	\$ 54,571	\$ 54,738	\$ 55,310	\$ 35,666
Change in accounting policy (note 3)	-	-	-	-	-	1,081
As restated	(84,978)	30,979	54,571	54,738	55,310	36,747
Excess of revenue over expenses	19,527	-	(8,252)	-	11,275	9,288
Internally imposed restrictions	(10,531)	10,531	-	-	-	-
Net endowment contributions	-	-	-	9,145	9,145	5,131
Endowment earnings capitalized	-	-	-	938	938	4,144
Invested in capital assets	(11,859)	-	11,859	-	-	-
Balance - end of year	\$ (87,841)	\$ 41,510	\$ 58,178	\$ 64,821	\$ 76,668	\$ 55,310

Wilfrid Laurier University

Statement of Operations

April 30, 2011

(in thousands of dollars)

	2011	2010
Revenue		
Government grants	\$ 107,229	\$ 101,746
Student fees	124,620	112,689
Grants, contracts, and donations	3,734	2,043
Sales and service	21,847	20,534
Amortization of deferred contributions - capital	5,419	4,946
Investment returns	4,054	4,220
Other revenues	9,345	7,066
	<u>276,248</u>	<u>253,244</u>
Expenses		
Salaries	126,901	121,351
Benefits	40,445	32,326
Operating costs	34,411	31,542
Amortization of capital assets	13,671	13,552
Cost of goods sold	15,448	15,694
Taxes, utilities, and rent	11,417	9,233
Scholarships and bursaries	15,795	12,815
Interest	6,885	7,443
	<u>264,973</u>	<u>243,956</u>
Excess of revenue over expenses	<u>\$ 11,275</u>	<u>\$ 9,288</u>

Wilfrid Laurier University

Statement of Cash Flows

April 30, 2011

(in thousands of dollars)

	2011	2010
Cash provided by (used in) operating activities		
Excess of revenue over expenses	\$ 11,275	\$ 9,288
Changes to earnings not involving cash		
Amortization of deferred contributions - capital	(5,419)	(4,946)
Amortization of capital assets	13,671	13,552
Increase in deferred contributions - operations	5,396	4,646
Increase in deferred pension cost	1,929	3,947
Decrease in retirement incentive plans	(1,265)	(1,371)
Increase in post retirement benefits	4,416	2,701
Non cash interest expense	52	49
Net change in non-cash working capital (note 19)	1,269	173
	<u>31,324</u>	<u>28,039</u>
Financing activities		
Decrease in term bank loans - net	(67)	(77)
Decrease in other loans	-	(23)
Decrease in forgivable loans	-	200
Decrease (increase) in sinking fund investment	9,543	(797)
Decrease in mortgages - net	(10,172)	(164)
	<u>(696)</u>	<u>(861)</u>
Investing activities		
Increase in restricted endowment investments	(10,083)	(5,131)
(Decrease) increase in notes receivable	(1,619)	198
Increase in deposits on capital assets	(1,546)	-
Purchase of capital assets (note 20)	(28,337)	(32,282)
Endowments received	10,083	5,131
Increase in restricted cash	(3,000)	(2,250)
Decrease in stocks, bonds and debentures	6,577	875
Deferred contributions - capital received	16,649	16,573
	<u>(11,276)</u>	<u>(16,886)</u>
Increase in net cash position	19,352	10,292
Net cash position - beginning of year	<u>41,817</u>	<u>31,525</u>
Net cash position - end of year	<u>\$ 61,169</u>	<u>\$ 41,817</u>

Wilfrid Laurier University

Notes to Financial Statements

April 30, 2011

(in thousands of dollars)

1. Description

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

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

2. Accounting policies

Valuation of inventories

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

Capital assets

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

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

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

Valuation of stocks, bonds, debentures and pooled funds

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

Art collection

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

Revenue recognition

The University follows the deferral method of accounting for contributions, which include donations and government grants. Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured. Unrestricted

Wilfrid Laurier University

Notes to Financial Statements

April 30, 2011

(in thousands of dollars)

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

Contributions restricted to the acquisition of capital assets having a limited life are initially recorded as deferred contributions - capital in the period in which they are received. They are recognized as revenue over the useful life of the related assets. Endowment contributions are recognized as direct increases in net assets in the period in which they are received.

