
Financial statements of St. Francis Xavier University

March 31, 2022

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Independent Auditor's Report

To the Board of Governors
St. Francis Xavier University

Opinion

We have audited the financial statements of St. Francis Xavier University (the "University"), which comprise the statement of financial position as at March 31, 2022, and the statements of operations, changes in fund balances and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the University as at March 31, 2022, and its financial performance 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 ("Canadian GAAS"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the University 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.

Emphasis of Matter – Amended Financial Statements

We draw attention to Note 2 to the financial statements, which describes that the financial statements that we originally reported on June 22, 2022, have been amended and describes the matter that gave rise to the amendment of the financial statements. Our opinion is not modified in respect of this matter.

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 University'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 University or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with Canadian GAAS 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 these financial statements.

As part of an audit in accordance with Canadian GAAS, 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 University'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 University's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the University 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.

We 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.

Deloitte LLP

Chartered Professional Accountants
March 22, 2023

St. Francis Xavier University
Statement of financial position
As at March 31, 2022

	Notes	2022 \$ (Amended)	2021 \$ (Restated)
Assets			
Cash		17,124,045	—
Short-term investments		975,659	971,266
Accounts receivable	4	6,696,847	7,563,153
Inventories and other assets		1,111,898	1,122,939
		25,908,449	9,657,358
Accrued pension benefit asset	7	3,918,400	3,105,500
Investments	5	184,018,565	169,084,720
Tangible capital assets	6	243,302,608	249,755,495
		457,148,022	431,603,073
Liabilities			
Bank loans	10	—	13,998,999
Accounts payable and accruals		8,381,275	7,978,946
Current portion of long-term debt	11	5,736,440	5,564,784
Deferred revenue		10,420,052	13,793,891
		24,537,767	41,336,620
Other employee future benefits	8	5,664,902	6,190,034
Deferred revenue other - restricted	12	44,586,131	19,469,715
Deferred revenue capital - restricted	12	123,965,395	122,017,488
Long-term debt	11	81,250,739	86,929,985
		280,004,934	275,943,842
Net assets			
Fund balances		177,143,088	155,659,231
		457,148,022	431,603,073

The accompanying notes are an integral part of the financial statements.

St. Francis Xavier University
Statement of operations
Year ended March 31, 2022

Schedules & Notes	Operating fund \$	Restricted fund \$	Capital fund \$	2022 Total funds \$ (Amended)	2021 Total funds \$ (Restated)
Revenue					
SCH 1					
Student academic fees	54,012,098	—	—	54,012,098	49,462,495
Bequests, donations and non-government grants	1,197,976	—	—	1,197,976	1,209,458
Miscellaneous	1,354,659	890,583	—	2,245,242	1,246,219
Special purpose and trust income	7,232,240	—	—	7,232,240	6,276,168
Government grants	38,678,956	—	—	38,678,956	39,455,420
Sponsored research funds	—	7,144,195	—	7,144,195	5,759,443
Ancillary enterprises	23,939,509	—	—	23,939,509	22,824,624
Amortization of deferred revenue	—	—	5,674,406	5,674,406	5,779,948
	126,415,438	8,034,778	5,674,406	140,124,622	132,013,775
Expenditure					
SCH 2					
Instruction and non-sponsored research	53,199,412	—	—	53,199,412	49,117,981
Continuing education/training and development	151,723	—	—	151,723	134,278
Information technology services	3,636,940	—	—	3,636,940	3,689,070
Library	2,985,769	—	—	2,985,769	2,850,158
Student services	12,256,577	—	—	12,256,577	10,646,998
Advancement	3,530,262	—	—	3,530,262	3,127,859
Administration and general	6,892,129	—	—	6,892,129	6,704,882
Facilities management	9,617,575	—	—	9,617,575	8,532,871
Repairs and maintenance	967,819	—	—	967,819	2,127,385
Information and technology funding	377,528	—	—	377,528	167,125
Sponsored research	—	7,144,195	—	7,144,195	5,759,443
Other restricted	—	890,583	—	890,583	268,474
Ancillary enterprises	24,080,197	—	—	24,080,197	21,252,941
Amortization expense	—	—	12,723,153	12,723,153	11,991,226
	117,695,931	8,034,778	12,723,153	138,453,862	126,370,691
Surplus before undernoted	8,719,507	—	(7,048,747)	1,670,760	5,643,084
Coady Institute surplus (deficit)	1,136	—	—	1,136	(37,892)
Surplus	8,720,643	—	(7,048,747)	1,671,896	5,605,192

