

Wilfrid Laurier University
Financial Statements
April 30, 2009



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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, 2009 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, 2009 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 24, 2009

Wilfrid Laurier University

Statement of Financial Position

April 30, 2009

(in thousands of dollars)

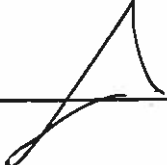
	2009	2008
Assets		
Current assets		
Cash and short-term deposits	\$ 31,525	\$ 29,754
Accounts receivable	9,251	8,458
Stocks, bonds, debentures and pooled funds	7,452	8,633
Inventories	2,298	2,289
Prepaid expenses	2,173	2,010
Current portion of notes receivable (note 5)	210	193
	<u>52,909</u>	<u>51,337</u>
Long-term assets		
Notes receivable less current portion (note 5)	333	538
Deferred pension costs (note 6)	-	756
	<u>333</u>	<u>1,294</u>
Restricted assets		
Cash (note 4)	3,100	1,600
Endowments -		
Cash and short term deposits	10,086	12,189
Stocks, bonds, debentures and pooled funds	35,377	38,603
	<u>45,463</u>	<u>50,792</u>
Capital assets (note 7)	226,616	226,867
Sinking fund investments	<u>13,728</u>	<u>12,567</u>
Total assets	<u>\$ 342,149</u>	<u>\$ 344,457</u>

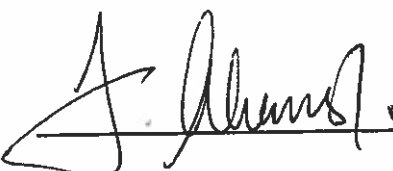
Wilfrid Laurier University
Statement of Financial Position (continued)
April 30, 2009

(in thousands of dollars)

	2009	2008
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities	\$ 20,287	\$ 18,292
Accrued vacation pay	3,613	3,608
Deferred revenue	15,619	16,037
Current portion of mortgages (note 9)	164	155
Current portion of term bank loans (note 10)	45	890
Current portion of other loans (note 11)	23	267
	<u>39,751</u>	<u>39,249</u>
Long-term liabilities		
Debenture (note 8)	109,356	109,309
Mortgages (note 9)	10,971	11,135
Term bank loans (note 10)	783	-
Other loans (note 11)	-	23
Retirement incentive plans (note 12)	5,711	6,669
Pension plans (note 6)	2,079	-
Post retirement benefits (note 6)	40,548	37,255
	<u>169,448</u>	<u>164,391</u>
Deferred contributions - operations (note 13)	15,375	14,462
Deferred contributions - capital (note 14)	76,294	76,629
Forgivable loans (note 15)	<u>5,615</u>	<u>6,244</u>
Total liabilities	<u>\$ 306,483</u>	<u>\$ 300,975</u>
Net assets		
Unrestricted	\$ (75,427)	\$ (73,010)
Internally restricted (note 16)	18,693	17,500
Invested in capital assets (note 17)	46,937	48,200
Endowments (note 18)	45,463	50,792
	<u>35,666</u>	<u>43,482</u>
Total liabilities and net assets	<u>\$ 342,149</u>	<u>\$ 344,457</u>

Signed on behalf of the Board of Governors





Wilfrid Laurier University

Statement of Operations

April 30, 2009

(in thousands of dollars)

	2009	2008
Revenue		
Government grants	\$ 101,193	\$ 87,509
Student fees	101,266	93,863
Grants, contracts, and donations	3,779	4,395
Sales and service	20,017	18,353
Amortization of deferred contributions - capital	4,786	4,698
Investment returns	329	1,227
Other revenues	6,620	6,050
	<u>237,990</u>	<u>216,095</u>
Expenses		
Salaries	116,692	109,428
Benefits	28,515	24,598
Operating costs	38,792	31,868
Amortization of capital assets	13,334	12,745
Cost of goods sold	15,835	15,064
Taxes, utilities, and rent	6,977	6,538
Scholarships and bursaries	12,811	10,451
Interest	7,521	7,650
	<u>240,477</u>	<u>218,342</u>
Excess of expenses over revenue	<u>\$ (2,487)</u>	<u>\$ (2,247)</u>

Wilfrid Laurier University

Statement of Changes in Net Assets

April 30, 2009

(in thousands of dollars)

