



ST. FRANCIS XAVIER
UNIVERSITY



**Annual Financial Report &
Audited Financial Statements**

For the Year Ended March 31, 2018

The Annual Report includes the following:

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Appendix A – Audited Financial Statements as of March 31, 2018

Appendix B – Internal Financial Statements as of March 31, 2018

1. ST. FRANCIS XAVIER UNIVERSITY QUICK FACTS REPORT

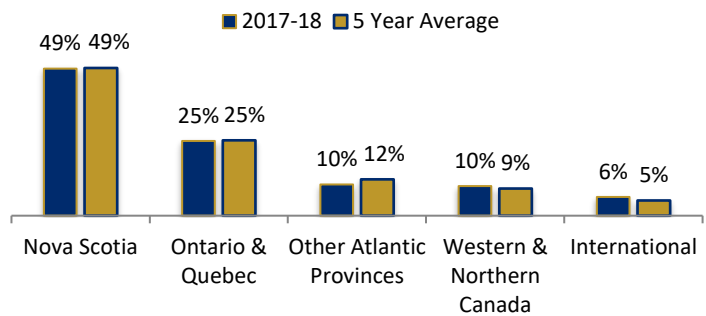
St. Francis Xavier University offers what so many of Canada's top students are seeking: a high quality education focused principally on the undergraduate in a vibrant residential setting. Recognized as a premier undergraduate school in Canada, StFX is meeting the needs of today's students through outstanding teaching, exceptional hands-on research experiences, and unique opportunities to contribute to communities at home and abroad.

2017-18 StFX Enrolment

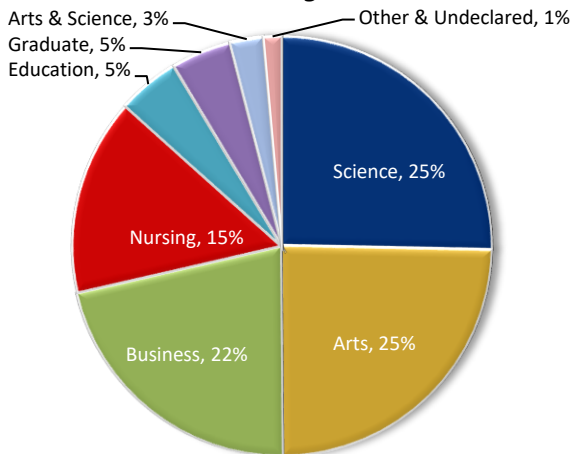
	Full-time	Part-time
Undergraduate	3,756	526
Graduate	80	444
Other Programs	29	313
Total	3,865	1,283

StFX Students from over 50 countries were represented on campus during 2017-18.

Student's Enrolling From



2017-18 FTE Program Enrollment



The StFX Student Community

Residence Capacity	1,797
Rooms Occupied by First Time Residents	48%
Rooms Occupied by Returning Residents	46%
Rooms Vacant	6%

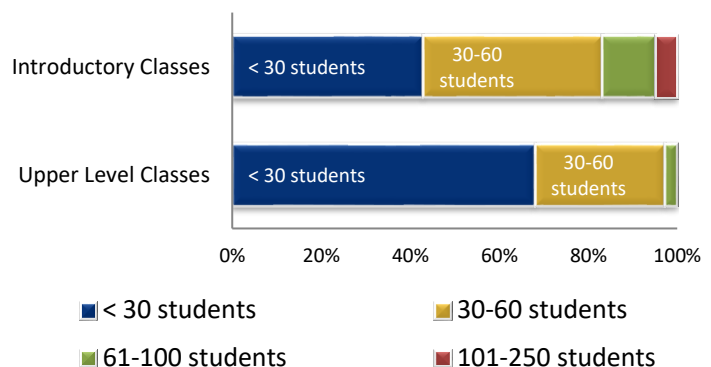
Proportion of Full-Time Undergraduate Students Living in Residences: 45%

The University employed 1,294 students in 2017 with average compensation of \$2,624.

StFX Full-Time Employees in 2017-18

Academic Faculty & Librarians	280
Finance and Operations	228
Academic Staff	133
Student Services	51
Coady International Institute Advancement	43
	27
Total Full time staff	762

Average Class Sizes at StFX



2. FINANCIAL HIGHLIGHTS – FINANCIAL STATEMENTS MARCH 31, 2018

STATEMENT OF FINANCIAL POSITION

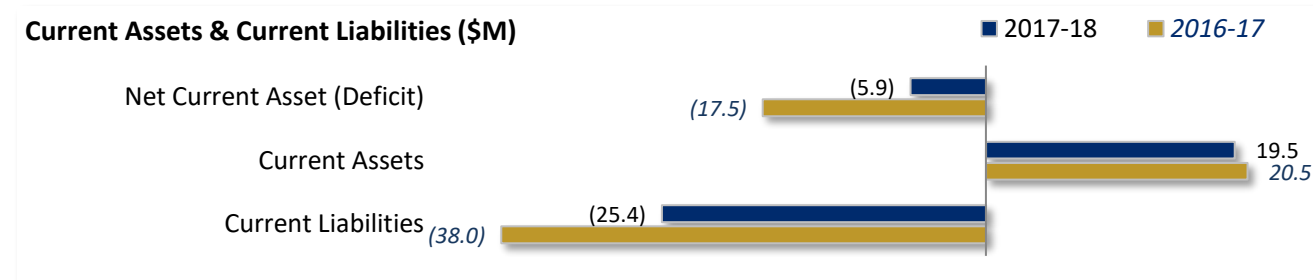
Historical Context

The University's balance sheet highlights strong endowment fund investments and net capital assets. The endowment fund continues to rank highly among university peer groups on a per student ratio, providing income for student scholarships and bursaries. The University continues to invest in reviving its historic campus through both recent and ongoing infrastructure improvements to academic and residence facilities.

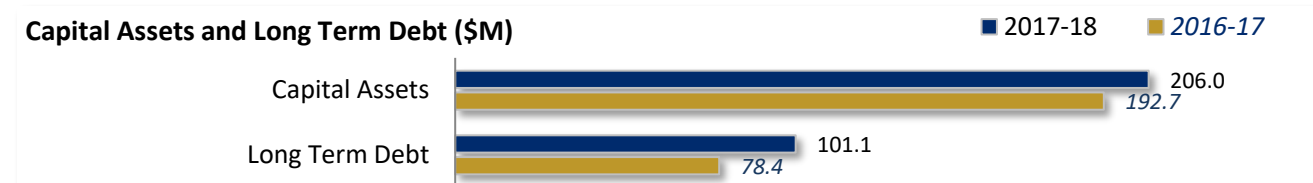
Analysis of Change in Financial Position Highlights from Prior Year



Total net assets decreased by \$5 million in 2017-18. This was largely due to the \$12.3 million net draw from the campaign fund primarily for Mulrone Hall construction, \$2.1 million loss from Capital gains, write-downs, fair value change, netted against the \$9.3 million net increase to bequests and donations.



The net current asset deficit decreased by \$11.5 million over the previous year. The decrease is largely due to the difference in the current portion of long-term debt. A \$7.6 million long-term debt instrument came due in 2017-18; it was listed as current portion of debt in 2016-17. The debt was refinanced in 2017-18 and is now classified as long-term debt once again. In addition, accounts receivable increased by \$4 million relating to research, Coady Institute & Extension Funding.



Capital assets and associated long-term debt both increased in 2017-18. Multiple investments in capital assets occurred during the year resulting in an increase of \$13.3 million net of amortization. Notable additions include \$12.9 million in Mulrone Hall construction costs, \$4.8 million in campus-wide energy efficiency investments, and \$1.1 million related to the Oland Centre gymnasium floor and bleacher replacements. Long-term debt increased by \$22.7 million due to a new \$15 million loan financing unfunded capital projects and the refinancing of a \$7.3 million loan which had been presented in current portion of long term debt in 2016-17.

STATEMENT OF OPERATIONS – MARCH 31, 2018

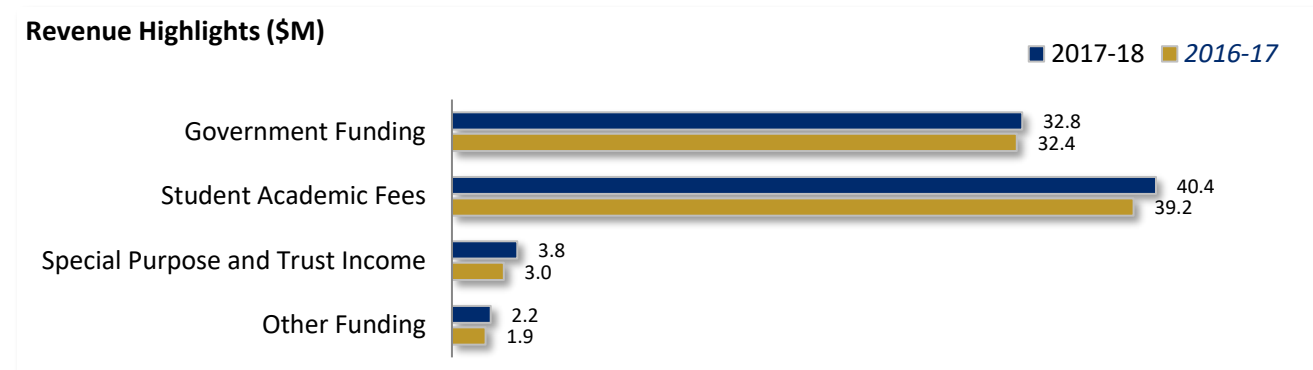
Historical Context

The University has been operating since 1853, and it is committed to overcoming challenges through strong management and innovative approaches to be sustainable. Cumulative deficits from the late 1990’s were eliminated in 2008 as provincial funding increases and strong enrolment eased financial constraints. Significant challenges returned during the 2011-2014 period amidst a string of provincial funding cuts and caps on tuition. The provincial funding was 1% in each of the past four years. Although it is an improvement over the previous years of cuts (10% cut to operating grant over 3 years), it is lower than inflation. These factors, in addition to increased enrolment competition and challenging demographics, have made it difficult for the University to consistently plan for balanced budgets.