St. Francis Xavier University
Statement of cash flows
Year ended March 31, 2022

	Notes	2022 \$	2021 \$
		(Amended)	(Restated)
Operating activities			
Surplus		1,671,896	5,605,192
Amortization		12,723,153	11,991,226
Deferred revenue amortization		(5,674,406)	(5,779,948)
Change in other employee future benefits		(525,132)	(257,151)
Change in accrued pension benefit asset		(812,900)	(3,175,400)
Pension remeasurement and settlement		1,271,100	3,149,900
Development program transfer	SCH 5	42,171	(38,205)
Net change in deferred revenue other - restricted	12	25,116,416	3,386,571
Other change in deferred revenue capital - restricted	12	2,860,459	1,210,469
Net change in non-cash working capital	15	(2,094,163)	(6,421,260)
		34,578,594	9,671,394
Investing activities			
Tangible capital asset acquisitions, net of disposals		(6,270,266)	(4,017,350)
Investment disposals		8,773,075	8,654,607
Investment acquisitions		(12,332,668)	(14,089,625)
		(9,829,859)	(9,452,368)
Financing activities			
Donations for investments acquisitions	SCH 5	7,124,438	3,347,929
Donations for the purchase of tangible capital assets	12	3,882,898	5,907,020
Government grants for the purchase of tangible capital assets	12	878,956	3,191,869
Decrease in bank loans		(13,998,999)	(7,411,589)
Proceeds from long-term debt		—	84,036
Repayments of long-term debt		(5,507,590)	(5,376,937)
		(7,620,297)	(257,672)
Net cash inflow (outflow)		17,128,438	(38,646)
Cash, beginning of year		971,266	1,009,912
Cash, end of year		18,099,704	971,266
Cash is comprised of			
Cash		17,124,045	—
Short-term investments		975,659	971,266
		18,099,704	971,266

The accompanying notes are an integral part of the financial statements.

St. Francis Xavier University
Statement of changes in fund balances
Year ended March 31, 2022

	Notes & Schedules	Operating fund \$	Capital fund \$	Endowment fund \$	2022 Total funds balance \$ (Amended)	2021 Total funds balance \$ (Restated)
Balance, beginning of year		(14,414,937)	3,310,865	166,763,303	155,659,231	103,295,131
Adjustment for restatement of prior periods	2	—	—	—	—	8,607,956
Adjusted balance, beginning of year		(14,414,937)	3,310,865	166,763,303	155,659,231	111,903,087
Transactions during the year						
Bequests and donations		—	—	7,124,438	7,124,438	3,347,929
Unendowed funds		—	—	(138,312)	(138,312)	(13,390)
Reinvested earnings		—	—	498,569	498,569	232,899
Dividends and interest income		—	—	4,464,066	4,464,066	4,039,187
Unrealized gains		—	—	7,773,137	7,773,137	33,832,640
Withdrawals and management expense		—	—	(8,634,763)	(8,634,763)	(8,641,217)
Development program - net	SCH 5	—	42,171	—	42,171	(38,205)
Pension remeasurement	7 and 8	1,271,100	—	—	1,271,100	3,149,900
Surplus		8,720,643	(7,048,747)	—	1,671,896	5,605,192
Transfer from operating to cover capital		(7,048,747)	7,048,747	—	—	—
Balance, end of year		(11,471,941)	3,353,036	185,261,993	177,143,088	155,659,231

The accompanying notes are an integral part of the financial statements.

