

Wilfrid Laurier University
Financial Statements
Year ended April 30, 2012



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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, 2012, the statements of operations, 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.



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Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Wilfrid Laurier University as at April 30, 2012, 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 13, 2012
Waterloo, Canada

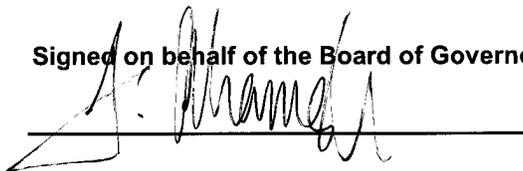
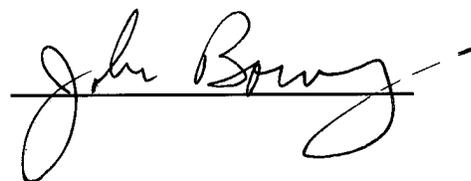
Wilfrid Laurier University
Statement of Financial Position
April 30, 2012, with comparative figures for 2011
(in thousands of dollars)

	2012	2011
Assets		
Current assets		
Cash and short-term deposits	\$ 52,521	\$ 61,169
Accounts receivable	11,705	12,331
Stocks, bonds, debentures and pooled funds	3,019	-
Inventories	3,491	3,182
Prepaid expenses	3,237	2,660
Deposit on capital assets	15	1,546
Current portion of notes receivable (note 4)	65	62
	<u>74,053</u>	<u>80,950</u>
Long-term assets		
Notes receivable less current portion (note 4)	<u>1,838</u>	<u>1,902</u>
Restricted assets		
Cash (note 5)	<u>12,100</u>	<u>8,350</u>
Endowments -		
Cash and short term deposits	-	303
Stocks, bonds, debentures and pooled funds	70,143	64,518
	<u>70,143</u>	<u>64,821</u>
Capital assets (note 6)	<u>331,715</u>	<u>260,012</u>
Sinking fund investments	<u>4,946</u>	<u>4,982</u>
Total assets	<u>\$ 494,795</u>	<u>\$ 421,017</u>

Wilfrid Laurier University
Statement of Financial Position
Year ended April 30, 2012, with comparative figures for 2011
(in thousands of dollars)

	2012	2011
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities	\$ 29,634	\$ 27,220
Accrued vacation pay	4,060	3,693
Deferred revenue	16,178	14,499
Current portion of mortgages (note 9)	166	175
Current portion of term bank loan (note 10)	82	78
	<u>50,120</u>	<u>45,665</u>
Long-term liabilities		
Debenture (note 7)	109,512	109,457
Bankers acceptance (note 8)	57,290	-
Morgages payable (note 9)	457	624
Term bank loan (note 10)	518	606
Retirement incentive plans (note 11)	1,619	3,075
Pension plans (note 12)	5,403	7,955
Post retirement benefits (note 12)	52,525	47,665
	<u>227,324</u>	<u>169,382</u>
Deferred contributions - operations (note 13)	<u>20,743</u>	<u>24,336</u>
Deferred contributions - capital (note 14)	<u>105,323</u>	<u>100,289</u>
Forgivable loans (note 15)	<u>3,038</u>	<u>4,677</u>
Total liabilities	<u>\$ 406,548</u>	<u>\$ 344,349</u>
Net assets		
Unrestricted	\$ (105,059)	\$ (87,841)
Internally restricted (note 16)	45,105	41,510
Invested in capital assets (note 17)	78,058	58,178
Endowments (note 18 & 19)	70,143	64,821
	<u>88,247</u>	<u>76,668</u>
Total liabilities and net assets	<u>\$ 494,795</u>	<u>\$ 421,017</u>

Signed on behalf of the Board of Governors

Wilfrid Laurier University

Statement of Changes in Net Assets

Year ended April 30, 2012, with comparative figures for 2011

(in thousands of dollars)