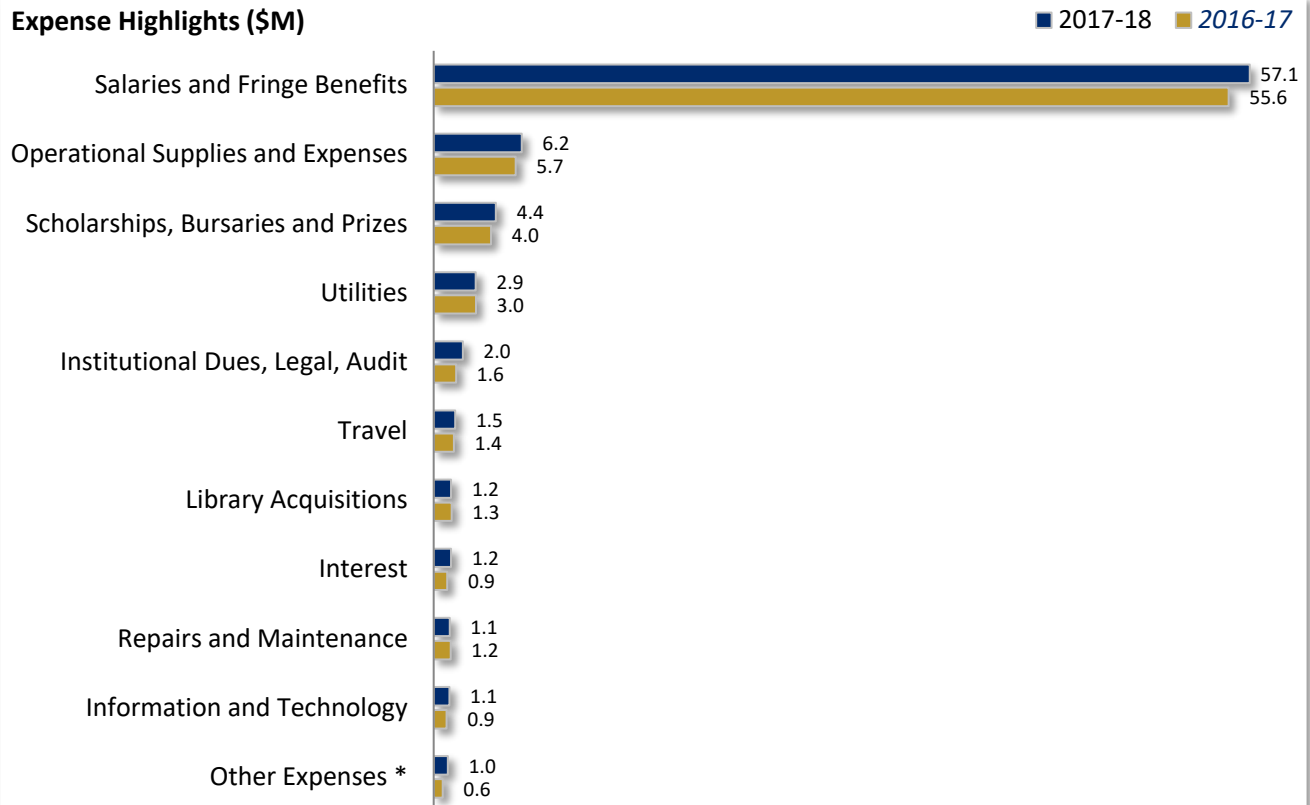
Analysis of Change in Operations Highlights from Prior Year



The 2017-18 fiscal year resulted in a consolidated deficit for operations and ancillary of \$2.1 million, increasing by \$686 thousand compared to the consolidated deficit of \$1.5 million the previous year. This change is primarily attributable to the \$1 million increase in the deficit on Ancillary.



Total operating revenue increased by \$2.9 million in 2017-18, representing a 3.7% increase. The increase is due to \$1.2 million increase in student fees, \$0.8 million increase in scholarship and bursary endowment revenue, and \$308 thousand increase to provincial operating grant.



** Other expense category includes: capital renewal, chairs of study, insurance, deficit on ancillary and other expenses as disclosed in the financial statements.*

Total ordinary expenditures increased \$3.5 million to \$79.7 million in 2017-18 (4.6% increase). The increase was mainly due to \$1.5 million increase in salaries & fringe, \$1.1 million increase to deficit on ancillary, \$454 thousand increase to the bad debt expense, \$420 thousand increase to operational supplies and expenses, and \$338 thousand increase to scholarship, bursaries and prizes expense. These increases were partially offset by the elimination of the campus renewal expense of \$500K following the funding of previously unfunded capital assets with a new loan.

3. FINANCIAL RESULTS VERSES BUDGET – YEAR END MARCH 31, 2017

The following discussion and analysis provides a summary of StFX’s unaudited operating results for the year ended March 31, 2018 compared to the budget targets set.

The University’s Internal Financial Statements (Appendix B) that are used for budgeting purposes report a different bottom line operating surplus (deficit) than the Audited Financial Statements (Appendix A) due to differences in the treatment of capital expenditures. The two sets of statements are reconciled as follows:

Fund Surplus - Audited Financial Statements	966,313
Less: Capital fund surplus	<u>(3,107,014)</u>
Total Operating Deficit	(2,140,701)

Overview of 2017-2018 financial results

The 2017-18 fiscal year resulted in a consolidated deficit of (\$2.14) million compared to a budget deficit of (\$749K) which is a negative variance of (\$1.4 million). The net result for core operations is a deficit of (\$865K), a negative budget variance of (\$447K). The net result for Ancillary Services is a deficit of (\$1.28 million), a negative budget variance of (\$945K).

Revenue

Total Operating Revenue at \$79.18 million exceeded budget by \$810K or 1%. Included in the total is an additional \$640K not budgeted which has corresponding additional costs to offset. Although revenue is on target, full time tuition fees are below budget by (\$1.6 million). Part time and other fees are over budget offsetting the decline. The decline in full time enrolment is concerning as it has had a significant financial impact on residence services the past two years (decline in room/board revenue).

The \$800K positive budget variance for endowment & other revenue includes the \$640K noted above for specified investments not in the budget (fundraising for advancement, IT project funding, additional Academic Chair). The added revenue is covering additional investments over budget for those areas.

Expenses

Operating Expenses totalled \$80 million compared to a budget of \$78.7 million, a negative budget variance of \$1.2 million or 1.6%.

Key expenditure variances include:

- \$450K over in Athletics - \$225K variance for operating costs is due to a budget cut of \$200K that was not achievable without changes to the number of teams; \$225K over budget for Athletic Awards as a result of higher academic achievement (renewed awards), tuition increase (awards linked to costs), and increase in the number of awards.

- \$485K over budget for Facilities Management - \$620K overage is in repairs and maintenance costs. The \$500K annual budget allocation for Repairs & Maintenance is too low given the age and amount of the University's infrastructure. Actual costs for the past two years have been in the \$1 million range. Other cost pressures include \$300K in cleaning/custodial (temporary classroom project, support for conferences), and \$185K in security (backfill for absences, one FTE focus on project planning for parking, emergency response). Lower costs for utilities (\$360K) and structural (\$280K) partially offset cost pressures noted.
- Negative expense variances for Advancement (\$150K) and IT (\$190K) are offset by additional revenue sources noted under revenue.
- Administration and General costs were \$585K over budget as a result of:
 - \$520K for Institutional Dues/Legal/Audit primarily driven by \$380K additional net cost for bad debt expenditure, \$70K in legal costs and \$50K increase to the Allowance for Doubtful Accounts
 - \$65K is related to finance system support fees and HR/payroll processing fees
- Restricted & Non-Discretionary costs are \$545K below budget. The internal debt payment of \$500K was not required due to negotiating external financing for the University's unfunded capital. The costs of servicing this new debt (principal and interest) began in March; the first full year of financing will be in 2018-19.

Ancillary Operations

Ancillary operations underperformed compared to budget by \$1 million due to lower occupancy – revenue shortfall issue.

- Occupancy was down approximately 120 units from budget assumptions resulting in \$1.5 million shortfall for room and board. The reduction in full time enrolment affected residence operations in a much more significant way than the operating budget. Increases in part time and sessional enrolment helped offset the drop in full time tuition.
- Expenditures were \$600K below budget which offset part of the revenue exposure. The savings were mainly due to \$350K lower financing costs (restructured through a blend/extend for residence debt in December), lower utility costs, and controlled variable costs.

Coady & Extension

These operations fall under the responsibility of the Director of Coady & Vice-President of StFX. They operate as separate entities relying almost solely on external funding sources for targeted programs and projects.

There is a financial obligation in the form of a transfer from the operating budget to these entities which is primarily related to a contractual obligation of one of the main funding agreements (CIDA).

Budget amounts transferred annually from StFX operations:

- \$150,000 in revenue is provided to Coady (CIDA agreement requirement, matching funds threshold)
- \$304,500 in facilities management costs are covered by the University to support Coady operations

4. BENCHMARKING ANALYSIS

PURPOSE

The financial statements, which form an integral part of this annual financial report, provide users with useful and relevant financial performance information for the 2017-18 and preceding fiscal year. Additional historical or contextual information can assist users in performing a more comprehensive evaluation of the University's financial performance. Benchmarking using comparative financial information from both a broader time-period and from the financial performance of peers is one way to provide insightful historical and contextual information of the University's financial performance.

The following five criteria were selected for benchmarking and evaluation. These are believed to be key indicators of the financial health of the University:

1. Student Demand
2. Operational Funding Reliability
3. Debt and Liquidity
4. Endowment Fund Performance
5. Ancillary Operations Performance