St. Francis Xavier University
Notes to the financial statements
 March 31, 2022

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 29 of the Acts of Nova Scotia, 2014, and legal amendments since, entitled "St. Francis Xavier University Act".

St. F.X. is primarily an undergraduate institution of approximately 4,200 students located in Antigonish, a northeastern Nova Scotia community. The University offers major, advanced major and honors 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. Amended and restated financial statements

The March 31, 2022, statement of operations, statement of financial position and statement of fund balances have been amended and the March 31, 2021 statement of operations, statement of financial position and statement of fund balances have been restated to correct the recording of revenue and deferred revenue as well as change in presentation of expenses. Previously reported revenues were overstated due to the incorrect recognition of revenues in the capital fund for amounts previously recognized.

The resulting impact of this restatement is that revenue has been decreased by \$9,050,495 (2021 - \$7,363,157), deferred revenue has decreased by \$12,521,719 (2021 - \$11,092,697). The adjustment to 2021 opening Fund balances of \$8,607,956 reflects the cumulative impact of prior years from the noted changes above

The following balances on the statements have been adjusted:

	2022 Previously stated	Adjustment	2022 Restated balances
	\$	\$	\$
Statement of Operations			
Revenue			
Special purpose and trust income	7,271,786	(39,546)	7,232,240
Miscellaneous - Restricted funds	1,114,729	(224,146)	890,583
Sponsored research - Restricted funds	7,980,316	(836,121)	7,144,195
Amortization of deferred revenue	13,625,088	(7,950,682)	5,674,406
Expenses			
Instruction and non-sponsored research	53,256,484	(57,072)	53,199,412
Library	3,032,598	(46,829)	2,985,769
Administration and general	8,148,423	(1,256,294)	6,892,129
Facilities management	10,164,023	(546,448)	9,617,575
Repairs and maintenance	1,456,182	(488,363)	967,819
Capital renewal	2,091,717	(2,091,717)	-
Information and technology funding	843,779	(466,251)	377,528
Ancillary enterprises	28,546,244	(4,466,047)	24,080,197
Other restricted - Restricted funds	1,114,729	(224,146)	890,583
Sponsored research - Restricted funds	7,980,316	(836,121)	7,144,195
Capital expenditures	(10,479,286)	10,479,286	-
Annual surplus	243,103	1,428,793	1,671,896
Statement of Financial Position			
Deferred revenue other - restricted	44,880,929	(294,798)	44,586,131
Deferred revenue capital - restricted	136,192,316	(12,226,921)	123,965,395
Statement of Fund Balances			
Transfer between funds	10,479,286	(3,430,539)	7,048,747

2. Amended and restated financial statements (continued)

	2021 Previously stated \$	Adjustment \$	2021 Restated balances \$
Statement of Operations			
Revenue			
Special purpose and trust income	6,298,939	(22,771)	6,276,168
Sponsored research - Restricted funds	5,953,363	(193,920)	5,759,443
Amortization of deferred revenue	12,926,414	(7,146,466)	5,779,948
Expenses			
Instruction and non-sponsored research	49,140,752	(22,771)	49,117,981
Library	2,879,037	(28,879)	2,850,158
Administration and general	7,976,229	(1,271,347)	6,704,882
Facilities management	8,979,008	(446,137)	8,532,871
Repairs and maintenance	1,627,736	499,649	2,127,385
Capital renewal	3,002,867	(3,002,867)	—
Information and technology funding	661,858	(494,733)	167,125
Ancillary enterprises	26,139,833	(4,886,892)	21,252,941
Sponsored research - Restricted funds	5,953,363	(193,920)	5,759,443
Capital expenditures	(9,847,897)	9,847,897	—
Annual surplus	3,120,451	2,484,741	5,605,192
Statement of Financial Position			
Deferred revenue other - restricted	19,828,237	(358,522)	19,469,715
Deferred revenue capital - restricted	132,751,663	(10,734,175)	122,017,488
Statement of Changes in Fund Balances			
Balance, beginning of year	103,295,131	8,607,956	111,903,087

3. 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 CPA Canada 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.

