

Financial Statements of

ST. FRANCIS XAVIER UNIVERSITY

March 31, 2013



INDEPENDENT AUDITOR'S REPORT

To the Board of Governors
St. Francis Xavier University

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We have audited the accompanying financial statements of St. Francis Xavier University which comprise the statements of financial position as at March 31, 2013, March 31, 2012 and April 1, 2011, and the statements of operations, changes in fund balances, and cash flows and for the years ended March 31, 2013 and March 31, 2012, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian accounting standards for not-for-profit organizations, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of St. Francis Xavier University as at March 31, 2013, March 31, 2012 and April 1 2011, and the results of its operations and its cash flows for the years ended March 31, 2013 and March 31, 2012 in accordance with Canadian accounting standards for not-for-profit organizations.

Deloitte LLP

Chartered Accountants
Halifax, Nova Scotia
June 14, 2013

ST. FRANCIS XAVIER UNIVERSITY

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ST. FRANCIS XAVIER UNIVERSITY
Statement of Financial Position
March 31, 2013

	March 31, 2013					March 31, 2012	April 1, 2011
	Operating Fund	Research Fund	Capital Fund	Endowment Fund	Total Funds	Total Funds (Restated - Note 3)	Total Funds (Restated - Note 3)
ASSETS							
Cash and cash equivalents	\$ 3,320,087	\$ -	\$ -	\$ -	\$ 3,320,087	\$ 3,992,237	\$ 2,295,356
Accounts receivable - students	4,152,296	-	-	-	4,152,296	3,911,339	4,127,042
Accounts receivable - general	1,695,761	-	-	-	1,695,761	1,989,489	1,644,285
Other assets	61,272	-	-	-	61,272	43,681	79,766
Inventories	488,105	-	-	-	488,105	543,565	490,780
Due from Capital Fund	22,065,111	-	-	-	22,065,111	20,868,339	22,974,916
Total non-restricted assets	31,782,632	-	-	-	31,782,632	31,348,650	31,612,145
Accounts receivable - restricted	2,709,836	-	-	344,423	3,054,259	2,103,041	2,097,806
Total assets - Operating Fund	34,492,468	-	-	344,423	34,836,891	33,451,691	33,709,951
Cash, bonds and stocks - restricted (Note 4)	-	-	-	92,943,160	92,943,160	82,281,436	81,422,010
Cash, bonds and stocks - unrestricted (Note 4)	-	-	-	2,712,132	2,712,132	2,597,730	2,233,741
Due from Operating Fund	-	-	-	4,056,909	4,056,909	5,176,981	4,344,358
Total assets - Endowment Fund	-	-	-	99,712,201	99,712,201	90,056,147	88,000,109
Capital assets (Note 5)	-	-	179,843,381	-	179,843,381	165,259,786	170,175,815
Due from Operating Fund	-	4,589,806	-	-	4,589,806	5,173,988	5,177,196
Total assets	\$ 34,492,468	\$ 4,589,806	\$ 179,843,381	\$ 100,056,624	\$ 318,982,279	\$ 293,941,612	\$ 297,063,071

ST. FRANCIS XAVIER UNIVERSITY
Statement of Financial Position
March 31, 2013

	March 31, 2013					March 31, 2012	April 1, 2011
	Operating Fund	Research Fund	Capital Fund	Endowment Fund	Total Funds	Total Funds (Restated - Note 3)	Total Funds (Restated - Note 3)
LIABILITIES							
Bank loan (Note 10)	\$ 11,000,000	\$ -	\$ -	\$ -	\$ 11,000,000	\$ 8,251,010	\$ 14,053,313
Accounts payable and accruals	12,198,207	-	3,897,050	231,766	16,327,023	9,679,272	6,970,047
Deferred revenue	3,427,034	-	-	-	3,427,034	806,483	867,120
Total non-restricted liabilities	26,625,241	-	3,897,050	231,766	30,754,057	18,736,765	21,890,480
Provision - insurance deductible and general	50,000	-	-	-	50,000	50,000	50,000
Provision - employee future benefits (Note 7)	3,801,484	-	-	-	3,801,484	3,396,290	3,053,849
Accrued benefit liability (Note 6)	361,850	-	-	-	361,850	407,981	945,104
Deferred revenue - other	4,511,462	-	-	-	4,511,462	6,000,434	3,286,996
Due to Research Fund	4,589,806	-	-	-	4,589,806	5,173,988	5,177,196
Due to Endowment Fund	4,056,909	-	-	-	4,056,909	5,176,981	4,344,358
Deferred revenue - Research Fund	-	4,589,806	-	-	4,589,806	5,173,988	5,177,196
Deferred revenue - Endowment Fund	-	-	-	3,688,823	3,688,823	3,062,556	3,725,960
Due to Operating Fund	-	-	22,065,111	-	22,065,111	20,868,339	22,974,916
Deferred revenue - Capital Fund (Note 13)	-	-	75,354,516	-	75,354,516	73,185,544	76,082,613
Long-term debt (Note 10)	-	-	82,584,265	-	82,584,265	71,084,799	73,644,862
Total liabilities	43,996,752	4,589,806	183,900,942	3,920,589	236,408,089	212,317,665	220,353,530
FUND EQUITIES (DEFICIENCIES)							
Externally restricted	-	-	346,024	96,136,035	96,482,059	92,151,432	88,075,270
Unrestricted	(9,504,284)	-	-	-	(9,504,284)	(4,999,761)	(4,738,285)
Investment in capital assets	-	-	(4,403,585)	-	(4,403,585)	(5,527,724)	(6,627,444)
Total fund equities (deficiencies)	(9,504,284)	-	(4,057,561)	96,136,035	82,574,190	81,623,947	76,709,541
Total liabilities and fund equities	\$ 34,492,468	\$ 4,589,806	\$ 179,843,381	\$ 100,056,624	\$ 318,982,279	\$ 293,941,612	\$ 297,063,071

Contingency (Note 16)

ST. FRANCIS XAVIER UNIVERSITY

Statement of Operations

Year ended March 31, 2013

	2013					2012
	Operating Fund	Research Fund	Capital Fund	Endowment Fund	Total Funds	Total Funds (Restated - Note 3)
Ordinary revenue (Schedule 1)						
Student academic fees	\$ 29,720,292	\$ -	\$ -	\$ -	\$ 29,720,292	\$ 29,366,449
Bequests, donations and non-government grants	679,767	-	-	-	679,767	611,640
Miscellaneous	231,025	-	-	-	231,025	888,542
Special purpose and trust income	5,506,009	-	-	-	5,506,009	6,090,357
Government grants						
Provincial - operating	29,332,997	-	-	-	29,332,997	30,375,440
Provincial - special - operating	2,400,000	-	-	-	2,400,000	2,400,000
Federal - indirect research	858,923	-	-	-	858,923	888,917
Total ordinary revenue	68,729,013	-	-	-	68,729,013	70,621,345
Sponsored research funds	-	7,150,862	-	-	7,150,862	7,434,471
Coady International Institute (Schedule 3)	4,852,432	-	-	-	4,852,432	5,560,199
Extension Department (Schedule 4)	436,039	-	-	-	436,039	286,885
Ancillary Enterprises (Schedule 5)	23,129,367	-	-	-	23,129,367	25,477,421
Capital Fund revenue						
Amortization of deferred revenue						
- Buildings	-	-	3,422,465	-	3,422,465	3,331,298
- Equipment	-	-	1,362,071	-	1,362,071	1,354,741
- Library books	-	-	211,699	-	211,699	208,223
- Motor vehicles	-	-	59,316	-	59,316	52,484
- Campaign charges	-	-	131,250	-	131,250	350,000
Total revenue	\$ 97,146,851	\$ 7,150,862	\$ 5,186,801	\$ -	\$ 109,484,514	\$ 114,677,067

