



ST. FRANCIS XAVIER
UNIVERSITY



Year-End Report and
Financial Statements

Fiscal 2014-2015



Fiscal Year Results (2014-15)

The Board of Governors approved the financial statements at the June 12th meeting.

The Annual Financial Report includes the following:

1. Management Discussion and Analysis..... Page 2
2. StFX Quick Facts Page 4
3. Financial Highlights and Commentary Page 5
4. Benchmark Analysis Page 8

Appendix

- A: Audited Financial Statements as of March 31, 2015

1. Management Discussion and Analysis – Financial Results versus Budget for the Fiscal Year ended March 31, 2015

The following discussion and analysis provides a summary of StFX's unaudited operating results for the year ended March 31, 2015.

OVERVIEW OF 2014-2015 FINANCIAL RESULTS

The 2014-15 fiscal year resulted in a consolidated deficit of (\$98,256). This is a significant improvement over the budget of (\$1,441,266). The net result from general operations exceeded budget by \$800K; Ancillary operations exceeded budget by \$500K.

The gain of \$1.3 million is a result of strong expenditure control with savings realized on salary and operational costs. There were also significant savings in utility costs as a result of lower oil prices, unknown when the budget was developed the previous year.

REVENUE

Total Operating Revenue was \$72,157,206 which is \$577,006 above budget. The additional revenue is attributable to project funding of \$668,000 which offsets matching costs under the contingency expenditure line (heating plant project costs).

Excluding the item noted above, overall revenue from core operations fell slightly short of budget by approximately \$100K (less than ¼ % on a budget of \$72 million).

The most notable variances include:

- Government Funding exceeded budget by \$100K; the discount fee for receiving the operating grant upfront was booked as interest cost. This brought a positive variance to Government revenue (reflected gross grant amount) and a corresponding negative variance to interest cost.
- Decline in enrolment resulted in (\$260K) less in student fees
- Special Purpose Endowment Revenue exceeded budget by \$177K due to McKenna programming income and Academic Chair revenue.
- "Other" Revenue fell short of budget by (\$100K) after removing the \$668K of project revenue from the normal operating activity within this grouping.

EXPENSES

Operating Expenses for the year totalled \$72,773,929 which is (\$250,471) less than budget.

Expenditures for core operations were down more than the total reflects as it includes two significant items that were written off pertaining to past periods totalling \$1.1 million.

Key expenditure variances include:

- (\$700K) below budget for Academic operating costs – salary savings from lower replacement costs than planned and retirements that were unknown when budget was finalized
- (\$400K) below budget for the Finance & Operations group due to vacancies held and reduced pension costs for employees within the facilities group

- (\$700K) below budget for utilities (lower oil costs)
- \$850K above budget for contingency/write-off costs – this variance is offset by \$668K in additional revenue for the heating plant project noted above. The remaining variance of \$182K is related to writing off older receivables linked to past fundraising targets for Athletic teams. Going forward the full cost for athletic teams will be expensed in the annual operating budget; targets for revenue generation and expenditure thresholds will flow through the budget process and be realized within the year in which they occur.

ANCILLARY OPERATIONS

Ancillary (retail) operations had a very strong year resulting in an annual surplus of \$518,467 versus a target of \$2,934 (break-even budget). The large surplus is primarily due to savings in heating costs of approximately \$700,000 compared to budget.

Revenue – Overall the revenue had a negative variance of (\$458K) on a budget of \$26 million related to lower occupancy (tied to lower enrolment). Residence occupancy was strong with the year beginning at 94% versus a budget of 93%. Normal attrition throughout the year brought the occupancy slightly below the budget target (90%). Other revenue sources were close to budget.

Expenditure – Total expenditures for Ancillary operations were down \$954K from the planned budget which equates to a 5% reduction in costs. The largest contributing factor was the \$700K in savings from heating costs for residences (lower oil costs). Additional savings of \$200K reflected in “other Ancillary Services” was a combination of savings on supplies, equipment repairs and replacement (Keating Centre and Fitness Centre).

Debt Costs – Only five months of financing costs for the two new residences are reflected in the debt repayment total of \$6,458,919; principal payments started in November 2014. An additional \$560K in debt financing expenditure will apply in 2015-16. All costs related to financing residences are fixed for the full term to mitigate interest rate risk and provide certainty on future debt payment obligations.