STUDENT DEMAND

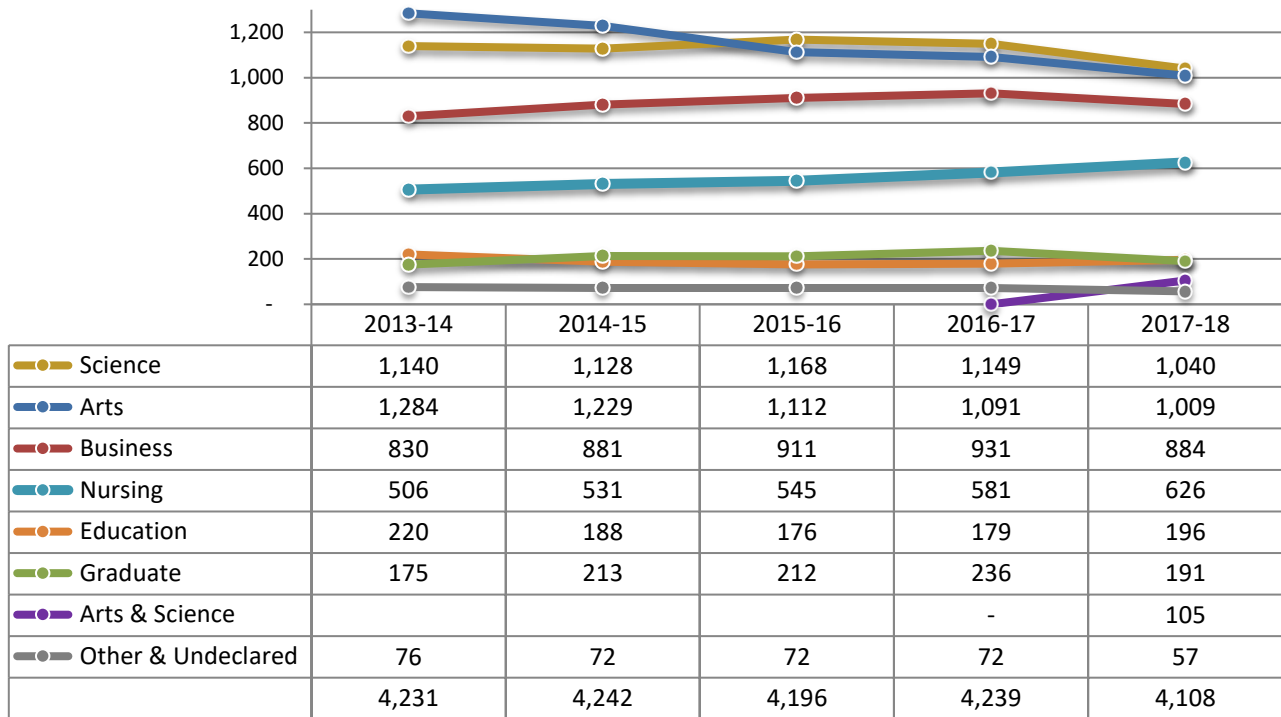
Demand for post-secondary education from Students in Maritime Provinces is mid-way through an extended period of expected declining enrolment. According to the Maritime Provinces Higher Education Commission (MPHEC) Annual Digest: University Enrolment 2016-17, the number of students studying in the Maritime Provinces has shrunk by 5.5% over the past 10 years, while Nova Scotia's Universities managed a 0.9% increase over the same period. Flat and declining enrollment is expected to continue until the end of the decade with declines in student-aged populations in the Atlantic Provinces. According to Statistics Canada's *Population Projections for Canada, Provinces and Territories (91-520-X)*, the population aged 15 to 24 in Nova Scotia will decline approximately 13% from 2013 to 2021. There were approximately 18% fewer Nova Scotians between the ages of 10 to 19 as at July 1, 2017, compared to ten years earlier. These factors highlight the importance of national and international recruitment programs to fuel the growth and sustainability of Atlantic Canadian post-secondary institutions.

The MPHEC *Annual Digest: University Enrolment - 2016-2017*, also demonstrates program specific enrolment trends are continuing to evolve. While study of traditional STEM programs continued to show enrolment growth within the Maritimes, health related programs (-0.3% in 2016-17 vs. +14.9% over 10 years) and business related programs (-1.1% in 2016-17 vs. +9.1% over 10 years) are both showing decreases following sustained growth for most of the previous decade. Conversely, education enrollment grew 0.6% in 2016-17 in contrast to the 36% decrease over 10 years. The University needs to adapt to changing enrolment trends and attract students by ensuring teaching capacity, quality program offerings, and recruitment strategies to cater to post

secondary

demand.

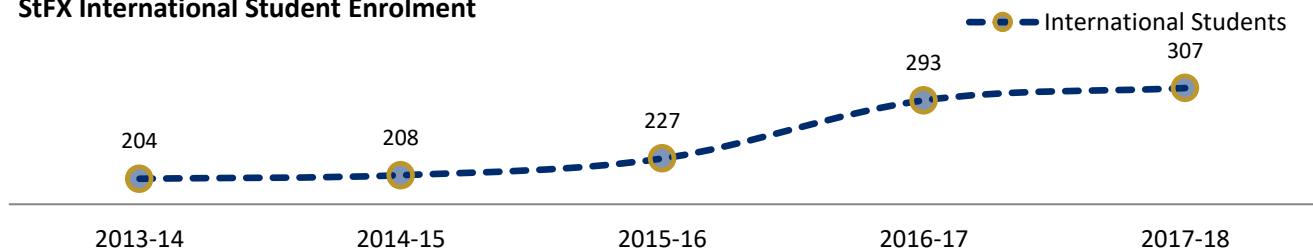
St.FX Full Time Equivalent Student Enrolment



FTE figures generated from 100% of full time students plus part time students enrolled multiplied by a FTE of 25%.

Estimated full time equivalent student enrollment decreased 3.1% in 2017-18. The trend applied to most of the University's programs, with the exception of the education and nursing programs. The new interdisciplinary Bachelor of Arts and Science in Health had a strong introduction with 105 full time students enrolled as at October 1, 2017. According to the Association of Atlantic Universities 2017-18 Preliminary Survey of Enrolments, most of the Nova Scotian universities have experienced undergraduate full time enrollment decreases. The 3.1% decline for StFX in this category exceeds the Nova Scotia average decrease of -1.5%.

StFX International Student Enrolment



International student enrolment increased this past year by 4.8%. StFX lags in international growth compared to most universities. This year's increase indicates effectiveness in some targeted initiatives focused on growing international student enrolment and enhancing support services for the international student experience. Work continues on reversing the trend of international enrolment decreases during the first half of the decade. The University recognises that international students enhance the diversity of perspectives in the classroom and on campus which ultimately enrich the educational experience for all students in an increasingly globally connected world.

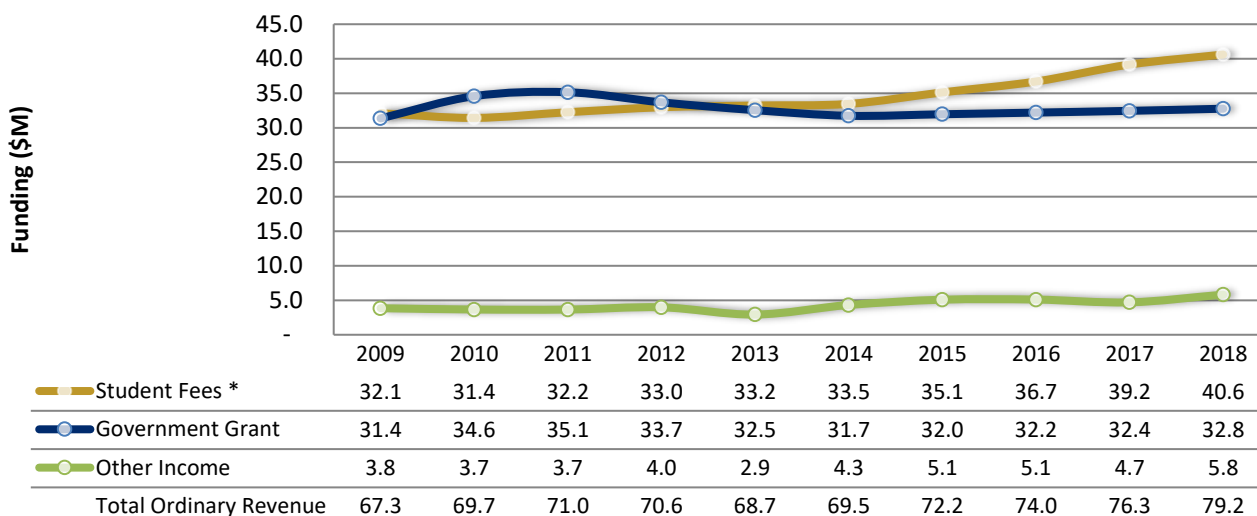
OPERATIONAL FUNDING RELIABILITY

Operational funding is primarily generated from student tuition and fees and provincial grants. The remainder of ordinary operating revenues is generated from endowment income, bequests, donations, and other miscellaneous revenue.

Recently annual provincial government operating grant funding has been tied to multi-year Memorandums of Understanding (MOU) featuring scheduled increases. Grant funding predictability, as governed by MOUs, allows the University to plan and budget more effectively. During 2012-2014, the grant amount was confirmed on annual basis making it even more difficult to experience cuts without a planning horizon. In 2015-16 a three year MOU was signed confirming increases of 1% to the end of 2017-18. Ongoing discussion with the provincial government is underway to negotiate a new agreement to secure sustainable funding.

72% of the University’s operating expenditures are compensation expenses tied to increases as stipulated in collective agreements. Additionally, with government funding tied to MOUs and tuition increases generally capped, the University’s limited control over increases creates operational funding pressures. These factors increase the importance of increasing enrolment at StFX, operating with fiscal discipline, and diversifying funding sources where possible.

Ordinary Operating Revenue (\$M)

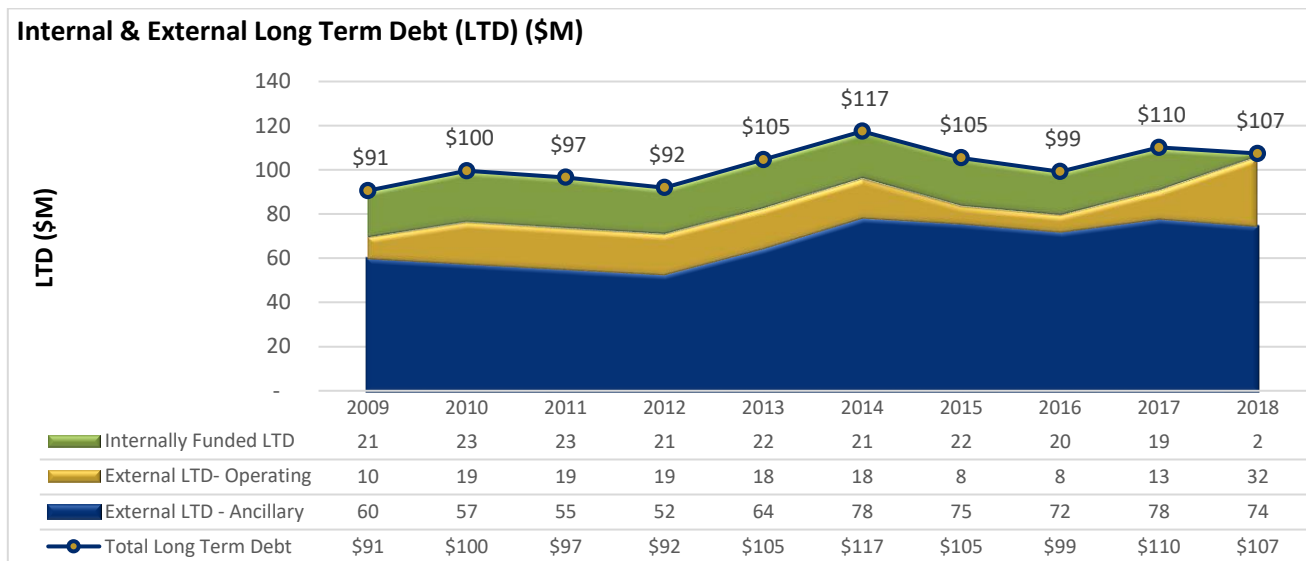


* The provincial student bursary is included as student fees, as it subsidizes a portion of a qualifying student's tuition.