3. Significant accounting policies (continued)

Fund accounting and revenue recognition (continued)

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 unrestricted 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.

Cash

Cash includes cash on hand, cash on deposit with financial institutions and amounts drawn on the University's lines of credit. Use of the University's bank loans are considered to be financing activities 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.

Tangible capital assets

Purchased tangible 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. Tangible capital assets are amortized on a straight-line basis over their useful lives as follows:

	Years
Buildings	40
Building renovations and betterments	10-20
Equipment and furnishings	5-10
Library books	10
Motor vehicles	3.5
Paving	8
Asset under capital lease	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.

3. Significant accounting policies (continued)

Pension plans

The University recognizes defined benefit obligations as employees render services giving them the right to earn the pension benefit. The defined benefit obligation at the statement of financial position date is determined using the most recent actuarial valuation report prepared for funding purposes.

The University recognizes in its statement of financial position the defined benefit obligation less the fair value of the plan assets, adjusted for any valuation allowance in the case of a net defined benefit asset. The plan cost for the year is recognized in the Operating Fund in the statement of operations.

Re-measurements and other items are recognized in the statement of changes in fund balances in the year in which they occur.

Other employee future benefits

The cost of employee future benefits, other than pension, earned by employees is determined using the most recent actuarial valuation report prepared for accounting purposes as at the date of the statement of financial position.

The University recognizes in the statement of financial position, the defined benefit obligation adjusted for re-measurement and other items.

Re-measurements and other items are recognized in the statement of changes in fund balances in the year in which they occur.

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 and the reported amounts of 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 tangible capital assets, deferred revenue, the fair value of investments and the valuation of obligations for pension plans, other employee future benefits and certain accruals. Actual results could materially differ from those estimates

Financial instruments

Financial assets and financial liabilities are initially recognized at fair value and subsequently at amortized cost, with the exception of short-term investments and investments which are measured at fair value.

Transaction costs related to financial instruments that will be subsequently measured at fair value are recognized in net income in the period incurred. Transaction costs related to financial instruments subsequently measured at amortized cost are included in the original cost of the asset or liability and recognized in net income over the life of the instrument using the straight-line method.

For financial assets measured at cost or amortized cost, the University determines whether there are indications of possible impairment. When there is an indication of impairment, and the University determines that a significant adverse change has occurred during the period in the expected timing of amount of future cash flows, a write-down is recognized in net income. A previously recognized impairment loss may be reversed to the extent of the improvement. The carrying amount of the financial asset may not be greater than the amount that would have been reported at the date of the reversal had the impairment not been recognized previously. The amount of the reversal is recognized in net income.

3. Significant accounting policies (continued)

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 of debt any associated realized or unrealized gain or loss is recognized in deficit or surplus. 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 deficit or surplus.

4. Accounts receivable

	2022 \$	2021 \$
Accounts receivable - students	2,851,030	3,344,970
Accounts receivable - general	2,040,463	2,082,388
Accounts receivable - internally restricted	2,105,354	2,685,795
Allowance for doubtful accounts - students	(300,000)	(550,000)
	6,696,847	7,563,153

5. Investments

	2022 \$	2021 \$
Pooled funds, market value - Endowment Fund, restricted	180,635,926	166,100,613
Pooled funds, market value - Endowment Fund, unrestricted	3,382,639	2,984,107
	184,018,565	169,084,720

6. Tangible capital assets

	Cost \$	Accumulated amortization \$	2022 Net book value \$	2021 Net book value \$
Land	4,411,829	—	4,411,829	4,411,829
Buildings	365,458,212	143,893,767	221,564,445	227,505,709
Equipment and furnishings	54,888,364	37,972,480	16,915,884	17,252,575
Equipment under capital lease	421,713	337,371	84,343	168,685
Library books	5,100,546	4,830,029	270,517	305,418
Motor vehicles	629,483	573,893	55,590	111,279
	430,910,146	187,607,539	243,302,608	249,755,495

7. Pension plans

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

The most recent actuarial valuation of the defined benefit pension plan for funding purposes was as of December 31, 2019. The next required valuation for the pension plan will be as of December 31, 2022.

