Financial Statements of

WILFRID LAURIER UNIVERSITY

And Independent Auditors' Report thereon

Year ended April 30, 2022

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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, 2022
- 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, 2022, 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 "***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.

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.

Auditors' 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 auditors' 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.
- 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 auditors' 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 auditors' 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.

KPMG LLP

Chartered Professional Accountants, Licensed Public Accountants

Kitchener, Canada
September 26, 2022

WILFRID LAURIER UNIVERSITY

Statement of Financial Position
(In thousands of Canadian dollars)

April 30, 2022, with comparative information for 2021

	2022	2021
Assets		
Current assets:		
Cash and short-term deposits	$ 79,493	$ 87,708
Accounts receivable (note 2)	35,614	44,382
Short-term investments (note 4)	30,739	32,096
Inventories	1,936	2,768
Prepaid expenses and deposits	7,287	6,671
Current portion of notes receivable (note 3)	623	544
Asset held for sale (note 5)	3,328	-
	159,020	174,169
Notes receivable less current portion (note 3)	6,782	7,565
Asset held for sale (note 5)	3,165	-
Capital assets (note 5)	604,916	559,566
Long-term investments (note 4)	177,487	146,051
Restricted cash (note 6)	191	241
Total assets	$ 951,561	$ 887,592

WILFRID LAURIER UNIVERSITY

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

April 30, 2022, with comparative information for 2021

	2022	2021
Liabilities and Net Assets		
Current liabilities:		
Accounts payable and accrued liabilities (note 7)	$ 53,681	$ 54,399
Accrued vacation pay	7,386	6,922
Deferred revenue	43,610	44,267
Current portion of banker's acceptance (note 9)	3,284	3,189
Current portion of obligation under capital leases (note 10)	415	402
	108,376	109,179
Long-term financial liabilities:		
Debentures (note 8)	110,281	110,184
Banker's acceptance (note 9)	94,363	97,647
Obligation under capital leases (note 10)	63	478
	204,707	208,309
Other long-term liabilities:		
Retirement incentive plan (note 11)	1,155	1,490
Pension plans (note 12)	12,591	3,035
Other post-employment benefits (note 13)	79,990	75,302
Deferred contributions - operations (note 15)	58,345	56,201
Deferred contributions - capital (note 16)	202,416	203,528
Forgivable loans (note 17)	315	354
	354,812	339,910
Total liabilities	667,895	657,398
Net assets:		
Unrestricted	(86,675)	(72,617)
Internally restricted (note 18)	62,317	53,363
Invested in capital assets (note 19)	200,272	143,784
Endowments (notes 20 and 21)	107,752	105,664
	283,666	230,194
Commitments and contingencies (notes 22 and 23)		
Subsequent events (note 28)		
Impact of COVID-19 (note 29)		
Total liabilities and net assets	$ 951,561	$ 887,592

See accompanying notes to financial statements.

On behalf of the Board:

L. Hawton Kitamura Director Lynda Hawton Kitamura

Director Chinyere Eni Mclean

WILFRID LAURIER UNIVERSITY

Statement of Operations
(In thousands of Canadian dollars)

Year ended April 30, 2022, with comparative information for 2021

	2022	2021
Revenue:		
Government grants	$ 125,363	$ 120,215
Student fees	221,405	197,687
Donations	4,351	4,847
Sales and service	19,850	15,490
Amortization of deferred contributions – capital (note 16)	8,435	8,348
Interest and investment income	7,618	12,293
Gain on sale of capital assets	-	195
Other revenues	12,227	10,067
	399,249	369,142
Expenses:		
Salaries	200,854	195,797
Benefits	26,419	22,023
Employee future benefits (note 14)	29,166	30,495
Operating costs	50,064	40,037
Amortization of capital assets	24,533	23,735
Cost of goods sold	8,894	8,269
Taxes, utilities, and rent	18,665	18,676
Scholarships and bursaries	32,237	27,561
Interest	9,296	9,399
	400,128	375,992
Excess (deficiency) of revenue over expenses	$ (879)	$ (6,850)

See accompanying notes to financial statements.

