

Financial Statements of

**WILFRID LAURIER
UNIVERSITY**

And Independent Auditor's Report thereon

Year ended April 30, 2024



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INDEPENDENT AUDITOR'S 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, 2024
- 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 fairly, in all material respects, the financial position of the Entity as at April 30, 2024, and its results of operations and its cash flows for the year then ended in accordance with Canadian Accounting standards for not-for-profit organizations.

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 “***Auditor’s Responsibilities for the Audit of the Financial Statements***” section of our auditor’s 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.



Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the 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.

In preparing the financial statements, management is responsible for assessing the Entity's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Entity or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Entity's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit 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.



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- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

A handwritten signature in black ink that reads 'KPMG LLP'. The signature is written in a cursive, slightly slanted style. Below the signature is a horizontal line that starts under the 'K' and ends under the 'P', with a small upward tick at the end.

Chartered Professional Accountants, Licensed Public Accountants

Kitchener, Canada

September 25, 2024

WILFRID LAURIER UNIVERSITY

Statement of Financial Position
(In thousands of Canadian dollars)

April 30, 2024, with comparative information for 2023

	2024	2023
Assets		
Current assets:		
Cash and short-term deposits	\$ 119,484	\$ 76,789
Accounts receivable (note 2)	46,692	63,880
Short-term investments (note 4)	33,885	31,066
Inventories	2,085	1,623
Prepaid expenses and deposits	10,063	11,508
Current portion of notes receivable (note 3)	134	5,901
Asset held for sale (note 5)	–	1,150
	<u>212,343</u>	<u>191,917</u>
Notes receivable less current portion (note 3)	581	715
Long-term investments (note 4)	188,546	184,426
Capital assets (note 5)	613,353	605,406
Restricted cash (note 6)	220	275
Total assets	\$ 1,015,043	\$ 982,739

See accompanying notes to financial statements.

WILFRID LAURIER UNIVERSITY

Statement of Financial Position, continued
(In thousands of Canadian dollars)

April 30, 2024, with comparative information for 2023

	2024	2023
Liabilities and Net Assets		
Current liabilities:		
Accounts payable and accrued liabilities (note 7)	\$ 58,502	\$ 60,212
Accrued vacation pay	6,900	7,157
Deferred revenue	47,335	43,336
Current portion of banker's acceptance (note 9)	3,481	3,381
Current portion of obligation under capital leases (note 10)	-	63
	<u>116,218</u>	<u>114,149</u>
Long-term financial liabilities:		
Debentures (note 8)	110,495	110,385
Banker's acceptance (note 9)	87,502	90,982
	<u>197,997</u>	<u>201,367</u>
Other long-term liabilities:		
Retirement incentive plan (note 11)	1,954	2,337
Pension plans (note 12)	9,221	12,027
Other post-employment benefits (note 13)	87,638	87,966
Deferred contributions - operations (note 15)	52,136	56,626
Deferred contributions - capital (note 16)	205,579	201,155
Forgivable loans (note 17)	237	276
	<u>356,765</u>	<u>360,387</u>
Total liabilities	670,980	675,903
Net assets:		
Unrestricted	(110,285)	(98,464)
Internally restricted (note 18)	127,750	91,043
Invested in capital assets (note 19)	206,059	200,314
Endowments (notes 20 and 21)	120,539	113,943
	<u>344,063</u>	<u>306,836</u>
Commitments, guarantees and contingencies (notes 22 and 23)		
Total liabilities and net assets	<u>\$ 1,015,043</u>	<u>\$ 982,739</u>

See accompanying notes to financial statements.

On behalf of the Board:

 Governor Doug Treleaven

 Governor Simon Chan

WILFRID LAURIER UNIVERSITY

Statement of Operations

(In thousands of Canadian dollars)

Year ended April 30, 2024, with comparative information for 2023

	2024	2023
Revenue:		
Government grants	\$ 139,357	\$ 127,180
Student fees	231,837	223,197
Donations	6,003	6,382
Sales and service	19,827	21,009
Amortization of deferred contributions – capital (note 16)	8,625	8,437
Interest and investment income	16,922	12,913
Gain on sale of capital assets	3,117	23,002
Other revenues	20,057	15,093
	<u>445,745</u>	<u>437,213</u>
Expenses:		
Salaries	219,496	210,751
Benefits	27,929	27,354
Employee future benefits (note 14)	31,937	31,675
Operating costs	57,253	57,540
Amortization of capital assets	25,680	25,312
Cost of goods sold	6,494	7,042
Taxes, utilities, and rent	22,277	21,182
Scholarships and bursaries	29,332	30,968
Interest	9,092	9,196
	<u>429,490</u>	<u>421,020</u>
Excess of revenue over expenses	<u>\$ 16,255</u>	<u>\$ 16,193</u>

See accompanying notes to financial statements.