	Unrestricted	Internally Restricted	Invested in Capital Assets	Restricted for Endowment	2009	2008
Balance - beginning of year	\$ (73,010)	\$ 17,500	\$ 48,200	\$ 50,792	\$ 43,482	\$ 29,779
Change in accounting policy (note 2)	-	-	-	-	-	1,167
	(73,010)	17,500	48,200	50,792	43,482	30,946
Excess of expenses over revenue	6,061		(8,548)		(2,487)	(2,247)
Internally imposed restrictions	(1,193)	1,193	-	-	-	-
Net endowment contributions	-	-	-	2,256	2,256	14,783
Endowment earnings (loss) capitalized	-	-	-	(7,585)	(7,585)	-
Invested in capital assets	(7,285)	-	7,285	-	-	-
Balance - end of year	\$ (75,427)	\$ 18,693	\$ 46,937	\$ 45,463	\$ 35,666	\$ 43,482

Wilfrid Laurier University

Statement of Cash Flows

April 30, 2009

(in thousands of dollars)

	2009	2008
Cash provided by (used in) operating activities		
Excess of expenses over revenue	\$ (2,487)	\$ (2,247)
Changes to earnings not involving cash		
Amortization of deferred contributions - capital	(4,786)	(4,698)
Amortization of capital assets	13,334	12,745
Increase in deferred contributions - operations	913	(1,809)
Decrease (increase) in deferred pension cost	2,835	(196)
Decrease in retirement incentive plans	(958)	(696)
Increase in post retirement benefits	3,293	2,848
Non cash interest expense	47	45
Net change in non-cash working capital (note 20)	<u>609</u>	<u>5,468</u>
	<u>12,800</u>	<u>11,460</u>
Financing activities		
Decrease in term bank loans - net	(62)	(62)
Decrease in other loans	(267)	(242)
Increase (decrease) in forgivable loans	(629)	1,337
Decrease in mortgages - net	<u>(155)</u>	<u>(148)</u>
	<u>(1,113)</u>	<u>885</u>
Investing activities		
Endowments received	2,256	14,783
Decrease in notes receivable	188	176
Purchase of capital assets (note 21)	(13,083)	(19,825)
Increase (decrease) in accounts payable related to capital assets	8	(2,127)
Increase in sinking fund investment	(1,161)	(1,631)
Increase in restricted endowment investments	(2,256)	(14,967)
Increase in restricted cash	(1,500)	(750)
Decrease (increase) in stocks, bonds and debentures	1,181	(5,432)
Deferred contributions - capital received	<u>4,451</u>	<u>8,087</u>
	<u>(9,916)</u>	<u>(21,686)</u>
Increase (decrease) in net cash position	1,771	(9,341)
Net cash position - beginning of year	<u>29,754</u>	<u>39,095</u>
Net cash position - end of year	<u>\$ 31,525</u>	<u>\$ 29,754</u>

Wilfrid Laurier University

Notes to Financial Statements

April 30, 2009

(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. Change in Accounting Policy

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 the change in fair value recorded in the statement of operations. Financial assets classified as held-to-maturity or loans and receivable 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 the 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
- Accounts payable and accrued liabilities are classified as other liabilities
- Mortgages 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, 2008 was an increase of \$1,167.

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 bring 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 were classified as a reduction in debenture.

Wilfrid Laurier University

Notes to Financial Statements

April 30, 2009

(in thousands of dollars)

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, 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 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.

Wilfrid Laurier University

Notes to Financial Statements

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(in thousands of dollars)

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

At April 30, 2009 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 loans, and other loans approximate fair market value.

Wilfrid Laurier University

Notes to Financial Statements

April 30, 2009

(in thousands of dollars)

4. Restricted cash

The Board of Governors has internally restricted \$3,100 (2008 - \$1,600) of cash to be put towards an investment fund for the funding of the post retirement benefits.

5. Notes Receivable

	2009	2008
Wilfrid Laurier University Students' Union		
5% note, repayable by quarterly payments of \$55 including principal and interest, due November 1, 2011	\$ 524	\$ 697
Wilfrid Laurier University Graduate Students Association		
6% note, repayable by quarterly payments of \$4 minimum, including principal and interest	<u>19</u>	<u>34</u>
	\$ 543	\$ 731
Less: Principal due within one year	<u>(210)</u>	<u>(193)</u>
	<u>\$ 333</u>	<u>\$ 538</u>

Wilfrid Laurier University

Notes to Financial Statements

April 30, 2009

(in thousands of dollars)

6. 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.