Student fees are recognized as revenue when courses and seminars are held. Sales and services revenue is recognized at the point of sale or when the service has been provided.

Pensions

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

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

Retirement incentive plans and post retirement benefits

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

Financial instruments

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

Wilfrid Laurier University

Notes to Financial Statements

April 30, 2011

(in thousands of dollars)

Future accounting framework changes

On December 15, 2009, Canada's Accounting Standards Board (AcSB) issued new accounting standards for private enterprises. Previously, the AcSB had announced that International Financial Reporting Standards will be required for Canada's publicly accountable enterprises and would be optional for private enterprises.

The AcSB and the Public Sector Accounting Board have issued new accounting standards for private not-for-profit organizations and Government not-for-profit organizations, respectively. The University needs to make an assessment whether it is a Government NPO or other NPO.

The University has not yet determined which standards it will adopt. Until a determination is made, the impact of the adoption of the new standards is not known. Management is currently evaluating the potential impact of adoption of these new frameworks for the year ending April 30, 2013.

3. Change in accounting policy

In previous fiscal years, the University recorded the funding of internal research grants as expenses with the unspent balance of any grants awarded recorded as deferred contributions at the end of the fiscal period. The policy has been revised such that only the expenditures made from any internally funded research grants are recorded as expenses with any unspent balance of the grant recorded as an internally restricted net asset. As a result of this change, the opening net assets, as at May 1, 2009 have been increased by \$1,081.

4. Notes Receivable

	2011	2010
Wilfrid Laurier University Students' Union		
5% note, repayable by quarterly payments of \$55 including principal and interest, due November 1, 2011; forgiven during the 2010-2011 fiscal year	\$ -	\$ 345
Wilfrid Laurier University Students' Union		
4.89% note, repayable by monthly payments of \$13 including principal and interest, due September 1, 2015	1,964	-
	1,964	345
Less: Principal due within one year	(62)	(205)
	<u>\$ 1,902</u>	<u>\$ 140</u>

5. Restricted cash

The Board of Governors has internally restricted \$8,350 (2010 - \$5,350) of cash to be put towards an investment fund for the funding of the post retirement benefits.

Wilfrid Laurier University

Notes to Financial Statements

April 30, 2011

(in thousands of dollars)

6. Capital Assets

	2011			2010		
	Cost	Accumulated Amortization	Net	Cost	Accumulated Amortization	Net
	\$	\$	\$	\$	\$	\$
Land and land improvements	15,616	-	15,616	14,382	-	14,382
Buildings	286,695	80,540	206,155	265,259	73,998	191,261
Furniture and equipment	75,533	60,777	14,756	71,974	55,856	16,118
Library books	33,141	27,398	5,743	30,562	25,302	5,260
Construction in progress	17,742	-	17,742	18,325	-	18,325
	<u>428,727</u>	<u>168,715</u>	<u>260,012</u>	<u>400,502</u>	<u>155,156</u>	<u>245,346</u>

There was no interest capitalized during the 2011 or 2010 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.

7. Debenture Payable

	2011	2010
Debenture payable, bearing interest at 5.429% payable semi-annually, due February 1, 2045	\$ 115,000	\$ 115,000
Less: Deferred charges	<u>(5,543)</u>	<u>(5,595)</u>
	<u>\$ 109,457</u>	<u>\$ 109,405</u>

The approximate fair market value of the debenture is \$119,180 (2010 - \$111,997)

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. Payments into the sinking fund were suspended for a three year period but are scheduled to commence again in the 2013/2014 fiscal year. Sinking fund investments held to discharge the debenture payable are \$4,982 as at April 30, 2011.

Wilfrid Laurier University

Notes to Financial Statements

April 30, 2011

(in thousands of dollars)

8. Mortgages Payable

	Rate	Due Date	2011 \$	2010 \$
Bricker Street Residence	11.04%	November 1, 2010	-	10,000
Conrad Hall, A & B Wings	5.38%	January 1, 2012	17	40
Dining Hall, MacDonald House	5.13%	March 1, 2013	72	105
Willison Hall, Conrad Hall, C Wing	5.13%	July 1, 2013	97	137
Conrad Hall D Wing, Little House, Euler Residence, Leupold Residence, Dining Hall	5.38%	July 1, 2017	<u>613</u>	<u>689</u>
			799	10,971
Less: Principal payable within one year			<u>(175)</u>	<u>(10,172)</u>
			<u>624</u>	<u>799</u>

