

Financial Statements of

**WILFRID LAURIER  
UNIVERSITY**

Year ended April 30, 2019



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## INDEPENDENT AUDITORS' REPORT

To the Board of Governors of Wilfrid Laurier University

### ***Opinion***

We have audited the financial statements of Wilfrid Laurier University (the Entity), which comprise:

the statement of financial position as at April 30, 2019

the statement of operations for the year then ended

the statement of changes net assets for the year then ended

the statement of cash flows for the year then ended

and notes to the financial statements, including a summary of significant accounting policies

(Hereinafter referred to as the "financial statements").

In our opinion, the accompanying financial statements, present

Accounting standards for not-for-profit organizations.

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### ***Basis for Opinion***

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the "***Auditors' Responsibilities for the Audit of the Financial Statements***" section of our auditors' report.

We are independent of the Entity in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada and we have fulfilled our other ethical responsibilities in accordance with these requirements.

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











# WILFRID LAURIER UNIVERSITY

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

Year ended April 30, 2019, with comparative information for 2018

April 30, 2019	Unrestricted	Internally restricted	Invested in capital assets	Restricted for endowment	Total
Balance, beginning of year	\$ (131,845)	\$ 87,552	\$ 115,787	\$ 91,857	\$ 163,351
Excess (deficiency) of revenue over expenses	26,980	-	(16,946)	-	10,034
Internally imposed restrictions	(8,183)	8,183	-	-	-
Net endowment contributions and capitalized earnings	-	-	-	4,210	4,210
Invested in capital assets	(24,123)	-	24,123	-	-
Employee future benefits (note 14)	24,247	-	-	-	24,247
<b>Balance, end of year</b>	<b>\$ (112,924)</b>	<b>\$ 95,735</b>	<b>\$ 122,964</b>	<b>\$ 96,067</b>	<b>\$ 201,842</b>

April 30, 2018	Unrestricted	Internally restricted	Invested in capital assets	Restricted for endowment	Total
Balance, beginning of year	\$ (121,266)	\$ 72,744	\$ 117,222	\$ 88,379	\$ 157,079
Excess (deficiency) of revenue over expenses	22,397	-	(9,678)	-	12,719
Internally imposed restrictions	(14,808)	14,808	-	-	-
Net endowment contributions and capitalized earnings	-	-	-	3,478	3,478
Invested in capital assets	(8,243)	-	8,243	-	-
Employee future benefits (note 14)	(9,925)	-	-	-	(9,925)
<b>Balance, end of year</b>	<b>\$ (131,845)</b>	<b>\$ 87,552</b>	<b>\$ 115,787</b>	<b>\$ 91,857</b>	<b>\$ 163,351</b>



# WILFRID LAURIER UNIVERSITY

Statement of Cash Flows  
(In thousands of Canadian dollars)

Year ended April 30, 2019, with comparative information for 2018

	2019	2018
Cash provided by (used in):		
Operating activities:		
Excess of revenue over expenses	\$ 10,034	\$ 12,719
Items not providing or using cash:		
Amortization of deferred contributions – capital (note 16)	(7,116)	(7,421)
Amortization of capital assets	24,997	19,874
Employee future benefits expense	32,589	30,114
Non cash interest expense	82	79
Gain on sale of capital assets	(935)	(2,775)
Increase in deferred contributions - operations	2,834	4,520
Net change in non-cash working capital	(6,531)	(17,602)
Contributions to employee future benefits	(27,415)	(24,406)
	<u>28,539</u>	<u>15,102</u>
Financing activities:		
Decrease in mortgages - net	-	(55)
Decrease in banker's acceptances - net	(2,922)	(2,838)
	<u>(2,922)</u>	<u>(2,893)</u>
Investing activities:		
Decrease (increase) in notes receivable	339	(375)
Purchase of capital assets	(38,024)	(46,891)
Increase in endowments	4,210	3,478
Increase in investments	(7,510)	(32,863)
Decrease in restricted cash	868	4,090
Deferred contributions - capital received (note 16)	15,806	8,940
	<u>(24,311)</u>	<u>(63,621)</u>
Increase (decrease) in cash	1,306	(51,412)
Cash, beginning of year	70,716	122,128
Cash, end of year	<u>\$ 72,022</u>	<u>\$ 70,716</u>

See accompanying notes to financial statements.