	2009			2008		
	Pension	Retirement Benefits	Total	Pension	Retirement Benefits	Total
Change in benefit obligation						
Benefit obligation, beginning of year	\$ 319,285	\$ 34,626	\$ 353,911	\$ 308,987	\$ 34,926	\$ 343,913
Employee contributions	7,192	-	\$ 7,192	7,238	-	\$ 7,238
Benefits paid	(15,473)	(931)	\$ (16,404)	(14,756)	(1,373)	\$ (16,129)
Current service costs	10,681	1,997	\$ 12,678	10,486	2,248	\$ 12,734
Interest Costs	19,765	2,169	\$ 21,934	16,765	1,916	\$ 18,681
Actuarial loss (gain)	(86,103)	(4,741)	\$ (90,844)	(9,435)	(3,091)	\$ (12,526)
Benefit obligation, end of year	<u>\$ 255,347</u>	<u>\$ 33,120</u>	<u>\$ 288,467</u>	<u>\$ 319,285</u>	<u>\$ 34,626</u>	<u>\$ 353,911</u>
Change in plan assets						
Plan assets, beginning of year	\$ 275,950	\$ -	\$ 275,950	\$ 275,243	\$ -	\$ 275,243
Employee contributions	7,192	-	\$ 7,192	7,237	-	\$ 7,237
Employer contributions	9,286	931	\$ 10,217	8,287	1,373	\$ 9,660
Benefits paid	(15,473)	(931)	\$ (16,404)	(14,599)	(1,373)	\$ (15,972)
Return on plan assets	(48,929)	-	\$ (48,929)	(218)	-	\$ (218)
Plan assets, end of year	<u>\$ 228,026</u>	<u>\$ -</u>	<u>\$ 228,026</u>	<u>\$ 275,950</u>	<u>\$ -</u>	<u>\$ 275,950</u>
Funded status	\$ (27,321)	\$ (33,120)	\$ (60,441)	\$ (43,335)	\$ (34,626)	\$ (77,961)
Unamortized net actuarial loss (gain)	25,242	(7,718)	17,524	44,091	(2,977)	41,114
Unamortized past service costs	-	290	290	-	348	348
Prepaid (accrued) benefit costs	<u>\$ (2,079)</u>	<u>\$ (40,548)</u>	<u>\$ (42,627)</u>	<u>\$ 756</u>	<u>\$ (37,255)</u>	<u>\$ (36,499)</u>

The date used to measure the plan assets and accrued benefit obligation is April 30, 2009.

For measurement purposes, a 10% increase in the per capita cost of health care costs are assumed for 2008/2009, with the rate of annual increase decreasing by 0.5% 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.

Wilfrid Laurier University

Notes to Financial Statements

April 30, 2009

(in thousands of dollars)

6. Deferred Pension Cost and Post Retirement Benefits (cont'd)

	2009		2008	
	Pension	Retirement Benefits	Pension	Retirement Benefits
For determining accrued benefit obligations as at April 30				
Discount rate	7.75%	6.00%	6.00%	5.25%
Rate of compensation increase	4.50%	n/a	4.50%	n/a
For determining benefit costs for the year ended April 30				
Discount rate	6.00%	6.00%	5.25%	5.25%
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

Components of benefit expense

Current service costs	\$ 10,681	\$ 1,997	\$ 12,678	\$ 10,486	\$ 2,248	\$ 12,734
Interest costs	19,765	2,169	21,934	16,765	1,916	18,681
Expected return on plan assets	(19,352)	-	(19,352)	(19,299)	-	(19,299)
Amortization of net actuarial loss	1,027	-	1,027	295	-	295
Amortization of past service costs	-	58	58	-	57	57
Benefit expense	\$ 12,121	\$ 4,224	\$ 16,345	\$ 8,247	\$ 4,221	\$ 12,468

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, 2009

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

Wilfrid Laurier University

Notes to Financial Statements

April 30, 2009

(in thousands of dollars)

6. Deferred Pension Cost and Post Retirement Benefits (cont'd)

Percentage of plan assets as at April 30	2009	2008
Equity securities	62.02%	60.70%
Debt securities	37.98%	39.30%
Cash and short term investments	0.00%	0.00%
	<u>100.00%</u>	<u>100.00%</u>

7. Capital Assets

	2009			2008		
	Cost	Accumulated Amortization	Net	Cost	Accumulated Amortization	Net
Land and land improvements	\$ 13,756	\$ -	\$ 13,756	\$ 13,557	\$ -	\$ 13,557
Buildings	250,643	67,566	183,077	249,891	61,164	188,727
Furniture and equipment	67,594	50,797	16,797	68,284	49,887	18,397
Library books	28,467	23,286	5,181	26,120	21,297	4,823
Construction in progress	7,805	-	7,805	1,363	-	1,363
	<u>\$ 368,265</u>	<u>\$ 141,649</u>	<u>\$ 226,616</u>	<u>\$ 359,215</u>	<u>\$ 132,348</u>	<u>\$ 226,867</u>

There was no interest capitalized during the 2009 or 2008 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.