Student fees comprised 51% of revenue in 2017-18. Revenue from student fees increased by \$1.5 million mainly due to the 6% tuition increase. While Provincial Government revenue remains a significant revenue component at 41.4%, it decreased 1% over last year, and 8% since 2010-11 when it represented nearly 50% of operating revenues.

DEBT & LIQUIDITY

St Francis Xavier University has undertaken a substantial modernization campaign to update and expand its historic campus and ageing facilities over the past twenty years. The campus now features modern student accommodations and modern facilities for the Rankin School of Nursing, Coady Institute, the Schwartz School of Business, and Physical Sciences departments. The University is continuing its efforts to develop its campus to provide premier spaces and facilities for its students, faculty, staff and community. Construction is currently underway to develop new academic spaces including Mulrone Hall, part of the new Xaverian Commons academic hub on upper campus, and upgrades to the Oland Centre in preparation for the Special Olympics Canada 2018 Summer Games. The University has securing most of the financing through donations and government grants. StFX campus and facilities will be better positioned for recruitment of students and faculty.



Overall, long term debt has decreased by \$2.7 million in 2017-18. Repayment of loans totalled \$4.8 million in 2017-18 mainly in Ancillary.

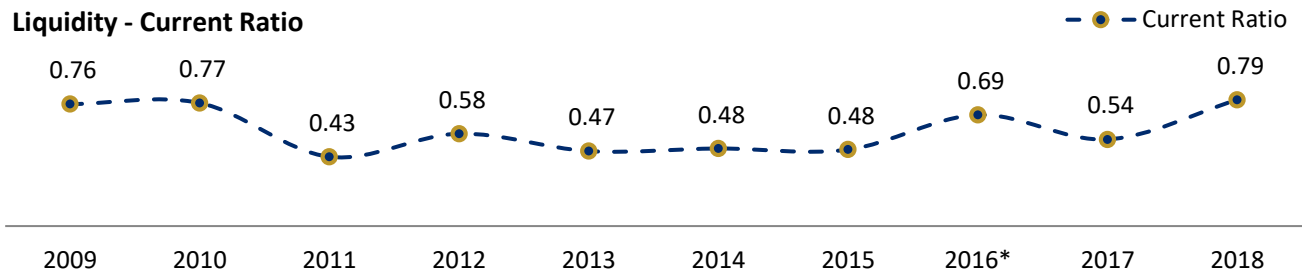
The internally funded and operating portion of external Long-term debt relates to funds borrowed to finance capital projects for academic and support services over the past number of years. In 2017-18, the internally funded debt was financed through a new \$15 million loan to ensure the debt will be paid over a reasonable time with costs built into the budget. In addition, the University drew another \$4.9 million from the \$12 million 18.5 year loan used to finance further campus-wide energy efficiency investments.

The ancillary portion of external long term debt relates to financing for construction and capital improvements of residence facilities. Ancillary debt represents 71% of all long term debt; proceeds from residence rental fees cover financing costs.

Since 2013-14 StFX part-time undergraduate and graduate enrolment has increased 32% while full-time enrolment dropped 4%. Typically, full-time student enrollment is what drives demand for accommodation and food services. This trend has resulted in two consecutive deficits for ancillary operations. To help alleviate the financial pressure while addressing the occupancy issue, in 2017-18 separate ancillary loans totalling \$21.6

million were refinanced to reduce the effective interest rate and extend the term. These changes will result in a decrease to annual ancillary debt service costs of approximately \$1.5 million for the term of the retired loans. This addresses cash flow issues for Ancillary in the short term while steps are taken to align the size of the residence park to the student demand.

Liquidity - Current Ratio



* 2016 ratio removes the onetime cost of \$4.8 million for the ERIP as it is associated with future periods.

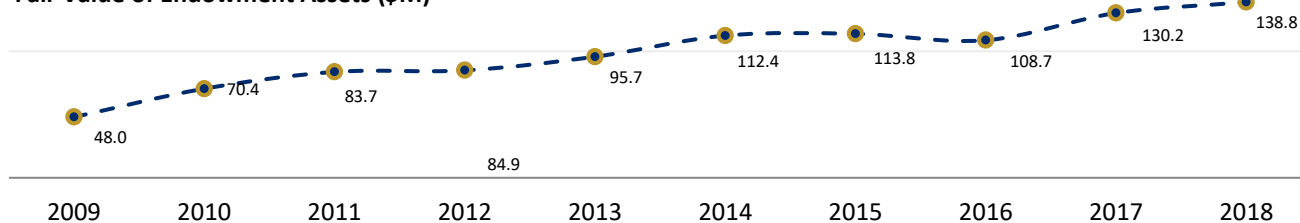
This ratio compares current assets to current liabilities, and provides a snapshot of the University’s ability to meet short-term obligations (target of 1:1). The University’s current ratio increased to 0.79 in 2017-18. This was the result of an increase of \$11.6 million to net current assets. The key change was a reduction in current loan payments due - \$7.7 million refinancing of debt maturing in 2016-17 (moved from current to long-term), and \$4 million in bank loan which was paid off as part of the financing of internally funded debt.

The last several years have been increasingly challenging with operating expense growth outpacing the 1% Government funding increases and declining regional enrolment limiting the impact of tuition fee increases. These factors have lead to several operating deficits over the past five years. Short term banking facilities available, advanced project funding, and the issuance of the \$15 million loan to finance previously unfunded capital projects have assisted in meeting current payment obligations; however, longer term liquidity concerns continue to require focus from University management. The University is in discussions with the Province to identify longer term funding solutions.

ENDOWMENT FUND PERFORMANCE

The endowment fund is a competitive advantage for StFX, and it allows the University to award Scholarships and bursaries to help attract and retain students, in addition to fund research chairs and other valuable programs to further its academic priorities. The University identified it as a core area of focus when it announced its intention to fundraise \$50 million for a new Xaverian Fund in 2014 to help students attend StFX regardless of financial background. Since then, StFX has been the recipient of many generous gifts including multi-million dollar historic donations.

Fair Value of Endowment Assets (\$M)



University endowment investment assets increased by 6.6% to \$138.8 million in 2017-18. Annual contributions totalled \$9.3 million (\$8 million in 2016-17 as seen in Financial Statements Schedule 6) demonstrating the continued success of initiatives focused on growing endowments to support programming, scholarships and bursaries. Market values decreased 1.5% (2.1 million), consistent with Canadian equity market performance its primarily targets.

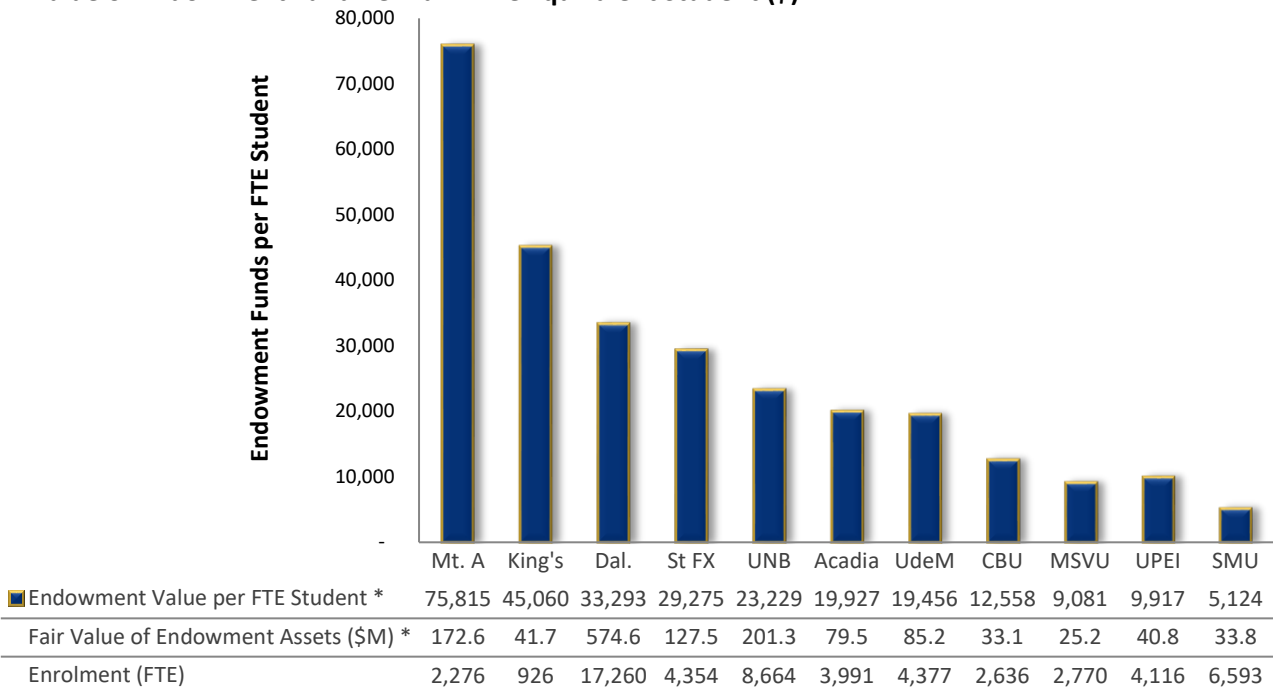
Endowment Fund Investment Asset Allocation (%)

	StFX Dec 31, 2017	StFX Dec 31, 2016*	StFX Benchmark	Canadian University Average*
Canadian Equity	68%	71%	70%	26%
Foreign Equity	20%	16%	15%	32%
Fixed Income	12%	13%	15%	33%
Resl Estate and Private Equity	0%	0%	0%	9%

** figures are calculated from the CAUBO University Investment Survey: Investment Pool and Pension Funds 31 December 2016*

In 2016-17, the University outsourced the management of the endowment funds, entrusting the endowment fund investment to three separate external fund managers. The asset allocation as at December 31, 2017 is aligned with the benchmark portfolio within the acceptable ranges. The StFX portfolio continues to target a higher than average Canadian equity position within its portfolio as compared to its Canadian peers.

