

Financial Statements of

ST. THOMAS UNIVERSITY

Year ended April 30, 2010

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AUDITORS' REPORT

To the Chairman and The Board Of Governors

We have audited the statement of financial position of St. Thomas University as at April 30, 2010 and the statements of operations and changes in fund balances and cash flows for the year then ended. These financial statements are the responsibility of the University's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the University as at April 30, 2010 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The current year's supplementary information included in the schedules is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such supplementary information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects, in relation to the basic financial statements taken as a whole.

Chartered Accountants

Fredericton, Canada

July 9, 2010

ST. THOMAS UNIVERSITY

Financial Statements

Year ended April 30, 2010

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ST. THOMAS UNIVERSITY

Statement of Financial Position

Year ended April 30, 2010, with comparative figures for 2009

ST. THOMAS UNIVERSITY

Statement of Operations and Changes in Fund Balances

Year ended April 30, 2010, with comparative figures for 2009

						2010	2009
	General Operating	Ancillary	Internally restricted	Endowments and other externally restricted	Capital assets	Grand total	Grand total
Revenues:							
Provincial operating grant	\$ 12,207,295	\$ —	\$ —	\$ —	\$ —	\$ 12,207,295	\$ 11,149,600
Other grants	1,788,448	—	—	99,416	3,603,047	5,490,911	1,835,800
Student fees	12,094,249	5,469,716	—	—	—	17,563,965	18,042,772
Gain in fair value of investments	658,611	—	1,904,266	1,375,012	—	3,937,889	25,338
Donations	—	—	—	365,379	111,347	476,726	438,826
Miscellaneous	369,145	1,311,026	144,616	5,250	—	1,830,037	1,507,579
	27,117,748	6,780,742	2,048,882	1,845,057	3,714,394	41,506,823	32,999,915
Expenses:							
Academic	14,885,755	—	241,811	420,803	—	15,548,369	15,146,590
Computing services	951,292	—	—	—	—	951,292	942,501
Administrative and general	4,480,935	404,423	101,598	180,032	—	5,166,988	4,454,826
Student services	1,575,284	3,629,003	—	—	—	5,204,287	5,208,737
Physical plant	2,083,099	2,201,323	—	—	—	4,284,422	4,471,776
Scholarships and awards	600,000	—	1,227,604	—	—	1,827,604	1,751,208
Grant transfer to UNB	1,774,997	—	—	—	—	1,774,997	1,787,900
Decline in fair value of investments	—	—	—	—	—	—	4,210,030
Amortization	—	—	—	—	1,980,812	1,980,812	2,099,713
	26,351,362	6,234,749	1,571,013	600,835	1,980,812	36,738,771	40,073,281
Excess (deficiency) of revenues over expenses	766,386	545,993	477,869	1,244,222	1,733,582	4,768,052	(7,073,366)
Fund balance, beginning of year	332,232	—	8,707,485	11,429,354	32,370,961	52,840,032	60,370,925
	1,098,618	545,993	9,185,354	12,673,576	34,104,543	57,608,084	53,297,559
Gain (loss) on derivatives	—	—	—	—	219,871	219,871	(457,527)
Transfers	(650,000)	(545,993)	1,195,993	—	—	—	—
Fund balance, end of year	\$ 448,618	\$ —	\$ 10,381,347	\$ 12,673,576	\$ 34,324,414	\$ 57,827,955	\$ 52,840,032

See accompanying notes to financial statements.

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Statement of Cash Flows

Year ended April 30, 2010, with comparative figures for 2009

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Notes to Financial Statements

Year ended April 30, 2010

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Notes to Financial Statements (continued)

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Notes to Financial Statements (continued)

Year ended April 30, 2010

2. Investments:

	2010	2009
Bissett Fund	\$ 20,168,730	\$ 17,344,501
Commonfund	9,470,195	8,384,645
	<u>\$ 29,638,925</u>	<u>\$ 25,729,146</u>

3. Capital assets:

Accumulated

ST. THOMAS UNIVERSITY

Notes to Financial Statements (continued)

Year ended April 30, 2010

6. Long-term debt:

	2010	2009
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Notes to Financial Statements (continued)

Year ended April 30, 2010

9. Fair value of financial assets and financial liabilities:

The fair value of the University's cash, accounts receivable, bank indebtedness, accounts payable and accrued liabilities and fees received in advance approximates their carrying amounts due to the immediate short-term maturity of these financial instruments. Investments are carried at fair value.

The fair value of the outstanding interest rate swap as at April 30, 2010 is a liability of \$237,656 (2009 - liability of \$457,527) and has been estimated based on mid-market quotations. Management's intent is to retire the swap and the related debt based on scheduled repayments, in which case the liability is not expected to require an earlier cash payment.

Long-term pledges receivable are recorded at fair value.

The carrying value of the long-term debt approximates their fair value as the terms and conditions of the

ST. THOMAS UNIVERSITY

Notes to Financial Statements (continued)

Year ended April 30, 2010

11. Expense allocation:

In adherence to CICA HB Section 4470, Disclosure of allocated expenses by not-for-profit organizations,

ST. THOMAS UNIVERSITY

Schedule of Ancillary Enterprises

Year ended April 30, 2010, with comparative figures for 2009

ST. THOMAS UNIVERSITY

Schedule of Academic Expenses

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Schedule of Computing Services Expenses

Year ended April 30, 2010, with comparative figures for 2009

	2010	2009
Wages and salaries	\$ 539,764	\$ 562,835
Employee benefits	83,055	72,609
Software licenses	229,513	215,551
Information systems support	15,528	26,389
Computing support	83,432	65,117
	<u>\$ 951,292</u>	<u>\$ 942,501</u>

ST. THOMAS UNIVERSITY

Schedule of Administrative and General Expenses

Year ended April 30, 2010, with comparative figures for 2009

	2010	2009
Wages and salaries	\$ 2,184,424	\$ 2,219,309
Employee benefits	338,741	311,362
Administrative general and supplies:		
Advertising and publicity	322,160	339,231
Association fees	66,287	61,787
Bad debts	97,913	89,424
Committees	20,855	18,421
Credit card fees	36,794	100,428
Interest expense	39,611	55,794
Miscellaneous	75,782	35,957
Office supplies	52,759	56,482
Payroll processing fees	2,167	1,407
Postage	53,482	60,678
Professional fees	117,311	111,141
Publications	187,478	167,667
Staff recruiting	21,099	6,412
Student recruitment	163,516	144,956
Student recruitment – ACOA project	556,786	44,389
Service contracts	23,100	20,432
Special projects	19,420	21,110
Telephone	4,646	5,282
Travel	86,937	75,312
University hospitality	9,667	11,388
	1,957,770	1,427,698
	\$ 4,480,935	\$ 3,958,369

ST. THOMAS UNIVERSITY

Schedule of Student Services Expenses

Year ended April 30, 2010, with comparative figures for 2009

	2010	2009
Wages and salaries	\$ 862,423	\$ 892,707
Employee benefits	99,332	108,285
Student health insurance	46,709	57,477
Athletics	479,015	464,887
Campus Ministry	12,392	20,952
Student support programs	75,413	87,955
	<u>\$ 1,575,284</u>	<u>\$ 1,632,263</u>

Schedule of Physical Plant Expenses

Year ended April 30, 2010, with comparative figures for 2009

	2010	2009
Wages and benefits	\$ 128,895	\$ 114,704
Utilities and insurance:		