The accrued benefit obligation as at March 31, 2022 was measured by extending the measurement period by 27 months from the most recent December 31, 2019 funding valuation.

It is the policy of the University to ensure the defined benefit plan is funded in compliance with all legislative and regulatory requirements per the Superintendent of Pensions.

Information about the defined benefit plan is as follows:

	2022	2021
	\$	\$
Fair value of plan assets	30,331,000	28,688,800
Accrued benefit obligation	26,412,600	25,583,300
Accrued pension benefit asset	3,918,400	3,105,500

The University recorded a re-measurement gain of \$778,100 (gain of \$3,258,900 in 2021) relating to the defined benefit plan in the Statement of changes in fund balances.

Employer and employee contributions to the defined benefit plan were \$398,597 (\$326,080 in 2021) and \$235,856 (\$192,820 in 2021) respectively for the year ended March 31, 2022.

Employer and employee contributions to the defined contribution plan were \$4,426,372 (\$4,238,700 in 2021) and \$2,936,494 (\$2,734,515 in 2021) respectively for the year ended March 31, 2022.

8. Other employee future benefits

The University's recorded employee future benefits obligation, other than pension, 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 recorded a re-measurement gain of \$493,000 (loss of \$109,000 in 2021) in the statement of changes in fund balances.

9. Development program (Schedule 5)

A program 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.

St. Francis Xavier University
Notes to the financial statements
 March 31, 2022

10. Bank loans

The University has an operating line of credit with the Bank of Nova Scotia for \$15,000,000 with interest payable at the bank's prime rate. The amount drawn on the operating line of credit as of March 31, 2022, was nil (\$826,426 in 2021, which was offset by cash holdings totaling \$827,427).

The University also has a capital line of credit with the Bank of Nova Scotia for \$20,000,000 to be used for interim financing for the Xaverian Commons project. The capital line of credit has interest payable at the bank's prime rate. The amount drawn on capital short term loan facilities as of March 31, 2022, was nil (\$14,000,000 in 2021).

11. Long-term debt

	2022 \$	2021 \$
Bank of Montreal 25 year SWAP - 3.22%, average monthly repayments of \$84,400, due October 3, 2039 (O'Regan and Riley)	24,726,793	25,798,285
Bank of Montreal 25 year SWAP - 5.93%, average monthly repayments of \$60,426, due September 2, 2031 (Governors Hall Construction)	10,275,279	11,082,578
Bank of Nova Scotia 15 year SWAP - 3.49%, average monthly repayments of \$33,302, due November 24, 2032 (Academic Renovations)	5,661,732	6,090,091
Congregation of Sisters of Notre Dame - non-interest bearing, semi-annual repayments of \$69,414, fully repaid June 1, 2021 (Mount St. Bernard)	—	69,414
Manulife 18.5 year loan - 4.47%, average monthly repayments of \$28,578, due July 1, 2034 (ESCO Project)	10,561,295	10,990,388
Bank of Nova Scotia 15 year SWAP - 2.59%, average monthly repayments of \$48,617, due January 2, 2032 (Mount St. Bernard & nursing Department)	6,981,940	7,597,545
Bank of Montreal 15 year SWAP - 4.66%, average monthly repayments of \$90,075, due December 1, 2032 (Refinanced Residence Mortgages)	16,933,076	18,119,347
Bank of Nova Scotia 15 year SWAP - 3.54%, average monthly repayments of \$66,970, due February 9, 2033 (Unfunded projects)	11,750,645	12,554,284
Obligations under Cisco capital lease - non-interest bearing, annual repayment of \$96,419, due July 11, 2023 (Wireless project)	96,419	192,837
	86,987,179	92,494,769
Less: current portion	5,736,440	5,564,784
	81,250,739	86,929,985

11. Long-term debt (continued)

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

	\$
2023	5,736,440
2024	5,887,988
2025	6,156,695
2026	6,433,122
2027	6,720,773
	<u>30,935,018</u>

The University has entered into three interest rate swaps with the Bank of Montreal to which hedge accounting is applied. The swaps are used to hedge the University's exposure to interest rate risk related to long-term debt bearing interest at the prevailing Canadian Dollar Offer Rate plus the applicable credit spread. Under the swaps, the University receives interest at the prevailing Canadian Dollar Offer Rate and pays interest at a fixed rate ranging from 2.82% to 5.38%. The swaps provide for the net settlement of interest received and paid.