COADY & EXTENSION

These operations fall under the responsibility of the VP of International Development and Director of Coady. They operate as separate entities relying almost solely on external funding sources for targeted programs and projects. On a consolidated basis these operations have no net impact on the bottom line for StFX; they add just over \$7M in revenue and corresponding expenditure.

There is 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:

- \$200,000 in revenue is provided to Coady (CIDA agreement requirement, minimum matching funds threshold);
- \$50,000 is provided to Extension. In the year end result, the subsidy to Extension exceeded the budget by \$33,611. Development costs were incurred later in the year which related to a project that has been approved for Provincial funding in 2015-16 (timing issue).

2. 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 one of the finest schools in Canada, StFX is meeting the needs of today's undergraduates through outstanding teaching, exceptional hands-on research experiences, the very best in a residential community, and unique opportunities to make a contribution to communities at home and abroad.

2014-15 StFX Enrolment

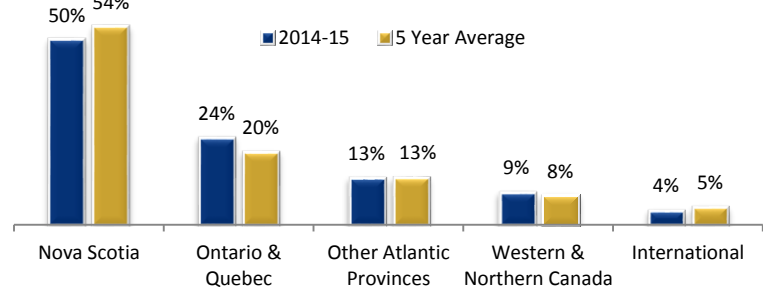
Undergraduate:

Full-time Students	3,880
Part-time Students	419

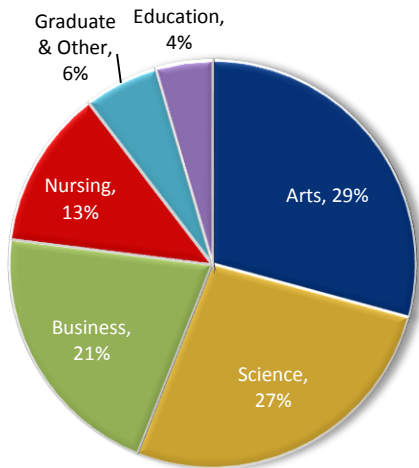
Graduate:

Full-time Students	91
Part-time Students	486

Geographic Distribution of Enrolment



2014-15 Program Enrolment



The Student Body is primarily female with a 64/36 ratio of female to male students.

The StFX Residential Community

Residence Capacity	1,913
Rooms Occupied by First Time Residents	46%
Rooms Occupied by Returning Residents	47%
Rooms Vacant	7%

Proportion of Full-Time Undergraduate Students Living on Campus	46%
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Employment Opportunities for Students

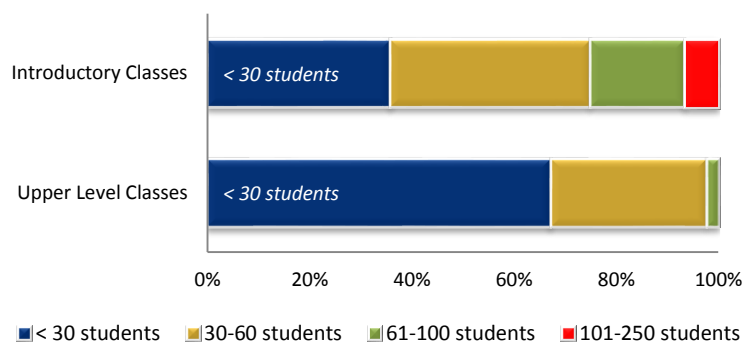
1,187 jobs we're provided to StFX students in 2014-15

StFX Full-Time Employees in 2015

Academic Faculty & Librarians	299
Finance and Operations	191
Academic Staff	108
Student Services	55
Coady International Institute Advancement	41
	19
Total Full time staff	713

Instruction provided by faculty which is approximately 87% full-time.

Average Class Sizes at StFX



3. Financial Highlights and Commentary Report

ST FRANCIS XAVIER UNIVERSITY STATEMENT OF FINANCIAL POSITION – MARCH 31, 2015

Historical Context

The University’s balance sheet continues to be highlighted by strong endowment fund assets and net capital assets. The endowment fund allows the University to attract quality students by offering scholarships and bursaries. StFX’s endowment fund ranks amongst the highest within university peer groups on a per student ratio. The University’s capital assets, which primarily consist of its historic campus, have been the subject of a recent modernization effort. This capital asset investment has resulted in the university assuming significant long term debt.