WILFRID LAURIER UNIVERSITY

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

Year ended April 30, 2024, with comparative information for 2023

April 30, 2024	Unrestricted	Internally restricted	Invested in capital assets	Restricted for endowment	Total
Balance, beginning of year	\$ (98,464)	\$ 91,043	\$ 200,314	\$ 113,943	\$ 306,836
Excess (deficiency) of revenue over expenses	30,193	–	(13,938)	–	16,255
Internally imposed restrictions	(36,707)	36,707	–	–	–
Transfers (note 20)	–	–	–	(3,452)	(3,452)
Net endowment contributions and capitalized earnings (note 20)	–	–	–	10,048	10,048
Invested in capital assets	(19,683)	–	19,683	–	–
Employee future benefits (note 14)	14,376	–	–	–	14,376
Balance, end of year	\$ (110,285)	\$ 127,750	\$ 206,059	\$ 120,539	\$ 344,063

April 30, 2023	Unrestricted	Internally restricted	Invested in capital assets	Restricted for endowment	Total
Balance, beginning of year	\$ (86,675)	\$ 62,317	\$ 200,272	\$ 107,752	\$ 283,666
Excess of revenue over expenses	10,066	–	6,127	–	16,193
Internally imposed restrictions	(28,726)	28,726	–	–	–
Transfers (note 20)	–	–	–	(3,295)	(3,295)
Net endowment contributions and capitalized earnings (note 20)	–	–	–	9,486	9,486
Invested in capital assets	6,085	–	(6,085)	–	–
Employee future benefits (note 14)	786	–	–	–	786
Balance, end of year	\$ (98,464)	\$ 91,043	\$ 200,314	\$ 113,943	\$ 306,836

See accompanying notes to financial statements.

WILFRID LAURIER UNIVERSITY

Statement of Cash Flows
(In thousands of Canadian dollars)

Year ended April 30, 2024, with comparative information for 2023

	2024	2023
Cash provided by (used in):		
Operating activities:		
Excess of revenue over expenses	\$ 16,255	\$ 16,193
Items not providing or using cash:		
Amortization of deferred contributions – capital (note 16)	(8,625)	(8,437)
Amortization of capital assets	25,680	25,312
Employee future benefits expense	31,937	31,675
Non-cash interest expense	110	104
Gain on sale of capital assets	(3,117)	(23,002)
Unrealized gain on investments	(1,296)	(1,815)
Increase (decrease) in deferred contributions - operations	(4,491)	(1,719)
Net change in non-cash working capital	(2,942)	(3,000)
Contributions to employee future benefits	(21,078)	(22,294)
	32,433	13,017
Financing activities:		
Decrease in banker's acceptances - net	(3,380)	(3,284)
Repayment of obligation under capital leases	(63)	(415)
	(3,443)	(3,699)
Investing activities:		
Decrease in notes receivable	5,901	789
Purchase of capital assets	(33,890)	(27,924)
Proceeds on disposal of capital assets	27,677	7,320
Increase in endowments, net	8,168	53
Purchase of investments	(39,614)	(1,695)
Proceeds on disposal of investments	32,398	2,382
Change in restricted cash	55	(84)
Deferred contributions - capital received (note 16)	13,010	7,137
	13,705	(12,022)
Increase (decrease) in cash	42,695	(2,704)
Cash, beginning of year	76,789	79,493
Cash, end of year	\$ 119,484	\$ 76,789

See accompanying notes to financial statements.

WILFRID LAURIER UNIVERSITY

Notes to Financial Statements
(In thousands of Canadian dollars)

Year ended April 30, 2024

Wilfrid Laurier University (the “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.

1. Significant accounting policies:

The financial statements have been prepared by management in accordance with the Chartered Professional Accountants of Canada 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 are stated at cost, less accumulated amortization.