Fair Value of Endowment Fund Per Full-Time Equivalent Student (\$)



Fair Value of Endowment Assets and FTE information were retrieved from the CAUBO Investment Survey as of December 2016;

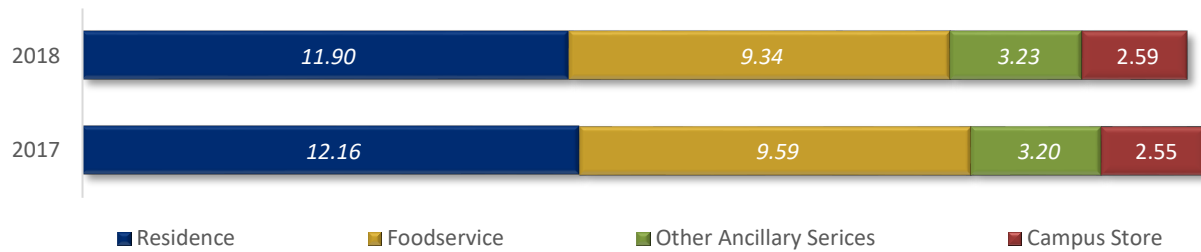
The fair value of the University’s endowment fund per full-time equivalent student sits at \$29,275 as of December 2016. This positions StFX as the fourth highest per student ratio amongst maritime universities. The strength of the endowment fund relative to peers is a competitive advantage for StFX. Growing endowment investment is a core area of focus for StFX with established growth targets for the next five years. Success in this area will provide dedicated funding to cover costs that are currently reliant on operating grants and fees.

ANCILLARY OPERATIONS PERFORMANCE

The University’s ancillary operations are essential to supporting the academic mission. The residential campus environment facilitates student experience which attracts many of the students choosing to attend StFX.

The operations under Ancillary Services vary widely and include managing residence accommodations and food services, campus retail store, conference services and other ancillary services. Other ancillary services include special events, athletic facilities, rentals, laundry services, and other miscellaneous revenues. Services are delivered to the University’s students and stakeholders along with the local community, alumni, parents, school groups, and business sector. During the summer months, broader community outreach opportunities are leveraged which support future recruitment and build brand awareness. 2018-19 will see the University host the 2018 Canadian Special Olympics.

Ancillary Operations Revenue (\$M)



Total ancillary revenue decreased 1.6% or \$437 thousand over the previous year. Nearly 80% of ancillary revenues are generated by residence occupancy and food services primarily targeted to full-time students. The drop in full-time enrollment of 120 students in 2017-18 significantly affected ancillary operations target market. The resulting decreased demand for residence rooms led to a \$507 thousand decline in student residence fees even with fee increases applied.

Ancillary Operations Surplus (Deficit) (\$M)



Overall, ancillary operation’s net loss increased by \$1 million compared to the previous year (\$0.2 million deficit in 2016-17).

The most important differences are attributable to the residence and food services segments resulting in a decrease to gross profit of \$781 thousand in 2017-18. Decreased demand for residence rooms resulted in lower margins for both residence and food services revenues. In reaction to the change in demand, residence offerings were adjusted to reduce the overall number of operating facilities, and operate with higher occupancy within these buildings (94% in 2017-18 vs. 86% 2016-17). West St apartments were demolished and Maclsaac Hall residence was temporarily taken offline in 2017-18. The Maclsaac Hall decision was in part due to the temporary surge in capacity from the reopening of Mount Saint Bernard residence. With excess capacity, it was more economically feasible to vacate a building and reduce operating costs. Lane Hall will not be used as a residence after 2017-18. These changes helped control costs and reduce the projected deficit gap of \$2 million to \$1.2 million.

Financing costs are fixed over the full term for all \$74 million outstanding residence financing. As a result of declining revenues as detailed above, the debt service ratio for ancillary services (surplus before debt servicing costs/debt servicing costs) fell to 83% this year (from 97% in 2016-17). In 2017-18, three long-term debt instruments were refinanced to decrease the effective interest rate and extend the term. This will help improve the debt service going forward.

Financial statements of

St. Francis Xavier University

March 31, 2018

St. Francis Xavier University

March 31, 2018

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Independent Auditor's Report

To the Board of Governors
St. Francis Xavier University

We have audited the accompanying financial statements of St. Francis Xavier University which comprise the statement of financial position as at March 31, 2018 and the statements of operations, changes in fund balances, and cash flows for the year then ended, 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 audit. We conducted our audit 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 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, 2018 and the results of its financial performance and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

A handwritten signature in black ink that reads "Deloitte LLP". The signature is written in a cursive, flowing style.

Chartered Professional Accountants
June 15, 2018

St. Francis Xavier University

Statement of financial position as at March 31, 2018

	2018	2017
	\$	\$
Assets		
Cash	324,530	9,522,133
Short-term investments	5,047,315	76,381
Accounts receivable (Note 3)	13,240,757	9,695,951
Inventories and other assets	876,982	1,238,632
	19,489,584	20,533,097
Accrued pension benefit asset (Note 6)	946,200	1,890,700
Investments (Note 4)	138,893,964	130,229,364
Capital assets (Note 5)	205,978,710	192,725,498
Total assets	365,308,457	345,378,659
Liabilities		
Bank loan (Note 10)	-	4,000,000
Accounts payable and accruals	9,201,401	9,050,978
Current portion of long-term debt (Note 11)	4,784,139	12,358,201
Deferred revenue	11,382,114	12,483,525
	25,367,654	37,892,704
Other employee future benefits (Note 7)	7,558,038	7,863,660
Deferred revenue - restricted (Note 13)	113,730,910	98,621,815
Long-term debt (Note 11)	101,105,528	78,447,106
	247,762,130	222,825,285
Net assets		
Fund balances	117,546,327	122,553,374
Total liabilities and net assets	365,308,457	345,378,659

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

St. Francis Xavier University

Statement of operations year ended March 31, 2018

				2018	2017
	Operating fund	Research fund	Capital fund	Total funds	Total funds
	\$	\$	\$	\$	\$
Ordinary revenue (Schedule 1)					
Student academic fees	40,438,705	-	-	40,438,705	39,202,279
Bequests, donations and non-government grants	989,969	-	-	989,969	866,301
Miscellaneous	1,238,521	-	-	1,238,521	810,701
Special purpose and trust income	3,751,670	-	-	3,751,670	2,977,528
Government grants	32,756,705	-	-	32,756,705	32,448,681
Total ordinary revenue	79,175,570	-	-	79,175,570	76,305,490
Sponsored research funds					
Sponsored research funds	-	6,037,809	-	6,037,809	5,939,006
Coady International Institute (Schedule 3)	7,861,201	-	-	7,861,201	7,960,844
Extension Department (Schedule 4)	2,430,861	-	-	2,430,861	489,753
Ancillary Enterprises (Schedule 5)	27,062,579	-	-	27,062,579	27,499,484
Amortization of deferred revenue	-	-	5,546,133	5,546,133	3,040,924
Total revenue	116,530,211	6,037,809	5,546,133	128,114,153	121,235,501
Ordinary expenditure (Schedule 2)					
Instruction and non-sponsored research	44,498,383	-	-	44,498,383	43,499,435
Continuing education/training and development	416,183	-	-	416,183	426,467
Educational information/technology	2,315,970	-	-	2,315,970	2,042,526
Library	2,561,668	-	-	2,561,668	2,754,535
Student services	8,410,433	-	-	8,410,433	8,008,621
Advancement	2,713,980	-	-	2,713,980	2,381,142
Administration and general	7,114,859	-	-	7,114,859	6,278,306
Facilities management	9,787,139	-	-	9,787,139	9,556,553
Repairs and maintenance	1,123,515	-	-	1,123,515	1,191,888
Capital renewal	-	-	-	-	500,000
Information and technology funding	1,098,512	-	-	1,098,512	904,498
Deficit on ancillary	1,275,629	-	-	1,275,629	215,478
Capital expenditures and debt repayment (Note 12)	(1,601,161)	-	-	(1,601,161)	(1,538,666)
Total ordinary expenditure	79,715,110	-	-	79,715,110	76,220,783
Sponsored research					
Sponsored research	-	6,037,809	-	6,037,809	5,939,006
Capital expenditure - Research Fund (Note 12)	-	(335,392)	-	(335,392)	(901,806)
Coady International Institute (Schedule 3)	7,861,201	-	-	7,861,201	7,960,844
Extension department (Schedule 4)	2,430,861	-	-	2,430,861	489,753
Ancillary Enterprises (Schedule 5)	22,625,709	-	-	22,625,709	23,714,710
Amortization expense	-	-	8,812,542	8,812,542	8,782,954
	112,632,881	5,702,417	8,812,542	127,147,840	122,206,243
Surplus (deficit) before interfund transfers	3,897,330	335,392	(3,266,409)	966,313	(970,742)
Interfund transfers (Note 12)	(6,038,031)	(335,392)	6,373,423	-	-
Surplus (deficit)	(2,140,701)	-	3,107,014	966,313	(970,742)

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

St. Francis Xavier University

Statement of cash flows year ended March 31, 2018

	2018	2017
	\$	\$
Operating activities		
Surplus (deficit)	966,313	(970,742)
Amortization	8,812,542	8,782,954
Deferred revenue amortization	(5,546,133)	(3,040,924)
Change in other employee future benefits	(305,622)	5,812,128
Change in accrued pension benefit asset	944,500	(1,466,200)
Pension remeasurement	(932,400)	(3,982,400)
Campaign fund transfer	(12,269,240)	714,476
Net change in non-cash working capital	(4,134,144)	5,252,947
	(12,464,184)	11,102,239
Investing activities		
Corpfinance penalty	-	267,786
Capital asset acquisitions	(1,410,525)	(12,440,122)
Investment acquisitions	(10,766,878)	(10,095,458)
	(12,177,403)	(22,267,794)
Financing activities		
Bequests and donations, net	9,330,558	7,991,704
Decrease in bank loan	(4,000,000)	(2,701,954)
Proceeds from long-term debt	41,483,420	15,622,422
Repayments of long-term debt	(26,399,060)	(4,365,772)
	20,414,918	16,546,400
Net cash (outflow) inflow	(4,226,669)	5,380,845
Cash, beginning of year	9,598,514	4,217,669
Cash, end of year	5,371,845	9,598,514
Cash is comprised of		
Cash	324,530	9,522,133
Short-term investments	5,047,315	76,381
	5,371,845	9,598,514

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

St. Francis Xavier University

Statement of changes in fund balances year ended March 31, 2018

				2018	2017
	Operating fund	Capital fund	Endowment fund	Total funds balance	Total funds balance
	\$	\$	\$	\$	\$
Balance, beginning of year	(20,928,137)	11,646,693	131,834,818	122,553,374	107,092,938
Transactions during the year					
Bequests and donations, net	-	-	9,330,558	9,330,558	7,991,704
Capital gains, write-downs, fair value change	-	-	(2,102,278)	(2,102,278)	11,439,612
Development program - net (Schedule 6)	-	(12,269,240)	-	(12,269,240)	714,476
Corpfinance penalty recovery	-	-	-	-	267,786
Pension remeasurement (Notes 6 and 7)	(932,400)	-	-	(932,400)	(3,982,400)
Surplus (deficit)	(2,140,701)	3,107,014	-	966,313	(970,742)
Balance, end of year	(24,001,238)	2,484,467	139,063,098	117,546,327	122,553,374

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

St. Francis Xavier University

Notes to the financial statements

March 31, 2018

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 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.