The approximate fair market value of the mortgages is \$804 (2010 - \$11,564)

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

	\$
Year ending April 30,	
2012	175
2013	167
2014	101
2015	95
2016	100
Thereafter	<u>161</u>
	<u>799</u>

9. Term Bank Loan

	2011 \$	2010 \$
Bank loan, bearing interest at 4.79%, repayable in blended payments of \$7, due September 30, 2013	684	751
Less: Principal payable within one year	<u>(78)</u>	<u>(74)</u>
	<u>606</u>	<u>677</u>

The approximate fair market value of the term bank loan is \$700 (2010- \$773)

Wilfrid Laurier University

Notes to Financial Statements

April 30, 2011

(in thousands of dollars)

10. Retirement Incentive Plans

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

	2011			2010		
	SVEP	PIRO	Total	SVEP	PIRO	Total
Change in benefit obligation						
Benefit obligation, beginning of year	\$ 6,916	\$ 525	\$ 7,441	\$ 5,774	\$ 391	\$ 6,165
Benefits paid	(1,878)	(116)	(1,994)	(1,667)	(115)	(1,782)
Current service costs	168	16	184	112	14	126
Interest costs	276	22	298	278	19	297
Actuarial loss (gain)	1,259	(56)	1,203	2,419	216	2,635
Benefit obligation, end of year	\$ 6,741	\$ 391	\$ 7,132	\$ 6,916	\$ 525	\$ 7,441
Change in plan assets						
Plan assets, beginning of year						
Employer contributions	\$ 1,878	\$ 116	\$ 1,994	\$ 1,667	\$ 115	\$ 1,782
Benefits paid	(1,878)	(116)	(1,994)	(1,667)	(115)	(1,782)
Actual return on plan assets	-	-	-	-	-	-
Plan assets, end of year	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Funded status	\$ (6,741)	\$ (391)	\$ (7,132)	\$ (6,916)	\$ (525)	\$ (7,441)
Unamortized net actuarial loss	3,928	250	4,178	2,890	433	3,323
Unamortized plan amendment	(121)	-	(121)	(222)	-	(222)
Accrued benefit costs	\$ (2,934)	\$ (141)	\$ (3,075)	\$ (4,248)	\$ (92)	\$ (4,340)

Wilfrid Laurier University

Notes to Financial Statements

April 30, 2011

(in thousands of dollars)

10. Retirement Incentive Plans (cont'd)

	2011		2010	
	SVEP	PIRO	SVEP	PIRO
For determining benefit obligations for the year ending April 30				
Discount rate	3.75%	3.75%	4.50%	4.50%
Rate of compensation increase	4.50%	4.50%	4.50%	4.50%
For determining benefit costs for the year ending April 30				
Discount rate	4.50%	4.50%	5.50%	5.50%
Rate of compensation increase	4.50%	4.50%	4.50%	4.50%
Expected return on plan assets	6.75%	6.75%	7.00%	7.00%

	2011			2010		
	SVEP	PIRO	Total	SVEP	PIRO	Total
Components of benefit expense						
Current service costs	\$ 168	\$ 16	\$ 184	\$ 111	\$ 14	\$ 125
Interest costs	276	22	298	278	19	297
Negative Plan Amendment	(101)	-	(101)	(101)	-	(101)
Amortization of net actuarial loss (gain)	220	127	347	-	89	89
	<u>\$ 563</u>	<u>\$ 165</u>	<u>\$ 728</u>	<u>\$ 288</u>	<u>\$ 122</u>	<u>\$ 410</u>

Wilfrid Laurier University

Notes to Financial Statements

April 30, 2011

(in thousands of dollars)