The carrying amount of an item of capital assets is tested for recoverability whenever events or changes in circumstances indicate the carrying amount may not be recoverable. An impairment loss is recognized when the asset’s carrying amount is not recoverable and exceeds its fair value.

The capital assets, excluding land, are amortized on a straight-line basis in accordance with the following annual rates:

Category	Amortization Rate
Buildings and building components	20 – 40 years
Furniture and equipment	3 – 10 years
Library books	5 years

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

Investments in equity instruments that are quoted in an active market are recorded at fair value. All other equity instruments are recorded at cost less any reduction for impairment.

WILFRID LAURIER UNIVERSITY

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

Year ended April 30, 2024

1. Significant accounting policies (continued):

(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.

(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 has a supplementary pension plan which is available to select employees that meet certain conditions.

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 January 1, 2023 and the next required valuation will be as of January 1, 2026.

WILFRID LAURIER UNIVERSITY

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

Year ended April 30, 2024

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.

On November 11, 2020, the Accounting Standards Board adopted changes to Accounting Standards for Not-for-Profit Organizations Section 3463 *Reporting Employee Future Benefits by Not-for-Profit Organizations*. Specifically, for defined benefit plans without a funding valuation requirement such as the supplementary pension plan, the defined benefit obligation for these plans must be measured using an accounting valuation. This change is effective May 1, 2022 and has been reflected in the opening balance adjustment for this plan as at May 1, 2022. Prior to this date the defined benefit obligation for this plan was measured using a funding valuation.

(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 which gives them the right to receive such benefits. 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.

On November 11, 2020, the Accounting Standards Board adopted changes to Accounting Standards for Not-for-Profit Organizations Section 3463 *Reporting Employee Future Benefits by Not-for-Profit Organizations*. Specifically, for defined benefit plans without a funding valuation requirement such as the retirement incentive plan and post-employment benefit, the defined benefit obligation for these plans must be measured using an accounting valuation. This change is effective May 1, 2022 and has been reflected in the opening balance adjustment for these plans as at May 1, 2022. Prior to this date the defined benefit obligation for these plans was measured using a funding valuation.

WILFRID LAURIER UNIVERSITY

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

Year ended April 30, 2024

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 an indicator of impairment exists, 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, fair value of investments held in real estate and infrastructure funds, 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)

Year ended April 30, 2024

2. Accounts receivable:

	2024	2023
Student receivables	\$ 38,123	\$ 35,341
Other receivables	12,980	32,211
	51,103	67,552
Less allowance for doubtful accounts	(4,411)	(3,672)
	\$ 46,692	\$ 63,880

Included in other receivables is the proceeds from assets held for sale of \$nil (2023 - \$23,147) which were received subsequent to the year end.

3. Notes receivable:

	2024	2023
Mortgage receivable:		
4.5% note, repayable by monthly payments of \$40 including principal and interest, due August 31, 2023	\$ –	\$ 5,761
Wilfrid Laurier University Students' Union:		
4.1% note, repayable by monthly payments of \$13 including principal and interest, due September 1, 2025	715	844
Variable interest note, bearing interest at the rate earned by the University on its cash balances with minimum annual principal payments of \$150	–	11
	715	6,616
Less current portion	(134)	(5,901)
	\$ 581	\$ 715

WILFRID LAURIER UNIVERSITY

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

Year ended April 30, 2024

4. Investments:

Investments are made up of the following amounts:

	2024	2023
Short-term investments		
Cash and money market	\$ 3,885	\$ 1,066
Guaranteed investment certificates	30,000	30,000
	<u>33,885</u>	<u>31,066</u>
Long-term investments		
Common stock	2,447	2,297
Bonds	115	118
Canadian equity funds	35,152	34,092
Global equity funds	49,927	44,663
Guaranteed investment certificates	30,000	30,000
Fixed income funds	16,913	18,581
Mortgage funds	24,120	25,315
Infrastructure funds	17,365	16,434
Real estate funds	12,507	12,926
	<u>188,546</u>	<u>184,426</u>
Total investments	<u>\$ 222,431</u>	<u>\$ 215,492</u>

Investments are allocated as follows:

	2024	2023
Endowment investments	\$ 120,539	\$ 113,943
Sinking fund investments (note 8)	31,680	28,047
Other investments	70,212	73,502
	<u>\$ 222,431</u>	<u>\$ 215,492</u>