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 and cash on deposit with financial institutions. Use of the University's bank loan is considered to be a 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.

St. Francis Xavier University

Notes to the financial statements

March 31, 2018

2. Significant accounting policies (continued)

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 - 40
Equipment	5
Equipment and furnishings	10
Library books	10
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 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 capital assets, deferred revenue, the fair value of investments and the fair value of obligations for pension plans and other employee future benefits. Actual results could materially differ from those estimates

St. Francis Xavier University

Notes to the financial statements

March 31, 2018

2. Significant accounting policies (continued)

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 and Measurement</u>
Cash	Amortized cost
Short-term investments	Fair value
Accounts receivable	Amortized cost
Investments	Fair value
Bank loan	Amortized cost
Accounts payable and accruals	Amortized cost
Long-term debt	Amortized cost

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.

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.

3. Accounts receivable

	2018	2017
	\$	\$
Accounts receivable - students	5,400,826	5,861,838
Accounts receivable - general	5,096,990	2,275,990
Accounts receivable - internally restricted	2,742,941	1,558,123
	13,240,757	9,695,951

St. Francis Xavier University

Notes to the financial statements

March 31, 2018

4. Investments

	2018	2017
	Fair value	Fair value
	\$	\$
Pooled funds-		
Endowment Fund, restricted	135,965,612	127,364,098
Pooled funds-		
Endowment Fund, unrestricted	2,928,352	2,865,266
	138,893,964	130,229,364

5. Capital assets

	2018			2017
	Cost	Accumulated amortization	Net book value	Net book value
	\$	\$	\$	\$
Land	4,153,258	-	4,153,258	4,117,099
Buildings	289,748,030	107,450,450	182,297,580	173,665,657
Equipment	48,199,108	29,362,655	18,836,453	14,270,636
Library books	4,908,599	4,393,777	514,822	593,730
Motor vehicles	1,115,125	938,528	176,597	78,376
	348,124,120	142,145,410	205,978,710	192,725,498

6. Pension plans

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

The most recent actuarial valuation of the pension plans for funding purposes was as of December 31, 2016. The next required valuation will be as of December 31, 2017 for Plan 1 and Plan 2.

The accrued benefit obligation as at March 31, 2018 was measured by extending the measurement period by 15 months from the most recent December 31, 2016 funding valuation.

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

St. Francis Xavier University

Notes to the financial statements

March 31, 2018

6. Pension plans (continued)

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

	2018	2017
	Plan 1	Plan 1
	\$	\$
Fair value of plan assets	23,350,700	22,525,000
Accrued benefit obligation	22,404,500	20,656,400
Accrued benefit asset	946,200	1,868,600

The University recorded a re-measurement loss of \$1,061,700 (2017 - \$1,593,900 gain) relating to Plan 1 in the Statement of changes in fund balances.

	2018	2017
	Plan 2	Plan 2
	\$	\$
Fair value of plan assets	-	314,500
Accrued benefit obligation	-	292,400
Accrued benefit asset	-	22,100

The University recorded a re-measurement loss of \$22,800 (2017 - \$900) relating to Plan 2 in the Statement of changes in fund balances.

Employer and employee contributions to the defined contribution plan were \$256,990 (2017 - \$222,876) and \$226,756 (2017 - \$196,655) respectively for the year ended March 31, 2018.

7. 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.

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

	2018	2017
	\$	\$
Accrued benefit obligation	7,558,038	7,863,660
Deficit	7,558,038	7,863,660

The University recorded a re-measurement gain of \$152,100 (2017 - \$5,575,400 loss) in the statement of changes in fund balances.

St. Francis Xavier University

Notes to the financial statements

March 31, 2018

8. Development program (Schedule 6)

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.

9. Annual giving fund

The total Annual Giving Fund proceeds for the year were \$11,111,125 (2017 - \$11,612,847), most of which was directed for restricted uses such as scholarships and bursaries. As at March 31, 2018, \$313,746 (2017 - \$242,130) was considered unrestricted and recorded in income in the operating fund (Schedule 1).

10. Bank loan

The University has a line of credit with the Bank of Nova Scotia for \$15 million with interest payable at the bank's prime rate. The current portion of this facility outstanding as of March 31, 2018 was \$nil (2017 – \$4,000,000).

St. Francis Xavier University

Notes to the financial statements

March 31, 2018

11. Long-term debt

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

	2018	2017
	\$	\$
Bank of Montreal 25 year SWAP - 3.22% due October 3, 2039 (O'Regan and Riley)	28,837,486	29,794,808
Bank of Montreal 25 year SWAP - 5.93% due September 2, 2031 (Governors Hall Construction)	13,260,021	13,911,323
Bank of Montreal 19 year SWAP - repaid during the year	-	10,816,402
Bank of Nova Scotia 10 year SWAP - 5.15% due April 24, 2018 (Academic Renovations and Science Hall)	7,290,088	7,600,896
Bank of Montreal 20 year SWAP - repaid during the year	-	7,332,153
Bank of Montreal 20 year SWAP - repaid during the year	-	5,224,056
Congregation of Sisters of Notre Dame - non-interest bearing, due June 1, 2021 (Mount St. Bernard)	485,895	624,724
Manulife 18.5 year loan - 4.47% due July 1, 2034 (ESCO Project)	10,367,561	5,594,793
Bank of Nova Scotia 15 year SWAP - 2.59% due January 2, 2032 (Mount St Bernard & Nursing Department)	9,351,051	9,906,152
Bank of Montreal 15 year SWAP - 4.66% due December 1, 2032 (Refinanced Residence Mortgages)	21,364,387	-
Bank of Nova Scotia 15 year SWAP - 3.53% due February 9, 2033 (Unfunded projects)	14,933,178	-
	105,889,667	90,805,307
Less: current portion	4,784,139	12,358,201
	101,105,528	78,447,106

St. Francis Xavier University

Notes to the financial statements

March 31, 2018

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:

	\$
2019	4,830,801
2020	5,087,252
2021	5,307,858
2022	5,468,365
2023	5,640,021
	<u>26,334,297</u>

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.

	2018	2017
	\$	\$
Facilities management equipment	70,609	13,853
Alterations and renovations	692,654	229,833
Administration, Information Technology Services Group, Student Services, Security	309,585	299,653
Mount Saint Bernard, Municipal building	455,129	394,460
Library books and equipment	63,389	100,867
Capital renewal	9,795	500,000
Capital expenditures and debt repayment - Operating Fund	1,601,161	1,538,666
Ancillary debt repayments and capital expenditures (Schedule 5)	4,436,870	3,784,774
Interfund transfer - Operating Fund to Capital Fund	6,038,031	5,323,440

Reductions in the Research Fund expenses as well as transfers to deferred revenue for capital expenditures during the year totalled \$335,392 (2017 – \$901,806).

St. Francis Xavier University

Notes to the financial statements

March 31, 2018

13. Deferred revenue – restricted

Deferred revenue – capital fund

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

	2018	2017
	\$	\$
Deferred revenue - capital fund balance, beginning of year	84,358,005	75,239,197
Add: Contributions received during the year	21,898,396	18,131,717
Less: Recognition of deferred revenue	(9,469,651)	(9,012,909)
Deferred revenue - capital fund balance, end of year	96,786,750	84,358,005

Recognized deferred revenue in the table above includes transfers in the amount \$3,923,518 (2017 - \$5,971,986) utilized by the Capital Fund to repay debt and related fees incurred for the purchase and/or construction of capital assets.

Deferred revenue – other

Also included in restricted deferred revenue at March 31, 2018 are deferred revenues related to the Research Fund of \$3,492,834 (2017 - \$2,431,584) the Endowment Fund of \$7,653,568 (2017 - \$7,510,392) and other \$5,797,758 (2017 - \$4,321,834).

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:

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. Some of the company's financial instruments expose it to this risk, which comprises currency risk, interest rate risk, and other price risk.

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 company 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.

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.

St. Francis Xavier University

Notes to the financial statements

March 31, 2018

14. Financial instruments (continued)

Fair value

Investments 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 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.

	2018	2017
	\$	\$
Fund equities	117,546,327	122,553,374
Long-term debt	105,889,667	90,805,307
	223,435,994	213,358,681

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, 2018. 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.

16. Comparative figures

Certain of the comparative figures have been reclassified to conform with current year presentation.

St. Francis Xavier University

Revenue - Schedule 1

year ended March 31, 2018

	2018	2017
	\$	\$
Student academic fees		
Full-time tuition	28,323,023	27,607,116
Tuition bursary	2,774,779	2,806,300
Information and technology fee	1,621,366	1,598,822
Part-time tuition	3,484,722	3,162,874
Summer school tuition	1,931,904	1,751,374
Continuing education/training and development	435,799	427,716
Other	1,867,112	1,848,077
	40,438,705	39,202,279
Bequests, donations and non-government grants		
Annual Giving Fund - unrestricted (Note 9)	313,746	242,130
Scholarship and bursary donations	676,223	624,171
	989,969	866,301
Miscellaneous	1,238,521	810,701
Special purpose and trust income		
General endowment	153,308	399,889
Academic endowment	158,002	145,834
Library endowment	13,264	12,344
Murphy endowment	15,000	15,000
Scholarship and bursary endowment	2,601,305	1,789,848
Alumni Aquatic Centre operating endowment	137,743	128,193
Chairs of study endowment	640,048	453,420
Athletic endowment	33,000	33,000
	3,751,670	2,977,528
Government grants		
Provincial - operating	29,638,000	29,346,400
Provincial special - operating	2,400,000	2,400,000
Federal - indirect research	718,705	702,281
	32,756,705	32,448,681
Total ordinary revenue	79,175,570	76,305,490

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

St. Francis Xavier University

Expenditure - Schedule 2 year ended March 31, 2018

	2018	2017
	\$	\$
Instruction and non-sponsored research		
Salaries - instruction and research	29,754,003	29,211,090
- support and other	6,118,054	5,880,486
Fringe benefits	5,103,482	4,968,463
Post retirement (recovery) benefits	(112,100)	181,500
Operational supplies and expenses	2,172,689	2,024,009
Travel	672,206	580,467
Chairs of studies	640,049	453,420
Coady International Institute - net (Schedule 3)	150,000	200,000
	44,498,383	43,499,435
Continuing education/training and development		
Salaries	194,986	189,538
Fringe benefits	32,811	32,099
Outside services	42,531	44,062
Operational supplies and expenses	88,103	104,043
Travel	57,752	56,725
	416,183	426,467
Educational information/technology		
Salaries	1,539,655	1,352,749
Fringe benefits	290,234	255,002
Operational supplies and expenses	194,621	130,768
Service of equipment	269,872	282,361
Travel	21,588	21,646
	2,315,970	2,042,526
Library		
Salaries	1,102,370	1,243,193
Fringe benefits	203,851	218,532
Library acquisitions	1,223,870	1,265,792
Operational supplies and expenses	30,180	22,599
Travel	1,397	4,419
	2,561,668	2,754,535
Student services		
Salaries	2,330,360	2,261,113
Fringe benefits	420,478	380,471
Operational supplies and expenses	829,435	850,844
Scholarships, bursaries and prizes	4,354,810	4,015,936
Travel	475,350	500,257
	8,410,433	8,008,621