WILFRID LAURIER UNIVERSITY

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

Year ended April 30, 2022, with comparative information for 2021

April 30, 2022	Unrestricted	Internally restricted	Invested in capital assets	Restricted for endowment	Total
Balance, beginning of year	$ (72,617)	$ 53,363	$ 143,784	$ 105,664	$ 230,194
Excess (deficiency) of revenue over expenses	15,219	-	(16,098)	-	(879)
Internally imposed restrictions	(8,954)	8,954	-	-	-
Milton land donation (note 5)	-	-	59,772	-	59,772
Transfers (note 20)	-	-	-	(3,256)	(3,256)
Net endowment contributions and capitalized earnings (note 20)	-	-	-	5,344	5,344
Invested in capital assets	(12,814)	-	12,814	-	-
Employee future benefits (note 14)	(7,509)	-	-	-	(7,509)
Balance, end of year	$ (86,675)	$ 62,317	$ 200,272	$ 107,752	$ 283,666

April 30, 2021	Unrestricted	Internally restricted	Invested in capital assets	Restricted for endowment	Total
Balance, beginning of year	$ (138,448)	$ 85,274	$ 139,736	$ 95,385	$ 181,947
Excess (deficiency) of revenue over expenses	8,342	-	(15,192)	-	(6,850)
Internally imposed restrictions	31,911	(31,911)	-	-	-
Transfers (note 20)	-	-	-	(4,586)	(4,586)
Net endowment contributions and capitalized earnings (note 20)	-	-	-	14,865	14,865
Invested in capital assets	(19,240)	-	19,240	-	-
Employee future benefits (note 14)	44,818	-	-	-	44,818
Balance, end of year	$ (72,617)	$ 53,363	$ 143,784	$ 105,664	$ 230,194

WILFRID LAURIER UNIVERSITY

Statement of Cash Flows
(In thousands of Canadian dollars)

Year ended April 30, 2022, with comparative information for 2021

	2022	2021
Cash provided by (used in):		
Operating activities:		
Excess (deficiency) of revenue over expenses	$ (879)	$ (6,850)
Items not providing or using cash:		
Amortization of deferred contributions – capital (note 16)	(8,435)	(8,348)
Amortization of capital assets	24,533	23,735
Employee future benefits expense	29,166	30,494
Non-cash interest expense	97	93
Gain on sale of capital assets	-	(195)
Unrealized loss (gain) on investments	76	(3,372)
Increase in deferred contributions - operations	2,144	6,282
Net change in non-cash working capital	8,073	2,050
Contributions to employee future benefits	(22,765)	(22,565)
	32,010	21,324
Financing activities:		
Decrease in banker's acceptances - net	(3,189)	(3,098)
Repayment of obligation under capital leases	(402)	(390)
	(3,591)	(3,488)
Investing activities:		
Decrease in notes receivable	704	477
Purchase of capital assets	(16,604)	(22,790)
Proceeds on disposal of capital assets	-	195
Increase (decrease) in endowments, net	2,412	(368)
Purchase of investments	(63,910)	(35,741)
Proceeds on disposal of investments	33,430	63,000
Change in restricted cash	50	(1)
Deferred contributions - capital received (note 16)	7,284	6,750
	(36,634)	11,522
Increase (decrease) in cash	(8,215)	29,358
Cash, beginning of year	87,708	58,350
Cash, end of year	$ 79,493	$ 87,708

See accompanying notes to financial statements.

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 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.

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 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 April 30, 2019 and the next required valuation will be as of April 30, 2022.

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 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.

(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).

(In thousands of Canadian dollars)

1. Significant accounting policies (continued):

(h) Financial instruments (continued):

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.