ST. FRANCIS XAVIER UNIVERSITY
Statement of Operations
Year ended March 31, 2013

	2013				2012	
	Operating Fund	Research Fund	Capital Fund	Endowment Fund	Total Funds	Total Funds (Restated - Note 3)
Ordinary expenditure (Schedule 2)						
Instruction and non-sponsored research	\$ 37,546,791	\$ -	\$ -	\$ -	\$ 37,546,791	\$ 37,565,240
Continuing education/training and development	617,776	-	-	-	617,776	607,942
Educational information/technology	1,638,733	-	-	-	1,638,733	1,767,951
Library	3,179,233	-	-	-	3,179,233	3,266,052
Student services	7,415,476	-	-	-	7,415,476	6,995,819
Advancement	1,972,097	-	-	-	1,972,097	1,997,380
Administration and general	6,185,135	-	-	-	6,185,135	5,953,703
Facilities management	9,671,877	-	-	-	9,671,877	9,388,247
Non-space and alterations and renovations	439,159	-	-	-	439,159	592,137
Capital renewal	525,000	-	-	-	525,000	1,050,000
Information and technology funding	1,521,049	-	-	-	1,521,049	1,544,310
Contingency (Note 16)	1,623,818	-	-	-	1,623,818	154,040
Deficit on Ancillary (Schedule 5)	897,392	-	-	-	897,392	-
Capital expenditure - Operating Fund (Note 12)	(4,426,522)	-	-	-	(4,426,522)	(5,327,647)
Total ordinary expenditure	68,807,014	-	-	-	68,807,014	65,555,174
Sponsored research expense	-	7,150,862	-	-	7,150,862	7,434,471
Capital expenditure - Research Fund (Note 12)	-	(791,204)	-	-	(791,204)	(408,887)
Coady International Institute (Schedule 3)	4,852,432	-	-	-	4,852,432	5,560,199
Extension department (Schedule 4)	436,039	-	-	-	436,039	286,885
Ancillary Enterprises (Schedule 5)	23,129,367	-	-	-	23,129,367	25,477,421
Amortization expense						
- Buildings	-	-	5,710,498	-	5,710,498	6,259,176
- Equipment	-	-	1,382,299	-	1,382,299	1,424,690
- Library books	-	-	211,699	-	211,699	208,223
- Motor vehicles	-	-	59,316	-	59,316	52,484
Total expenditure	97,224,852	6,359,658	7,363,812	-	110,948,322	111,849,836
(Deficit) surplus before interfund transfers	(78,001)	791,204	(2,177,011)	-	(1,463,808)	2,827,231
Interfund transfers (Note 12)	(4,426,522)	(791,204)	3,084,247	-	(2,133,479)	(2,194,758)
(Deficit) surplus	\$ (4,504,523)	\$ -	\$ 907,236	\$ -	\$ (3,597,287)	\$ 632,473

ST. FRANCIS XAVIER UNIVERSITY

Statement of Cash Flows

Year ended March 31, 2013

	<u>2013</u>	<u>2012</u> (Restated - Note 3)
Cash provided from (used in) operating activities		
Deficit	\$ (4,504,523)	\$ (261,476)
Pension transfer	(3,134,996)	-
Campaign fund transfer	(5,020,100)	1,356,097
Capital assets charged to research and operations	1,524,028	848,696
Debt repayments from operating fund	3,049,237	2,900,925
Net change in non-cash working capital	6,557,847	4,066,592
	<u>(1,528,507)</u>	<u>8,910,834</u>
Cash provided used in investing activities		
Capital asset acquisitions, net	(18,050,358)	(2,745,840)
Change in investments, net	(5,476,232)	(6,771,266)
	<u>(23,526,590)</u>	<u>(9,517,106)</u>
Cash provided from (used in) financing activities		
Issuance (repayment) of bank indebtedness	2,748,990	(5,802,303)
Capital campaign contributions	131,250	350,000
Long-term debt - new	14,558,495	349,828
Long-term debt - repayments	(3,049,237)	(2,900,925)
Reinvested endowment income	522,958	5,575,264
Contributions - Endowment Fund	3,527,875	2,692,653
Contributions - Capital Fund	5,942,616	2,038,636
	<u>24,382,947</u>	<u>2,303,153</u>
NET CASH (OUTFLOW) INFLOW	(672,150)	1,696,881
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	3,992,237	2,295,356
CASH AND CASH EQUIVALENTS, END OF YEAR	\$ 3,320,087	\$ 3,992,237

ST. FRANCIS XAVIER UNIVERSITY
Statement of Changes in Fund Balances
Year ended March 31, 2013

	March 31, 2013				March 31, 2012	April 1, 2011
	Operating Fund	Capital Fund	Endowment Fund	Total Funds Balance	Total Funds Balance	Total Funds Balance
Balance, beginning of year	\$ (4,999,761)	\$ (161,600)	\$86,785,308	\$ 81,623,947	\$ 76,709,541	\$ 62,623,088
Transactions during the year						
Pension change (Note 3)	-	-	-	-	-	(3,373,371)
Bequests and donations	-	-	3,504,392	3,504,392	2,693,277	1,264,811
Capital gains and write-downs	-	-	226,282	226,282	4,337,952	8,734,768
Reinvested income	-	-	308,578	308,578	1,251,212	506,297
Development program - net (Schedule 6)	-	(5,020,100)	-	(5,020,100)	1,356,097	2,681,197
Corpfinance penalty recovery	-	216,903	-	216,903	205,770	195,212
Change in fair value of restricted held for trading investments	-	-	5,311,475	5,311,475	(5,562,375)	2,906,645
(Deficit) surplus	(4,504,523)	907,236	-	(3,597,287)	632,473	1,170,894
Balance, end of year	\$ (9,504,284)	\$ (4,057,561)	\$ 96,136,035	\$ 82,574,190	\$ 81,623,947	\$ 76,709,541
Operating Fund balance, end of year	\$ (9,504,284)					
Pension change, ASPNO adjustment (Note 3)	(3,373,371)					
Operating Fund balance, excluding ASNPO pension adjustment	\$ (6,130,913)					

ST. FRANCIS XAVIER UNIVERSITY

Notes to the Financial Statements

March 31, 2013

1. DESCRIPTION

St. Francis Xavier University (the “University” or “St. F.X.”) was established in 1853. The University has all the powers, rights and privileges ordinarily enjoyed or exercised by universities, including the powers conferred by Chapter 93 of the Acts of Nova Scotia, 1866, and legal amendments since, entitled “An Act to Enable the College of St. Francis Xavier at Antigonish to Grant Degrees.”

St.F.X. is primarily an undergraduate institution of approximately 4,100 students located in Antigonish, a northeastern Nova Scotia community. The University offers major, advanced major and honours programs through departments in its Faculties of Arts, Science, Business and Education. Approximately 50% of the student body is from Nova Scotia, and the remainder is welcomed from other Canadian provinces and from countries around the world.

The University is a not-for-profit organization and, as such, is exempt from income taxes under the Income Tax Act (Canada).

2. SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the University are prepared in accordance with Canadian accounting standards for not-for-profit organizations (“ASNPO”) in Part III of the CICA Handbook applied within the framework of the accounting policies summarized below.

Fund accounting and revenue recognition

The University maintains its accounts in accordance with the fund accounting method. This method observes limitations, if any, on the use of University resources by maintaining separate accounts for each fund. Fund accounts are further classified as either unrestricted or restricted funds.

