

Financial Statements of

**WILFRID LAURIER
UNIVERSITY**

Years ended April 30, 2013 and 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 statement of financial position as at April 30, 2013, April 30, 2012 and May 1, 2011, the statements of operations, changes in net assets and cash flows for the years ended April 30, 2013 and April 30, 2012, 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 accounting standards for not-for-profit organizations, 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 audits. We conducted our audits 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 in our audits is sufficient and appropriate to provide a basis for our audit opinion.



Page 2

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Wilfrid Laurier University as at as at April 30, 2013, April 30, 2012 and May 1, 2011, and its results of operations and its cash flows for the years ended April 30, 2013 and April 30, 2012 in accordance with Canadian accounting standards for not-for-profit organizations.

KPMG LLP

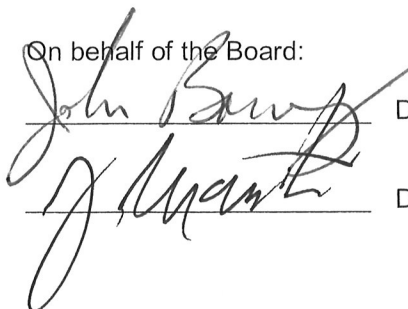
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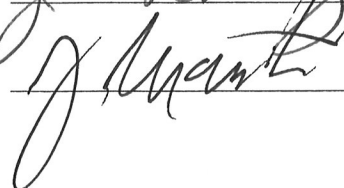
September 13, 2013
Waterloo, Canada

	April 30, 2013	April 30, 2012	May 1, 2011
Liabilities and Net Assets			
Current liabilities:			
Accounts payable and accrued liabilities (note 8)	\$ 31,757	\$ 29,634	\$ 27,220
Accrued vacation pay	4,040	4,060	3,693
Deferred revenue	19,835	16,178	14,499
Current portion of mortgages (note 9)	101	166	175
Current portion of bankers acceptances	1,473	-	-
Current portion of term bank loan (note 10)	86	82	78
	<u>57,292</u>	<u>50,120</u>	<u>45,665</u>
Long-term financial liabilities:			
Debentures (note 6)	109,570	109,512	109,457
Bankers acceptance (note 7)	73,963	57,290	-
Mortgage payable (note 9)	356	457	624
Term bank loan (note 10)	432	518	606
	<u>184,321</u>	<u>161,777</u>	<u>110,687</u>
Other long-term liabilities:			
Retirement incentive plans (note 11)	3,360	4,497	7,132
Pension plans (note 12)	89,766	68,524	58,597
Other post employment benefits (note 13)	91,811	75,942	57,078
Deferred contributions - operations (note 14)	23,078	20,743	24,336
Deferred contributions - capital (note 15)	122,283	105,323	100,289
Forgivable loans (note 16)	2,499	3,038	4,677
	<u>332,797</u>	<u>278,067</u>	<u>252,109</u>
Total liabilities	574,410	495,964	408,461
Net assets:			
Unrestricted	(230,319)	(194,475)	(151,953)
Internally restricted (note 17)	53,407	45,105	41,510
Invested in capital assets (note 18)	142,836	144,481	124,601
Endowments (note 19 and 20)	75,193	70,143	64,821
	<u>41,117</u>	<u>65,254</u>	<u>78,979</u>
Commitments and contingencies (note 23 and 24)			
Total liabilities and net assets	\$ 615,527	\$ 561,218	\$ 487,440

See accompanying notes to financial statements.

On behalf of the Board:

 Director

 Director

WILFRID LAURIER UNIVERSITY

Statements of Operations
(In thousands of Canadian dollars)

Years ended April 30, 2013, and 2012

	2013	2012
Revenue:		
Government grants	\$ 115,312	\$ 111,661
Student fees	148,734	140,407
Grants, contacts, and donations	4,189	4,692
Sales and service	26,563	22,256
Amortization of deferred contributions - capital	4,586	4,658
Investment returns	5,455	3,023
Other revenues	12,053	10,865
	<u>316,892</u>	<u>297,562</u>
Expenses:		
Salaries	148,399	136,327
Benefits	19,398	17,177
Employee future benefits	10,706	36,827
Operating costs	46,948	44,642
Amortization of capital assets	16,133	14,780
Cost of goods sold	14,216	15,678
Taxes, utilities, and rent	14,852	12,779
Scholarships and bursaries	17,579	18,072
Interest	7,106	6,417
Loss on demolition of property	-	1,614
	<u>295,337</u>	<u>304,313</u>
Excess of revenue over expenses (expenses over revenue) before the following	21,555	(6,751)
Employee future benefits - remeasurement	50,728	12,296
Excess of expenses over revenue	<u>\$ (29,173)</u>	<u>\$ (19,047)</u>

See accompanying notes to financial statements.