WILFRID LAURIER UNIVERSITY

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

Year ended April 30, 2024

5. Capital assets:

	Cost	Accumulated amortization	2024 Net book value	2023 Net book value
Land and land improvements	\$ 178,286	\$ –	\$ 178,286	\$ 178,086
Buildings	615,919	225,688	390,231	376,550
Furniture and equipment	163,984	142,083	21,901	20,479
Library books	66,084	60,174	5,910	6,399
Assets under capital lease	2,266	1,460	806	1,090
Construction in progress	16,219	–	16,219	22,802
	<u>\$ 1,042,758</u>	<u>\$ 429,405</u>	<u>\$ 613,353</u>	<u>\$ 605,406</u>

On December 8, 2022, the University committed to a plan to sell three properties. On April 30, 2023, the properties were measured at a carrying amount of \$1,150, were no longer amortized, and had been reclassified from capital assets to assets held for sale. The properties were sold on March 19, 2023.

6. Restricted cash:

On April 30, 2024, the University held \$220 (2023 - \$275) of monies received from the Province of Ontario to be used in the construction of an athletic facility in Brantford.

7. Accounts payable and accrued liabilities:

Included in accounts payable and accrued liabilities are government remittances payable of \$4,250 (2023 - \$3,489), which includes amounts payable for HST and payroll related taxes.

8. Debenture:

	2024	2023
Debenture, bearing interest at 5.429% payable semi-annually, due February 1, 2045 (beginning 2005)	\$ 115,000	\$ 115,000
Less deferred charges	(4,505)	(4,615)
	<u>\$ 110,495</u>	<u>\$ 110,385</u>

The approximate fair value of the debenture is \$112,000 (2023 - \$111,000).

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 \$31,680 (2023 - \$28,047) (note 4).

WILFRID LAURIER UNIVERSITY

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

Year ended April 30, 2024

9. Banker's acceptance:

	2024	2023
Banker's acceptance, bearing interest at 2.85%, repayable in blended payments of \$281, due November 28, 2032	\$ 48,643	\$ 50,600
Bank loan, bearing interest at 3.02%, repayable in blended payments of \$227, due November 28, 2035	42,340	43,763
Total	90,983	94,363
Less principal payable within one year	(3,481)	(3,381)
Long-term portion	\$ 87,502	\$ 90,982

The banker's acceptances are issued under a long-term credit facility entered into by the University during fiscal 2014. The banker's acceptance is secured by a mortgage constituting a fixed charge on certain lands and buildings.

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:

2024/25	\$	3,481
2025/26		3,584
2026/27		3,690
2027/28		3,800
2028/29		3,912
Thereafter		72,516
	\$	90,983

WILFRID LAURIER UNIVERSITY

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

Year ended April 30, 2024

10. Obligations under capital leases:

The University has financed certain equipment by entering into capital leasing arrangements. Capital lease repayments are due as follows:

	2024	2023
Year ending April 30:		
2024	\$ –	\$ 63
Total minimum lease payments	–	63
Less amount representing interest at 3.12%	–	–
Present value of net minimum capital lease payments	–	63
Current portion of obligations under capital leases	–	(63)
	\$ –	\$ –

Interest of \$nil (2023 - \$12) relating to capital lease obligations has been included in interest expense. The total amount of equipment under capital lease is \$2,266 with accumulated amortization of \$1,460.

11. Retirement incentive plan:

The University has a phased in retirement option (PIRO) plan which provides faculty with an incentive to retire. The figures stated here provide information for this plan.

	2024	2023
Change in benefit obligation:		
Benefit obligation, beginning of year	\$ 2,337	\$ 1,155
Remeasurement of liability	–	107
Current service costs	25	27
Interest costs	99	54
Benefits paid	(267)	(315)
Actuarial (gain) loss	(240)	1,309
Benefit obligation, end of year	\$ 1,954	\$ 2,337
Change in plan assets:		
Employer contributions	\$ 267	\$ 315
Benefits paid	(267)	(315)
Plan assets, end of year	\$ –	\$ –

WILFRID LAURIER UNIVERSITY

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

Year ended April 30, 2024

11. Retirement incentive plan (continued):

	2024	2023
For determining benefit obligations as at April 30:		
Discount rate	4.74%	4.40%
For determining benefit costs for the year ending April 30:		
Discount rate	4.74%	4.40%
Components of benefit expense:		
Current service costs	\$ 25	\$ 27
Interest costs	99	54
Benefit expense	\$ 124	\$ 81

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.