11. Pension Plans 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.

	2011			2010		
	Pension	Retirement Benefits	Total	Pension	Retirement Benefits	Total
Change in benefit obligation						
Benefit obligation, beginning of year	\$ 354,811	\$ 50,372	\$ 405,183	\$ 255,347	\$ 33,120	\$ 288,467
Employee contributions	8,162	-	8,162	7,651	-	7,651
Benefits paid	(18,270)	(1,092)	(19,362)	(13,377)	(986)	(14,363)
Current service costs	13,014	2,351	15,365	9,405	1,249	10,654
Interest Costs	21,094	3,000	24,094	20,592	2,625	23,217
Actuarial loss (gain)	12,860	2,447	15,307	75,193	14,364	89,557
Benefit obligation, end of year	\$ 391,671	\$ 57,078	\$ 448,749	\$ 354,811	\$ 50,372	\$ 405,183
Change in plan assets						
Plan assets, beginning of year	\$ 277,332	\$ -	\$ 277,332	\$ 228,026	\$ -	\$ 228,026
Employee contributions	8,162	-	8,162	7,650	-	7,650
Employer contributions	15,837	1,092	16,929	9,935	986	10,921
Benefits paid	(18,270)	(1,092)	(19,362)	(13,377)	(986)	(14,363)
Return on plan assets	26,510	-	26,510	45,098	-	45,098
Plan assets, end of year	\$ 309,571	\$ -	\$ 309,571	\$ 277,332	\$ -	\$ 277,332
Funded status	\$ (82,100)	\$ (57,078)	\$ (139,178)	\$ (77,479)	\$ (50,372)	\$ (127,851)
Unamortized net actuarial loss (gain)	74,145	9,238	83,383	71,453	6,890	78,343
Unamortized past service costs	-	175	175	-	233	233
Prepaid (accrued) benefit costs	\$ (7,955)	\$ (47,665)	\$ (55,620)	\$ (6,026)	\$ (43,249)	\$ (49,275)

The date used to measure the plan assets and accrued benefit obligation is April 30, 2011.

For measurement purposes, a 9% increase in the per capita cost of health care costs are assumed for 2010/2011, with the rate of the annual increase decreasing by 0.5% per annum until the annual rate of increase reaches an ultimate rate of 5% in 2018/2019. In addition, a 4% annual increase in the cost of dental care was assumed.

Wilfrid Laurier University

Notes to Financial Statements

April 30, 2011

(in thousands of dollars)

11. Pension Plans and Post Retirement Benefits (cont'd)

	2011		2010	
	Pension	Retirement Benefits	Pension	Retirement Benefits
For determining accrued benefit obligations as at April 30				
Discount rate	5.50%	5.50%	5.75%	5.75%
Rate of compensation increase	4.50%	n/a	4.50%	n/a
For determining benefit costs for the year ended April 30				
Discount rate	5.75%	5.75%	7.75%	7.75%
Rate of compensation increase	4.50%	n/a	4.50%	n/a
Expected return on plan assets	6.75%	n/a	7.00%	n/a

	2011			2010		
	Pension	Retirement Benefits	Total	Pension	Retirement Benefits	Total
Components of benefit expense						
Current service costs	\$ 13,014	\$ 2,351	\$ 15,365	\$ 9,405	\$ 1,249	\$ 10,654
Interest costs	21,094	3,000	24,094	20,593	2,625	23,218
Expected return on plan assets	(18,913)	-	(18,913)	(16,109)	-	(16,109)
Amortization of net actuarial loss	2,569	99	2,668	12	(245)	(233)
Amortization of past service costs	3	58	61	(19)	58	39
Benefit expense	\$ 17,767	\$ 5,508	\$ 23,275	\$ 13,882	\$ 3,687	\$ 17,569

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

Percentage of plan assets at April 30	2011	2010
Equity securities	59.08%	60.00%
Debt securities	30.35%	39.49%
Cash and short term investments	10.57%	0.51%
Balance - end of year	100.00%	100.00%

Wilfrid Laurier University

Notes to Financial Statements

April 30, 2011

(in thousands of dollars)

12. Deferred Contributions - Operations

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

	2011	2010
Research grants	\$ 7,333	\$ 5,974
Scholarships and bursaries	5,293	3,893
Unspent designated donations	7,882	6,970
Other amounts	<u>3,828</u>	<u>2,103</u>
	<u>\$ 24,336</u>	<u>\$ 18,940</u>

13. Deferred Contributions - Capital

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

	2011	2010
Balance - beginning of year	\$ 88,520	\$ 76,294
Contributions received during the year	16,649	16,573
Loans forgiven during the year	539	599
Amortization for the year	<u>(5,419)</u>	<u>(4,946)</u>
Balance - end of year	<u>\$ 100,289</u>	<u>\$ 88,520</u>

Wilfrid Laurier University

Notes to Financial Statements

April 30, 2011

(in thousands of dollars)