WILFRID LAURIER UNIVERSITY

Statements of Changes in Net Assets
(In thousands of Canadian dollars)

Years ended April 30, 2013, and 2012

April 30, 2013	Unrestricted	Internally Restricted	Invested in Capital Assets	Restricted for Endowment	Total
Balance - beginning of year	\$ (194,475)	\$ 45,105	\$ 144,481	\$ 70,143	\$ 65,254
Excess of expenses over revenue	(17,626)	-	(11,547)	-	(29,173)
Internally imposed restrictions	(8,316)	8,302	-	14	-
Net endowment contributions	-	-	-	5,036	5,036
Invested in capital assets	(9,902)	-	9,902	-	-
Balance - end of year	\$ (230,319)	\$ 53,407	\$ 142,836	\$ 75,193	\$ 41,117

April 30, 2012	Unrestricted	Internally Restricted	Invested in Capital Assets	Restricted for Endowment	Total
Balance - beginning of year	\$ (151,953)	\$ 41,510	\$ 124,601	\$ 64,821	\$ 78,979
Excess of expenses over revenue	(8,925)	-	(10,122)	-	(19,047)
Internally imposed restrictions	(3,595)	3,595	-	-	-
Net endowment contributions	-	-	-	5,140	5,140
Endowment earnings capitalized	-	-	-	182	182
Invested in capital assets	(30,002)	-	30,002	-	-
Balance - end of year	\$ (194,475)	\$ 45,105	\$ 144,481	\$ 70,143	\$ 65,254

WILFRID LAURIER UNIVERSITY

Statements of Cash Flows
(In thousands of Canadian dollars)

Years ended April 30, 2013, and 2012

	2013	2012
Cash provided by (used in):		
Operating activities:		
Excess of expenses over revenue	\$ (29,173)	\$ (19,047)
Items not providing or using cash:		
Amortization of deferred contributions - capital	(4,586)	(4,658)
Amortization of capital assets	16,133	14,780
Increase (decrease) in deferred contributions - operation	2,335	(3,593)
Increase in deferred pension cost	21,242	9,927
Decrease in post retirement incentive plans	(1,137)	(2,635)
Increase in post retirement benefits	15,869	18,864
Non cash interest expense	58	55
Loss on demolition of building	-	1,614
Net change in non-cash working capital	2,237	4,200
	22,978	19,507
Financing activities:		
Decrease in term bank loans - net	(82)	(84)
Decrease (increase) in sinking fund investment	(1,561)	36
Decrease in mortgages - net	(166)	(176)
Increase in banker's acceptances	18,146	57,290
	16,337	57,066
Investing activities:		
Increase in restricted endowment investments	(5,050)	(5,322)
Decrease (increase) in notes receivable	(2,296)	61
Decrease in deposits on capital assets	15	1,531
Purchase of capital assets (note 21)	(25,888)	(88,580)
Endowments received	5,036	5,322
Increase in restricted cash	(12,919)	(3,750)
Increase in stocks, bonds and debentures	(1,461)	(3,019)
Deferred contributions - capital received	21,007	8,536
	(21,556)	(85,221)
Increase (decrease) in cash	17,759	(8,648)
Cash, beginning of year	52,521	61,169
Cash, end of year	\$ 70,280	\$ 52,521

See accompanying notes to financial statements.

WILFRID LAURIER UNIVERSITY

Notes to Financial Statements
(In thousands of Canadian dollars)

Years ended April 30, 2013 and 2012

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.

On May 1, 2012, the University adopted Canadian Institute of Chartered Accountants Handbook Part III - Canadian accounting standards for not-for-profit organizations. These are the first financial statements prepared in accordance with Canadian accounting standards for not-for-profit organizations.

In accordance with the transitional provisions in Canadian accounting standards for not-for-profit organizations, the University has adopted the changes retrospectively, subject to certain exemptions allowed under these standards. The transition date is May 1, 2011 and all comparative information provided has been presented by applying Canadian accounting standards for not-for-profit organizations.

A summary of transitional adjustments recorded to net assets and excess of revenue over expenditures is provided in note 29.

1. Significant accounting policies:

The financial statements have been prepared by management in accordance with Canadian Institute of Chartered Accountants' Handbook Part III - Canadian accounting standards for not-for-profit organizations. The significant policies are summarized below:

(a) 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.

(b) Capital assets:

Capital assets include the original cost of land improvements, buildings, furniture and equipment, leasehold improvements and library books and related library materials. Land acquired prior to May 1, 2011 is recorded at deemed cost, being its fair value at May 1, 2011, the transition date to Canadian accounting standards for not-for-profit organizations (note 29). Repairs and maintenance costs are charged to expense. Betterments which extend the estimated life of an asset are capitalized. When a capital asset no longer contributes to the University's ability to provide services, its carrying amount is written down to its residual value.