	Unrestricted	Internally Restricted	Invested in Capital Assets	Restricted for Endowment	2012	2011
Balance - beginning of year	\$ (87,841)	\$ 41,510	\$ 58,178	\$ 64,821	\$ 76,668	\$ 55,310
Excess of revenue over expenses (expenses over revenue)	16,379	-	(10,122)	-	6,257	11,275
Internally imposed restrictions	(3,595)	3,595	-	-	-	-
Net endowment contributions	-	-	-	5,140	5,140	9,145
Endowment earnings capitalized	-	-	-	182	182	938
Invested in capital assets	(30,002)	-	30,002	-	-	-
Balance - end of year	<u>\$ (105,059)</u>	<u>\$ 45,105</u>	<u>\$ 78,058</u>	<u>\$ 70,143</u>	<u>\$ 88,247</u>	<u>\$ 76,668</u>

Wilfrid Laurier University

Statement of Operations

Year ended April 30, 2012, with comparative figures for 2011

(in thousands of dollars)

	2012	2011
Revenue		
Government grants	\$ 111,661	\$ 107,229
Student fees	140,407	124,620
Grants, contracts, and donations	4,692	3,734
Sales and service	22,256	21,847
Amortization of deferred contributions - capital	4,658	5,419
Investment returns	3,023	4,054
Other revenues	10,865	9,345
	<u>297,562</u>	<u>276,248</u>
Expenses		
Salaries	136,327	126,901
Benefits	40,996	40,445
Operating costs	44,642	34,411
Amortization of capital assets	14,780	13,671
Cost of goods sold	15,678	15,448
Taxes, utilities, and rent	12,779	11,417
Scholarships and bursaries	18,072	15,795
Interest	6,417	6,885
Loss on demolition of property	1,614	-
	<u>291,305</u>	<u>264,973</u>
Excess of revenue over expenses	<u>\$ 6,257</u>	<u>\$ 11,275</u>

Wilfrid Laurier University

Statement of Cash Flows

Year ended April 30, 2012, with comparative figures for 2011

(in thousands of dollars)

	2012	2011
Cash provided by (used in) operating activities		
Excess of revenue over expenses	\$ 6,257	\$ 11,275
Changes to earnings not involving cash		
Amortization of deferred contributions - capital	(4,658)	(5,419)
Amortization of capital assets	14,780	13,671
(Decrease) increase in deferred contributions - operations	(3,593)	5,396
(Decrease) increase in deferred pension cost	(2,552)	1,929
Decrease in retirement incentive plans	(1,456)	(1,265)
Increase in post retirement benefits	4,860	4,416
Non cash interest expense	55	52
Loss on demolition of building	1,614	-
Net change in non-cash working capital (note 20)	<u>4,200</u>	<u>1,269</u>
	<u>19,507</u>	<u>31,324</u>
Financing activities		
Decrease in term bank loans - net	(84)	(67)
Decrease in sinking fund investment	36	9,543
Decrease in mortgages - net	(176)	(10,172)
Increase in bankers acceptances	<u>57,290</u>	<u>-</u>
	<u>57,066</u>	<u>(696)</u>
Investing activities		
Decrease (increase) in restricted endowment investments	(5,322)	(10,083)
Decrease (increase) increase in notes receivable	61	(1,619)
Decrease (increase) in deposits on capital assets	1,531	(1,546)
Purchase of capital assets (note 21)	(88,580)	(28,337)
Endowments received	5,322	10,083
Increase in restricted cash	(3,750)	(3,000)
(Increase) decrease in stocks, bonds and debentures	(3,019)	6,577
Deferred contributions - capital received	<u>8,536</u>	<u>16,649</u>
	<u>(85,221)</u>	<u>(11,276)</u>
Increase (decrease) in net cash position	(8,648)	19,352
Net cash position - beginning of year	<u>61,169</u>	<u>41,817</u>
Net cash position - end of year	<u>\$ 52,521</u>	<u>\$ 61,169</u>

Wilfrid Laurier University

Notes to Financial Statements

Year ended April 30, 2012, with comparative figures for 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 costs 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 donations are recorded as received. Contributions externally restricted for purposes other than endowment

Wilfrid Laurier University

Notes to Financial Statements

Year ended April 30, 2012, with comparative figures for 2011

(in thousands of dollars)

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

Year ended April 30, 2012, with comparative figures for 2011

(in thousands of dollars)

3. 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.