14. Forgivable Loans

	2011	2010
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	2,833	3,333
Interest free loan, from the City of Brantford, for the construction of the Brantford University Centre	1,100	1,100
Interest free loan, from the City of Brantford, for the Wilkes House renovations, which will total \$975 when fully advanced by May 1, 2009: forgivable over a period of 25 years beginning in 2009	<u>744</u>	<u>783</u>
	<u>\$ 4,677</u>	<u>\$ 5,216</u>

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

Wilfrid Laurier University

Notes to Financial Statements

April 30, 2011

(in thousands of dollars)

15. Internally Restricted Net Assets

Details of internally restricted net assets are as follows:

	2011	2010
Departments carry forwards	\$ 7,187	\$ 4,756
2011/2012 operating budget	4,993	4,993
Development campaign budget reserve	3,626	364
Central expense reserves	2,510	-
Land banking	2,312	1,000
Future operating budgets	2,345	-
Information technology renewal project	1,745	2,599
Special pension appropriation	1,372	60
Balsillie endowment commitments	1,230	980
Internally funded research	1,148	1,081
CPAM advertising campaign	1,000	-
Leasehold Improvements and moving - 255 King Street	950	-
Congress of Humanities and Social Sciences	948	663
2012/2013 operating budget	889	889
Program development	640	640
Emergency broadcast system	600	600
Capital projects	585	585
Operating budget stabilization reserve	581	581
Faculty professional expenses and travel reserve	565	456
Capital renovations related to CFI projects	513	513
Furniture and moving 202 Regina and 232 King Street	500	-
Bookstore improvements	450	450
Innovation fund	445	380
Centennial celebration	405	1,454
Development office new initiatives	388	-
Facility renewal projects	368	368
Capital levy	366	366
Parking capital	319	259
Residences	269	438
Safety and AODA capital projects	250	250
Legal contingency	250	-
Endowment awards	240	240
Centennial Scholarships	236	-
Enrolment management	200	200
MDRC research project contribution	200	200
Comprehensive payment - gateway and PCI audit	200	-
Library acquisitions	128	126
Post retirement benefit reserve	100	100
Accessibility audit	75	-
Repair reserve	50	50
Toronto office incidentals	50	50
Activity based budgeting - design and implementation	50	50
Capital plan initiatives	44	44
Major capital equipment	39	39
Residence laptop program	33	33
Northdale lighting reserve	30	30
Security cameras	25	25
Visual identity and brand awareness	24	50
RFP for Global Innovation Exchange	14	150
University Plan initiatives	10	10
Access to Opportunities Program	8	8
Biology microscopes	4	4
Space audit	1	1
2010/2011 operating budget	-	4,779
CPAM graphic design and support	-	65
	<u>\$ 41,510</u>	<u>\$ 30,979</u>

Wilfrid Laurier University

Notes to Financial Statements

April 30, 2011

(in thousands of dollars)

16. Invested in Capital Assets

	2011	2010
Capital assets - net book value (see note 6)	\$ 260,012	\$ 245,346
Add: Sinking fund investments held to discharge long term debt	4,982	14,525
	264,994	259,871
Less: Amounts financed by long term debt	(94,782)	(105,560)
Deferred contributions - capital (see note 13)	(100,289)	(88,520)
Internal advances	(11,745)	(11,220)
	\$ 58,178	\$ 54,571

17. Endowments

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

The details of the endowments are as follows:

	2011	2010
Endowments restricted externally	\$ 59,651	\$ 50,112
Endowments restricted internally	5,170	4,626
	\$ 64,821	\$ 54,738

Wilfrid Laurier University

Notes to Financial Statements

April 30, 2011

(in thousands of dollars)

18. Ontario Student Opportunity Trust Fund

Phase I

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

	2011	2010
Schedule of Changes in Endowment Fund Balance for the year ended April 30		
Endowment balance - beginning of year	\$ 5,583	\$ 5,004
Investment loss capitalized	<u>150</u>	<u>579</u>
Endowment balance - end of year	<u>\$ 5,733</u>	<u>\$ 5,583</u>

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

Expendable funds - beginning of year	\$ 547	\$ 86
Investment income, net of direct investment related expenses	235	201
Special Board Appropriation	-	126
Endowment Stabilization Reserve Fund	32	251
Bursaries awarded (total number 2011 -167, 2010 - 134)	<u>(189)</u>	<u>(117)</u>
Expendable funds - end of year	<u>\$ 625</u>	<u>\$ 547</u>

The market value of the endowment is \$5,733 (2010 - \$5,583) and expendable funds is \$625 (2010 - \$547).