The unrestricted Operating Fund accounts include those resources over which the University’s Board of Governors has sole authority and which are expendable for any purposes in the fulfilment of the University’s objectives.

The restricted funds, consisting of the Research Fund, Capital Fund and Endowment Fund, account for those resources made available to the University by outside organizations and individuals, by way of grants, service contracts or gifts. These resources, although expendable in the course of normal operations, are restricted as to use by the outside party. These restricted funds also include expendable amounts restricted as to use by action of the University's Board of Governors.

The University uses the deferral method of accounting for revenue with the multi-column format. The method includes deferring restricted revenues to future accounting periods and recognizing in the period that the related expenditure is incurred. Contributions for capital purchases are deferred and recognized as revenue on the same basis as the acquired capital asset is amortized.

Endowment contributions are recognized directly in net assets.

Pledged contributions are recorded when received.

Student academic fees and ancillary revenue are recognized when the services are provided or the goods are sold and collection is reasonably assured. The University recognizes revenue when persuasive evidence of an arrangement exists, delivery has occurred, the price to the buyer is fixed or determinable and collection is reasonably assured.

ST. FRANCIS XAVIER UNIVERSITY

Notes to the Financial Statements

March 31, 2013

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Cash and cash equivalents

Cash and cash equivalents include cash on hand and on deposit with financial institutions and may include short-term investments with maturities of three months or less. Use of the University's bank loan is considered to be financing activity on the statement of cash flows.

Inventories

Inventories are recorded at the lower of cost and net realizable value. The cost of inventory is determined using the weighted average method. Net realizable value is the estimated selling price less the estimated cost of completion and the estimated costs necessary to make the sale.

Capital assets

Purchased capital assets including collections are recorded at cost. Contributions of capital assets and collection items are capitalized at their fair value at the date of contribution. Capital assets are amortized on a straight-line basis over their useful lives as follows:

	<u>Years</u>
Buildings	20.0 - 40.0
Paving	8.0
Computer equipment	5.0
Equipment and furnishings	10.0
Library books	10.0
Motor vehicles	3.5

Impairment of long-lived assets

Long-lived assets are tested for recoverability whenever events or changes in circumstances indicate that their carrying amount may not be recoverable. An impairment loss is recognized when their carrying value exceeds the total undiscounted cash flows expected from their use and eventual disposition. The amount of the impairment loss is determined as the excess of the carrying value of the asset over its fair value.

Pension plans

The cost of defined benefit pension plans are actuarially determined using the projected benefit method pro-rated on service and management's best estimate of salary escalation, retirement ages of employees and other actuarial factors. For the purpose of calculating the expected return on plan assets, those assets are valued at fair value.

The excess of the net accumulated actuarial gains and losses over 10% of the greater of the benefit obligation and the fair value of plan assets is amortized over the average remaining service period of active employees. Past-service costs arising from plan amendments are deferred and amortized on a straight-line basis over the average remaining service period of employees active at the date of amendments.

ST. FRANCIS XAVIER UNIVERSITY

Notes to the Financial Statements

March 31, 2013

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Employee future benefits

The cost of employee future benefits, other than pension, earned by employees is actuarially determined using the projected unit method pro-rated on service and management's best estimate of salary escalation, retirement ages of employees and expected health care costs. The excess of the net actuarial gains and losses over 10% of the benefit obligation is amortized over the average remaining service of active employees.

Hedge accounting

Certain derivative financial instruments held by the University are eligible for hedge accounting. To be eligible for hedge accounting, an instrument has to meet generally accepted criteria with respect to identification, designation, documentation and effectiveness of the hedging relationship. In the event that the interest rate swap agreement is terminated or ceases to be effective in part or in whole prior to maturity any associated realized or unrealized gain or loss is recognized in income. In the event that the designated debt is extinguished or matures prior to the termination of the related interest rate swap agreement any realized or unrealized gain or loss is recognized in income.

Use of estimates

The preparation of the financial statements in accordance with ASNPO requires management to make estimates and assumptions that affect the reported assets and liabilities at the balance sheet date, as well as revenue and expenses for the period then ended. Significant estimates used in these financial statements include allowance for doubtful accounts, useful lives for the amortization of capital assets and deferred revenue, the fair value of investments and obligations for pension plans and employee future benefits. Actual results could differ from those estimates.

Financial instruments

Financial assets and financial liabilities are initially recognized at fair value and their subsequent measurement is dependent on their classification as described below:

<u>Asset/Liability</u>	<u>Classification</u>	<u>Measurement</u>
Cash	Held for trading	Fair value
Accounts receivable	Loans and receivables	Amortized cost
Cash, bonds and stocks	Held for trading	Fair value
Bank loan	Held for trading	Fair value
Accounts payable and accruals	Other financial liabilities	Amortized cost
Long-term debt	Other financial liabilities	Amortized cost

ST. FRANCIS XAVIER UNIVERSITY

Notes to the Financial Statements

March 31, 2013

3. IMPACT OF THE CHANGE IN THE BASIS OF ACCOUNTING

During the year ending March 31, 2013, the University adopted ASNPO. These financial statements are the first financial statements for which the University has applied the new ASNPO. In accordance with the accounting principles and provisions set out in Section 1501, First-time Adoption by Not-for-Profit Organizations ("Section 1501"), the date of transition is April 1, 2011 and the University has prepared and presented an opening statement of financial position at that date.

The impact of adopting these standards was accounted for in net assets at the date of transition and in accordance with the requirements of Section 1501, the accounting policies set out in Note 2 have been consistently applied to all years presented and adjustments resulting from the adoption of the new standards have been applied retrospectively. As described below the University has elected to adopt the exemptions available under Section 1501 relating to employee future benefits.

In its opening statement of financial position, in accordance with Section 1501, the University:

- (a) recognized all assets and liabilities whose recognition is required by ASNPO;
- (b) did not recognize items as assets or liabilities if ASNPO does not permit such recognition;
- (c) reclassified items that it recognized previously as one type of asset, liability or component of net assets, but are recognized as a different type of asset, liability or component of net assets under ASNPO; and
- (d) applied ASNPO in measuring all recognized assets and liabilities.

ST. FRANCIS XAVIER UNIVERSITY

Notes to the Financial Statements

March 31, 2013

3. IMPACT OF THE CHANGE IN THE BASIS OF ACCOUNTING (continued)

The impact of the adoption of the new standards on the statement of financial position and net assets as at April 1, 2011 is summarized as follows:

	<u>Footnotes</u>	<u>Part V</u>	<u>Adjustments</u>	<u>Part III</u>
ASSETS				
Cash and cash equivalents		\$ 2,295,356	\$ -	\$ 2,295,356
Accounts receivable - students		4,127,042	-	4,127,042
Accounts receivable - general		1,644,285	-	1,644,285
Other assets		79,766	-	79,766
Inventories		490,780	-	490,780
Due from Capital Fund		22,974,916	-	22,974,916
<hr/>				
To health benefits		31,612,145	-	31,612,145
Accrued benefit asset	(a)	2,777,631	(2,777,631)	-
Accounts receivable - restricted		2,097,806	-	2,097,806
<hr/>				
Total assets - Operating Fund		36,487,582	(2,777,631)	33,709,951
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Cash, bonds and stocks - restricted		81,422,010	-	81,422,010
Cash, bonds and stocks - unrestricted		2,233,741	-	2,233,741
Due from Operating Fund		4,344,358	-	4,344,358
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Total assets - Endowment Fund		88,000,109	-	88,000,109
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Capital assets		170,175,815	-	170,175,815
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Total assets - Capital Fund		170,175,815	-	170,175,815
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Due from Operating Fund		5,177,196	-	5,177,196
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Total assets		\$ 299,840,702	\$ (2,777,631)	\$ 297,063,071