	2024	2023
Change in benefit obligation:		
Benefit obligation, beginning of year	\$ 920,460	\$ 852,457
Remeasurement of liability	–	1,996
Current service costs	19,071	18,609
Employee contributions	17,918	17,255
Interest costs	51,524	50,100
Benefits paid	(34,850)	(41,035)
Actuarial (gain) loss	(47,555)	21,077
Benefit obligation, end of year	\$ 926,568	\$ 920,459
Change in plan assets:		
Plan assets, beginning of year	\$ 908,432	\$ 839,866
Employer contributions	17,229	18,920
Employee contributions	17,918	17,255
Return on plan assets:		
Interest income	47,104	45,715
Actuarial gain	23,257	27,711
Benefits paid	(34,850)	(41,035)
Valuation allowance	(61,743)	–
Plan assets, end of year	\$ 917,347	\$ 908,432
Funded status:		
Defined benefit liability	\$ 9,221	\$ 12,027

WILFRID LAURIER UNIVERSITY

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

Year ended April 30, 2024

12. Pension plans (continued):

	2024	2023
For determining benefit obligations as at April 30:		
Discount rate	5.90%	5.90%
Rate of compensation increase	3.75–4.00%	3.75–4.00%
For determining benefit costs for the year ending April 30:		
Discount rate	5.90%	5.90%
Rate of compensation increase	3.75–4.00%	3.75–4.00%
Components of benefit expense:		
Current service costs	\$ 19,071	\$ 18,609
Interest costs, net of interest income	4,421	4,385
Benefit expense	\$ 23,492	\$ 22,994

13. Other post-employment benefits:

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

	2024	2023
Change in benefit obligation:		
Benefit obligation, beginning of year	\$ 87,966	\$ 79,990
Remeasurement of liability	–	18,379
Current service cost	3,917	3,840
Member contributions	162	133
Interest cost	4,404	4,760
Benefits paid	(3,744)	(3,192)
Actuarial gain	(5,067)	(15,944)
Benefit obligation, end of year	\$ 87,638	\$ 87,966
Change in plan assets:		
Plan assets, beginning of year	\$ –	\$ –
Employer contributions	3,582	3,059
Member contributions	162	133
Benefits paid	(3,744)	(3,192)
Plan assets, end of year	\$ –	\$ –

WILFRID LAURIER UNIVERSITY

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

Year ended April 30, 2024

13. Other post-employment benefits (continued):

For measurement purposes, health care and dental trend rates follow the CIA McMaster Model with prescribed rates through 2040. For the year ended April 30, 2024, a 4.91% increase in the per capita cost of health care and a 5.36% annual increase in the cost of dental care was assumed.

	2024	2023
For determining benefit obligations as at April 30:		
Discount rate	4.85%	4.71%
For determining benefit costs for the year ending April 30:		
Discount rate	4.85%	4.71%
Components of benefit expense:		
Current service costs	\$ 3,917	\$ 3,840
Interest costs	4,404	4,760
Benefit expense	\$ 8,321	\$ 8,600

14. Employee future benefits:

	2024	2023
Employee future benefits expense consists of the following:		
Retirement incentive plans (note 11)	\$ 124	\$ 81
Pension plans (note 12)	23,492	22,994
Other post-employment benefits (note 13)	8,321	8,600
Total employee future benefits expense	\$ 31,937	\$ 31,675

	2024	2023
Components of employee future benefits recorded as a direct increase (decrease) to net assets:		
Remeasurement of liabilities:		
Retirement incentive plans (note 11)	\$ –	\$ (107)
Pension benefit obligation (note 12)	–	(1,996)
Other post-employment benefits (note 13)	–	(18,379)
Actuarial gains (losses)		
Retirement incentive plans (note 11)	240	(1,309)
Pension benefit obligation (note 12)	47,555	(21,078)
Pension plan assets (note 12)	23,257	27,711
Other post-employment benefits (note 13)	5,067	15,944
Pension valuation allowance	(61,743)	–
Total employee future benefits recorded as a direct increase to net assets	\$ 14,376	\$ 786