2. Accounts receivable:

	2022	2021
Student receivables	$ 28,360	$ 32,199
Other receivables	11,768	16,006
	40,128	48,205
Less allowance for doubtful accounts	(4,514)	(3,823)
	$ 35,614	$ 44,382

(In thousands of Canadian dollars)

3. Notes receivable:

		2022		2021
Mortgage receivable:				
4.5% note, repayable by monthly payments of $40 including principal and interest, due August 31, 2023	$	5,974	$	6,177
Wilfrid Laurier University Students' Union:				
4.1% note, repayable by monthly payments of $13 including principal and interest, due September 1, 2025		969		1,094
Variable interest note, bearing interest at the rate earned by the University on its cash balances with minimum annual principal payments of $150		462		838
		7,405		8,109
Less current portion		(623)		(544)
	$	6,782	$	7,565

4. Investments:

Investments are made up of the following amounts:

		2022		2021
Short-term investments				
Cash and money market	$	739	$	1,376
Guaranteed interest certificates		30,000		30,720
		30,739		32,096
Long-term investments				
Common stock		2,536		2,006
Bonds		123		134
Canadian equity funds		31,526		27,387
Global equity funds		39,565		39,172
Fixed income funds		49,750		15,437
Balanced funds		-		15,313
Mortgage funds		27,093		29,921
Infrastructure funds		14,791		13,108
Real estate funds		12,103		3,573
		177,487		146,051
Total investments	$	208,226	$	178,147

(In thousands of Canadian dollars)

4. Investments (continued):

Investments are allocated as follows:

	2022	2021
Endowment investments	$ 107,752	$ 105,664
Sinking fund investments (note 8)	24,454	22,550
Other investments	76,020	49,933
	$ 208,226	$ 178,147

5. Capital assets:

	Cost	Accumulated amortization	2022 Net book value	2021 Net book value
Land and land improvements	$ 178,910	$ -	$ 178,910	$ 119,664
Buildings	585,253	193,980	391,273	380,755
Furniture and equipment	150,357	128,633	21,724	23,563
Library books	61,619	55,119	6,500	6,527
Assets under capital lease	2,266	893	1,373	1,656
Construction in progress	5,136	-	5,136	27,401
	$ 983,541	$ 378,625	$ 604,916	$ 559,566

On May 31, 2021, the University finalized an agreement with the Town of Milton to transfer property from the Town of Milton to Wilfrid Laurier University for future development in the Milton Education Village. The value of the land, which includes 33.25 acres of development land, is recognized at fair value, is measured at $59,772 and is recorded as a land donation. The agreement includes restrictions for the University regarding use and development requirements.

As of December 16, 2021, the University has committed to a plan to sell three properties and is actively engaged in locating a buyer. The properties have been measured at the carrying amount of $6,493, are no longer amortized, and have been reclassified from capital assets to assets held for sale (see note 28).

6. Restricted cash:

On April 30, 2022, the University held $191 (2021 - $241) of monies received from the Province of Ontario to be used in the construction of an athletic facility in Brantford.

(In thousands of Canadian dollars)

7. Accounts payable and accrued liabilities:

Included in accounts payable and accrued liabilities are government remittances payable of $3,292 (2021 - $305), which includes amounts payable for HST and payroll related taxes.

8. Debenture payable:

		2022		2021
Debenture payable, bearing interest at 5.429% payable semi-annually, due February 1, 2045 (beginning 2005)	$	115,000	$	115,000
Less deferred charges		(4,719)		(4,816)
	$	110,281	$	110,184

The approximate fair value of the debenture is $125,000 (2021 - $138,000).

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 $24,454 (2021 - $22,550) (note 4).

9. Banker's acceptance:

		2022		2021
Banker's acceptance, bearing interest at 2.85%, repayable in blended payments of $281, due November 28, 2032	$	52,503	$	54,353
Bank loan, bearing interest at 3.02%, repayable in blended payments of $227, due November 28, 2035		45,144		46,483
Total		97,647		100,836
Less principal payable within one year		(3,284)		(3,189)
Long-term portion	$	94,363	$	97,647

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.

(In thousands of Canadian dollars)

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.