Wilfrid Laurier University

Notes to Financial Statements

April 30, 2009

(in thousands of dollars)

8. Debenture

	2009	2008
Debenture payable, bearing interest at 5.429% payable semi-annually, due February 1, 2045	\$ 115,000	\$ 115,000
Less: Deferred charges	<u>\$ (5,644)</u>	<u>\$ (5,691)</u>
	<u>\$ 109,356</u>	<u>\$ 109,309</u>

The approximate fair market value of the debenture is \$106,790 (2008 - \$118,345).

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 \$3,851 (2008 - \$3,406)

9. Mortgages

	Rate	Due Date	2009	2008
Bricker Street Residence	11.04%	November 1, 2010	\$ 10,000	\$ 10,000
Conrad Hall, A & B Wings	5.38%	January 1, 2012	62	82
Dining Hall, MacDonald House	5.13%	March 1, 2013	137	167
Willison Hall, Conrad Hall, C Wing	5.13%	July 1, 2013	174	210
Conrad Hall D Wing, Little House, Euler Residence, Leupold Residence, Dining Hall	5.38%	July 1, 2017	<u>762</u>	<u>831</u>
			\$ 11,135	\$ 11,290
Less: Principal payable within one year			<u>(164)</u>	<u>(155)</u>
			<u>\$ 10,971</u>	<u>\$ 11,135</u>

The approximate fair market value of the mortgages is \$13,051 (2008 - \$13,462).

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

Year ending April 30,	2010	\$ 164
	2011	10,172
	2012	176
	2013	166
	2014	101
	Thereafter	<u>356</u>
		<u>\$ 11,135</u>

Wilfrid Laurier University

Notes to Financial Statements

April 30, 2009

(in thousands of dollars)

10. Term Bank Loans

	2009	2008
Bank loan, bearing interest at 4.79%, repayable in blended payments of \$7, due September 30, 2013	\$ 828	\$ -
Bank loan, bearing interest at 5.31%, repayable in blended payments of \$9, due September 30, 2008	-	890
Less: Principal payable within one year	<u>(45)</u>	<u>(890)</u>
	<u>\$ 783</u>	<u>\$ -</u>

The approximate fair market value of the term bank loan is \$894 (2008 - \$900).

11. Other Loans

	2009	2008
Energy savings loan, bearing interest at 7.5%, repayable in blended monthly payments of \$23, due May 1, 2009	\$ 23	\$ 290
Less: Principal payable within one year	<u>(23)</u>	<u>(267)</u>
	<u>\$ -</u>	<u>\$ 23</u>

Wilfrid Laurier University

Notes to Financial Statements

April 30, 2009

(in thousands of dollars)

12. 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.

	2009			2008		
	SVEP	PIRO	Total	SVEP	PIRO	Total
Change in benefit obligation						
Benefit obligation, beginning of year	\$ 5,610	\$ 86	\$ 5,696	\$ 6,812	\$ 81	\$ 6,893
Benefits paid	(1,274)	(29)	(1,303)	(1,101)	-	(1,101)
Current service costs	167	14	181	187	11	198
Interest Costs	244	4	248	274	4	278
Actuarial loss (gain)	1,024	316	343	(562)	(10)	(572)
Benefit obligation, end of year	\$ 5,771	\$ 391	\$ 5,165	\$ 5,610	\$ 86	\$ 5,696
Change in plan assets						
Plan assets, beginning of year						
Employer contributions	\$ 1,274	\$ 29	\$ 1,303	\$ 1,101	\$ -	\$ 1,101
Benefits paid	(1,274)	(29)	(1,303)	(1,101)	-	(1,101)
Actual return on plan assets	-	-	-	-	-	-
Plan assets, end of year	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Funded status	\$ (5,774)	\$ (391)	\$ (6,165)	\$ (5,610)	\$ (86)	\$ (5,696)
Unamortized net actuarial loss (gain)	471	306	777	(556)	(10)	(566)
Unamortized plan amendment	(323)	-	(323)	(407)	-	(407)
Accrued benefit costs	\$ (5,626)	\$ (85)	\$ (5,711)	\$ (6,573)	\$ (96)	\$ (6,669)