The University has entered into three interest rate swaps with the Bank of Nova Scotia to which hedge accounting is applied. The swaps are used to hedge the University's exposure to interest rate risk related to long-term debt bearing interest at the BA Rate. Under the swaps, the University receives interest at the BA Rate and pays interest at a fixed rate ranging from 1.84% to 2.79%. The swaps provide for the net settlement of interest received and paid.

12. Deferred revenue – restricted

Restricted deferred revenue represents the donations, grants and revenues received for specified purposes. The changes in the deferred revenue restricted balance are as follows:

	2022 \$	Change \$	2021 \$
	(Amended)		(Restated)
Endowment fund	8,297,047	556,130	7,740,917
Restricted fund - research	6,229,073	646,027	5,583,046
Restricted fund - other	30,060,011	23,914,259	6,145,752
	44,586,131	25,116,416	19,469,715

12. Deferred revenue – restricted (continued)

Deferred revenue – capital fund

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

	2022	2021
	\$	\$
	(Amended)	(Restated)
Deferred revenue - capital fund balance, beginning of year	122,017,488	126,096,034
Adjustment for restatement of prior periods (note 2)	—	(8,226,664)
Additions from		
Donations	3,882,898	5,907,020
Restricted fund	1,060,266	193,920
Government	878,956	3,191,869
Other	1,800,193	635,257
	7,622,313	9,928,066
Recognition of deferred revenue	(5,674,406)	(5,779,948)
Deferred revenue - capital fund balance, end of year	123,965,395	122,017,488

13. Financial instruments

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:

Market risk

Market risk is the risk that the fair value of future cash flows of the University's financial instruments will fluctuate because of changes in market prices. The University is subject to market risk with respect to its investments. The University manages this risk by investing in diversified pooled funds and by utilizing various third party investment managers.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in interest rates. The University is exposed to interest rate risk on its floating interest rate financial instruments. Interest rate risk is minimized as the University uses interest rate swaps to fix interest rates on its long-term debt, with the exception of the Manulife loan and Cisco capital lease obligation.

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. A provision for doubtful student accounts has been recorded, see note 3.

Liquidity risk

The University's objective is to have sufficient liquidity to meet its liabilities when due. The University monitors its cash balances and cash flows generated from operations to meet its requirements. The University maintains short-term credit facilities with major financial institutions that are designed to ensure sufficient funds are available to meet current and forecasted requirements in a timely and cost effective manner.

14. Capital management

The University's objective in managing its capital is to safeguard its ability to continue to attract students to a 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.

	2022	2021
	\$	\$
	(Amended)	(Restated)
Fund equities	177,143,088	155,659,231
Long-term debt	86,987,179	92,494,769
	264,130,267	248,154,000

The University must comply with externally imposed covenants on its long-term debt and bank loans. The University was not in compliance with its covenants relating to the BMO loans for the period ended March 31, 2022. The lender has agreed to waive this covenant for 2021-22, and has since 2019-20, understanding that non-compliance with the debt service covenant is due to factors associated with the COVID-19 Pandemic.

Restricted net assets must be used for the purpose designated by the contributor. Pay-outs to the University from the endowment fund equities is restricted to 4% of the three-year rolling average of the market value as at December 31 of the previous three years.