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

St. Francis Xavier University

Expenditure - Schedule 2 (continued)

year ended March 31, 2018

	2018	2017
	\$	\$
Advancement		
Salaries	1,536,445	1,381,405
Fringe benefits	298,775	260,760
Operational supplies and expenses	774,549	647,064
Travel	104,211	91,913
	2,713,980	2,381,142
Administration and general		
Salaries	2,720,500	2,621,372
Fringe benefits	493,366	513,637
Operational supplies and expenses	474,438	464,884
Institutional dues, legal, audit and other	2,035,765	1,569,479
Interest - net (Schedule 7)	1,223,281	945,098
Travel	167,509	163,836
	7,114,859	6,278,306
Facilities management		
Salaries	3,905,349	3,802,012
Fringe benefits	1,014,697	1,003,458
Operational supplies and expenses	1,594,989	1,494,530
Insurance	332,862	297,948
Utilities	2,939,242	2,958,605
	9,787,139	9,556,553
Repairs and maintenance	1,123,515	1,191,888
Capital renewal	-	500,000
Information and technology funding	1,098,512	904,498
Deficit on ancillary	1,275,629	215,478
Capital expenditures and debt repayment (Note 12)	(1,601,161)	(1,538,666)
Total	79,715,110	76,220,783
Interfund transfers (Note 12)	1,601,161	1,538,666
Total ordinary expenditures after interfund transfers	81,316,270	77,759,449
Less: Total ordinary revenue (Schedule 1)	79,175,570	76,305,490
Net Operating Fund deficit	(2,140,700)	(1,453,959)

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

St. Francis Xavier University

Coady International Institute

Statement of revenue and expenditure - Schedule 3

year ended March 31, 2018

	2018	2017
	\$	\$
Revenue		
DFATD	3,136,702	2,849,841
Contract projects	2,839,173	3,132,211
General revenue	481,422	891,777
Endowments	206,906	187,028
Antigonish Movement Fund	12,108	11,247
Other grants and donations	1,184,890	888,740
	7,861,201	7,960,844
University contribution	150,000	200,000
	8,011,201	8,160,844
Expenditure		
Salaries	3,036,449	3,242,395
Fringe benefits	453,316	452,412
Travel - students	21,240	15,189
- staff	508,124	347,975
Operational supplies and expense	1,057,115	646,039
Library acquisitions	17,493	21,241
Room and board	834,420	1,090,976
Facilities and services	188,633	211,031
Contract projects	1,894,411	2,133,586
	8,011,201	8,160,844

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

St. Francis Xavier University

Extension Department

Statement of revenue and expenditure - Schedule 4
year ended March 31, 2018

	2018	2017
	\$	\$
Revenue		
Antigonish Movement Fund	12,108	11,247
Cape Breton endowment	100,440	93,477
Murphy endowment	83,636	76,797
Other grants and donations	818,935	308,232
Contract projects	1,415,742	-
	2,430,861	489,753
Expenditure		
Salaries	756,985	374,441
Fringe benefits	111,369	65,531
Travel	39,091	9,016
Operational supplies and expense	107,674	40,765
Contract projects	1,415,742	-
	2,430,861	489,753

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

St. Francis Xavier University

Ancillary Enterprises

Statement of revenue and expenditure - Schedule 5 year ended March 31, 2018

	2018	2017
	\$	\$
Revenue		
Residence fees - students	17,858,060	18,451,885
- others	3,384,296	3,297,359
Bookstore sales	2,591,144	2,551,536
Other ancillary services	3,229,079	3,198,704
	27,062,579	27,499,484
Expenditure		
Food service expenses	8,472,704	8,350,033
Facilities management expenses	5,869,804	5,809,427
Bookstore expenses	2,462,955	2,482,550
Administrative expenses	1,621,641	1,461,260
Other ancillary services	2,503,222	2,134,411
Interest on ancillary debt (Schedule 7)	3,130,269	3,755,070
Capital expenditures	(159,257)	(62,563)
	23,901,338	23,930,188
Surplus before capital expenditures and principal debt repayment	3,161,241	3,569,296
Less: Ancillary debt repayments (principal only)	(4,277,613)	(3,722,211)
Less: Capital expenditures	(159,257)	(62,563)
	(1,275,629)	(215,478)

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

St. Francis Xavier University

Development program (Note 8)

Statement of fund receipts and disposition - Schedule 6
year ended March 31, 2018

	2018	2017
	\$	\$
Cash receipts	19,690,674	19,827,772
Allocated to:		
Endowments	9,340,757	8,014,592
Capital Fund - Main Gym Floor & Bleachers	177,759	-
- Science Hall	-	1,120
- Millennium Centre	-	2,550
- School of Business	402,875	402,875
- Nursing Renovation & SIM Lab	-	4,230,853
- Mulroney Institute	17,255,432	-
- Coady International Institute	275	300
- other	-	120
Specific operating accounts	4,782,815	6,460,886
	31,959,913	19,113,296
(Decrease) increase in Campaign Fund capital	(12,269,239)	714,476
Development program capital, beginning of year	13,195,114	12,480,638
Development program capital, end of year	925,875	13,195,114

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

St. Francis Xavier University

Interest expense - Schedule 7

year ended March 31, 2018

	2018	2017
	\$	\$
Operating interest expense		
Interest and bank charges	1,291,090	1,047,871
Operating interest recoveries	67,809	102,773
Operating interest expense - net	1,223,281	945,098
Ancillary interest expense	3,130,269	3,755,070
Total consolidated interest expense	4,353,550	4,700,168

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

ST. FRANCIS XAVIER UNIVERSITY
Unaudited Actual 2017-2018

	ACTUAL FY 16/17	BUDGET FY 2017/18	Audited Actual FY 2017/18	Compared to Budget FY 2017/18	Compared to Previous Yr FY 2016/17
GOVERNMENT GRANTS					
Provincial Grant - Operations	\$ 29,346,400	\$ 29,638,000	\$ 29,638,000	\$ -	\$ 291,600
Provincial Grant - Nursing	2,400,000	2,400,000	2,400,000	-	-
Federal Grant - Indirect Research	702,281	702,000	718,705	16,705	16,424
	<u>\$ 32,448,681</u>	<u>\$ 32,740,000</u>	<u>\$ 32,756,705</u>	<u>\$ 16,705</u>	<u>\$ 308,024</u>
TUITION & FEES					
Full-time Credit courses and NS Tuition Bursary	\$ 30,413,416	\$ 32,662,000	\$ 31,097,802	\$ (1,564,198)	\$ 684,386
Part-time Credit courses	3,162,874	2,367,000	3,484,722	1,117,722	321,848
Summer School & Intersession Credit courses	1,751,374	1,545,000	1,931,904	386,904	180,530
Continuing Ed & Training & Development	427,716	534,000	435,799	(98,201)	8,083
Information & Technology fee	1,598,822	1,657,000	1,621,366	(35,634)	22,544
Recreational Fee	199,844	214,000	200,622	(13,378)	778
Facilities Renewal Fee	778,365	807,000	786,502	(20,498)	8,137
Other fees	824,617	653,000	879,987	226,987	55,370
	<u>\$ 39,157,028</u>	<u>\$ 40,439,000</u>	<u>\$ 40,438,704</u>	<u>\$ (296)</u>	<u>\$ 1,281,676</u>
ENDOWMENT & OTHER					
Scholarship & Bursary Endowments	\$ 1,765,252	\$ 2,200,000	\$ 2,538,709	\$ 338,709	\$ 773,457
Special Purpose Endowments	1,154,679	925,000	1,484,329	559,329	329,650
Awards & Bursary Donations	277,041	350,000	321,718	(28,282)	44,677
Athletic Donations, Gate and Endowments	611,583	798,000	704,577	(93,423)	92,994
Other	864,586	626,000	617,081	(8,919)	(247,505)
Annual Giving	242,130	285,000	313,746	28,746	71,616
	<u>\$ 4,915,271</u>	<u>\$ 5,184,000</u>	<u>\$ 5,980,160</u>	<u>\$ 796,160</u>	<u>\$ 1,064,889</u>
TOTAL OPERATING REVENUE	<u>\$ 76,520,981</u>	<u>\$ 78,363,000</u>	<u>\$ 79,175,569</u>	<u>\$ 812,569</u>	<u>\$ 2,654,588</u>
				1.04%	3.5%

ST. FRANCIS XAVIER UNIVERSITY
Unaudited Actual 2017-2018

	ACTUAL FY 16/17	BUDGET FY 2017/18	Audited Actual FY 2017/18	Compared to Budget FY 2017/18	Compared to Previous Yr FY 2016/17
ACADEMIC:					
INSTRUCTION & NON-SPONSORED RESEARCH					
Salaries - Instruction & Research	\$ 29,211,091	\$ 29,652,000	\$ 29,754,003	\$ 102,003	\$ 542,912
Salaries - Support & Other	5,880,486	5,964,000	6,118,054	154,054	237,568
Fringe benefits	4,968,463	5,221,000	5,103,482	(117,518)	135,019
Operational Supplies & expense	2,026,771	2,045,000	2,172,689	127,689	145,918
Travel	580,467	623,000	672,206	49,206	91,739
Chairs of Study	453,420	486,000	640,049	154,049	186,629
	<u>\$ 43,120,698</u>	<u>\$ 43,991,000</u>	<u>\$ 44,460,483</u>	<u>\$ 469,483</u>	<u>\$ 1,339,785</u>
CONTINUING ED, TRAINING & DEVELOPMENT					
Salaries	\$ 189,538	\$ 198,000	\$ 194,986	\$ (3,014)	\$ 5,448
Fringe Benefits	32,099	37,000	32,811	(4,189)	712
Outside services	44,062	62,000	42,531	(19,469)	(1,531)
Operational supplies & expenses	104,028	144,000	88,457	(55,543)	(15,571)
Travel	56,725	70,000	57,398	(12,602)	673
	<u>\$ 426,452</u>	<u>\$ 511,000</u>	<u>\$ 416,183</u>	<u>\$ (94,817)</u>	<u>\$ (10,269)</u>
LIBRARY					
Salaries	\$ 1,243,193	\$ 1,295,000	\$ 1,102,370	\$ (192,630)	\$ (140,823)
Fringe benefits	218,532	224,000	203,851	(20,149)	(14,681)
Library Acquisitions	1,265,792	1,326,000	1,223,870	(102,130)	(41,922)
Operational Supplies & expense	22,599	40,000	30,180	(9,820)	7,581
Travel	4,419	5,000	1,397	(3,603)	(3,022)
	<u>\$ 2,754,535</u>	<u>\$ 2,890,000</u>	<u>\$ 2,561,668</u>	<u>\$ (328,332)</u>	<u>\$ (192,867)</u>
Employee Future Benefits	\$ 181,500	\$ -	\$ (112,100)	\$ (112,100)	\$ (293,600)
TOTAL ACADEMIC	<u>\$ 46,483,185</u>	<u>\$ 47,392,000</u>	<u>\$ 47,326,234</u>	<u>\$ (65,766)</u>	<u>\$ 843,049</u>
				-0.14%	1.81%