Wilfrid Laurier University

Notes to Financial Statements

April 30, 2009

(in thousands of dollars)

12. Retirement Incentive Plans (cont'd)

	2009		2008	
	SVEP	PIRO	SVEP	PIRO
For determining benefit obligations for the year ending April 30				
Discount rate	5.50%	5.50%	4.75%	4.75%
Rate of compensation increase	4.50%	4.50%	4.50%	4.50%
For determining benefit costs for the year ending April 30				
Discount rate	4.75%	4.75%	4.26%	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%

Components of benefit expense	2009			2008		
	SVEP	PIRO	Total	SVEP	PIRO	Total
Current service costs	\$ 167	\$ 14	\$ 181	\$ 187	\$ 11	\$ 198
Interest costs	244	4	248	274	4	278
Negative Plan Amendment	(84)	-	(84)	-	-	-
Amortization of net actuarial loss (gain)	-	(1)	(1)	(70)	-	(70)
	<u>\$ 327</u>	<u>\$ 17</u>	<u>\$ 344</u>	<u>\$ 391</u>	<u>\$ 15</u>	<u>\$ 406</u>

Wilfrid Laurier University

Notes to Financial Statements

April 30, 2009

(in thousands of dollars)

13. Deferred Contributions - Operations

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

	2009		2008
Research grants	\$ 6,627	\$	5,669
Scholarships and bursaries	2,158		2,216
Unspent designated donations	5,494		4,401
Other amounts	1,096		2,176
	<u>\$ 15,375</u>	\$	<u>14,462</u>

14. 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:

	2009		2008
Balance - Beginning of year	\$ 76,629	\$	72,411
Contributions received during the year	3,682		8,087
Loans forgiven during year	769		829
Amortization for the year	<u>(4,786)</u>		<u>(4,698)</u>
Balance - End of year	<u>\$ 76,294</u>	\$	<u>76,629</u>

Wilfrid Laurier University

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15. Forgivable Loans

	2009	2008
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
Interest free loan, from the City of Brantford, for the Brantford University Centre project, forgivable entirely on August 1, 2009	1,100	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	60	120
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	622	461
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	<u>3,833</u>	<u>4,333</u>
	<u>\$ 5,615</u>	<u>\$ 6,244</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

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16. Internally Restricted Net Assets

Details of internally restricted net assets are as follows:

	2009		2008
Departmental carry forwards	\$ 4,024	\$	4,634
Capital projects	585		585
2008/2009 operating budget	-		6,442
Facility renewal projects	368		368
Library acquisitions	126		825
Program development	640		640
Operating budget stabilization reserve	581		581
Development campaign budget reserve	555		555
Capital levy	366		366
Parking capital	123		123
Post retirement benefit reserve	100		100
Special pension appropriation	60		60
Repair reserve	50		50
Capital plan initiatives	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	33		205
2009/2010 operating budget	4,286		1,028
Information technology renewal projects	2,000		-
Endowment awards	1,000		-
Innovation fund	200		-
Centennial celebration	310		-
Space audit	50		-
Land banking	1,000		-
2010/2011 operating budget	1,000		-
Faculty professional expenses and travel reserve	274		-
Enrolment management	200		-
Accessible learning deficiency	174		-
RFP for Global Innovation Exchange	150		-
Emergency broadcast system	100		-
Visual identify and brand awareness	100		-
Toronto office incidentals	50		-
Activity based budgeting - design and implementation	50		-
	<u>\$ 18,693</u>	<u>\$</u>	<u>17,500</u>

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Notes to Financial Statements

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(in thousands of dollars)

17. Invested in Capital Assets

	2009	2008
Capital assets - net book value (see note 7)	\$ 226,616	\$ 226,867
Add: Sinking fund investments held to discharge long term debt	<u>13,728</u>	<u>12,567</u>
	240,344	239,434
Less: Amounts financed by long term debt	(106,852)	(107,336)
Deferred contributions - capital (see note 16)	(76,294)	(76,629)
Internal advances	<u>(10,261)</u>	<u>(7,269)</u>
	<u>\$ 46,937</u>	<u>\$ 48,200</u>

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 is used to establish a reserve or increase the endowment balances.