# WILFRID LAURIER UNIVERSITY

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

Year ended April 30, 2019

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## 1. Significant accounting policies (continued):

### (f) Pensions (continued):

At year end, the University recognizes, on the statement of financial position, the defined benefit obligation net of the fair value of any plan assets. The current service cost and the finance cost for the year are recognized in income through the statement of operations. Remeasurement and other items are recognized as a direct increase (decrease) in net assets and are not reclassified to the statement of operations in subsequent periods.

Remeasurement and other items comprise the aggregate of: the difference between the actual return on plan assets and the return calculated using the discount rate; the actuarial gains and losses; the effect of any valuation allowance in the case of a net defined benefit asset; the past service costs; and any gains and losses arising from settlements and curtailments.

### (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 phased in retirement option plan which is available to faculty to provide the individuals with an incentive to retire.

The accrued benefit obligation and current service costs for these plans are recognized using the projected benefit method pro-rated on service, and income is charged with the cost of the benefits in the years in which the employees render the service



# WILFRID LAURIER UNIVERSITY

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

Year ended April 30, 2019

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## **2. Future accounting changes (continued):**

For collections recorded at cost, a write-down is required whenever events or changes in circumstances indicate that the net carrying value may exceed fair value.

The University intends to adopt these new standards in its financial statements for the annual

# WILFRID LAURIER UNIVERSITY

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

Year ended April 30, 2019

## 5. Investments:

Investments are made up of the following amounts:

	2019	2018
Short-term investments		
Cash and money market	\$ 482	\$ 2,530
Guaranteed interest certificates	60,000	60,000
	60,482	62,530
Long-term investments		
Common stock	1,960	1,753
Bonds	134	131
Canadian equity funds	23,934	9,480
Global equity funds	33,967	22,284
Fixed income funds	46,746	50,390
Balanced funds	16,031	30,402
Infrastructure funds	10,115	8,889
	132,887	123,329
Total investments	\$ 193,369	\$ 185,859

Investments are allocated as follows:

	2019	2018
Endowment investments	\$ 96,067	\$ 91,857
Sinking fund investments (note 9)	17,424	14,848
Other investments	79,878	79,154
	\$ 193,369	\$ 185,859

# WILFRID LAURIER UNIVERSITY

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

Year ended April 30, 2019

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## 6. Capital assets:

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	Cost	Amortization value	2019 Net book value	2018 Net book value
Land and land improvements	\$ 119,284	\$ -	\$ 119,284	\$ 117,949
Buildings	522,863	154,835	368,028	329,891



# WILFRID LAURIER UNIVERSITY

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

Year ended April 30, 2019

## 9. Debenture payable (continued):

The approximate fair market value of the debenture is \$141,000 (2018 - \$133,000).

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 \$17,424 (2018 - \$14,848) (note 5).

## 10. Banker's acceptance:

	2019	2018
Banker's acceptance, bearing interest at 2.85%, repayable in blended payments of \$281, due November 28, 2032	\$ 57,898	\$ 59,597
Bank loan, bearing interest at 3.02%, repayable in blended payments of \$227, due November 28, 2035	49,045	50,268
Total	106,943	109,865
Less principal payable within one year	(3,009)	(2,922)
Long-term portion	\$ 103,934	\$ 106,943

The banker's acceptances are issued under a long-term credit facility entered into by the University during fiscal 2014.

The University entered into interest rate swap contracts to manage the interest rate exposure at a

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# WILFRID LAURIER UNIVERSITY

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

Year ended April 30, 2019

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## 11. Retirement incentive plans (continued):

	2019	2018
Components of benefit expense:		
Current service costs	\$ 87	\$ 81
Interest costs	63	79
Benefit expense	\$ 150	\$ 160

## 12. Pension plans:

# WILFRID LAURIER UNIVERSITY

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

Year ended April 30, 2019

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## 12. Pension plans (continued):

	2019	2018
For determining benefit obligations as at April 30:		
Discount rate	5.50%	5.50%
Rate of compensation		