WILFRID LAURIER UNIVERSITY

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

Year ended April 30, 2024

15. Deferred contributions - operations:

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

	2024	2023
Research grants	\$ 21,300	\$ 21,229
Scholarships and bursaries	10,413	11,312
Unspent designated donations	11,820	15,321
Other amounts	8,603	8,764
	<u>\$ 52,136</u>	<u>\$ 56,626</u>

16. 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:

	2024	2023
Balance, beginning of year	\$ 201,155	\$ 202,416
Contributions received during the year	13,010	7,137
Loans forgiven during the year	39	39
Amortization for the year	(8,625)	(8,437)
Balance, end of year	<u>\$ 205,579</u>	<u>\$ 201,155</u>

17. Forgivable loans:

	2024	2023
Interest free loan, from the City of Brantford loan, non-interest bearing, forgivable over a period of 25 years beginning in 2009	\$ 237	\$ 276

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

WILFRID LAURIER UNIVERSITY

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

Year ended April 30, 2024

18. Internally restricted net assets:

	2024	2023
Departmental operating budget carry-forwards	\$ 11,900	\$ 12,894
Operating fund general reserves	13,913	2,279
Operating fund specific projects	5,594	6,718
Ancillary operations	4,727	(161)
Capital infrastructure	20,008	19,537
Major repairs and maintenance	15,215	4,865
Equipment replacement and renewal fund	3,644	3,024
Research related	7,291	6,346
Sinking fund	31,680	28,047
Post-employment benefits, net of internal loans	13,778	7,494
	\$ 127,750	\$ 91,043

19. Invested in capital assets:

	2024	2023
Capital assets-net book value (note 5)	\$ 613,353	\$ 606,556
Less: Amounts financed by long-term debt (notes 8 and 9)	(201,478)	(204,748)
Amounts finance by capital leases (note 10)	–	(63)
Deferred contributions - capital (note 16)	(205,579)	(201,155)
Forgivable loans (note 17)	(237)	(276)
	\$ 206,059	\$ 200,314

WILFRID LAURIER UNIVERSITY

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

Year ended April 30, 2024

20. Endowments:

Endowments include restricted donations received by the University and funds 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, 2024	Externally restricted	Internally restricted	Total
Beginning balance	\$ 107,734	\$ 6,209	\$ 113,943
Donations	1,747	–	1,747
Investment income and gains, net of fees and expenses	7,861	440	8,301
Transfers to unrestricted net assets	(3,107)	(345)	(3,452)
	\$ 114,235	\$ 6,304	\$ 120,539

April 30, 2023	Externally restricted	Internally restricted	Total
Beginning balance	\$ 101,649	\$ 6,103	\$ 107,752
Donations	686	–	686
Investment income and gains, net of fees and expenses	8,323	477	8,800
Transfers to unrestricted net assets	(2,924)	(371)	(3,295)
	\$ 107,734	\$ 6,209	\$ 113,943

WILFRID LAURIER UNIVERSITY

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

Year ended April 30, 2024

21. Ontario Student Trust Fund:

Externally restricted endowments include grants provided by the Government of Ontario from the Ontario Student Opportunity Trust Fund and the Ontario Trust for Student Support programs. Under these programs, the government matched endowed donations made to the University.

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

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

	2024		2023	
Expendable funds available for awards, beginning of year	\$	588	\$	568
Net transfer from endowment funds		291		278
Bursaries awarded		(300)		(258)
Expendable funds available for awards, end of year	\$	579	\$	588
Total Phase I - OSOTF, end of year	\$	7,927	\$	7,536
Number of bursaries awarded		236		230

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

	2024		2023	
	Market	Book	Market	Book
Endowment balance, beginning of year	\$ 8,324	\$ 6,948	\$ 7,950	\$ 6,986
Unrealized gain (loss) for the year	(96)	–	412	–
Investment income, net of investment related expenses	691	691	240	240
Net transfer from endowment funds	(291)	(291)	(278)	(278)
Endowment balance, end of year	\$ 8,628	\$ 7,348	\$ 8,324	\$ 6,948

WILFRID LAURIER UNIVERSITY

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

Year ended April 30, 2024

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:

	2024		2023	
Expendable funds available for awards, beginning of year	\$	130	\$	124
Net transfer from endowment funds		84		74
Bursaries awarded		(83)		(68)
Expendable funds available for awards, end of year	\$	131	\$	130
Total Phase II - OSOTF, end of year	\$	2,813	\$	2,649
Number of bursaries awarded		51		49