ST. FRANCIS XAVIER UNIVERSITY

Notes to the Financial Statements

March 31, 2013

3. IMPACT OF THE CHANGE IN THE BASIS OF ACCOUNTING (continued)

	Footnotes	CICA Accounting Handbook Part V	Adjustments	CICA Accounting Handbook Part III
LIABILITIES				
Bank loan		\$ 14,053,313	\$ -	\$ 14,053,313
Accounts payable and accruals		6,970,047	-	6,970,047
Deferred revenue		867,120	-	867,120
Total non-restricted liabilities		21,890,480	-	21,890,480
Provision - insurance deductible and general		50,000	-	50,000
Provision - employee future benefits	(a)	3,403,213	(349,364)	3,053,849
Accrued benefit liability	(a)	-	945,104	945,104
Deferred revenue - other		3,286,996	-	3,286,996
Due to Research Fund		5,177,196	-	5,177,196
Due to Endowment Fund		4,344,358	-	4,344,358
Deferred revenue - Research Fund		5,177,196	-	5,177,196
Deferred revenue - Endowment Fund		3,725,960	-	3,725,960
Due to Operating Fund		22,974,916	-	22,974,916
Deferred revenue - Capital Fund		76,082,613	-	76,082,613
Long-term debt		73,644,862	-	73,644,862
Derivative liability	(b)	7,588,926	(7,588,926)	-
Total liabilities		227,346,716	(6,993,186)	220,353,530
FUND EQUITIES (DEFICIENCIES)				
Externally restricted		88,075,270	-	88,075,270
Unrestricted	(a), (b)	(8,953,840)	4,215,555	(4,738,285)
Investment in capital assets		(6,627,444)	-	(6,627,444)
Total fund equities		72,493,986	4,215,555	76,709,541
Total liabilities and fund equities		\$ 299,840,702	\$ (2,777,631)	\$ 297,063,071

ST. FRANCIS XAVIER UNIVERSITY

Notes to the Financial Statements

March 31, 2013

3. IMPACT OF THE CHANGE IN THE BASIS OF ACCOUNTING (continued)

The impact of the adoption of the new standards on the statement of financial position and net assets as at March 31, 2012 is summarized as follows:

	Footnotes	CICA Accounting Handbook Part V	Adjustments	CICA Accounting Handbook Part III
ASSETS				
Cash and cash equivalents		\$ 3,992,237	\$ -	\$ 3,992,237
Accounts receivable - students		3,911,339	-	3,911,339
Accounts receivable - general		1,989,489	-	1,989,489
Other assets		43,681	-	43,681
Inventories		543,565	-	543,565
Due from Capital Fund		20,868,339	-	20,868,339
<hr/>				
To health benefits		31,348,650	-	31,348,650
Accrued benefit asset	(a)	3,066,079	(3,066,079)	-
Accounts receivable - restricted		2,103,041	-	2,103,041
<hr/>				
Total assets - Operating Fund		36,517,770	(3,066,079)	33,451,691
<hr/>				
Cash, bonds and stocks - restricted		82,281,436	-	82,281,436
Cash, bonds and stocks - unrestricted		2,597,730	-	2,597,730
Due from Operating Fund		5,176,981	-	5,176,981
<hr/>				
Total assets - Endowment Fund		90,056,147	-	90,056,147
<hr/>				
Capital assets		165,259,786	-	165,259,786
<hr/>				
Total assets - Capital Fund		165,259,786	-	165,259,786
<hr/>				
Due from Operating Fund		5,173,988	-	5,173,988
<hr/>				
Total assets		\$ 297,007,691	\$ (3,066,079)	\$ 293,941,612

ST. FRANCIS XAVIER UNIVERSITY

Notes to the Financial Statements

March 31, 2013

3. IMPACT OF THE CHANGE IN THE BASIS OF ACCOUNTING (continued)

	Footnotes	CICA Accounting Handbook Part V	Adjustments	CICA Accounting Handbook Part III
LIABILITIES				
Bank loan		\$ 8,251,010	\$ -	\$ 8,251,010
Accounts payable and accruals		9,679,272	-	9,679,272
Deferred revenue		806,483	-	806,483
Total non-restricted liabilities		18,736,765	-	18,736,765
Provision - insurance deductible and general		50,000	-	50,000
Provision - employee future benefits	(a)	3,735,354	(339,064)	3,396,290
Accrued Benefit Liability	(a)	-	407,981	407,981
Deferred revenue - other		6,000,434	-	6,000,434
Due to Research Fund		5,173,988	-	5,173,988
Due to Endowment Fund		5,176,981	-	5,176,981
Deferred revenue - Research Fund		5,173,988	-	5,173,988
Deferred revenue - Endowment Fund		3,062,556	-	3,062,556
Due to Operating Fund		20,868,339	-	20,868,339
Deferred revenue - Capital Fund		73,185,544	-	73,185,544
Long-term debt		71,084,799	-	71,084,799
Derivative liability	(b)	12,382,428	(12,382,428)	-
Total liabilities		224,631,176	(12,313,511)	212,317,665
FUND EQUITIES (DEFICIENCIES)				
Externally restricted		92,151,432	-	92,151,432
Unrestricted	(a), (b)	(14,247,193)	9,247,432	(4,999,761)
Investment in capital assets		(5,527,724)	-	(5,527,724)
Total fund equities		72,376,515	9,247,432	81,623,947
Total liabilities and fund equities		\$ 297,007,691	\$ (3,066,079)	\$ 293,941,612

ST. FRANCIS XAVIER UNIVERSITY

Notes to the Financial Statements

March 31, 2013

3. IMPACT OF THE CHANGE IN THE BASIS OF ACCOUNTING (continued)

The impact of the adoption of the new standards on the statement of operations for the year ended March 31, 2012 is summarized as follows:

	Footnotes	CICA Accounting Handbook Part V	Adjustments	CICA Accounting Handbook Part III
Ordinary revenue				
Student academic fees		\$ 29,366,449	\$ -	\$ 29,366,449
Bequests, donations and non-government grants		611,640	-	611,640
Miscellaneous		888,542	-	888,542
Special purpose and trust income		6,090,357	-	6,090,357
Government grants				
Provincial - operating		30,375,440	-	30,375,440
Provincial - special - operating		2,400,000	-	2,400,000
Federal - indirect research		888,917	-	888,917
Total ordinary revenue		70,621,345	-	70,621,345
Sponsored research funds		7,434,471	-	7,434,471
Coady International Institute		5,560,199	-	5,560,199
Extension Department		286,885	-	286,885
Ancillary Enterprises		25,477,421	-	25,477,421
Capital Fund revenue				
Net revenue recognized from property sales		-	-	-
Amortization of deferred revenue				
- Buildings		3,331,298	-	3,331,298
- Equipment		1,354,741	-	1,354,741
- Library books		208,223	-	208,223
- Motor vehicles		52,484	-	52,484
- Campaign charges		350,000	-	350,000
Total revenue		\$ 114,677,067	\$ -	\$ 114,677,067