WILFRID LAURIER UNIVERSITY

Notes to Financial Statements, continued
(In thousands of Canadian dollars)

Years ended April 30, 2013 and 2012

1. Significant accounting policies (continued):

(b) Capital assets (continued):

The capital assets, excluding land, are amortized on a straight-line basis in accordance with the following schedule.

Category	Amortization Rate
Buildings	2 ½ - 10%
Furniture 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.

(c) Valuation of stocks, bonds, debentures and pooled funds:

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

(d) 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.

(e) 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, continued
(In thousands of Canadian dollars)

Years ended April 30, 2013 and 2012

1. Significant accounting policies (continued):

(f) 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.

The University uses the immediate recognition approach to account for its defined benefit plans. The University accrues its obligations under the defined benefit plans as the employees render the services necessary to earn the pension benefits. The actuarial determination of the accrued benefit obligations for pensions and other retirement benefits uses the funding valuation 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. The measurement date of the plan assets and accrued benefit obligation coincides with the University's fiscal year. The most recent actuarial valuation of the benefit plans for funding purposes was as of December 31, 2012 and the next required valuation will be as of December 31, 2013.

Actuarial gains (losses) on plan assets arise from the difference between the actual return on plan assets for a period and the expected return on plan assets for that period. For the purpose of calculating the expected return on plan assets, the assets are valued at fair value. Actuarial gains (losses) on the accrued benefit obligation arise from differences between actual and expected experience and from changes in the actuarial assumptions used to determine the accrued benefit obligation. Remeasurement adjustments arising from plan amendments, experience gains and losses and changes in assumptions, are recognized as plan expenses during the year.

(g) Retirement incentive plans and post employment 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. Remeasurement adjustments arising from plan amendments, experience gains and losses and changes in assumptions are recognized as plan expenses during the year.

WILFRID LAURIER UNIVERSITY

Notes to Financial Statements, continued
(In thousands of Canadian dollars)

Years ended April 30, 2013 and 2012

1. Significant accounting policies (continued):

(h) Financial instruments:

Financial instruments are recorded at fair value on initial recognition. Freestanding derivative instruments that are not in a qualifying hedging relationship and equity instruments that are quoted in an active market are subsequently measured at fair value. All other financial instruments are subsequently recorded at cost or amortized cost, unless management has elected to carry the instruments at fair value. The University has elected to carry all bonds, debentures and pooled fund investments at fair value.

Transaction costs incurred on the acquisition of financial instruments measured subsequently at fair value are expensed as incurred. All other financial instruments are adjusted by transaction costs incurred on acquisition and financing costs, which are amortized using the straight-line method (or effective interest rate method).

Financial assets are assessed for impairment on an annual basis at the end of the fiscal year if there are indicators of impairment. If there is an indicator of impairment, the University determines if there is a significant adverse change in the expected amount or timing of future cash flows from the financial asset. If there is a significant adverse change in the expected cash flows, the carrying value of the financial asset is reduced to the highest of the present value of the expected cash flows, the amount that could be realized from selling the financial asset or the amount the University expects to realize by exercising its right to any collateral. If events and circumstances reverse in a future period, an impairment loss will be reversed to the extent of the improvement, not exceeding the initial carrying value.

(i) Use of estimates:

The preparation of the financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the year. Significant items subject to such estimates and assumptions include the carrying amount of capital assets, and assets and obligations related to employee future benefits. Actual results could differ from those estimates.

WILFRID LAURIER UNIVERSITY

Notes to Financial Statements, continued
(In thousands of Canadian dollars)

Years ended April 30, 2013 and 2012

2. Accounts receivable:

	April 30, 2013	April 30, 2012	May 1, 2011
Student receivables	\$ 7,727	\$ 6,566	\$ 5,776
Other receivables	7,570	5,665	6,920
	15,297	12,231	12,696
Less allowance for doubtful accounts	(637)	(526)	(365)
	\$ 14,660	\$ 11,705	\$ 12,331

3. Notes receivable:

	April 30, 2013	April 30, 2012	May 1, 2011
Wilfrid Laurier University Students' Union: 4.89% note, repayable by monthly payments of \$13 including principal and interest, due September 1, 2015	\$ 1,838	\$ 1,903	\$ 1,964
Variable interest note, bearing interest at the rate earned by the University on its cash balances with minimum annual principal payments of \$150	2,361	-	-
	4,199	1,903	1,964
Less current portion	(219)	(65)	(62)
	\$ 3,980	\$ 1,838	\$ 1,902

4. Restricted cash:

The Board of Governors has restricted \$16,600 (April 30, 2012 - \$12,100; May 1, 2011 - \$8,350) of cash to be put towards an investment fund for the funding of the post employment benefits. In addition, on April 30, 2013, the University held \$8,419 of monies received from the Province of Ontario to be used in the construction of an athletic facility in Brantford.