9. Banker's acceptance (continued):

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:

2022/23	$	3,284
2023/24		3,381
2024/25		3,481
2025/26		3,584
2026/27		3,690
Thereafter		80,227
	$	97,647

10. Obligations under capital leases:

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

		2022		2021
Year ending April 30:				
2022	$	-	$	427
2023		427		427
2024		57		57
Total minimum lease payments		484		911
Less amount representing interest at 3.12%		(6)		(31)
Present value of net minimum capital lease payments		478		880
Current portion of obligations under capital leases		(415)		(402)
	$	63	$	478

(In thousands of Canadian dollars)

Interest of $24 (2021 - $36) 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 $893.

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.

	2022	2021
Change in benefit obligation:		
Benefit obligation, beginning of year	$ 1,490	$ 1,791
Current service costs	24	22
Interest costs	77	95
Benefits paid	(270)	(1,034)
Actuarial loss (gain)	(166)	616
Benefit obligation, end of year	$ 1,155	$ 1,490
Change in plan assets:		
Plan assets, beginning of year	$ -	$ -
Employer contributions	270	1,034
Benefits paid	(270)	(1,034)
Plan assets, end of year	$ -	$ -

	2022	2021
For determining benefit obligations as at April 30:		
Discount rate	5.90%	5.90%
For determining benefit costs for the year ending April 30:		
Discount rate	5.90%	5.90%
Components of benefit expense:		
Current service costs	$ 24	$ 22
Interest costs	77	95
Benefit expense	$ 101	$ 117

(In thousands of Canadian dollars)

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.

		2022		2021
Change in benefit obligation:				
Benefit obligation, beginning of year	$	798,820	$	723,878
Current service costs		18,342		17,475
Employee contributions		16,383		14,714
Interest costs		47,225		42,830
Benefits paid		(31,518)		(28,071)
Actuarial loss		3,205		27,994
Benefit obligation, end of year	$	852,457	$	798,820
Change in plan assets:				
Plan assets, beginning of year	$	795,785	$	679,904
Employer contributions		19,497		18,757
Employee contributions		16,383		14,714
Return on plan assets:				
Interest income		43,652		36,666
Actuarial gain (loss)		(3,933)		73,815
Benefits paid		(31,518)		(28,071)
Plan assets, end of year	$	839,866	$	795,785
Funded status:				
Defined benefit liability	$	12,591	$	3,035

		2022		2021
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	$	18,342	$	17,475
Interest costs, net of interest income		3,573		6,164
Benefit expense	$	21,915	$	23,639

(In thousands of Canadian dollars)

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.

	2022	2021
Change in benefit obligation:		
Benefit obligation, beginning of year	$ 75,302	$ 70,951
Current service cost	2,623	2,477
Interest cost	4,527	4,262
Benefits paid	(2,999)	(2,775)
Actuarial loss	537	387
Benefit obligation, end of year	$ 79,990	$ 75,302
Change in plan assets:		
Plan assets, beginning of year	$ -	$ -
Employer contributions	2,999	2,775
Benefits paid	(2,999)	(2,775)
Plan assets, end of year	$ -	$ -

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, 2022, a 4.47% increase in the per capita cost of health care and a 4.93% annual increase in the cost of dental care was assumed.

	2022	2021
For determining benefit obligations as at April 30:		
Discount rate	5.90%	5.90%
For determining benefit costs for the year ending April 30:		
Discount rate	5.90%	5.90%
Components of benefit expense:		
Current service costs	$ 2,623	$ 2,477
Interest costs	4,527	4,262
Benefit expense	$ 7,150	$ 6,739

(In thousands of Canadian dollars)

14. Employee future benefits:

	2022	2021
Employee future benefits expense consists of the following:		
Retirement incentive plans (note 11)	$ 101	$ 117
Pension plans (note 12)	21,915	23,639
Other post-employment benefits (note 13)	7,150	6,739
Total employee future benefits expense	$ 29,166	$ 30,495