ST. FRANCIS XAVIER UNIVERSITY

Notes to the Financial Statements

March 31, 2013

3. IMPACT OF THE CHANGE IN THE BASIS OF ACCOUNTING (continued)

	Footnotes	CICA Accounting Handbook Part V	Adjustments	CICA Accounting Handbook Part III
Ordinary expenditure				
Instruction and non-sponsored research	(a)	\$ 37,631,671	\$ (66,431)	\$ 37,565,240
Continuing education/training and development		607,942	-	607,942
Educational information/technology		1,767,951	-	1,767,951
Library		3,266,052	-	3,266,052
Student services		6,995,819	-	6,995,819
Advancement		1,997,380	-	1,997,380
Administration and general		5,953,703	-	5,953,703
Facilities management	(a)	9,560,191	(171,944)	9,388,247
Non-space and alterations and renovations		592,137	-	592,137
Capital renewal		1,050,000	-	1,050,000
Information and technology funding		1,544,310	-	1,544,310
Contingency		154,040	-	154,040
Capital expenditure - Operating Fund		(5,327,647)	-	(5,327,647)
Total ordinary expenditure		65,793,549	(238,375)	65,555,174
Sponsored research expense		7,434,471	-	7,434,471
Capital expenditure - Research Fund		(408,887)	-	(408,887)
Coady International Institute		5,560,199	-	5,560,199
Extension department		286,885	-	286,885
Ancillary Enterprises		25,477,421	-	25,477,421
Amortization expense				
- Buildings		6,259,176	-	6,259,176
- Equipment		1,424,690	-	1,424,690
- Library books		208,223	-	208,223
- Motor vehicles		52,484	-	52,484
Total expenditure		112,088,211	(238,375)	111,849,836
Surplus before interfund transfers		2,588,856	238,375	2,827,231
Interfund transfers		(2,194,758)	-	(2,194,758)
Surplus		\$ 394,098	\$ (238,375)	\$ 632,473

ST. FRANCIS XAVIER UNIVERSITY

Notes to the Financial Statements

March 31, 2013

3. IMPACT OF THE CHANGE IN THE BASIS OF ACCOUNTING (continued)

Notes to the reconciliation of CICA Accounting Handbook – Part V to ASNPO:

- (a) On conversion to ASNPO the University adopted the deferral and amortization approach for accounting for post-employment benefits under Section 3462. As permitted on adoption of ASNPO, under Section 1501, on April 1, 2011 the University elected to set past service costs and unamortized actuarial gains and losses to zero. The adjustment was applied to net assets.
- (b) The fair values of interest rate swaps designated as hedges were previously recorded on the statement of financial position, and changes in the fair value were recorded in the statement of changes in fund balances. In accordance with the standards for Hedge Accounting in ASNPO Section 3856, an interest swap that qualifies as an effective hedge is no longer recorded at its fair value on the statement of financial position.

4. ENDOWMENT FUND

	March 31, 2013	
	Fair Value	Cost
Cash, bonds and stocks - Endowment Fund, restricted	\$ 92,943,160	\$ 73,905,436
Cash, bonds and stocks - Endowment Fund, unrestricted	2,712,132	2,156,601
	<u>\$ 95,655,292</u>	<u>\$ 76,062,037</u>
	March 31, 2012	
	Fair Value	Cost
Cash, bonds and stocks - Endowment Fund, restricted	\$ 82,281,436	\$ 68,102,869
Cash, bonds and stocks - Endowment Fund, unrestricted	2,597,730	2,150,094
	<u>\$ 84,879,166</u>	<u>\$ 70,252,963</u>
	April 1, 2011	
	Fair Value	Cost
Cash, bonds and stocks - Endowment Fund, restricted	\$ 81,422,010	\$ 61,772,498
Cash, bonds and stocks - Endowment Fund, unrestricted	2,233,741	1,694,674
	<u>\$ 83,655,751</u>	<u>\$ 63,467,172</u>

ST. FRANCIS XAVIER UNIVERSITY

Notes to the Financial Statements

March 31, 2013

5. CAPITAL ASSETS

	March 31, 2013		
	Cost	Accumulated Amortization	Net Book Value
Land	\$ 4,117,099	\$ -	\$ 4,117,099
Buildings	242,152,723	72,770,433	169,382,290
Equipment and furnishings	28,583,310	23,253,358	5,329,952
Library books	4,429,120	3,523,489	905,631
Motor vehicles	811,097	702,688	108,409
	<u>\$ 280,093,349</u>	<u>\$ 100,249,968</u>	<u>\$ 179,843,381</u>

	March 31, 2012		
	Cost	Accumulated Amortization	Net Book Value
Land	\$ 4,117,099	\$ -	\$ 4,117,099
Buildings	221,797,079	67,059,934	154,737,145
Equipment and furnishings	27,196,117	21,871,059	5,325,058
Library books	4,277,251	3,311,790	965,461
Motor vehicles	758,395	643,372	115,023
	<u>\$ 258,145,941</u>	<u>\$ 92,886,155</u>	<u>\$ 165,259,786</u>

	April 1, 2011		
	Cost	Accumulated Amortization	Net Book Value
Land	\$ 4,025,106	\$ -	\$ 4,025,106
Buildings	219,885,467	60,800,758	159,084,709
Equipment and furnishings	26,511,752	20,446,369	6,065,383
Library books	4,023,917	3,103,567	920,350
Motor vehicles	671,154	590,887	80,267
	<u>\$ 255,117,396</u>	<u>\$ 84,941,581</u>	<u>\$ 170,175,815</u>

6. PENSION PLANS

The University maintains two defined benefit pension plans and one defined contribution plan for its employees.

For its defined benefit pension plans, the University measures its accrued benefit obligations and the fair value of plan assets for accounting purposes as at March 31 of each year. The most recent actuarial valuation of the pension plans for funding purposes was as of December 31, 2010. The next required valuation will be as of December 31, 2013.

ST. FRANCIS XAVIER UNIVERSITY

Notes to the Financial Statements

March 31, 2013

6. PENSION PLANS (continued)

Information about the University's defined benefit pension plans is as follows:

	March 31, 2013 Plan 1	March 31, 2012 Plan 1	April 1, 2011 Plan 1
Fair value of plan assets	\$ 16,432,578	\$15,100,342	\$ 15,232,753
Accrued benefit obligation	22,738,760	19,462,243	16,210,804
Deficit	6,306,182	4,361,901	978,051
Unamortized amounts			
Transitional obligation	-	-	-
Past service costs	-	-	-
Actuarial experience loss	5,985,501	3,907,791	-
Employer contributions (January - March)	79,169	183,272	175,612
Accrued benefit liability	\$ 241,512	\$ 270,838	\$ 802,439

	March 31, 2013 Plan 2	March 31, 2012 Plan 2	April 1, 2011 Plan 2
Fair value of plan assets	\$ 541,028	\$ 645,371	\$ 826,306
Accrued benefit obligation	761,580	870,411	968,971
Deficit	220,552	225,040	142,665
Unamortized amounts			
Transitional obligation	-	-	-
Past service costs	-	-	-
Actuarial experience loss	83,251	87,897	-
Employer contributions (January - March)	16,963	-	-
Accrued benefit liability	\$ 120,338	\$ 137,143	\$ 142,665

ST. FRANCIS XAVIER UNIVERSITY

Notes to the Financial Statements

March 31, 2013

6. PENSION PLANS (continued)

Plan assets consist of:

	March 31, 2013		March 31, 2012		April 1, 2011	
	Percentage of plan assets		Percentage of plan assets		Percentage of plan assets	
	Plan 1	Plan 2	Plan 1	Plan 2	Plan 1	Plan 2
	%	%	%	%	%	%
Equity securities	59.0	59.1	57.9	57.5	61.5	61.1
Debt securities	33.9	33.8	31.2	30.9	32.1	32.0
Other	7.1	7.1	10.9	11.6	6.4	6.9
	100.0	100.0	100.0	100.0	100.0	100.0

The significant assumptions used in accounting for the defined benefit pension plans are as follows:

	March 31, 2013	
	Plan 1	Plan 2
	%	%
Discount rate (to determine accrued benefit obligation)	3.8	2.8
Discount rate (to determine benefit cost)	4.5	3.3
Expected long-term rate of return on plan assets	5.5	4.5
Salary escalation	3.3	N/A