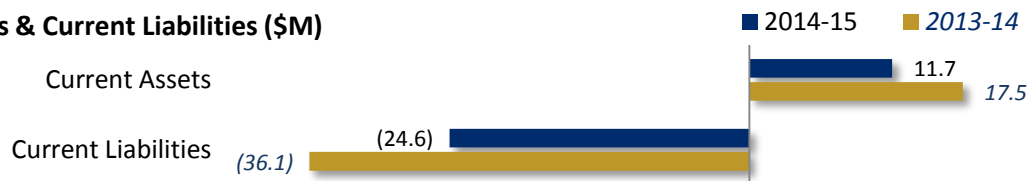
Analysis of Change in Financial Position Highlights from Prior Year

Financial Position Highlights (\$M)



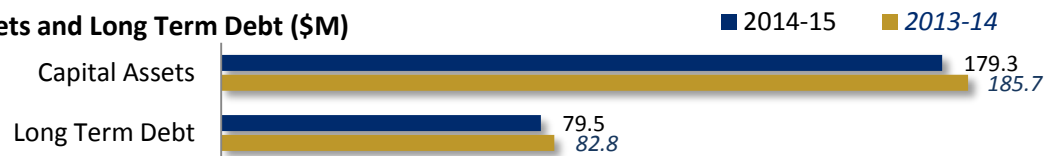
Overall, the University’s net financial position continued to improve in 2014-15, as net assets increase by \$6.8 million. This is mainly due to the improvement in net current assets outlined below.

Current Assets & Current Liabilities (\$M)



Overall, the net current asset deficit improved from (\$18.6) million in 2013-14 to (\$12.9) million in 2014-15 (\$5.7 million decrease). This improvement is due to an \$11.6 million decrease to the Bank loan and the current portion of long term debt, netted by decreases of \$6.6 million in cash and short term investments relating to the loan payments. The net current asset deficit continues to display the consequences of the challenging operating environment for Atlantic universities. However as disclosed in the note 10 of the financial statements, sufficient short term financing capacity exists to alleviate liquidity concerns as the University tackles its operating deficits.

Net Capital Assets and Long Term Debt (\$M)



Net capital assets and long term debt both decreased in 2014-15 as no significant new infrastructure was put into use during the fiscal year. Proceeds from residence fees continue to fund principal payments on long term debt associated with residence infrastructure.

ST FRANCIS XAVIER UNIVERSITY STATEMENT OF OPERATIONS – MARCH 31, 2015

Historical Context

The University had strong financial performance for most of the last 15 years. The cumulative deficits from the late 1990's were eliminated with balanced budgets and modest surpluses over a ten year period (2010). The most recent 5 year period has been challenging for the University as provincial operating funding was cut 10% during the period of 2011-14 and enrolment growth slowed. The University received a 1% provincial government funding increase in 2014-15 which is below the rate of expenditure inflation but was an improvement from the previous three years.

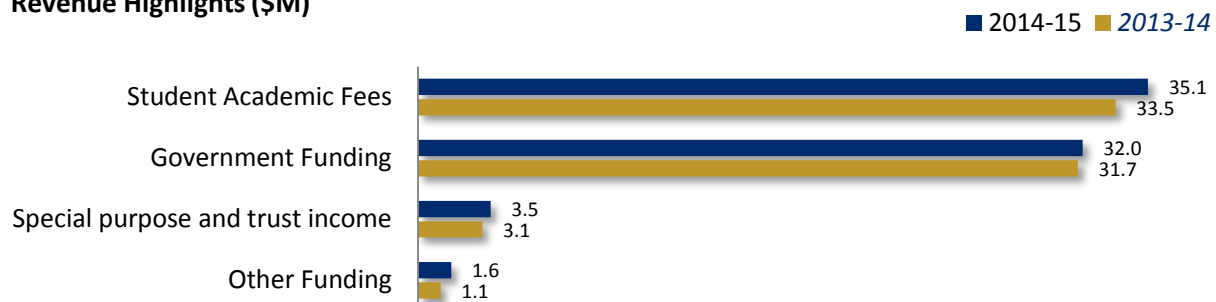
Analysis of Change in Operations Highlights from Prior Year

Consolidated Surplus (Deficit) (\$M)