Wilfrid Laurier University

Notes to Financial Statements

April 30, 2011

(in thousands of dollars)

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

Phase II

	2011	2010
Schedule of Changes in Endowment Funds Balance for the year ended April 30		
Fund balance - beginning of year	\$ 1,890	\$ 1,714
Investment income	-	176
Capital preservation	89	-
Fund balance - end of year	<u>\$ 1,979</u>	<u>\$ 1,890</u>

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

	2011	2010
Balance - beginning of year	\$ 173	\$ 16
Special Board Allocation	-	34
Realized investment income, net of direct investment-related expenses and preservation of capital contributions	76	84
Endowment stabilization reserve fund	94	71
Bursaries awarded (total number: 2011 - 50, 2010 - 33)	<u>(61)</u>	<u>(32)</u>
Balance - end of year	<u>\$ 282</u>	<u>\$ 173</u>

19. Statement of Cash Flows

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

	2011	2010
Accounts receivable	\$ (3,032)	\$ (597)
Inventories	(210)	(674)
Prepaid expenses	(281)	(206)
Accounts payable and accrued liabilities	3,828	3,654
Accrued vacation pay	117	(37)
Deferred revenue	<u>847</u>	<u>(1,967)</u>
	<u>\$ 1,269</u>	<u>\$ 173</u>

Wilfrid Laurier University

Notes to Financial Statements

April 30, 2011

(in thousands of dollars)

20. Additions to Capital Assets

	2011 \$	2010 \$
<u>Waterloo Campus</u>		
Furniture and Equipment	3,175	4,446
Library Books	2,579	2,095
Milton Campus Project	-	45
Aird Building Renovations	-	914
Athletic Complex, Pool Renovations	387	3,923
Houses	520	185
WLUSU Terrace Food Court	1,459	-
HUB Equipment	377	-
Landscaping Improvements	-	1,610
Northdale Parking Expansion	16	-
Land	254	100
	<u>8,767</u>	<u>13,318</u>
<u>Brantford Campus</u>		
Research and Academic Centre	15,825	9,980
48 Market Street Building Renovation	635	3,976
YMCA/Laurier Athletic Centre	256	10
97 Dalhousie St (formerly Moodys)	652	491
Lucy Marco Place Building	-	3,981
76 Colburne St (Lawyers Hall)	1,141	-
Furniture and Equipment	81	-
Land	980	526
	<u>19,570</u>	<u>18,964</u>
	<u>28,337</u>	<u>32,282</u>

Wilfrid Laurier University

Notes to Financial Statements

April 30, 2011

(in thousands of dollars)

21. Insurance

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

The University insures its capital assets for the following amounts:

Buildings	\$ 527,856
Furniture and equipment	70,579
Library books	<u>118,656</u>
Total	<u>\$ 717,091</u>

The University has artwork which is insured for \$2,350.

22. Commitments and Guarantees

Future minimum payments for the next five years under non-cancellable operating leases and other agreements at April 30, 2011 are payable as follows:

2012	\$ 473
2013	187
2014	134
2015	37
2016	<u>19</u>
	<u>\$ 850</u>

The University has also guaranteed debt for the Wilfrid Laurier University Students' Union in the amount of \$ 1,494 as at April 30, 2011 (2010 - \$1,665)

Wilfrid Laurier University

Notes to Financial Statements

April 30, 2011

(in thousands of dollars)

23. Contingency

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

24. Capital Management

In managing capital, the University focuses on maintaining sufficient liquidity. The objective is to have sufficient liquid resources to continue operating even if adverse financial events were to occur and to provide it with the flexibility to take advantage of opportunities that will advance its mission. The need for sufficient liquidity is considered in the preparation of its annual operating, ancillary and capital budgets. The University maintains a line of credit of \$50 million which is available, if needed. The line of credit was not used in 2011. In addition, the University can, subject to the approval of the Board of Governors, issue unsecured debentures or long term debt to assist in the financing of capital projects.

25. Supplemental Disclosure of Cash Flow Information

	2011	2010
Interest paid	\$ 6,885	\$ 7,443

26. Comparative figures

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