	April 30, 2013	April 30, 2012	May 1, 2011
Cash for funding post employment benefits	\$ 16,600	\$ 12,100	\$ 8,350
Cash for construction of Brantford athletic facility	8,419	-	-
	\$ 25,019	\$ 12,100	\$ 8,350

WILFRID LAURIER UNIVERSITY

Notes to Financial Statements, continued
(In thousands of Canadian dollars)

Years ended April 30, 2013 and 2012

5. Capital assets:

April 30, 2013	Cost	Accumulated amortization	Net book value
Land and land improvements	\$ 99,202	\$ -	\$ 99,202
Buildings	359,996	95,926	264,070
Furniture and equipment	92,288	71,083	21,205
Library books	38,458	32,059	6,399
Construction in progress	17,017	-	17,017
	<u>\$ 606,961</u>	<u>\$ 199,068</u>	<u>\$ 407,893</u>

April 30, 2012	Cost	Accumulated amortization	Net book value
Land and land improvements	\$ 96,111	\$ -	\$ 96,111
Buildings	358,725	87,571	271,154
Furniture and equipment	85,845	65,706	20,139
Library books	35,837	29,659	6,178
Construction in progress	4,556	-	4,556
	<u>\$ 581,074</u>	<u>\$ 182,936</u>	<u>\$ 398,138</u>

May 1, 2011	Cost	Accumulated amortization	Net book value
Land and land improvements	\$ 82,039	\$ -	\$ 82,039
Buildings	286,695	80,540	206,155
Furniture and equipment	75,533	60,777	14,756
Library books	33,141	27,398	5,743
Construction in progress	17,742	-	17,742
	<u>\$ 495,150</u>	<u>\$ 168,715</u>	<u>\$ 326,435</u>

There was no interest capitalized during the 2013 or 2012 fiscal years.

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

WILFRID LAURIER UNIVERSITY

Notes to Financial Statements, continued
(In thousands of Canadian dollars)

Years ended April 30, 2013 and 2012

6. Debenture payable:

	April 30, 2013	April 30, 2012	May 1, 2011
Debenture payable, bearing interest at 5.429% payable semi-annually, due February 1, 2045	\$ 115,000	\$ 115,000	\$ 115,000
Less deferred charges	(5,430)	(5,488)	(5,543)
	<u>\$ 109,570</u>	<u>\$ 109,512</u>	<u>\$ 109,457</u>

The approximate fair market value of the debenture is \$141,819 (April 30, 2012 - \$142,509; May 1, 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 commenced again in the 2012/2013 fiscal year. Sinking fund investments held to discharge the debenture payable are \$6,507 as at April 30, 2013 (April 30, 2012 - \$4,946; May 1, 2011 - \$4,982).

7. Banker's acceptance:

	April 30, 2013	April 30, 2012	May 1, 2011
Banker's acceptance, bearing interest at 2.52% fixed through a swap transaction, plus a stamping fee of 0.33% for a total of 2.85%, repayable in monthly blended payments of \$281, due November 28, 2042	\$ 67,398	\$ -	\$ -
Banker's acceptance, bearing interest at 2.69% fixed through a swap transaction, plus a stamping fee of 0.33% for a total of 3.02%, repayable in monthly blended payments of \$281, due November 28, 2045	8,038	-	-
Banker's acceptance, bearing interest at banker's acceptance rate of 1.50% plus an acceptance fee of 0.29%, due March 2014	-	57,290	-
	<u>75,436</u>	<u>57,290</u>	<u>-</u>
Less principal payable within one year	(1,473)	-	-
	<u>\$ 73,963</u>	<u>\$ 57,290</u>	<u>\$ -</u>

WILFRID LAURIER UNIVERSITY

Notes to Financial Statements, continued
(In thousands of Canadian dollars)

Years ended April 30, 2013 and 2012

7. Banker's acceptance (continued):

The banker's acceptances are issued under a long-term credit facility entered into by the University during fiscal 2013.

The University entered into interest rate swap contracts to manage the interest rate exposure associated with certain long-term debt obligations. The contracts have the effect of converting the floating rate of interest on these debt obligations to a fixed rate.

The notional amounts of the derivative financial instruments do not represent amounts exchanged between parties and are not a measure of the University's exposure resulting from the use of financial instrument contracts. The amounts exchanged are based on the applicable rates applied to the notional amounts.

The University is exposed to credit related losses in the event of non-performance by counterparties to these financial instruments, but it does not expect any counterparties to fail to meet their obligations. The University limits its derivative financial instruments' credit risk by only dealing with Canadian chartered banks that are rated AA or better.

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

2014	\$ 1,473
2015	1,515
2016	2,677
2017	2,756
2018	2,838
Thereafter	64,177

8. Accounts payable and accrued liabilities:

Included in accounts payable and accrued liabilities are government remittances payable of \$1,048 (2012 - \$891), which includes amounts payable for HST and payroll related taxes.