4. Notes Receivable

	2012	2011
Wilfrid Laurier University Students' Union		
4.89% note, repayable by monthly payments of \$13 including principal and interest, due September 1, 2015	1,903	1,964
Less: Principal due within one year	<u>(65)</u>	<u>(62)</u>
	<u>\$ 1,838</u>	<u>\$ 1,902</u>

5. Restricted Cash

The Board of Governors has internally restricted \$12,100 (2011 - \$8,350) of cash to be put towards an investment fund for the funding of the post retirement benefits.

Wilfrid Laurier University

Notes to Financial Statements

Year ended April 30, 2012, with comparative figures for 2011

(in thousands of dollars)

6. Capital Assets

	2012			2011		
	Cost \$	Accumulated Amortization \$	Net \$	Cost \$	Accumulated Amortization \$	Net \$
Land and land improvements	29,688	-	29,688	15,616	-	15,616
Buildings	358,725	87,571	271,154	286,695	80,540	206,155
Furniture and equipment	85,845	65,706	20,139	75,533	60,777	14,756
Library books	35,837	29,659	6,178	33,141	27,398	5,743
Construction in progress	4,556	-	4,556	17,742	-	17,742
	<u>514,651</u>	<u>182,936</u>	<u>331,715</u>	<u>428,727</u>	<u>168,715</u>	<u>260,012</u>

There was no interest capitalized during the 2012 or 2011 fiscal years.

The bankers acceptance is secured by a mortgage constituting a fixed charge on certain lands and buildings purchased during the 2012 fiscal year.

7. Debenture Payable

	2012	2011
Debenture payable, bearing interest at 5.429% payable semi-annually, due February 1, 2045	\$ 115,000	\$ 115,000
Less: Deferred charges	(5,488)	(5,543)
	<u>\$ 109,512</u>	<u>\$ 109,457</u>

The approximate fair market value of the debenture is \$142,509 (2011 - \$119,180)

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 \$4,946 as at April 30, 2012 (2011 - \$4,982).

Wilfrid Laurier University

Notes to Financial Statements

Year ended April 30, 2012, with comparative figures for 2011

(in thousands of dollars)

8. Bankers Acceptances

	2012	2011
	\$	\$
Bankers acceptances	<u>57,290</u>	<u>-</u>

The Bankers acceptances, due March of 2014, bears interest at the bankers acceptance rate plus an acceptance fee of 0.29%. As at April 30, 2012, the bankers acceptance rate was 1.5%.

9. Mortgages Payable

	Rate	Due Date	2012	2011
			\$	\$
Conrad Hall, A & B Wings	5.38%	January 1, 2012	-	17
Dining Hall, MacDonald House	5.13%	March 1, 2013	37	72
Willison Hall, Conrad Hall, C Wing	5.13%	July 1, 2013	54	97
Residence, Leupold Residence, Dining Hall	5.38%	July 1, 2017	532	613
			<u>623</u>	<u>799</u>
Less: Principal payable within one year			(166)	(175)
			<u>457</u>	<u>624</u>

The approximate fair market value of the mortgages is \$ 661 (2011 - \$804)

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

		\$
Year ending April 30,	2013	166
	2014	101
	2015	95
	2016	100
	2017	161
		<u>623</u>

Wilfrid Laurier University

Notes to Financial Statements

Year ended April 30, 2012, with comparative figures for 2011

(in thousands of dollars)

10. Term Bank Loan

	2012	2011
	\$	\$
Bank loan, bearing interest at 4.79%, repayable in monthly blended payments of \$9, due September 30, 2013	600	684
Less: Principal payable within one year	(82)	(78)
	<u>518</u>	<u>606</u>

The approximate fair market value of the term bank loan is \$642 (2011- \$700)

Wilfrid Laurier University

Notes to Financial Statements

Year ended April 30, 2012, with comparative figures for 2011

(in thousands of dollars)

11. 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.

