

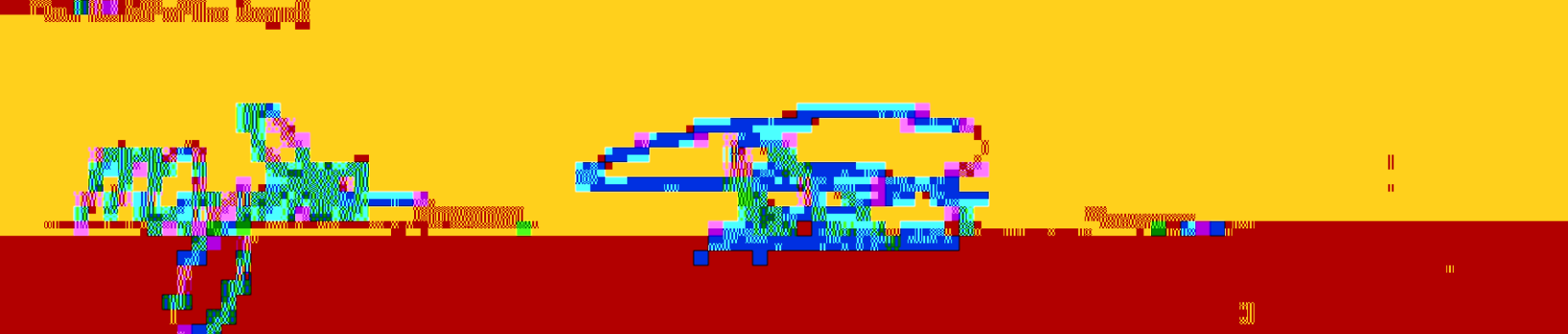
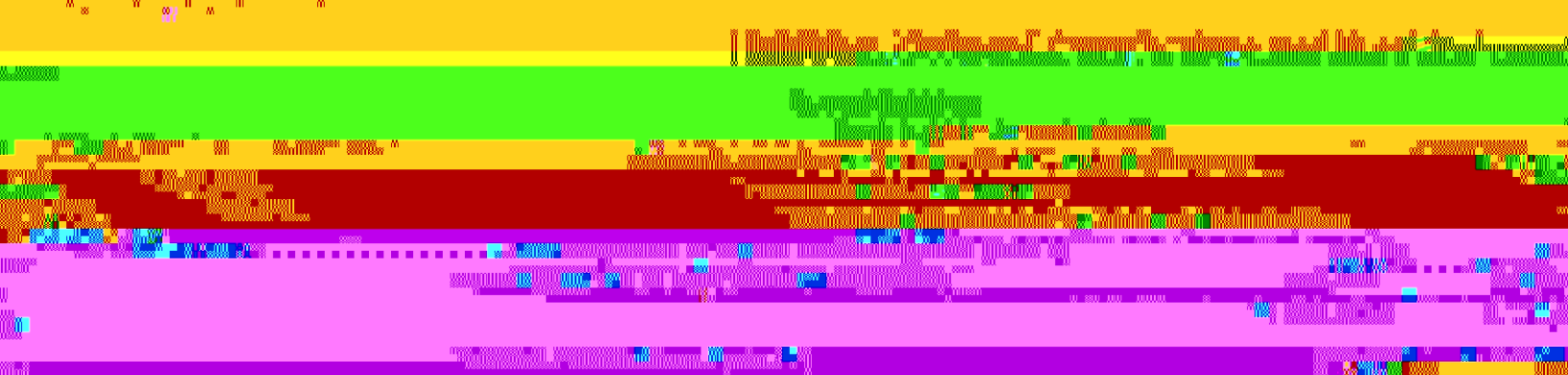
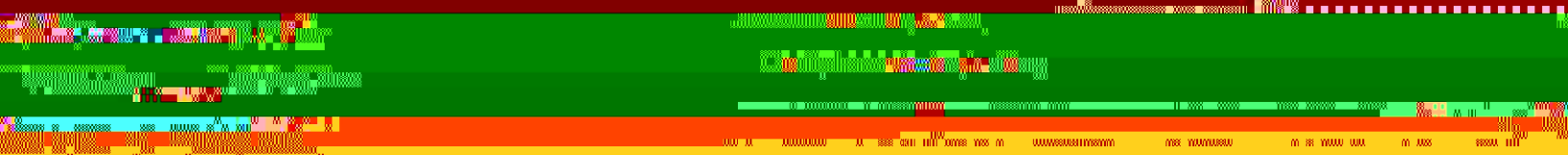
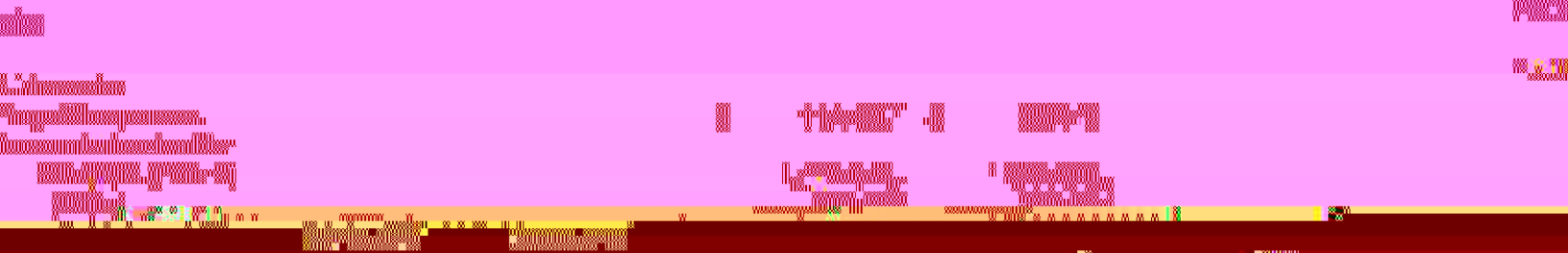
Financial Statements of