WILFRID LAURIER UNIVERSITY

Notes to Financial Statements, continued
(In thousands of Canadian dollars)

Years ended April 30, 2013 and 2012

9. Mortgage payable:

			April 30, 2013	April 30, 2012	May 1, 2011
	Rate	Due Date	\$	\$	\$
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	11	54	97
Residence, Leupold Residence, Dining Hall	5.38%	July 1, 2017	446	532	613
			457	623	799
Less principal payable within one year			(101)	(166)	(175)
			356	457	624

The approximate fair market value of the mortgages is \$494 (April 30, 2012 - \$661; May 1, 2011 - \$804).

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

2014	\$	101
2015		95
2016		100
2017		161
2018		-

10. Term bank loan:

	April 30, 2013	April 30, 2012	May 1, 2011
Bank loan, bearing interest at 4.79%, repayable in monthly blended payments of \$9, due September 30, 2013	\$ 518	\$ 600	\$ 684
Less principal payable within one year	(86)	(82)	(78)
	\$ 432	\$ 518	\$ 606

The approximate fair market value of the term bank loan is \$549 (April 30, 2012 - \$642; May 1, 2011 - \$700).

WILFRID LAURIER UNIVERSITY

Notes to Financial Statements, continued
(In thousands of Canadian dollars)

Years ended April 30, 2013 and 2012

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.

April 30, 2013	SVEP	PIRO	Total
Change in benefit obligation:			
Benefit obligation, beginning of year	\$ 3,052	\$ 1,445	\$ 4,497
Benefits paid	(1,148)	(254)	(1,402)
Current service costs	-	110	110
Interest costs	68	39	107
Actuarial loss	10	38	48
Benefit obligation, end of year	\$ 1,982	\$ 1,378	\$ 3,360
Change in plan assets:			
Plan assets, beginning of year	\$ -	\$ -	\$ -
Employer contributions	1,148	254	1,402
Benefits paid	(1,148)	(254)	(1,402)
Plan assets, end of year	\$ -	\$ -	\$ -
<hr/>			
April 30, 2012	SVEP	PIRO	Total
Change in benefit obligation:			
Benefit obligation, beginning of year	\$ 6,741	\$ 391	\$ 7,132
Curtailement	(1,979)	-	(1,979)
Employee contributions	-	-	-
Benefits paid	(2,052)	(105)	(2,157)
Current service costs	24	84	108
Interest costs	215	16	231
Actuarial loss	103	1,059	1,162
Benefit obligation, end of year	\$ 3,052	\$ 1,445	\$ 4,497
Change in plan assets:			
Plan assets, beginning of year	\$ -	\$ -	\$ -
Employer contributions	2,052	105	2,157
Benefits paid	(2,052)	(105)	(2,157)
Plan assets, end of year	\$ -	\$ -	\$ -

WILFRID LAURIER UNIVERSITY

Notes to Financial Statements, continued
(In thousands of Canadian dollars)

Years ended April 30, 2013 and 2012

11. Retirement incentive plans (continued):

April 30, 2013	SVEP	PIRO
For determining benefit obligations for the year ending April 30:		
Discount rate	2.25%	2.25%
Rate of compensation	4.50%	4.50%
For determining benefit costs for the year ending April 30:		
Discount rate	2.75%	2.75%

April 30, 2012	SVEP	PIRO
For determining benefit obligations for the year ending April 30:		
Discount rate	2.75%	2.75%
Rate of compensation	4.50%	4.50%
For determining benefit costs for the year ending April 30:		
Discount rate	3.75%	3.75%

April 30, 2013	SVEP	PIRO	Total
Components of benefit expense:			
Current service costs	\$ -	\$ 110	\$ 110
Interest costs	68	39	107
Actuarial loss	10	38	48
	\$ 78	\$ 187	\$ 265

April 30, 2012	SVEP	PIRO	Total
Components of benefit expense:			
Current service costs	\$ 24	\$ 84	\$ 108
Interest costs	215	16	231
Negative plan amendment	(1,979)	-	(1,979)
Actuarial loss	103	1,059	1,162
	\$ (1,637)	\$ 1,159	\$ (478)

WILFRID LAURIER UNIVERSITY

Notes to Financial Statements, continued
(In thousands of Canadian dollars)

Years ended April 30, 2013 and 2012

12. Pension plans:

The University has several pension plans with the membership determined based on stipulated conditions. The figures stated here include the information from all plans.