15. Change in non-cash working capital

	2022	2021
	\$	\$
Accounts receivable	866,306	1,356,139
Inventories and other assets	11,041	(70,060)
Accounts payable and accruals	402,100	(10,308,379)
Deferred revenue	(3,373,839)	2,601,040
	(2,094,392)	(6,421,260)

16. COVID-19

On March 11, 2020, the World Health Organization characterized the outbreak of a strain of the novel coronavirus ("COVID-19") as a pandemic, which has resulted in a series of public health and emergency measures that have been put in place to combat the spread of the virus. As of the date of issuing the financial statements, the ongoing duration and impact of COVID-19 is un-known, and it is not possible to reliably estimate the impact that the length and severity of these developments will have on the financial results and condition of the University in future fiscal years.

St. Francis Xavier University

Schedule 1 - Revenue

Year ended March 31, 2022

	Schedule	2022 \$	2021 \$
		(Amended)	(Restated)
Student academic fees			
Full-time tuition		35,501,941	33,552,260
Tuition bursary		3,181,167	3,011,062
Information and technology fee		2,101,035	1,919,439
Part-time tuition		7,782,692	6,316,108
Summer school tuition		3,149,487	2,828,693
Continuing education/training and development		165,650	29,846
Other		2,130,126	1,805,087
		54,012,098	49,462,495
Bequests, donations and non-government grants			
Annual Giving Fund - unrestricted	SCH 5	166,337	250,822
Scholarship and bursary donations		1,031,639	958,636
		1,197,976	1,209,458
Special purpose and trust income			
General endowment		164,118	117,104
Academic endowment		145,133	39,954
Library endowment		55,297	84,257
Murphy endowment		15,000	15,000
Comprehensive Fundraising Campaign		701,778	635,843
Advancement endowment funding		1,415,000	1,200,000
Scholarship and bursary endowment		3,169,876	3,093,318
Alumni Aquatic Centre operating endowment		—	148,062
Chairs of study endowment		848,031	710,900
Funded academic activities		685,007	198,730
Athletic endowment		33,000	33,000
		7,232,240	6,276,168
Government grants			
Provincial - operating		35,506,400	36,285,851
Provincial special - operating		2,400,000	2,400,000
Federal - indirect research		772,556	769,569
		38,678,956	39,455,420
Miscellaneous		1,354,659	977,745
Ancillary enterprises		23,939,509	22,824,624
Total revenue		126,415,438	120,205,910

St. Francis Xavier University**Schedule 2 - Expenditure**

Year ended March 31, 2022

	2022	2021
	\$	\$
	(Amended)	(Restated)
Instruction and non-sponsored research		
Salaries		
Instruction and research	35,425,897	33,900,181
Support and other	7,237,313	6,976,493
Fringe benefits	6,458,338	5,858,568
Post retirement expense (recovery)	167,300	(567,800)
Outside services	227,962	41,630
Operational supplies	2,424,194	1,838,687
Travel	246,169	331,520
Chairs of studies	1,012,239	738,702
	53,199,412	49,117,981
Continuing education/training and development		
Salaries	41,685	86,040
Fringe benefits	9,501	16,718
Outside services	87,987	26,564
Operational supplies	3,560	4,818
Bursaries	8,990	—
Travel	—	138
	151,723	134,278
Information technology services		
Salaries	1,899,321	1,910,067
Fringe benefits	377,476	352,937
Operational supplies	866,306	972,855
Service of equipment	493,119	452,249
Travel	718	962
	3,636,940	3,689,070
Library		
Salaries	1,401,165	1,346,435
Fringe benefits	279,327	254,271
Library acquisitions	1,275,728	1,236,088
Operational supplies	29,255	13,364
Travel	294	—
	2,985,769	2,850,158
Student services		
Salaries	3,474,645	2,986,035
Fringe benefits	662,043	527,123
Operational supplies	1,139,228	719,725
Scholarships, bursaries and prizes	6,354,371	6,368,034
Travel	626,290	46,081
	12,256,577	10,646,998