	March 31, 2012	
	Plan 1	Plan 2
	%	%
Discount rate (to determine accrued benefit obligation)	4.5	3.3
Discount rate (to determine benefit cost)	5.5	4.0
Expected long-term rate of return on plan assets	6.0	5.5
Salary escalation	3.3	N/A

	April 1, 2011	
	Plan 1	Plan 2
	%	%
Discount rate (to determine accrued benefit obligation)	5.5	4.0
Discount rate (to determine benefit cost)	6.3	4.0
Expected long-term rate of return on plan assets	6.5	6.5
Salary escalation	4.0	N/A

ST. FRANCIS XAVIER UNIVERSITY

Notes to the Financial Statements

March 31, 2013

6. PENSION PLANS (continued)

Other information about the University's defined benefit pension plans for the year ended March 31, 2013 is as follows:

	March 31, 2013		March 31, 2012		April 1, 2011	
	Plan 1	Plan 2	Plan 1	Plan 2	Plan 1	Plan 2
Benefits cost	\$ 628,639	\$ 158	\$ 501,589	\$ 71,209	\$ 421,614	\$ 61,035
Cash contributions	709,313	-	622,287	-	513,495	-
Benefits paid	835,373	128,648	835,373	155,365	803,277	153,931

Employer and employee contributions to the defined contribution plan were \$192,160 (2012 - \$114,447) and \$128,357 (2012 - \$171,336) respectively for the year ended March 31, 2013.

It is the policy of the University to ensure that both defined benefit plans are fully funded and in compliance with all legislative and regulatory requirements per the Superintendent of Pensions.

7. EMPLOYEE FUTURE BENEFITS

The University's recorded employee future benefits, other than pension, obligation is comprised of amounts accrued for non-funded post-retirement benefits for certain employees and future benefits earned by the President of the University under his employment contract as well as Senior Administration under their employment contracts.

The University measures its accrued benefit obligation for employee future benefits, other than pension, as at March 31 of each year.

Information about the University's employee future benefits, other than pension, as at March 31 is as follows:

	March 31, 2013	March 31, 2012	April 1, 2011
Accrued benefit obligation	\$ 2,060,434	\$ 3,459,647	\$ 3,053,849
Fair value of plan assets	-	-	-
Deficit	2,060,434	3,459,647	3,053,849
Unamortized amounts	-	-	-
Unamortized past service	397,822	-	-
Unamortized actuarial experience gain (loss)	1,343,228	(63,357)	-
	\$ 3,801,484	\$ 3,396,290	\$ 3,053,849

ST. FRANCIS XAVIER UNIVERSITY

Notes to the Financial Statements

March 31, 2013

7. EMPLOYEE FUTURE BENEFITS (continued)

The significant actuarial assumptions adopted in estimating the University's accrued benefit obligation are as follows:

	March 31, 2013	March 31, 2012	April 1, 2011
	%	%	%
Discount rate (to determine accrued benefit obligation)	3.5	4.0	5.0
Discount rate (to determine benefit cost)	4.0	5.0	5.3
Dental benefit cost escalation	4.5	4.5	4.5
Medical benefit cost escalation - extended health care	4.5*	4.5*	4.5*

* increasing by 2.5% per year

Other information about the University's employee future benefits, other than pension, is as follows:

	2013	2012
Benefit cost	\$ 215,600	\$ 210,700
Benefit paid	49,170	62,207

8. DEVELOPMENT PROGRAM (SCHEDULE 6)

A fund has been established to accumulate gifts arising from the University's Development Program. The purpose of the Development Program is to enrich endowment funds and provide funds for University projects.

9. ANNUAL GIVING FUND

The total Annual Giving Fund proceeds for the year were \$5,239,781 (2012 - \$5,677,351), most of which was directed for restricted uses such as scholarships and bursaries. As at March 31, 2013, \$254,240 (2012 - \$217,172) was considered unrestricted and recorded in income in the Operating Fund (Schedule 1).

10. BANK LOAN AND LONG-TERM DEBT

Bank loan

The University has a line of credit with the Bank of Nova Scotia to assist with bridge financing on major projects and with regular operations. The line of credit is comprised of a \$20 million revolving term loan for bridge financing with interest payable on \$10 million at bankers' acceptance rates and \$10 million at prime; plus an \$11 million operating line at prime. At March 31, 2013, \$11,000,000 has been drawn on the revolving term loan (March 31, 2012 - \$8,251,010; April 1, 2011 - \$ 14,053,313).

ST. FRANCIS XAVIER UNIVERSITY

Notes to the Financial Statements

March 31, 2013

10. BANK LOAN AND LONG-TERM DEBT (continued)

Long-term debt

Details of the University's long-term debt are as follows:

	<u>March 31,</u> <u>2013</u>	<u>March 31,</u> <u>2012</u>	<u>April 1,</u> <u>2011</u>
Congregation of Sisters of Notre Dame - non-interest bearing, due June 1, 2021 (Mount St. Bernard)	\$ 1,180,034	\$ 1,318,861	\$ 1,457,688
Bank of Montreal 10 year SWAP - 4.81% due January 1, 2015 (Consolidated CMHC Loans - Residence)	657,480	993,644	1,314,850
Bank of Montreal 19 year SWAP - 5.53% due October 1, 2023 (Refinanced Mortgages- Residences Pre 2004)	15,773,756	16,858,272	17,887,129
Bank of Montreal 25 year SWAP - 5.63% due September 2, 2031 (Governors Hall Construction)	16,193,465	16,691,453	17,010,481
Bank of Montreal 20 year SWAP - 5.48% due October 1, 2026 (MacIsaac Hall Renovation)	6,740,739	7,072,966	7,191,406
Bank of Montreal 20 year SWAP - 5.31% due February 1, 2028 (Bishops Hall Renovation)	9,155,630	9,556,798	9,938,212
Bank of Nova Scotia 10 year SWAP - 5.15% due April 24, 2018 (Academic Renovations and Science Hall)	8,794,420	9,062,559	9,314,850
NSSOFI Loan - 1.5% due January 21, 2015 (Financing from Province - Knowledge Infrastructure Program)	9,530,246	9,530,246	9,530,246
Bank of Montreal 25 year SWAP -3.22% due October 3, 2039 (New Residences South Campus)	14,558,495	-	-
	<u>\$ 82,584,265</u>	<u>\$ 71,084,799</u>	<u>\$ 73,644,862</u>

In January 2010, the University received a loan from the Province as matching funds under the Federal Knowledge Infrastructure Program. The loan was advanced from the Nova Scotia Strategic Opportunities Fund Incorporated to help finance the construction of the Schwartz School of Business. The interest rate is 1.5% per year compounded annually. The full amount of the loan and the compounded interest is due and payable at the end of the five years.

ST. FRANCIS XAVIER UNIVERSITY

Notes to the Financial Statements

March 31, 2013

10. BANK LOAN AND LONG-TERM DEBT (continued)

Long-term debt (continued)

No amounts are required to be paid before that time. The University is funding the principal and interest using a five year straight-line basis through pledges being received for the Schwartz School of Business. Investment certificates are being held each year representing 3/5th of the required payment. At the end of the five years the loan will be fully repaid by the pledges.

The University has entered into fixed interest rate swaps on certain long-term debt. At March 31, 2013, the difference between the fair value and the carrying value of the related debt, being the fair value of the interest rate swaps was \$12,110,819 (2012 - \$12,382,428).

Blended principal and interest payments are made at the beginning of each calendar month.