	2013	2012
Change in benefit obligation:		
Benefit obligation, beginning of year	\$ 386,696	\$ 368,116
Benefits paid	(19,986)	(14,056)
Current service costs	15,530	12,654
Past service costs	-	(215)
Interest costs	24,427	23,321
Actuarial loss	42,393	(3,124)
Benefit obligation, end of year	\$ 449,060	\$ 386,696
Change in plan assets:		
Plan assets, beginning of year	\$ 318,172	\$ 309,519
Employee contributions	11,334	8,428
Employer contributions	22,795	19,510
Benefits paid	(19,986)	(14,056)
Return on plan assets	26,979	(5,229)
Plan assets, end of year	\$ 359,294	\$ 318,172
Funded status:		
Defined benefit liability	\$ 89,766	\$ 68,524

WILFRID LAURIER UNIVERSITY

Notes to Financial Statements, continued
(In thousands of Canadian dollars)

Years ended April 30, 2013 and 2012

12. Pension plan (continued):

	2013	2012
For determining benefit obligations as at April 30:		
Discount rate	3.25% - 5.75%	4.00% - 6.25%
Rate of compensation increase	4.00%	4.50%
For determining benefit costs for the year ending April 30:		
Discount rate	4.00% - 6.25%	5.50% - 6.25%
Rate of compensation increase	4.50%	4.50%
	2013	2012
Components of benefit expense:		
Current service costs	\$ 4,196	\$ 4,226
Interest costs	24,427	23,321
Return on plan assets	(26,979)	5,229
Net actuarial loss	42,393	(3,124)
Past service costs	-	(215)
Other	-	(623)
Benefit expense	\$ 44,037	\$ 28,814

WILFRID LAURIER UNIVERSITY

Notes to Financial Statements, continued
(In thousands of Canadian dollars)

Years ended April 30, 2013 and 2012

13. Other post employment:

The University has a plan which provides extended health and dental benefits to eligible retirees. The figures stated here include the information from all plans.

	2013	2012
Change in benefit obligation:		
Benefit obligation, beginning of year	\$ 75,942	\$ 57,078
Benefits paid	(1,263)	(1,300)
Current service costs	5,221	2,656
Interest costs	3,624	3,249
Actuarial loss	8,287	14,259
Benefit obligation, end of year	\$ 91,811	\$ 75,942
Change in plan assets:		
Plan assets, beginning of year	\$ -	\$ -
Employer contributions	1,263	1,300
Benefits paid	(1,263)	(1,300)
Plan assets, end of year	\$ -	\$ -

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

For measurement purposes, a 7.8% increase in the per capital 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, continued
(In thousands of Canadian dollars)

Years ended April 30, 2013 and 2012

13. Other post employment (continued):

	2013	2012
For determining benefit obligations as at April 30:		
Discount rate	4.00%	4.50%
For determining benefit costs for the year ending April 30:		
Discount rate	4.50%	5.50%
<hr/>		
	2013	2012
Components of benefit expense:		
Current service costs	\$ 5,221	\$ 2,656
Interest costs	3,624	3,249
Net actuarial loss	8,287	14,259
Benefit expense	\$ 17,132	\$ 20,164

14. Deferred contributions - operations:

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

	April 30, 2013	April 30, 2012	May 1, 2011
Research grants	\$ 7,817	\$ 6,504	\$ 7,333
Scholarships and bursaries	6,087	5,130	5,293
Unspent designated donations	6,960	7,000	7,882
Other amounts	2,214	2,109	3,828
	\$ 23,078	\$ 20,743	\$ 24,336

WILFRID LAURIER UNIVERSITY

Notes to Financial Statements, continued
(In thousands of Canadian dollars)

Years ended April 30, 2013 and 2012

15. 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:

	2013	2012
Balance, beginning of year	\$ 105,323	\$ 100,289
Contributions received during the year	21,007	8,536
Loans forgiven during the year	539	1,639
Income realized regarding demolition of building	-	(483)
Amortization for the year	(4,586)	(4,658)
Balance, end of year	\$ 122,283	\$ 105,323

16. Forgivable loans:

	April 30, 2013	April 30, 2012	May 1, 2011
Interest free loan, from the City of Brantford, for the Wilkes House renovations, forgivable over a period of 25 years beginning in 2009	\$ 666	\$ 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	1,833	2,333	2,833
Interest free loan, from the City of Brantford University Centre, forgiven during the 2011/2012 fiscal year	-	-	1,100
	\$ 2,499	\$ 3,038	\$ 4,677

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

WILFRID LAURIER UNIVERSITY

Notes to Financial Statements, continued
(In thousands of Canadian dollars)

Years ended April 30, 2013 and 2012

17. Internally restricted net assets:

	April 30, 2013	April 30, 2012	May 1, 2011
Departmental operating budget carryforwards	\$ 11,227	\$ 9,727	\$ 7,187
Operating budget general reserves	9,800	9,963	5,882
Major repairs and maintenance	6,850	-	-
General reserves	-	6,896	7,570
Operating fund specific projects	5,087	2,743	7,500
Development campaign budget reserve	3,317	3,626	3,626
Land banking	3,244	2,304	2,312
Capital related specific projects	3,216	1,849	1,493
Ancillary operations	2,745	2,194	1,052
Equipment replacement and renewal fund	2,575	2,510	1,745
Research related	1,959	1,595	1,348
Real estate fund	1,522	-	-
Balsillie endowment reserve	1,230	1,230	1,230
Faculty professional and travel expenses	635	468	565
	\$ 53,407	\$ 45,105	\$ 41,510