	2022	2021
Components of employee future benefits recorded as a direct increase (decrease) to net assets:		
Actuarial gain (loss) - retirement incentive plans (note 11)	$ 166	$ (616)
Actuarial gain (loss) - pension benefit obligation (note 12)	(3,205)	(27,994)
Actuarial gain (loss) - pension plan assets (note 12)	(3,933)	73,815
Actuarial gain (loss) - other post-employment benefits (note 13)	(537)	(387)
Total employee future benefits recorded as a direct decrease to net assets	$ (7,509)	$ 44,818

15. Deferred contributions - operations:

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

	2022	2021
Research grants	$ 21,049	$ 19,032
Scholarships and bursaries	11,251	10,952
Unspent designated donations	17,812	18,313
Other amounts	8,233	7,904
	$ 58,345	$ 56,201

(In thousands of Canadian dollars)

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:

		2022		2021
Balance, beginning of year	$	203,528	$	205,087
Contributions received during the year		7,284		6,750
Loans forgiven during the year		39		39
Amortization for the year		(8,435)		(8,348)
Balance, end of year	$	202,416	$	203,528

17. Forgivable loans:

		2022		2021
Interest free loan, from the City of Brantford loan, non-interest bearing, forgivable over a period of 25 years beginning in 2009	$	315	$	354

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

(In thousands of Canadian dollars)

18. Internally restricted net assets:

	2022	2021
Departmental operating budget carryforwards	$ 14,096	$ 13,495
General operating fund	2,327	1,780
Major repairs and maintenance	9,098	8,088
Operating fund specific projects	7,508	9,756
Ancillary operations	(6,076)	(9,786)
Equipment replacement and renewal fund	3,031	2,382
Research related	5,299	4,320
Sinking fund	24,454	22,550
Other post-employment benefits, net of internal loans	2,580	778
	$ 62,317	$ 53,363

19. Invested in capital assets:

	2022	2021
Capital assets-net book value (note 5)	$ 611,409	$ 559,566
Less: Amounts financed by long-term debt (notes 8 and 9)	(207,928)	(211,020)
Amounts finance by capital leases (note 10)	(478)	(880)
Deferred contributions - capital (note 16)	(202,416)	(203,528)
Forgivable loans (note 17)	(315)	(354)
	$ 200,272	$ 143,784

(In thousands of Canadian dollars)

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, 2022	Externally restricted	Internally restricted	Total
Beginning balance	$ 99,623	$ 6,041	$ 105,664
Donations	552	1	553
Investment income and gains, net of fees and expenses	4,504	287	4,791
Transfers to unrestricted net assets	(3,030)	(226)	(3,256)
	$ 101,649	$ 6,103	$ 107,752

April 30, 2021	Externally restricted	Internally restricted	Total
Beginning balance	$ 89,563	$ 5,822	$ 95,385
Donations	506	1	507
Investment income and gains, net of fees and expenses	13,489	869	14,358
Transfers to unrestricted net assets	(3,935)	(651)	(4,586)
	$ 99,623	$ 6,041	$ 105,664

(In thousands of Canadian dollars)

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:

	2022	2021
Expendable funds available for awards, beginning of year	$ 587	$ 498
Net transfer from endowment funds	316	366
Bursaries awarded	(335)	(277)
Expendable funds available for awards, end of year	$ 568	$ 587
Total OSOTF, Phase I, end of year	$ 7,554	$ 7,501
Number of bursaries awarded	267	237

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

	2022		2021	
	Market	Book	Market	Book
Endowment balance, beginning of year	$ 7,892	$ 6,914	$ 7,186	$ 6,952
Unrealized loss for the year	(14)	-	744	-
Investment income, net of investment related expenses	388	388	328	328
Net transfer from endowment funds	(316)	(316)	(366)	(366)
Endowment balance, end of year	$ 7,950	$ 6,986	$ 7,892	$ 6,914

(In thousands of Canadian dollars)

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:

	2022	2021
Expendable funds available for awards, beginning of year	$ 147	$ 104
Net transfer from endowment funds	72	134
Bursaries awarded	(95)	(91)
Expendable funds available for awards, end of year	$ 124	$ 147
Total OSOTF, Phase II, end of year	$ 2,640	$ 2,603
Number of bursaries awarded	63	70

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

	2022		2021	
	Market	Book	Market	Book
Endowment balance, beginning of year	$ 2,803	$ 2,456	$ 2,560	$ 2,496
Unrealized loss for the year	-	-	283	-
Investment income, net of investment related expenses	132	132	94	94
Net transfer from endowment funds	(72)	(72)	(134)	(134)
Endowment balance, end of year	$ 2,863	$ 2,516	$ 2,803	$ 2,456

(In thousands of Canadian dollars)

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:

	2022	2021
Expendable funds available for awards, beginning of year	$ 1,340	$ 954
Net transfer from endowment funds	769	1,251
Bursaries awarded	(986)	(865)
Expendable funds available for awards, end of year	$ 1,123	$ 1,340
Total OTSS, end of year	$ 23,959	$ 23,730
Number of bursaries awarded	657	662

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

	2022		2021	
	Market	Book	Market	Book
Endowment balance, beginning of year	$ 25,558	$ 22,390	$ 23,370	$ 22,786
Unrealized loss for the year	(17)	-	2,584	-
Investment income, net of investment related expenses	1,215	1,215	855	855
Net transfer from endowment funds	(769)	(769)	(1,251)	(1,251)
Endowment balance, end of year	$ 25,987	$ 22,836	$ 25,558	$ 22,390

(In thousands of Canadian dollars)

22. Commitments and guarantees:

(a) Future minimum payments for the next five years under non-cancellable operating leases and other agreements at April 30, 2022 are payable as follows:

2023	$	13,276
2024		12,363
2025		9,456
2026		7,371
2027		6,318
Thereafter		5,872

(b) The University has guaranteed debt for the Wilfrid Laurier University Students' Union in the amount of $862 as at April 30, 2022 (2021 - $1,202).

(c) Costs to complete major capital projects in progress and commitments to purchase property as at April 30, 2022 are estimated to be $15,721 (2021 - $6,832).

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.

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.

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 2022. 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, 2022 was 3.20%). 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 $813 (2021 - $818).

During the year, donations of $75 (2021 - $50) 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 deficiency of revenue over expenses.

28. Subsequent events:

The University has modified certain terms with a vendor. The modification is effective September 1, 2022, and creates a $3,600 liability for the university, payable in equal instalments, in fiscal 2023 and 2024.

On September 16, 2022, the University approved a sale agreement related to one property classified as held for sale. The sale agreement is expected to close on October 31, 2022. The purchase price is $7,321, the carrying amount of the property is $3,328, and the estimated gain on the sale is $3,993.

29. Impact of COVID-19 pandemic:

On March 11th, 2020, the COVID-19 (the “pandemic”) outbreak was declared a pandemic by the World Health Organization. In accordance with Public Health guidelines, Wilfrid Laurier University moved to an online education format and remote work environment for the majority of operations, with exceptions for those services requiring access to campus facilities. This continued through the 2021-22 academic year resulting in significant revenue losses for the University, mainly from ancillary operations due to a significantly reduced on-campus presence.

Wilfrid Laurier University did not receive funding under the province’s relief grant for Ontario Colleges and Universities Impacted by COVID-19 but was able to mitigate some revenue losses with expenditure reductions. The University returned to campus beginning in January 2022 in accordance with the Province’s reopening plan and subject to Public Health guidelines.

The ultimate duration and magnitude of the COVID-19 pandemic's impact on the University’s operations and financial position is not known at this time. There remains uncertainty over a number of factors such as Public Health guidelines, economic outcomes, and international travel restrictions, which could impact future cash flows and changes to the value of financial assets and liabilities. Management has assessed the going concern assumptions and believes there are no issues given the University has a strong working capital base and access to sufficient liquid resources to see through operations in the coming year.