St. Francis Xavier University**Schedule 2 - (continued)**

Year ended March 31, 2022

	Schedule	2022 \$	2021 \$
		(Amended)	(Restated)
Advancement			
Salaries		2,107,328	1,970,939
Fringe benefits		387,589	362,058
Operational supplies		1,011,242	787,528
Travel		24,103	7,334
		3,530,262	3,127,859
Administration and general			
Salaries		3,636,855	3,063,348
Fringe benefits		656,960	561,794
Operational supplies		626,691	721,311
Institutional dues, legal, audit and other		1,066,342	1,190,569
Interest - net	SCH 6	831,522	1,076,966
Travel		73,759	90,894
		6,892,129	6,704,882
Facilities management			
Salaries		3,918,306	3,688,859
Fringe benefits		952,062	967,155
Operational supplies		1,569,362	1,376,738
Insurance		300,650	263,341
Utilities		2,877,195	2,236,778
		9,617,575	8,532,871
Repairs and maintenance		967,819	2,127,385
Information technology and funding		377,528	167,125
Ancillary enterprises		24,080,197	21,252,941
Total expenditure		117,695,931	108,351,548

St. Francis Xavier University
Coady Institute
Schedule 3 - Statement of revenue and expenditure
Year ended March 31, 2022

	2022	2021
	\$	\$
Revenue		
Project and program	7,393,774	5,516,128
Tuition	56,281	36,046
Endowments and annual giving	821,778	699,716
Other	891	53,850
	8,272,724	6,305,740
Expenditure		
Salaries	3,039,239	3,087,064
Fringe benefits	565,500	503,180
Outside services	374,542	248,524
Operational supplies	973,223	686,375
Project disbursements	3,127,221	1,707,577
Travel	84,380	19,002
Room and board	9,751	—
Facilities and services	97,732	91,910
	8,271,588	6,343,632
Surplus (deficit) recovered from University contribution	1,136	(37,892)

St. Francis Xavier University
Ancillary enterprises
Schedule 4 - Statement of revenue and expenditure
Year ended March 31, 2022

	Schedule	2022 \$	2021 \$
		(Amended)	(Restated)
Revenue			
Residence fees			
Students		17,763,088	15,481,368
Others		2,423,129	1,672,222
Bookstore sales		2,116,009	1,999,336
Other ancillary services		2,352,881	1,224,934
Provincial funding - Targeted		—	2,482,014
Pandemic response		(715,598)	(35,250)
		23,939,509	22,824,624
Expenditure			
Food service expenses		7,218,162	5,954,975
Facilities management expenses		7,808,656	6,799,752
Bookstore expenses		2,147,720	1,961,670
Administrative expenses		2,771,914	1,731,502
Other ancillary services		1,435,163	1,254,264
Interest on ancillary debt	SCH 6	2,450,711	2,633,941
Pandemic response		247,871	916,837
		24,080,197	21,252,941
Deficit		(140,688)	1,571,683

St. Francis Xavier University
Development program (Note 8)
Schedule 5 - Statement of fund receipts and disposition
Year ended March 31, 2022

	2022	2021
	\$	\$
Cash receipts	15,024,488	13,012,355
Allocated to		
Purchase of tangible capital assets - Capital Fund		
Academic Lab Equipment	41,073	—
Amelia Saputo Centre for Healthy Living	2,547,619	1,843,231
Centre for Innovation in Health	—	2,000,000
Mulroney Hall	1,293,834	2,063,339
Other	372	450
	3,882,898	5,907,020
Endowment Fund - Investments	7,124,438	3,347,929
Annual Giving - Unrestricted Revenue	166,337	250,822
Specific operating accounts	3,808,644	3,544,789
	14,982,317	13,050,560
Increase (decrease) in development program capital	42,171	(38,205)
Development program capital, beginning of year	1,046,103	1,084,308
Development program capital, end of year	1,088,274	1,046,103

St. Francis Xavier University
Schedule 6 - Interest expense
Year ended March 31, 2022

	2022	2021
	\$	\$
	(Amended)	(Restated)
Operating interest expense		
Interest and bank charges	1,321,399	1,574,966
Operating interest recoveries	19,000	19,000
Operating interest expense - net	1,340,399	1,593,966
Ancillary interest expense	2,450,711	2,628,542
Total interest expense	3,791,110	4,222,508