18. Invested in capital assets:

	April 30, 2013	April 30, 2012	May 1, 2011
Capital assets-net book value (note 5)	\$ 407,893	\$ 398,138	\$ 326,435
Add: Sinking fund investments held to discharge long-term debt	6,507	4,946	4,982
	414,400	403,084	331,417
Less: Amounts financed by long-term debt deferred contributions-capital (note 15)	(167,532)	(150,173)	(94,782)
	(122,283)	(105,323)	(100,289)
Internal advances	18,251	(3,107)	(11,745)
	\$ 142,836	\$ 144,481	\$ 124,601

WILFRID LAURIER UNIVERSITY

Notes to Financial Statements, continued
(In thousands of Canadian dollars)

Years ended April 30, 2013 and 2012

19. 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:

	April 30, 2013	April 30, 2012	May 1, 2011
Endowments restricted externally	\$ 70,228	\$ 65,242	\$ 56,651
Endowments restricted internally	4,965	4,901	5,170
	\$ 75,193	\$ 70,143	\$ 64,821

20. Ontario Student Trust Fund:

Phase I - Ontario Student Opportunity Trust Fund (OSOTF):

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

	2013	2012
Expendable funds available for awards, beginning of year	\$ 395	\$ 446
Net transfer from endowment funds	248	198
Bursaries awarded	(160)	(249)
Expendable funds available for awards, end of year	\$ 483	\$ 395
Total OSOTF, Phase I, end of year	\$ 6,779	\$ 6,662
Number of bursaries awarded	139	172

Schedule of changes in endowment fund balance for the year ended April 30:

	2013		2012	
	Market	Book	Market	Book
Endowment balance, beginning of year	\$ 6,280	\$ 6,267	\$ 6,301	\$ 6,295
Unrealized gain for the year	258	-	7	-
Investment income, net of investment related expenses	277	277	170	170
Net transfer from endowment funds	(248)	(248)	(198)	(198)
Endowment balance, end of year	\$ 6,567	\$ 6,296	\$ 6,280	\$ 6,267

WILFRID LAURIER UNIVERSITY

Notes to Financial Statements, continued
(In thousands of Canadian dollars)

Years ended April 30, 2013 and 2012

20. Ontario Student Trust Fund (continued):

Phase II – Ontario Student Opportunity Trust Fund (OSOTF):

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

	2013		2012	
Expendable funds available for awards, beginning of year	\$	86	\$	76
Net transfer from endowment funds		73		71
Bursaries awarded		(51)		(61)
Expendable funds available for awards, end of year	\$	108	\$	86
Total OSOTF, Phase II, end of year	\$	2,170	\$	2,132
Number of bursaries awarded		40		52

Schedule of changes in endowment fund balance for the year ended April 30:

	2013		2012	
	Market	Book	Market	Book
Endowment balance, beginning of year	\$ 2,050	\$ 2,046	\$ 2,064	\$ 2,062
Unrealized gain for the year	83	-	2	-
Investment income, net of investment related expenses	89	89	55	55
Net transfer from endowment funds	(73)	(73)	(71)	(71)
Endowment balance, end of year	\$ 2,149	\$ 2,062	\$ 2,050	\$ 2,046

Ontario Trust Fund Student Support (OTSS):

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

	2013		2012	
Expendable funds available for awards, beginning of year	\$	611	\$	236
Net transfer from endowment funds		664		875
Bursaries awarded		(443)		(500)
Expendable funds available for awards, end of year	\$	832	\$	611
Total OTSS, Phase II, end of year	\$	19,596	\$	19,225
Number of bursaries awarded		347		418

WILFRID LAURIER UNIVERSITY

Notes to Financial Statements, continued
(In thousands of Canadian dollars)

Years ended April 30, 2013 and 2012

20. Ontario Student Trust Fund (continued):

Ontario Trust Fund Student Support (OTSS) (continued):

Schedule of changes in endowment fund balance for the year ended April 30:

	2013		2012	
	Market	Book	Market	Book
Endowment balance, beginning of year	\$ 18,652	\$ 18,614	\$17,268	\$ 17,249
Donations received	-	-	944	944
Government matching received	-	-	820	820
Unrealized gain for the year	760	-	19	-
Investment income, net of investment related expenses	814	814	476	476
Net transfer from endowment funds	(664)	(664)	(875)	(875)
Endowment balance, end of year	\$ 19,562	\$ 18,764	\$18,652	\$ 18,614