# ST. THOMAS UNIVERSITY

Year ended April 30, 2017







# ST. THOMAS UNIVERSITY

Statement of Operations and Changes in Fund Balances

Year ended April 30, 2017, with comparative information for 2016

# ST. THOMAS UNIVERSITY

## Statement of Cash Flows

Year ended April 30, 2017, with comparative information for 2016

	2017	2016
Cash flows from operating activities:		
Deficiency of revenues over expenses	\$ (1,880,687)	\$ (5,351,516)
Amortization of capital assets, not involving cash	1,748,431	1,831,887
Unrealized gain on investments	(3,011,904)	(4,577)
Deferred contributions recognized as revenue	(931,634)	(989,791)
Net change in non-cash operating working capital	636,671	(344,043)
	<u>(3,439,123)</u>	<u>(4,858,040)</u>
Financing and investing activities:		
Decrease in investments	3,590,088	5,139,388
Capital assets acquired	(2,722,529)	(1,191,876)
Contributions received and deferred	845,706	939,913
Construction financing Harrington Hall	3,052,930	–
Principal payment on long-term debt	(224,000)	(213,000)
Principal payment on capital lease obligation	(81,392)	(159,633)
	<u>4,460,803</u>	<u>4,514,792</u>
Decrease (increase) in bank indebtedness	1,021,680	(343,248)
Bank indebtedness, beginning of year	(5,651,281)	(5,308,033)
Bank indebtedness, end of year	<u>\$ (4,629,601)</u>	<u>\$ (5,651,281)</u>

See accompanying notes to financial statements.

# ST. THOMAS UNIVERSITY

## Notes to Financial Statements

Year ended April 30, 2017

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St. Thomas University (the University) is a university incorporated by Special Act of the Legislative Assembly of New Brunswick providing undergraduate liberal arts and professional programs. The University is a registered charity under the Income Tax Act.

### 1. Significant accounting policies:

The financial statements have been prepared by management in accordance with Canadian accounting standards for Not-For-Profit Organizations in Part III of the CPA Canada Handbook.