	2012			2011		
	SVEP	PIRO	Total	SVEP	PIRO	Total
Change in benefit obligation						
Benefit obligation, beginning of year	\$ 6,741	\$ 391	\$ 7,132	\$ 6,916	\$ 525	\$ 7,441
Curtailment	(1,979)	-	(1,979)			
Employee Contributions	-	-	-			
Benefits paid	(2,052)	(105)	(2,157)	(1,878)	(116)	(1,994)
Current service costs	24	84	108	168	16	184
Interest costs	215	16	231	276	22	298
Actuarial loss (gain)	103	1,059	1,162	1,259	(56)	1,203
Benefit obligation, end of year	<u>\$ 3,052</u>	<u>\$ 1,445</u>	<u>\$ 4,497</u>	<u>\$ 6,741</u>	<u>\$ 391</u>	<u>\$ 7,132</u>
Change in plan assets						
Plan assets, beginning of year						
Employer contributions	\$ 2,052	\$ 105	\$ 2,157	\$ 1,878	\$ 116	\$ 1,994
Benefits paid	(2,052)	(105)	(2,157)	(1,878)	(116)	(1,994)
Plan assets, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Funded status	\$ (3,052)	\$ (1,445)	\$ (4,497)	\$ (6,741)	\$ (391)	\$ (7,132)
Unamortized net actuarial loss	1,645	1,239	2,884	3,928	250	4,178
Unamortized plan amendment	(6)	-	(6)	(121)	-	(121)
Accrued benefit costs	<u>\$ (1,413)</u>	<u>\$ (206)</u>	<u>\$ (1,619)</u>	<u>\$ (2,934)</u>	<u>\$ (141)</u>	<u>\$ (3,075)</u>

Wilfrid Laurier University

Notes to Financial Statements

Year ended April 30, 2012, with comparative figures for 2011

(in thousands of dollars)

11. Retirement Incentive Plans (cont'd)

	2012		2011	
	SVEP	PIRO	SVEP	PIRO
For determining benefit obligations for the year ending April 30				
Discount rate	2.75%	2.75%	3.75%	3.75%
Rate of compensation increase	4.50%	4.50%	4.50%	4.50%
For determining benefit costs for the year ending April 30				
Discount rate	3.75%	3.75%	4.50%	4.50%
Rate of compensation increase	4.50%	4.50%	4.50%	4.50%
Expected return on plan assets	6.75%	6.75%	6.75%	6.75%

	2012			2011		
	SVEP	PIRO	Total	SVEP	PIRO	Total
Components of benefit expense						
Current service costs	\$ 24	\$ 84	\$ 108	\$ 168	\$ 16	\$ 184
Curtailment gain	\$ (14)	\$ -	\$ (14)			
Interest costs	215	16	231	276	22	298
Negative plan amendment	(101)	-	(101)	(101)	-	(101)
Amortization of net actuarial loss (gain)	407	71	478	220	127	347
	<u>\$ 531</u>	<u>\$ 171</u>	<u>\$ 702</u>	<u>\$ 563</u>	<u>\$ 165</u>	<u>\$ 728</u>

Wilfrid Laurier University

Notes to Financial Statements

Year ended April 30, 2012, with comparative figures for 2011

(in thousands of dollars)

12. 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.