21. Additions to capital assets:

	2013	2012
Waterloo campus:		
Furniture and equipment	\$ 4,603	\$ 6,250
Library books	2,621	2,696
Global exchange project	5,954	2,070
Business technology management project	-	467
Athletic complex, change room renovations	269	-
Fitness centre expansion	2,175	226
Centre for Cold Region and Water Science	4,330	533
Graduate pub renovations	-	103
Science research renovation	-	804
Building renovation	-	1,625
Student residences	1,249	54,159
Landscaping improvements	219	269
Northdale parking expansion	19	333
Land	3,091	13,917
	24,530	83,452
Brantford campus:		
Research and Academic Centre	-	3,494
YMCA/Laurier Athletic Centre	124	-
97 Dalhousie Street (formerly Moodys)	-	1,437
Research and Academic Centre - Lab	1,234	42
Land	-	155
	1,358	5,128
	\$ 25,888	\$ 88,580

WILFRID LAURIER UNIVERSITY

Notes to Financial Statements, continued
(In thousands of Canadian dollars)

Years ended April 30, 2013 and 2012

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, 2018. 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:

Building	\$	691,378
Furniture and equipment		81,992
Library books		128,793
	\$	902,163

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, 2013 are estimated to be \$68,446 (April 30, 2012 - \$11,707; May 1, 2011 - \$11,354) and will be financed primarily by provincial and municipal grants, borrowings and fundraisings.

Future minimum payments for the next five years under non-cancellable operating leases and other agreements at April 20, 2013 are payable as follows:

2014	\$	6,386
2015		5,409
2016		2,548
2017		2,327
2018		850

The University has also guaranteed debt for the Wilfrid Laurier University Students' Union in the amount of \$2,301 as at April 30, 2013 (April 30, 2012 - \$2,415; May 1, 2011 - \$1,494).

WILFRID LAURIER UNIVERSITY

Notes to Financial Statements, continued
(In thousands of Canadian dollars)

Years ended April 30, 2013 and 2012

24. Contingencies:

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. Financial risks and concentration of credit risk:

(a) Liquidity risk:

Liquidity risk is the risk that the University will be unable to fulfill its obligations on a timely basis or at a reasonable cost. The University manages its liquidity risk by monitoring its operating requirements. The University prepares budget and cash forecasts to ensure it has sufficient funds to fulfill its obligations. There has been no change to the risk exposures from 2012.

(b) Credit risk:

Credit risk refers to the risk that a counterparty may default on its contractual obligations resulting in a financial loss. The University is exposed to credit risk with respect to the accounts receivable. The University assesses, on a continuous basis, accounts receivable and provides for any amounts that are not collectible in the allowance for doubtful accounts.

(c) Interest rate risk:

The University is exposed to interest rate risk on its fixed interest rate financial instruments. Further details about the long term debt are included in notes 6, 7, 9 and 10.

26. 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.

WILFRID LAURIER UNIVERSITY

Notes to Financial Statements, continued
(In thousands of Canadian dollars)

Years ended April 30, 2013 and 2012

27. Supplemental disclosure of cash flow information:

	2013	2012
Interest paid	\$ 7,105	\$ 6,417

28. Comparative figures:

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

29. Transitional adjustments:

(a) Net assets:

The following table summarizes the impact of the transition to Not-for-profit standards on the University's net assets as of May 1, 2011:

Net assets:	
As previously reported under Canadian generally accepted accounting principles, April 30, 2011	\$ 76,668
Transition election to record capital assets at fair value (i)	66,423
Transition election to recognize all cumulative actuarial gains and losses and past service costs on employee future benefits (ii)	(64,112)
Restated, May 1, 2011	\$ 78,979

In accordance with transitional provisions of Canadian accounting standards for not-for-profit organizations, the Organization has elected to use the following exemptions:

(i) Fair value:

The University has elected to measure land at May 1, 2011 using the fair value election.

(ii) Employee future benefits:

The University has elected to recognize all cumulative actuarial gains and losses and past services costs in opening net assets.

WILFRID LAURIER UNIVERSITY

Notes to Financial Statements, continued
(In thousands of Canadian dollars)

Years ended April 30, 2013 and 2012

29. Transitional adjustments (continued):

(b) Excess of revenue over expenses:

As a result of the above noted elections and the retrospective application of Canadian accounting standards for not-for-profit organizations, the University recorded the following adjustments to excess of revenue over expenses for the year ended April 30, 2012:

Excess of revenue over expenses:	
As previously reported under Canadian generally accepted accounting principles for year ended April 30, 2012	\$ 6,257
Increase to employee future benefit expense as a result of electing to recognize all cumulative actuarial gains and losses	(25,304)
<u>Restated for the year ended April 30, 2012</u>	<u>\$ (19,047)</u>

Note from University Secretary & General Counsel: During the year, the organization incurred professional fees with parties with which certain members of its Board of Directors are related. These transactions are considered to be in the normal course of business and all fees are assessed at market rates. In 2012-2013, any such professional fees paid to entities involving Board members was \$380.67.