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

	2024		2023	
	Market	Book	Market	Book
Endowment balance, beginning of year	\$ 3,018	\$ 2,519	\$ 2,863	\$ 2,516
Unrealized gain (loss) for the year	(32)	–	152	–
Investment income, net of investment related expenses	247	247	77	77
Net transfer from endowment funds	(84)	(84)	(74)	(74)
Endowment balance, end of year	\$ 3,149	\$ 2,682	\$ 3,018	\$ 2,519

WILFRID LAURIER UNIVERSITY

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

Year ended April 30, 2024

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:

	2024		2023	
Expendable funds available for awards, beginning of year	\$	1,178	\$	1,123
Net transfer from endowment funds		758		673
Bursaries awarded		(746)		(618)
Expendable funds available for awards, end of year	\$	1,190	\$	1,178
Total OTSS, end of year	\$	25,528	\$	24,038
Number of bursaries awarded		460		441

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

	2024		2023	
	Market	Book	Market	Book
Endowment balance, beginning of year	\$ 27,389	\$ 22,860	\$ 25,987	\$ 22,836
Unrealized gain (loss) for the year	(289)	–	1,378	–
Investment income, net of investment related expenses	2,236	2,236	697	697
Net transfer from endowment funds	(758)	(758)	(673)	(673)
Endowment balance, end of year	\$ 28,578	\$ 24,338	\$ 27,389	\$ 22,860

WILFRID LAURIER UNIVERSITY

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

Year ended April 30, 2024

22. Commitments and guarantees:

- (a) Future minimum payments for the next five years under non-cancellable operating leases and other agreements at April 30, 2024 are payable as follows:

2025	\$	16,714
2026		16,257
2027		13,176
2028		7,455
2029		1,374
Thereafter		453

- (b) The University has guaranteed debt for the Wilfrid Laurier University Students' Union in the amount of \$515 as at April 30, 2024 (2023 - \$691).
- (c) Costs to complete major capital projects in progress and commitments to purchase property as at April 30, 2024 are estimated to be \$14,548 (2023 - \$11,934).
- (d) The University entered into a 20-year arrangement on April 28, 2023 to guarantee a minimum level of occupancy in a building that contains student residences as a term within a capital purchase and sale agreement. The maximum potential amount of future payments is \$46,802. The current carrying amount of the liability under the guarantee is \$0 as the University expects to meet the minimum occupancy level.

23. Contingencies:

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

WILFRID LAURIER UNIVERSITY

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

Year ended April 30, 2024

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 operating requirements. The University prepares budget and cash forecasts to ensure it has sufficient funds to fulfill its obligations.

(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 8 and 9.

(d) Market price risk:

Market price risk is the risk that the value of an instrument will fluctuate as a result of changes in market prices, whether caused by factors specific to an individual investment, its issuer or all factors affecting all instruments traded in the market. To manage this risk, the University has established a target mix by investment types designed to achieve optimal return with reasonable risk tolerances.

(e) Foreign currency risk:

Foreign currency risk is the risk that fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Some of the pooled funds are invested in financial instruments and entered into transactions denominated in various foreign currencies, other than the Canadian dollar. Consequently, the portfolio is exposed to risks that the exchange rate of the various currencies may change in a manner that has an adverse effect on the value of the portion of the investment portfolio denominated in currencies other than the Canadian dollar. The portfolio's overall currency positions and exposures are monitored by the University's Investment Managers.

WILFRID LAURIER UNIVERSITY

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

Year ended April 30, 2024

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 2024. The interest rate on the line of credit, when drawn, is the Bank's Prime lending rate from time to time minus 0.75% (the prime rate at April 30, 2024 was 7.20%). Amounts are due on demand. 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. Related party transactions:

During the year, fees for regulated services were incurred with entities with which certain members of the Board of Governors are related. These transactions are considered to be in the normal course of business. Amounts paid to these entities during the year were \$2,114 (2023 - \$860).

During the year, donations of \$1,985 (2023 - \$492) were received from certain members of the Board of Governors.

27. Comparative information:

The comparative financial information has been reclassified, where applicable, to conform to the presentation used in the current year. The changes do not affect prior year excess of revenue over expenses.