ST. FRANCIS XAVIER UNIVERSITY
Unaudited Actual 2017-2018

	ACTUAL FY 16/17	BUDGET FY 2017/18	Audited Actual FY 2017/18	Compared to Budget FY 2017/18	Compared to Previous Yr FY 2016/17
STUDENT SERVICES:					
Administration (VP Office)	\$ 62,525	\$ 81,000	\$ 41,990	\$ (39,010)	\$ (20,535)
Student Support Services	1,338,722	1,439,000	1,404,122	(34,878)	65,400
Athletics	2,389,871	2,182,000	2,407,866	225,866	17,995
Athletic Financial Awards	641,735	600,000	823,494	223,494	181,759
Financial Aid Office	55,796	57,000	58,645	1,645	2,849
Transfer to Fit and Rec (Student Access)	143,000	143,000	143,000	-	-
Scholarships	3,374,201	3,448,000	3,531,316	83,316	157,115
TOTAL STUDENT SERVICES	\$ 8,005,850	\$ 7,950,000	\$ 8,410,433	\$ 460,433	\$ 404,583
				5.79%	5.05%
ADVANCEMENT:					
Vice President Advancement Office	\$ 389,113	\$ 352,000	\$ 379,550	\$ 27,550	\$ (9,563)
Alumni	477,623	555,000	463,096	(91,904)	(14,527)
Communications	675,785	685,000	664,160	(20,840)	(11,625)
Development	719,305	819,000	787,097	(31,903)	67,792
Advancement Endowment Funded	-	-	262,827	262,827	262,827
Convocation	119,316	156,000	157,250	1,250	37,934
TOTAL ADVANCEMENT	\$ 2,381,142	\$ 2,567,000	\$ 2,713,980	\$ 146,980	\$ 332,838
				5.73%	13.98%

ST. FRANCIS XAVIER UNIVERSITY
Unaudited Actual 2017-2018

	ACTUAL	BUDGET	Audited Actual	Compared to	Compared to
	FY 16/17	FY 2017/18	FY 2017/18	Budget	Previous Yr
				FY 2017/18	FY 2016/17
FINANCE & ADMINISTRATION:					
FACILITIES MANAGEMENT					
Administration	\$ 644,092	\$ 682,000	\$ 675,283	\$ (6,717)	\$ 31,191
Electrical & Mechanical	1,249,167	1,382,000	1,411,463	29,463	162,296
Grounds & Transport	1,015,553	986,000	1,016,031	30,031	478
Buildings	790,230	1,017,000	737,385	(279,615)	(52,845)
Central Heating Plant	670,956	728,000	657,146	(70,854)	(13,810)
Aquatic Centre	41,857	62,000	55,420	(6,580)	13,563
Safety & Security	1,086,690	973,000	1,157,289	184,289	70,599
Cleaning	3,758,028	3,590,000	3,880,096	290,096	122,068
Transfer to KMC	165,000	165,000	165,000	-	-
Pension Adjustment	139,622	66,000	82,687	16,687	(56,935)
Utilities	3,986,611	4,237,000	3,874,758	(362,242)	(111,853)
Energy Project	561,886	670,000	624,748	(45,252)	62,862
Repairs & Maintenance (Projects)	1,191,888	500,000	1,123,515	623,515	(68,373)
Furnishings & Equipment	20,165	45,000	33,002	(11,998)	12,837
FM Allocation to Coady	(234,742)	(234,742)	(304,501)	(69,759)	(69,759)
FM Allocation of Charges to Ancillary	(4,871,253)	(5,082,000)	(4,916,032)	165,968	(44,779)
	<u>\$ 10,215,750</u>	<u>\$ 9,786,257</u>	<u>\$ 10,273,290</u>	<u>\$ 487,031</u>	<u>\$ 57,540</u>
INFORMATION TECHNOLOGY					
Desktop Support	\$ 277,957	\$ 284,000	\$ 313,427	\$ 29,427	\$ 35,470
Infrastructure	730,807	717,000	839,392	122,392	108,585
MIS	343,098	387,000	366,215	(20,785)	23,117
Audio Visual	227,384	274,000	247,762	(26,238)	20,378
IT Services	320,305	427,000	406,816	(20,184)	86,511
IT Administration	142,976	171,000	142,359	(28,641)	(617)
Tech Fee Projects	904,498	964,000	1,098,512	134,512	194,014
	<u>\$ 2,947,025</u>	<u>\$ 3,224,000</u>	<u>\$ 3,414,483</u>	<u>\$ 190,483</u>	<u>\$ 467,458</u>

ST. FRANCIS XAVIER UNIVERSITY
Unaudited Actual 2017-2018

	ACTUAL FY 16/17	BUDGET FY 2017/18	Audited Actual FY 2017/18	Compared to Budget FY 2017/18	Compared to Previous Yr FY 2016/17
ADMINISTRATION & GENERAL					
Academic Vice President Office	\$ 406,585	\$ 428,000	\$ 419,226	\$ (8,774)	\$ 12,641
President's Office	922,171	874,000	885,984	11,984	(36,187)
VP Finance Office	-	318,500	304,072	(14,428)	304,072
Finance Functions	1,347,887	1,073,000	1,119,643	46,643	(228,244)
Procurement	350,974	362,000	365,664	3,664	14,690
Human Resources & Payroll	658,606	650,500	686,494	35,994	27,889
Post Office	76,957	83,000	74,727	(8,273)	(2,230)
Institutional Dues/Legal/Audit/Other	1,785,589	1,517,000	2,035,807	518,807	250,218
	\$ 5,548,769	\$ 5,306,000	\$ 5,891,617	\$ 585,617	\$ 342,848
TOTAL FINANCE & ADMINISTRATION					
	\$ 18,711,544	\$ 18,316,257	\$ 19,579,390	\$ 1,263,131	\$ 867,846
				6.90%	4.64%
RESTRICTED & NON-DISCRETIONARY					
Interest Costs	945,028	1,150,000	1,223,241	73,241	278,213
Internal Debt Payment	500,000	500,000		(500,000)	(500,000)
Insurance	297,948	321,000	332,862	11,862	34,914
Coady Institute (\$150K transfer plus costs)	434,742	384,742	454,501	69,759	19,759
Extension Dept.	-	-		-	-
Contingency (ERIP; pension liability cost)		200,000		(200,000)	-
	\$ 2,177,718	\$ 2,555,742	\$ 2,010,604	\$ (545,138)	\$ (167,114)
TOTAL RESTRICTED/NON-DISCRETIONARY					
				-21.33%	-7.67%
TOTAL EXPENDITURES					
	\$ 77,759,439	\$ 78,780,999	\$ 80,040,641	\$ 1,259,641	\$ 2,281,202
				1.60%	2.93%
NET OPERATING SURPLUS (DEFICIT)	\$ (1,238,458)	\$ (417,999)	\$ (865,072)	\$ (447,073)	\$ 373,386
ANCILLARY SURPLUS (DEFICIT)	\$ (215,478)	\$ (331,000)	\$ (1,275,629)	\$ (944,629)	\$ (1,060,151)
CONSOLIDATED SURPLUS (DEFICIT)	\$ (1,453,936)	\$ (748,999)	\$ (2,140,701)	\$ (1,391,702)	\$ (686,765)

ST. FRANCIS XAVIER UNIVERSITY
Unaudited Actual 2017-2018

ANCILLARY ENTERPRISES	ACTUAL FY 16/17	BUDGET FY 2017/18	Audited Actual FY 2017/18	Compared to Budget FY 2017/18	Compared to Previous Yr FY 2016/17
REVENUE					
Residence Fees	\$ 12,375,745	\$ 13,030,000	\$ 12,101,137	\$ (928,863)	\$ (274,608)
Food Service	9,588,209	9,844,000	9,344,540	(499,460)	(243,669)
Campus Store	2,551,537	2,787,000	2,591,144	(195,856)	39,607
Keating Centre	633,184	665,000	643,408	(21,592)	10,224
Fitness and Recreation	598,901	553,000	595,353	42,353	(3,548)
Conference Services	1,346,513	1,365,000	1,371,965	6,965	25,452
Other Ancillary Services (Bus, Li	405,395	375,000	415,032	40,032	9,637
TOTAL REVENUE	\$ 27,499,484	\$ 28,619,000	\$ 27,062,579	\$ (1,556,421)	\$ (436,905)
				-5.4%	-1.6%
EXPENDITURES					
Residence Expenses	\$12,619,044	\$13,410,000	\$12,774,272	\$ (635,728)	\$ 155,228
Food Service Expenses	9,071,481	9,138,000	9,313,326	175,326	241,845
Campus Store Expenses	2,482,550	2,404,000	2,462,955	58,955	(19,595)
Keating Centre	1,041,405	1,328,000	1,186,680	(141,320)	145,275
Fitness and Recreation	577,202	647,000	611,579	(35,421)	34,377
Conference Services	1,306,897	1,211,000	1,182,590	(28,410)	(124,307)
Other Ancillary Services (Bus, Li	446,039	461,000	521,988	60,988	75,949
Director of Ancillary Office	170,345	351,000	284,818	(66,182)	114,473
TOTAL EXPENDITURES	\$ 27,714,963	\$ 28,950,000	\$ 28,338,208	\$ (611,792)	\$ 623,245
				-2.1%	2.2%
SURPLUS (DEFICIT)	\$ (215,479)	\$ (331,000)	\$ (1,275,629)	\$ (944,629)	\$ (1,060,150)
Principal Payments (in Residenc	\$ 3,971,000	\$ 4,613,000	\$ 4,262,188	\$ (350,812)	\$ 291,188