#### (a) Basis of accounting:

The University follows the fund basis of accounting, which provides for a separate self-balancing group of accounts established to enable separate accountability for particular legal or contractual activities or for purposes of segregating assets that are to be used for certain designated purposes. Separate accounts are maintained for each fund. For financial statement purposes, funds that have similar characteristics have been combined into fund groups as follows:

Unrestricted funds are those which are not subject to restrictions by external parties as to use of the funds. Included in this category are the following:

#### General:

Includes all ordinary academic and administrative operations of the University as well as ancillary operations.

#### Internally restricted:

Includes funds established by the Board for various specific purposes as follows:

- Capital
- Pension
- Scholarship
- Special projects
- Aquinas Chair in Interdisciplinary Studies
- John XXIII Chair in Catholic Theology





# ST. THOMAS UNIVERSITY

Notes to Financial Statements (continued)

# ST. THOMAS UNIVERSITY

Notes to Financial Statements (continued)

Year ended April 30, 2017

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1. Significant accounting policies (continued):

(f) Financial instruments (continued):

Derivative financial instruments are utilized by the University in the management of its interest rate exposure. The University's policy is not to utilize derivative financial instruments for trading or speculative purposes. Derivative instruments are recorded on the statement of financial position as assets and liabilities and are measured at fair value. Changes in the derivative instruments' fair value are recognized in the statement of operations unless specific hedge accounting criteria are met. Changes in the fair value of effective cash flow hedges are included directly in the fund balances.

The University entered into an interest rate swap in order to reduce the impact of fluctuating interest rates on its long-term debt. The swap agreement requires the periodic exchange of payments without the exchange of the notional principal amount on which the payment is based. The University designated its interest rate hedge agreement as the hedge of the underlying debt. Interest expense on the debt is adjusted to include the payment made under the interest rate swap.

(g) Management estimates:

The preparation of the financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of capital assets, and accounts receivable at the dates of the financial statements and the reported amounts of revenues and expenses during the reported periods. Actual results could differ from those estimates.

2. Student accounts receivable:

	2017	2016
Accounts receivable	\$ 2,405,290	\$ 2,696,543
Less: allowance for doubtful accounts	969,643	769,643
	<u>\$ 1,435,647</u>	<u>\$ 1,926,900</u>

# ST. THOMAS UNIVERSITY

Notes to Financial Statements (continued)

Year ended April 30, 2017

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3. Investments:

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	2017	2016
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# ST. THOMAS UNIVERSITY

Notes to Financial Statements (continued)

Year ended April 30, 2017

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8.

# ST. THOMAS UNIVERSITY

Notes to Financial Statements (continued)

Year ended April 30, 2017

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9. Long-term debt (continued):

Principal due within each of the next five years on long-term debt is approximately as follows:

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2018	\$	236,000
2019		248,000
2020		261,000
2021		274,000
2022		290,000

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10. Capital assets:

Investment in capital assets is calculated as follows:

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	2017	2016
Capital assets	\$ 33,927,560	\$ 32,953,462
Long-term debt and construction financing	(4,799,930)	(1,971,000)
Capital lease obligation	(1,234,637)	(1,316,029)
Invested in capital assets	\$ 27,892,993	\$ 29,666,433

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11. Pension Plan:

The "Pension Plan for the Employees of St. Thomas University" is a defined-contribution pension plan under which contributions are made by both St. Thomas University and its employees. For the fiscal year ended April 30, 2017, the University expensed contributions of \$1,294,859 (2016 - \$1,334,202) under the terms of the Plan.