The minimum principal repayments of long-term debt for the next five fiscal years ending March 31 are as follows:

2014	\$ 3,211,325
2015	13,207,875
2015	4,057,913
2016	4,244,295
2017	4,437,240
	<hr/>
	\$ 29,158,648

11. RELATED PARTY TRANSACTIONS

As at March 31, 2013, there is \$107,392 (March 31, 2012 – \$62,600; April 1, 2011 - \$nil) included in accounts receivable – general from Festival Antigonish, a related party. The transactions were in the normal course of operations and recorded at the exchange amount.

ST. FRANCIS XAVIER UNIVERSITY

Notes to the Financial Statements

March 31, 2013

12. CAPITAL EXPENDITURE AND INTERFUND TRANSFERS

The following represents reductions in Operating Fund expenses for capitalization of library books, research equipment, motor vehicles, and buildings as well as transfers to long-term debt and deferred revenue and provisions in the Capital Fund.

	<u>2013</u>	<u>2012</u>
Facilities management equipment	\$ 17,567	\$ 16,369
Alterations and renovations	141,090	50,026
Administration, TSG, Student Services	506,749	34,824
Mount Saint Bernard, Municipal building	392,216	373,007
Library books and equipment	151,869	253,335
Health and Counselling renovation	-	280,315
Oland Turf	-	84,454
Contingency	-	16,548
Capital renewal	525,000	1,050,000
Ancillary debt principle repayments (Schedule 5)	2,692,031	3,168,769
Total	\$ 4,426,522	\$ 5,327,647

Reductions in the Research Fund expenses as well as transfers to deferred revenue for capital expenditures during the year totalled \$791,204; (2012 was \$408,887).

13. DEFERRED REVENUE - CAPITAL FUND

Deferred revenue represents the unamortized amount of donations, grants and revenues received for the purchase of capital assets. The changes in the deferred revenue balance are as follows:

	<u>March 31,</u> <u>2013</u>	<u>March 31,</u> <u>2012</u>	<u>April 1,</u> <u>2011</u>
Balance, beginning of year	\$ 73,185,544	\$ 76,082,613	\$ 69,499,050
Add: Contributions received during the year	10,167,728	5,407,487	14,343,881
Less: Recognition of deferred revenue	(7,998,756)	(8,304,556)	(7,760,318)
Balance, end of year	\$ 75,354,516	\$ 73,185,544	\$ 76,082,613

The contributions received during the year and recognition of deferred revenue amounts presented above include interfund transfers in the amount \$2,943,205 (March 31, 2012 - \$3,007,810; April 1, 2011 - \$2,807,611) utilized by the Capital Fund to repay debt and related fees incurred for the purchase and/or construction of capital assets.

ST. FRANCIS XAVIER UNIVERSITY

Notes to the Financial Statements

March 31, 2013

14. FINANCIAL INSTRUMENTS

Financial risk

Financial risk refers to the impact on the University's cash flows due to fluctuations in interest rates, debt and equity markets, and the credit quality of student receivables. The University manages its financial risks as follows:

Interest rate risk

Interest rate risk is minimized as the University uses interest rate swaps to fix interest rates on its long-term debt.

Market risk

The University is subject to market risk with respect to its debt and equity investments. The University manages this risk by limiting investments in debt securities that are not rated by an accredited agency to 30% of the total portfolio cost. The University limits its investment in equity and debt securities of any single issuer to 10% of the total portfolio cost.

Credit risk

To reduce credit risk with student accounts, the University places restrictions on the issuance of grades and degrees until payment on account is made. The University also uses third party agencies to collect outstanding receivables.

Fair value

The fair value of cash, accounts receivable, bank loan and accounts payable and accruals is approximately equal to their carrying values due to their short-term maturity. The fair value of long-term debt is described in Note 10. Bonds and stocks are recorded at fair value. Fair value is determined by quoted market prices.

15. CAPITAL MANAGEMENT

The University's objective in managing its capital is to safeguard its ability to continue to attract students to a premium residential primarily undergraduate university experience. The University's capital consists of its fund equities and its long-term debt. Changes to the University's capital structure would require additional funding through contributions or through incurring debt.

	March 31, 2013	March 31, 2012	April 1, 2011
Fund equities	\$ 82,574,190	\$ 81,623,947	\$ 76,709,541
Long-term debt	82,584,265	71,084,799	73,644,862
	\$ 165,158,455	\$ 152,708,746	\$ 150,354,403

The University must comply with externally imposed covenants on its long-term debt. The University was in compliance with its loan covenants as at and for the period ended March 31, 2013. Restricted net assets must be used for the purpose designated by the contributor.

ST. FRANCIS XAVIER UNIVERSITY

Notes to the Financial Statements

March 31, 2013

15. CAPITAL MANAGEMENT (continued)

Payouts to the University from the endowment fund equities is restricted to 4.5% of the average market value of endowment funds at December 31 of the five previous fiscal years, or \$3.5M, whichever is greater.

16. CONTINGENCY

During the year a restructuring plan was approved by the Board of Governors. Severance costs of \$1,072,648 associated with the voluntary phase of the restructuring plan are included in contingency expense.

17. COMPARATIVE FIGURES

Certain 2012 comparative figures have been reclassified to conform to 2013 presentation.

ST. FRANCIS XAVIER UNIVERSITY**SCHEDULE 1****Revenue**

Year ended March 31, 2013

	<u>2013</u>	<u>2012</u>
Student academic fees		
Full-time tuition	\$ 23,448,439	\$ 22,851,362
Information and technology fee	1,521,050	1,544,310
Part-time tuition	1,732,886	1,849,287
Summer school tuition	1,397,583	1,380,406
Continuing education/training and development	661,483	677,048
Other	958,851	1,064,036
	<u>29,720,292</u>	<u>29,366,449</u>
Bequests, donations and non-government grants		
Annual Giving Fund - unrestricted (Note 9)	254,240	217,172
Scholarship and bursary donations	425,527	394,468
	<u>679,767</u>	<u>611,640</u>
Miscellaneous	231,025	888,542
Special purpose and trust income		
Tuition bursary	3,487,338	3,614,800
General endowment	75,794	52,353
Academic endowment	35,274	33,160
Library endowment	12,588	11,833
Murphy endowment	15,000	15,000
Scholarship and bursary endowment	1,464,072	1,825,902
Alumni Aquatic Centre operating endowment	130,720	122,884
Chairs of study endowment	252,223	381,425
Athletic endowment	33,000	33,000
	<u>5,506,009</u>	<u>6,090,357</u>
Government grants		
Provincial - operating	29,332,997	30,375,440
Provincial special - operating	2,400,000	2,400,000
Federal - indirect research	858,923	888,917
	<u>32,591,920</u>	<u>33,664,357</u>
Total ordinary revenue	\$ 68,729,013	\$ 70,621,345

ST. FRANCIS XAVIER UNIVERSITY**SCHEDULE 2****Expenditure**

Year ended March 31, 2013

	<u>2013</u>	<u>2012</u>
Instruction and non-sponsored research		
Salaries - instruction and research	\$ 26,479,522	\$ 26,182,928
- support and other	4,397,957	4,220,493
Fringe benefits	4,399,086	4,523,108
Post retirement benefits	166,430	82,062
Operational supplies and expenses	1,266,618	1,560,838
Travel	334,895	364,430
Chairs of studies	252,223	381,425
Extension department - net (Schedule 4)	50,060	49,956
Coady International Institute - net (Schedule 3)	200,000	200,000
	37,546,791	37,565,240
Continuing education/training and development		
Salaries	227,191	241,191
Fringe benefits	39,795	42,194
Outside services	84,845	84,663
Operational supplies and expenses	179,343	158,606
Travel	86,602	81,288
	617,776	607,942
Educational information/technology		
Salaries	1,229,337	1,386,387
Fringe benefits	260,218	262,702
Operational supplies and expenses	76,489	72,696
Service of equipment	33,438	19,268
Travel	39,251	26,898
	1,638,733	1,767,951
Library		
Salaries	1,717,612	1,708,792
Fringe benefits	306,045	311,419
Library acquisitions	1,104,977	1,192,572
Operational supplies and expenses	45,673	45,970
Travel	4,926	7,299
	3,179,233	3,266,052
Student services		
Salaries	2,628,113	2,492,288
Fringe benefits	465,762	448,230
Operational supplies and expenses	1,061,655	969,277
Scholarships, bursaries and prizes	2,680,711	2,566,822
Travel	579,235	519,202
	\$ 7,415,476	\$ 6,995,819