	2012			2011		
	Pension	Retirement Benefits	Total	Pension	Retirement Benefits	Total
Change in benefit obligation						
Benefit obligation, beginning of year	\$ 391,671	\$ 57,078	\$ 448,749	\$ 354,811	\$ 50,372	\$ 405,183
Employee contributions	8,428	-	8,428	8,162	-	8,162
Benefits paid	(14,056)	(1,300)	(15,356)	(18,270)	(1,092)	(19,362)
Current service costs	13,956	2,656	16,612	13,014	2,351	15,365
Past service costs	(21,154)	-	(21,154)			
Interest costs	21,223	3,249	24,472	21,094	3,000	24,094
Actuarial loss (gain)	80,869	14,259	95,128	12,860	2,447	15,307
Benefit obligation, end of year	<u>\$ 480,937</u>	<u>\$ 75,942</u>	<u>\$ 556,879</u>	<u>\$ 391,671</u>	<u>\$ 57,078</u>	<u>\$ 448,749</u>
Change in plan assets						
Plan assets, beginning of year	\$ 309,571	\$ -	\$ 309,571	\$ 277,332	\$ -	\$ 277,332
Employee contributions	8,428	-	8,428	8,162	-	8,162
Employer contributions	18,888	1,300	20,188	15,837	1,092	16,929
Benefits paid	(14,056)	(1,300)	(15,356)	(18,270)	(1,092)	(19,362)
Return on plan assets	(4,485)	-	(4,485)	26,510	-	26,510
Plan assets, end of year	<u>\$ 318,346</u>	<u>\$ -</u>	<u>\$ 318,346</u>	<u>\$ 309,571</u>	<u>\$ -</u>	<u>\$ 309,571</u>
Funded status	\$ (162,591)	\$ (75,942)	\$ (238,533)	\$ (82,100)	\$ (57,078)	\$ (139,178)
Unamortized net actuarial loss (gain)	178,342	23,301	201,643	74,145	9,238	83,383
Unamortized past service costs	(21,154)	116	(21,038)	-	175	175
Prepaid (accrued) benefit costs	<u>\$ (5,403)</u>	<u>\$ (52,525)</u>	<u>\$ (57,928)</u>	<u>\$ (7,955)</u>	<u>\$ (47,665)</u>	<u>\$ (55,620)</u>

The date used to measure the plan assets and accrued benefit obligation is April 30, 2012.

For measurement purposes, a 8.0% increase in the per capita cost of health care costs are assumed for 2012/2013, with the rate of the annual increase decreasing by 0.2% per annum until the annual rate of increase reaches an ultimate rate of 5% in 2027/2028. In addition, a 4% annual increase in the cost of dental care was assumed.

Wilfrid Laurier University

Notes to Financial Statements

Year ended April 30, 2012, with comparative figures for 2011

(in thousands of dollars)

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

	2012		2011	
	Pension	Retirement Benefits	Pension	Retirement Benefits
For determining accrued benefit obligations as at April 30				
Discount rate	4.25%	4.50%	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	5.50%	5.50%	5.75%	5.75%
Rate of compensation increase	4.50%	n/a	4.50%	n/a
Expected return on plan assets	6.75%	n/a	6.75%	n/a

	2012			2011		
	Pension	Retirement Benefits	Total	Pension	Retirement Benefits	Total
Components of benefit expense						
Current service costs	\$ 13,956	\$ 2,656	\$ 16,612	\$ 13,014	\$ 2,351	\$ 15,365
Interest costs	21,223	3,249	24,472	21,094	3,000	24,094
Expected return on plan assets	(21,344)	-	(21,344)	(18,913)	-	(18,913)
Amortization of net actuarial loss	2,501	197	2,698	2,569	99	2,668
Amortization of past service costs	-	58	58	3	58	61
Benefit expense	<u>\$ 16,336</u>	<u>\$ 6,160</u>	<u>\$ 22,496</u>	<u>\$ 17,767</u>	<u>\$ 5,508</u>	<u>\$ 23,275</u>

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	2012	2011
Equity securities	57.06%	59.08%
Debt securities	35.55%	30.35%
Cash and short term investments	7.39%	10.57%
Balance - end of year	<u>100.00%</u>	<u>100.00%</u>