The details of the endowments are as follows:

	2009	2008
Endowments restricted externally	\$ 41,342	\$ 45,796
Endowments restricted internally	<u>4,121</u>	<u>4,996</u>
	<u>\$ 45,463</u>	<u>\$ 50,792</u>

Wilfrid Laurier University

Notes to Financial Statements

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(in thousands of dollars)

19. 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.

	2009	2008
Schedule of Changes in Endowment Fund Balance for the year ended April 30		
Endowment balance - beginning of year	\$ 6,275	\$ 6,276
Cash donations	10	-
Investment loss capitalized	(1,245)	(1)
Accumulated interest transferred to scholarships	(36)	-
	<u>5,004</u>	<u>6,275</u>
Endowment balance - end of year	\$ 5,004	\$ 6,275

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

Expendable funds - beginning of year	\$ 300	\$ 583
Investment income, net of direct investment related expenses	(6)	(100)
Accumulated interest capitalized	3	-
Bursaries awarded (total number 2008:179, 2007:208)	(211)	(183)
	<u>86</u>	<u>300</u>
Expendable funds - end of year	\$ 86	\$ 300

The market value of the endowment is \$5,004 (2008 - \$6,275) and expendable funds is \$86 (2008 - \$300).

Wilfrid Laurier University

Notes to Financial Statements

April 30, 2009

(in thousands of dollars)

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

Phase II

	2009	2008
Schedule of Changes in Endowment Funds Balance for the year ended April 30		
Fund balance - beginning of year	\$ 2,150	\$ 2,150
Investment loss	<u>(436)</u>	<u>-</u>
Fund balance - end of year	<u>\$ 1,714</u>	<u>\$ 2,150</u>

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

	2009	2008
Balance - beginning of year	\$ 65	\$ 164
Investment income, net of direct investment related expenses	-	(32)
Bursaries awarded (total number: 2009:39, 2008:56)	<u>(49)</u>	<u>(67)</u>
Balance - end of year	<u>\$ 16</u>	<u>\$ 65</u>

The market value of the endowment is \$1,714 (2008 - \$2,150) and expendable funds is \$16 (2008 - \$65).

20. Statement of Cash Flows

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

	2009	2008
Accounts receivable	\$ (793)	\$ (1,489)
Inventories	(9)	82
Prepaid expenses	(163)	268
Accounts payable and accrued liabilities - net of amounts related to capital assets	1,987	1,953
Accrued vacation pay	5	418
Deferred revenue	<u>(418)</u>	<u>4,236</u>
	<u>\$ 609</u>	<u>\$ 5,468</u>

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Notes to Financial Statements

April 30, 2009

(in thousands of dollars)

21. Additions to Capital Assets

	2009	2008
<u>Waterloo Campus</u>		
Dr. Alvin Woods building renovations	\$ -	\$ 2,661
Furniture and equipment	3,343	4,090
Library books	2,347	1,944
Centre for Co-operative Education & Career Development	-	3,530
University Stadium remediation	-	4,941
Alumni Hall renovations	-	1,322
Aird building renovations	3,848	-
Athletic Complex, pool renovations	34	-
Houses	753	-
Land	200	124
	<u>10,525</u>	<u>18,612</u>
<u>Brantford Campus</u>		
Research and Academic Centre	<u>2,558</u>	<u>1,213</u>
	<u>2,558</u>	<u>1,213</u>
	<u>\$ 13,083</u>	<u>\$ 19,825</u>

22. 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	\$ 491,398
Furniture and equipment	64,238
Library books	<u>119,507</u>
Total	<u>\$ 675,143</u>

The University has artwork which is insured for \$2,000.

Wilfrid Laurier University

Notes to Financial Statements

April 30, 2009

(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, 2009 are estimated to be \$19,339 (2008 - \$24,079) and will be financed primarily by provincial and municipal grants, borrowings, and fundraising.

Future minimum payments for the next three years under non-cancellable operating leases and other agreements at April 30, 2009 are payable as follows:

2010	\$	186
2011		52
2012		18

The University has also guaranteed debt for the Wilfrid Laurier University Student's Union in the amount of \$1,979 as at April 30, 2009 (2008 - \$2,277).

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

	2009	2008
Interest paid	\$ 7,470	\$ 7,501

26. Comparative figures

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