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# **WILFRID LAURIER UNIVERSITY**

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

Year ended April 30, 2019

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# WILFRID LAURIER UNIVERSITY

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

Year ended April 30, 2019

## 17. Forgivable loans:

	2019	2018
Interest free loan, from the City of Brantford, for the Wilkes House renovations, forgivable over a period of 25 years beginning in 2009	\$ 432	\$ 471

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

## 18. Internally restricted net assets:

	2019	2018
Departmental operating budget carryforwards	\$ 17,081	\$ 22,052
Operating budget general reserves	3,192	2,668
Major repairs and maintenance	9,129	6,689
Operating fund specific projects	23,355	13,948
Development campaign budget reserve	1,314	1,506
Ancillary operations	8,645	9,723
Equipment replacement and renewal fund	2,638	2,745
Research related	3,382	3,288
Real estate fund	169	(129)
Balsillie endowment reserve	662	662
Sinking fund	17,424	14,848
Post-employment benefits, net of internal loans	8,744	9,552
	\$ 95,735	\$ 87,552

## 19. Invested in capital assets:

	2019	2018
Capital assets-net book value (note 6)	\$ 550,634	\$ 537,607
Less: Amounts financed by long-term debt	(216,946)	(219,786)
Deferred contributions - capital (note 16)	(210,292)	(201,563)
Forgivable loans (note 17)	(432)	(471)
	\$ 122,964	\$ 115,787

# WILFRID LAURIER UNIVERSITY

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

Year ended April 30, 2019

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## **20. Endowments:**

Endowments include restricted donations received by the University and funds restricted





# WILFRID LAURIER UNIVERSITY

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

Year ended April 30, 2019

## 21. 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:

	2019		2018	
Expendable funds available for awards, beginning of year	\$	105	\$	103
Net transfer from endowment funds		91		76
Bursaries awarded		(94)		(74)
Expendable funds available for awards, end of year	\$	102	\$	105
Total OSOTF, Phase II, end of year	\$	2,555	\$	2,458
Number of bursaries awarded		70		59

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

	2019		2018	
	Market	Book	Market	Book
Endowment balance, beginning of year	\$ 2,526	\$ 2,353	\$ 2,498	\$ 2,179
Unrealized loss for the year	(4)	-	(146)	-
Investment income, net of investment related expenses	191	191	250	250
Net transfer from endowment funds	(91)	(91)	(76)	(76)
Endowment balance, end of year	\$ 2,622	\$ 2,453	\$ 2,526	\$ 2,353

# WILFRID LAURIER UNIVERSITY

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

Year ended April 30, 2019

## 21. Ontario Student Trust Fund (continued):

Ontario Trust Fund Student Support (OTSS):

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

	2019		2018	
Expendable funds available for awards, beginning of year	\$	817	\$	787
Net transfer from endowment funds		775		693
Bursaries awarded		(661)		(663)
Expendable funds available for awards, end of year	\$	931	\$	817
Total OTSS, end of year	\$	23,319	\$	22,239
Number of bursaries awarded		489		527

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

	2019		2018	
	Market	Book	Market	Book
Endowment balance, beginning of year	\$ 23,000	\$ 21,421	\$ 22,748	\$ 19,839
Unrealized loss for the year	(35)	-	(1,330)	-
Investment income, net of investment related expenses	1,742	1,742	2,275	2,275
Net transfer from endowment funds	(775)	(775)	(693)	(693)
Endowment balance, end of year	\$ 23,932	\$ 22,388	\$ 23,000	\$ 21,421

# WILFRID LAURIER UNIVERSITY

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

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## 22. Commitments and guarantees:

Costs to complete major capital projects in progress and commitments to purchase property as at April 30, 2019 are estimated to be \$26,141.

Future minimum payments for the next three years under non-cancellable operating leases and other agreements at April 30, 2019 are payable as follows:

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2020	\$	12,755
2021		11,361
2022		8,207

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The University has guaranteed debt for the Wilfrid Laurier University Students' Union in the amount of \$1,510 as at April 30, 2019 (2018 - \$1,657).

## 23. 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.

## 24. 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

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Notes to Financial Statements, continued