Wilfrid Laurier University

Notes to Financial Statements

Year ended April 30, 2012, with comparative figures for 2011

(in thousands of dollars)

13. Deferred Contributions - Operations

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

	2012	2011
Research grants	\$ 6,504	\$ 7,333
Scholarships and bursaries	5,130	5,293
Unspent designated donations	7,000	7,882
Other amounts	2,109	3,828
	<u>\$ 20,743</u>	<u>\$ 24,336</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:

	2012	2011
Balance - beginning of year	\$ 100,289	\$ 88,520
Contributions received during the year	8,536	16,649
Loans forgiven during the year	1,639	539
Income realized regarding demolition of building	(483)	-
Amortization for the year	(4,658)	(5,419)
Balance - end of year	<u>\$ 105,323</u>	<u>\$ 100,289</u>

Wilfrid Laurier University

Notes to Financial Statements

Year ended April 30, 2012, with comparative figures for 2011

(in thousands of dollars)

15. Forgivable Loans

	2012		2011
Interest free loan, from the City of Brantford, for the Wilkes House renovations, forgivable over a period of 25 years beginning in 2009	\$ 705	\$	744
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	2,333		2,833
Interest free loan, from the City of Brantford, for the construction of the Brantford University Centre, forgiven during the 2011/2012 fiscal year.	-		1,100
	<u>\$ 3,038</u>	<u>\$</u>	<u>4,677</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

Year ended April 30, 2012, with comparative figures for 2011

(in thousands of dollars)

16. Internally Restricted Net Assets

	2012	2011
Departmental carry forwards	\$ 9,727	\$ 7,187
2012/2013 operating budget	9,074	-
Development campaign budget reserve	3,626	3,626
Central expense reserve	2,510	2,510
Future operating deficits	2,345	2,345
Land banking	2,304	2,312
Internally funded research	1,395	1,148
Special pension appropriation	1,372	1,372
Residences	1,262	269
Balsillie endowment commitments	1,230	1,230
Capital projects	975	585
2012/2013 operating budget	889	889
CFI Northdale project	800	-
Congress of Humanities and Social Sciences	726	948
Program development	640	640
Operating budget stabilization reserve	581	581
Bookstore improvements	580	450
Capital renovations related to CFI projects	513	513
Faculty professional expenses and travel reserve	468	565
Development office new initiatives	388	388
CPAM advertising campaign	387	1,000
Innovation fund	378	445
Facility renewal projects	368	368
Capital levy	366	366
Emergency broadcast system	361	600
Parking capital	322	319
Endowment awards	240	240
Enrolment management	200	200
MDRC research project contribution	200	200
Comprehensive payment - gateway and PCI audit	200	200
Library acquisitions	125	128
Post retirement benefit reserve	100	100
Leasehold improvements and moving 255 King Street	68	950
Safety and AODA projects	50	250
Repair reserve	50	50
Toronto office incidentals	48	50
Capital plan initiatives	44	44
Major capital equipment	39	39
Residence laptop program	33	33
Security cameras	25	25
Visual identity and brand awareness	24	24
One card	16	-
Conferences	14	-
RFP for Global Innovation Exchange	14	14
University Plan initiatives	10	10
Access to Opportunities Program	8	8
Accessibility audit	5	75
Biology microscopes	4	4
Space audit	1	1
2011/2012 operating budget	-	4,993
Information technology renewal project	-	1,745
Furniture and moving 202 Regina and 232 King Street	-	500
Centennial celebration	-	405
Legal contingency	-	250
Centennial Scholarships	-	236
Activity based budgeting - design and implementation	-	50
Northdale lighting reserve	-	30
	<u>\$ 45,105</u>	<u>\$ 41,510</u>

Wilfrid Laurier University

Notes to Financial Statements

Year ended April 30, 2012, with comparative figures for 2011

(in thousands of dollars)