ST. FRANCIS XAVIER UNIVERSITY

SCHEDULE 2

Expenditure (continued)

Year ended March 31, 2013

	<u>2013</u>	<u>2012</u>
Advancement		
Salaries	\$ 1,218,268	\$ 1,175,622
Fringe benefits	243,414	219,516
Operational supplies and expenses	457,965	553,968
Travel	52,450	48,274
	<u>1,972,097</u>	<u>1,997,380</u>
Administration and general		
Salaries	2,390,824	2,391,975
Fringe benefits	471,020	461,507
Operational supplies and expenses	280,545	309,534
Institutional dues, legal, audit and other	1,434,665	1,366,353
Interest - net (Schedule 7)	1,534,521	1,338,406
Travel	73,560	85,928
	<u>6,185,135</u>	<u>5,953,703</u>
Facilities management		
Salaries	3,436,790	3,276,657
Fringe benefits	1,140,573	876,931
Operational supplies and expenses	1,433,589	1,531,471
Insurance	305,587	256,313
Utilities	3,355,338	3,446,875
	<u>9,671,877</u>	<u>9,388,247</u>
Non-space and alterations and renovations	439,159	592,137
Capital renewal	525,000	1,050,000
Information and technology funding	1,521,049	1,544,310
Contingency	1,623,818	154,040
Deficit on Ancillary (Schedule 5)	897,392	-
Capital expenditure (Note 12)	(4,426,522)	(5,327,647)
	<u>579,896</u>	<u>(1,987,160)</u>
Total ordinary expenditure before interfund transfers	\$ 68,807,014	\$ 65,555,174
Interfund transfers (Note 12)	4,426,522	5,327,647
Total ordinary expenditure after interfund transfers	73,233,536	70,882,821
Less: Total ordinary revenue (Schedule 1)	68,729,013	70,621,345
Net deficit on ordinary revenue and expenditure	\$ (4,504,523)	\$ (261,476)

ST. FRANCIS XAVIER UNIVERSITY
COADY INTERNATIONAL INSTITUTE
Statement of Revenue and Expenditure
Year ended March 31, 2013

SCHEDULE 3

	<u>2013</u>	<u>2012</u>
Revenue		
C.I.D.A. - general	\$ 1,575,871	\$ 2,186,979
Contract projects	1,552,401	1,819,987
General revenue	699,977	536,362
Endowments	162,462	115,467
Antigonish Movement Fund	11,358	10,648
Other grants and donations	850,363	890,756
	4,852,432	5,560,199
University contribution	200,000	200,000
	\$ 5,052,432	\$ 5,760,199
Expenditure		
Salaries	\$ 2,230,630	\$ 2,353,408
Fringe benefits	346,028	331,447
Travel - students	11,364	11,911
- staff	304,033	379,677
Operational supplies and expense	209,923	494,428
Library acquisitions	21,853	25,845
Room and board	222,179	449,428
Facilities and services	224,641	265,401
Contract projects	1,481,781	1,448,654
	\$ 5,052,432	\$ 5,760,199

ST. FRANCIS XAVIER UNIVERSITY
EXTENSION DEPARTMENT
Statement of Revenue and Expenditure
Year ended March 31, 2013

SCHEDULE 4

	<u>2013</u>	<u>2012</u>
Revenue		
Antigonish Movement Fund	\$ 11,358	\$ 10,648
Cape Breton endowment	95,319	89,606
Murphy endowment	78,606	72,995
Other grants and donations	250,756	113,636
	<u>436,039</u>	<u>286,885</u>
University contribution	50,060	49,956
	<u>\$ 486,099</u>	<u>\$ 336,841</u>
Expenditure		
Salaries	\$ 392,574	\$ 275,441
Fringe benefits	63,540	42,820
Outside services	4,146	-
Travel	15,299	15,896
Operational supplies and expense	10,540	2,684
	<u>\$ 486,099</u>	<u>\$ 336,841</u>

ST. FRANCIS XAVIER UNIVERSITY
ANCILLARY ENTERPRISES
Statement of Revenue and Expenditure
Year ended March 31, 2013

SCHEDULE 5

	<u>2013</u>	<u>2012</u>
Revenue		
Residence fees - students	\$ 14,513,065	\$ 15,899,878
- others	2,800,806	3,345,916
Bookstore sales	2,793,988	2,830,120
Other ancillary services	3,021,508	3,401,507
	<u>\$ 23,129,367</u>	<u>\$ 25,477,421</u>
Expenditure		
Food service expenses	\$ 7,057,803	\$ 7,337,134
Facilities management expenses	5,478,407	5,484,409
Bookstore expenses	2,503,544	2,480,438
Administrative expenses	1,243,866	1,427,577
Other ancillary services	2,319,513	2,794,403
	<u>18,603,133</u>	<u>19,523,961</u>
Surplus before ancillary debt repayments and provisions	4,526,234	5,953,460
Less: Ancillary debt repayments (interest and principal)	5,423,626	5,430,387
Less: Provision for ancillary improvements	-	523,073
Plus: Ancillary debt principal repayments (Note 12)	2,692,031	3,168,769
	<u>1,794,639</u>	<u>3,168,769</u>
Surplus before interfund transfers	1,794,639	3,168,769
Less: Interfund transfers (Note 12)	2,692,031	3,168,769
	<u>\$ (897,392)</u>	<u>\$ -</u>
Deficit	\$ (897,392)	\$ -

ST. FRANCIS XAVIER UNIVERSITY
DEVELOPMENT PROGRAM (Note 8)
Statement of Fund Receipts and Disposition
Year ended March 31, 2013

SCHEDULE 6

	<u>2013</u>	<u>2012</u>
Cash receipts	\$ 7,311,702	\$ 11,758,736
Allocated to		
Endowments	3,527,875	2,692,653
Capital Fund - physical services project	1,000	250
- Science Hall	2,800	2,009
- Millennium Centre	1,963	1,885
- School of Business	6,555,370	911,244
- Coady	430,713	1,967,640
- classroom renovations	15,025	-
- other	305	307
Specific operating accounts	1,796,751	4,826,651
	12,331,802	10,402,639
(Decrease) increase in Campaign Fund capital	(5,020,100)	1,356,097
Development program capital, beginning of year	5,366,124	4,010,027
Development program capital, end of year	\$ 346,024	\$ 5,366,124

ST. FRANCIS XAVIER UNIVERSITY**SCHEDULE 7****Interest Expense**

Year ended March 31, 2013

	<u>2013</u>	<u>2012</u>
Interest expense		
Interest and bank charges	\$ 1,663,126	\$ 1,503,916
<hr/>		
Interest recoveries		
University bookstore	19,000	19,000
Lane Hall	3,866	4,691
Other	105,739	141,819
	<u>128,605</u>	<u>165,510</u>
<hr/>		
Interest expense - net	\$ 1,534,521	\$ 1,338,406