# ST. THOMAS UNIVERSITY

Notes to Financial Statements (continued)

Year ended April 30, 2017

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12. Financial risks:

Financial risk refers to the impact on the University's cash flows as a result of fluctuations in interest rates and the credit quality of student

# ST. THOMAS UNIVERSITY



# ST. THOMAS UNIVERSITY

## Schedule of Academic Expenses from Operations

Year ended April 30, 2017, with comparative information for 2016  
(Unaudited)

	2017	2016
Wages and salaries:		
Full-time	\$ 10,601,821	\$ 10,561,595
Part-time	2,040,207	2,222,662
On leave	1,374,339	1,513,191
	<u>14,016,367</u>	<u>14,297,448</u>
Staff other than academic	403,863	379,307
Employee benefits	1,919,816	1,993,667
Departmental:		
Teaching supplies and support	105,262	116,301
Special projects	74,717	78,218
Native Studies BSW Program	153,005	152,169
Miscellaneous	84,117	47,022
	<u>417,101</u>	<u>393,710</u>
Travel, study and research:		
Professional development and travel allowances	255,239	266,901
Research projects and academic conferences	538,315	625,350
	<u>793,554</u>	<u>892,251</u>
General academic:		
Materials and supplies	39,812	38,442
Postage	17,907	20,502
Telephone	16,986	17,846
Graduation	70,910	70,881
Recruiting	13,337	17,388
Relocation	8,517	6,694
Special projects	50,307	51,591
Service contracts	29,965	28,880
Fees and dues	87,377	101,856
	<u>335,118</u>	<u>354,080</u>
	<u>\$ 17,885,819</u>	<u>\$ 18,310,463</u>

# ST. THOMAS UNIVERSITY

## Schedule of Computing Services Expenses from Operations

Year ended April 30, 2017, with comparative information for 2016  
(Unaudited)

	2017		2016	
Wages and salaries	\$	540,368	\$	543,519
Employee benefits		93,415		90,173
Computing licenses and support		297,988		279,271
	\$	931,771	\$	912,963

# ST. THOMAS UNIVERSITY

Schedule of Administrative and General Expenses from Operations

# ST. THOMAS UNIVERSITY

## Schedule of Student Services Expenses from Operations

Year ended April 30, 2017, with comparative information for 2016  
(Unaudited)

	2017	2016
Wages and salaries	\$ 1,110,972	\$ 1,255,972
Employee benefits	161,186	173,064
Athletics	565,916	829,437
Campus Ministry	16,490	14,783
Student support programs	109,033	105,044
	<u>\$ 1,963,597</u>	<u>\$ 2,378,300</u>

## Schedule of Physical Plant Expenses from Operations

Year ended April 30, 2017, with comparative information for 2016  
(Unaudited)

	2017	2016
Wages and benefits	\$ 168,533	\$ 163,363
Utilities and insurance:		
Heat	423,800	525,699
Electricity	249,275	239,676
Water and sewerage	19,835	21,580
Telephone	190,834	194,742
Insurance	55,190	52,989
	<u>938,934</u>	<u>1,034,686</u>
Cleaning and janitorial	495,241	451,931
Furniture and equipment	212,977	166,768
Maintenance and repairs	485,100	397,746
Security	28,162	27,048
	<u>\$ 2,328,947</u>	<u>\$ 2,241,542</u>

# ST. THOMAS UNIVERSITY

## Schedule of Transfers of Funds

Year ended April 30, 2017  
(Unaudited)

	To	From	From	To
	General Operating	Internally restricted	Endowments and other externally restricted	Capital assets
Capital	\$ -	\$ 105,602	\$ -	\$ (105,602)
Citizenship and Human Rights	90,000	-	(90,000)	-
Criminology Chair	40,000	-	(40,000)	-
Gerontology Chair	240,000	-	(240,000)	-
Aboriginal Studies Chair	50,000	-	(50,000)	-
	\$ 420,000	\$ 105,602	\$ (420,000)	\$ (105,602)

Year ended April 30, 2016  
(Unaudited)

	To	From	From	To
	General Operating	Internally restricted	Endowments and other externally restricted	Capital assets
Aquinas Chair	\$ 920,000	\$ (920,000)	\$ -	\$ -
Capital	-	(894,265)	-	894,265
Citizenship and Human Rights	90,000	-	(90,000)	-
Criminology Chair	90,000	-	(90,000)	-
Gerontology Chair	240,000	-	(240,000)	-
Aboriginal Studies Chair	50,000	-	(50,000)	-
	\$ 1,390,000	\$ (1,814,265)	\$ (470,000)	\$ 894,265