17. Invested in Capital Assets

	2012	2011
Capital assets - net book value (see note 6)	\$ 331,715	\$ 260,012
Add: Sinking fund investments held to discharge long term debt	4,946	4,982
	<u>336,661</u>	<u>264,994</u>
Less: Amounts financed by long term debt	(150,173)	(94,782)
Deferred contributions - capital (see note 14)	(105,323)	(100,289)
Internal advances	(3,107)	(11,745)
	<u>\$ 78,058</u>	<u>\$ 58,178</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 and by crediting the capital account by an inflation adjustment factor where applicable.

The details of the endowments are as follows:

	2012	2011
Endowments restricted externally	\$ 65,242	\$ 59,651
Endowments restricted internally	4,901	5,170
	<u>\$ 70,143</u>	<u>\$ 64,821</u>

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Year ended April 30, 2012, with comparative figures for 2011

(in thousands of dollars)

19. Ontario Student Trust Fund

Phase I – Ontario Student Opportunity Trust Fund (OSOTF)

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.

	2012	2011
Schedule of changes in endowment fund balance for the year ended April 30		
Endowment balance - beginning of year	\$ 5,733	\$ 5,583
Preservation of capital	139	-
Investment loss capitalized	(935)	\$ 150
	<u>4,937</u>	<u>5,733</u>
Endowment balance - end of year	\$ 4,937	\$ 5,733
Schedule of changes in expendable funds available for awards for the year ended April 30		
Expendable funds - beginning of year	\$ 625	\$ 547
Investment income, net of direct investment related expenses	197	235
Endowment stabilization reserve fund	1,164	32
Bursaries awarded (total number 2012 - 172, 2011 - 167)	(249)	(189)
	<u>1,737</u>	<u>625</u>
Expendable funds - end of year	\$ 1,737	\$ 625

The market value of the endowment is \$6,101 (2011 - \$5,733) and expendable funds is \$573 (2011 - \$625).

Wilfrid Laurier University

Notes to Financial Statements

Year ended April 30, 2012, with comparative figures for 2011

(in thousands of dollars)

19. Ontario Student Trust Fund (cont'd)

Phase II - Ontario Student Opportunity Trust Fund (OSOTF)

	2012	2011
Schedule of changes in endowment funds balance for the year ended April 30		
Fund balance - beginning of year	\$ 1,979	\$ 1,890
Investment income	(28)	-
Capital preservation	9	89
	<u>1,960</u>	<u>1,979</u>
Fund balance - end of year	\$ 1,960	\$ 1,979

Schedule of changes in expendable funds available for awards for the year ended April 30

	2012	2011
Balance - beginning of year	\$ 282	\$ 173
Realized investment income, net of direct investment-related expenses and preservation of capital contributions	(79)	76
Endowment stabilization reserve fund	33	94
Bursaries awarded (total number: 2012 - 52, 2011 - 50)	(61)	(61)
	<u>175</u>	<u>282</u>
Balance - end of year	\$ 175	\$ 282

Wilfrid Laurier University

Notes to Financial Statements

Year ended April 30, 2012, with comparative figures for 2011

(in thousands of dollars)

19. Ontario Student Trust Fund (cont'd)

Ontario Trust For Students Support (OTSS)

	2012	2011
Schedule of changes in endowment funds balance for the year ended April 30		
Fund balance - beginning of year	\$ 15,615	\$ 12,116
Cash donation received	944	1,648
Matching funds received	820	1,499
Capital preservation	72	352
Investment income	380	
	<u> </u>	<u> </u>
Fund balance - end of year	<u>\$ 17,831</u>	<u>\$ 15,615</u>

Schedule of changes in expendable funds available for awards for the year ended April 30

	2012	2011
Balance - beginning of year	\$ 1,321	\$ 820
Realized investment income, net of direct investment-related expenses and preservation of capital contributions	313	806
Endowment stabilization reserve fund	298	88
Bursaries awarded (total number: 2012 - 418, 2011 - 356)	(500)	(393)
	<u> </u>	<u> </u>
Balance - end of year	<u>\$ 1,432</u>	<u>\$ 1,321</u>

Report of OTSS Awards Issued for the Period of April 1, 2011 to March 31, 2012

Status of Recipients	OSAP Recipients		Non-OSAP Recipients		Total	
	Number	Amount	Number	Amount	Number	Amount
Full-Time	274	\$ 327,792	144	\$ 172,270	418	\$ 500,062
Part-Time	n/a	n/a	-	-	-	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total	274	\$ 327,792	144	\$ 172,270	418	\$ 500,062

Wilfrid Laurier University

Notes to Financial Statements

Year ended April 30, 2012, with comparative figures for 2011

(in thousands of dollars)

20. Statement of Cash Flows

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

	2012	2011
Accounts receivable	\$ 626	\$ (3,032)
Inventories	(309)	(210)
Prepaid expenses	(577)	(281)
Accounts payable and accrued liabilities	2,414	3,828
Accrued vacation pay	367	117
Deferred revenue	1,679	847
	<u>\$ 4,200</u>	<u>\$ 1,269</u>

Wilfrid Laurier University

Notes to Financial Statements

Year ended April 30, 2012, with comparative figures for 2011

(in thousands of dollars)

21. Additions to Capital Assets

	2012	2011
<u>Waterloo Campus</u>		
Furniture and equipment	\$ 6,250	\$ 3,175
Library books	2,696	2,579
Global exchange project	2,070	-
Athletic Complex, pool renovations	-	387
Fitness Centre expansion	226	-
CFI Centre - Cold Regions	533	-
Graduate Pub Renovations	103	-
Science research renovation	804	-
Building renovations	1,625	-
Student residences	54,159	520
WLUSU Terrace Food Court	-	1,459
HUB equipment	-	377
Landscaping improvements	269	-
Northdale parking expansion	333	16
Land	13,917	254
	<u>\$ 82,985</u>	<u>\$ 8,767</u>
<u>Brantford Campus</u>		
Research and Academic Centre	\$ 3,494	\$ 15,825
48 Market Street Building Renovation	-	635
Business Technology Management Project	467	-
YMCA/Laurier Athletic Centre	-	256
97 Dalhousie Street (formerly Moodys)	1,437	652
Research and Academic Centre -Lab	42	-
76 Colborne Street (Lawyers Hall)	-	1,141
Furniture and equipment	-	81
Land	155	980
	<u>\$ 5,595</u>	<u>\$ 19,570</u>
	<u>\$ 88,580</u>	<u>\$ 28,337</u>

Wilfrid Laurier University

Notes to Financial Statements

Year ended April 30, 2012, with comparative figures for 2011

(in thousands of dollars)

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	\$ 653,827
Furniture and equipment	74,757
Library books	124,230
Total	<u>\$ 852,814</u>

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

23. Commitments and Guarantees

Costs to complete major capital projects in progress and commitments to purchase property as at April 30, 2012 are estimated to be \$ 11,707 (2011 \$11,354) and will be financed primarily by provincial and municipal grants, borrowings, and fundraising.

Future minimum payments for the next five years under non-cancellable operating leases and other agreements at April 30, 2012 are payable as follows:

2013	\$	467
2014	\$	377
2015	\$	88
2016	\$	19

The university has also guaranteed debt for the Wilfrid Laurier University Students' Union in the amount of \$2,415 as at April 30, 2012 (2011 \$1,494)

Wilfrid Laurier University

Notes to Financial Statements

Year ended April 30, 2012, with comparative figures for 2011

(in thousands of dollars)

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. 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 2012. 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.

26. Supplemental Disclosure of Cash Flow Information

	2012	2011
Interest paid	<u>\$ 6,417</u>	<u>\$ 6,885</u>

27. Comparative figures

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