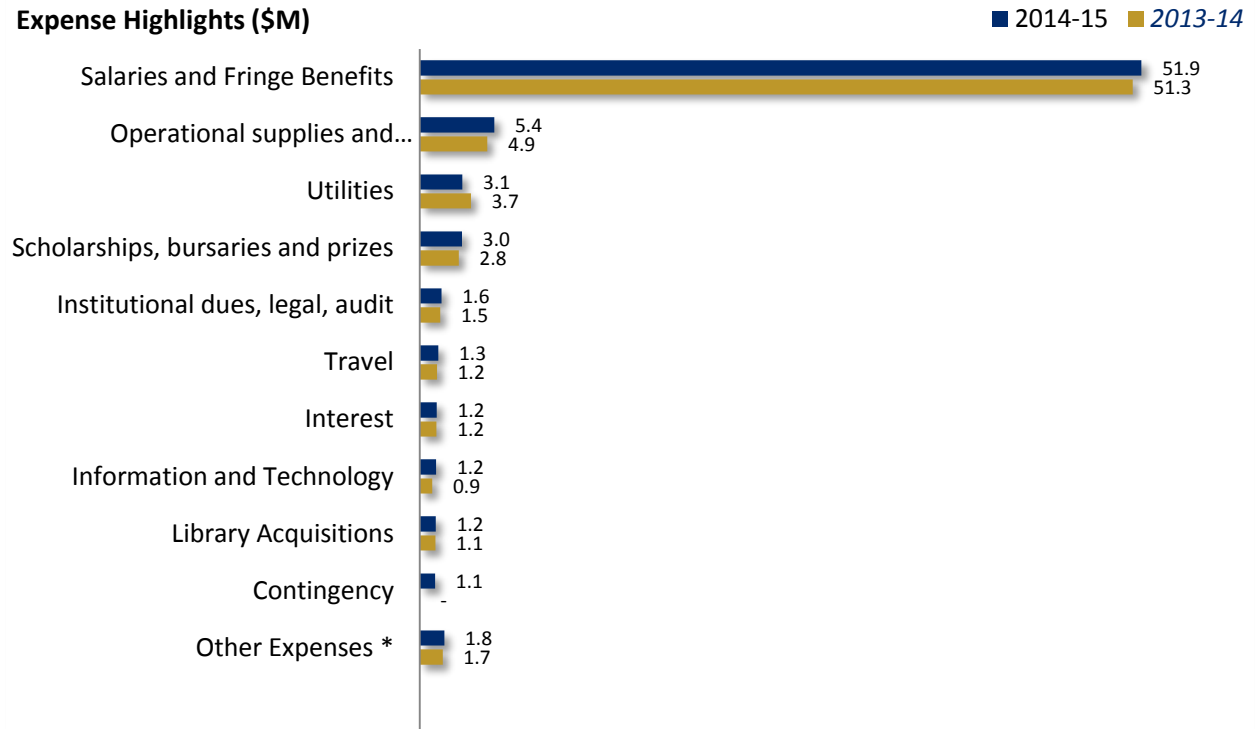
The 2014-15 fiscal year resulted in a consolidated deficit of (\$0.1) million, an improvement of \$1.1 million over the prior year. Student fee increases led to limited revenue growth. Continued responsible fiscal spending and reductions in heating costs helped neutralize the net impact of inflationary and contractual pressures on expense growth.

Revenue Highlights (\$M)



Total operating revenue increased by \$2.7 million. This overall increase is primarily resulting from the introduction of a facilities renewal fee totalling \$0.7 million, an increase in tuition revenue of \$0.9 million, and the recognition of \$0.7 million of deferred revenue associated with project expenditures written off under contingency. The remainder is related to the 1% government funding increase and higher endowment revenue.

Expense Highlights (\$M)



* Other expense category includes internal loan payments, repairs and maintenance, chairs of study, insurance, and other expenses as disclosed in the financial statements.

Total ordinary expenditures increased \$2.1 million to \$72.8 million in 2014-15 (from \$70.7 million in 2013-14) which was mainly a result of the \$1.1 million increase to contingency, \$0.7 million increase in salaries & fringe, and \$0.8 million in technology and supplies. The decrease in energy prices had a positive effect on the University, decreasing utilities expenses by \$0.7 million.

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 2014-15 and preceding fiscal year. Additional historical or contextual information can be helpful to provide a more insightful measure of StFX 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 to assist with their evaluation of the University's financial performance.

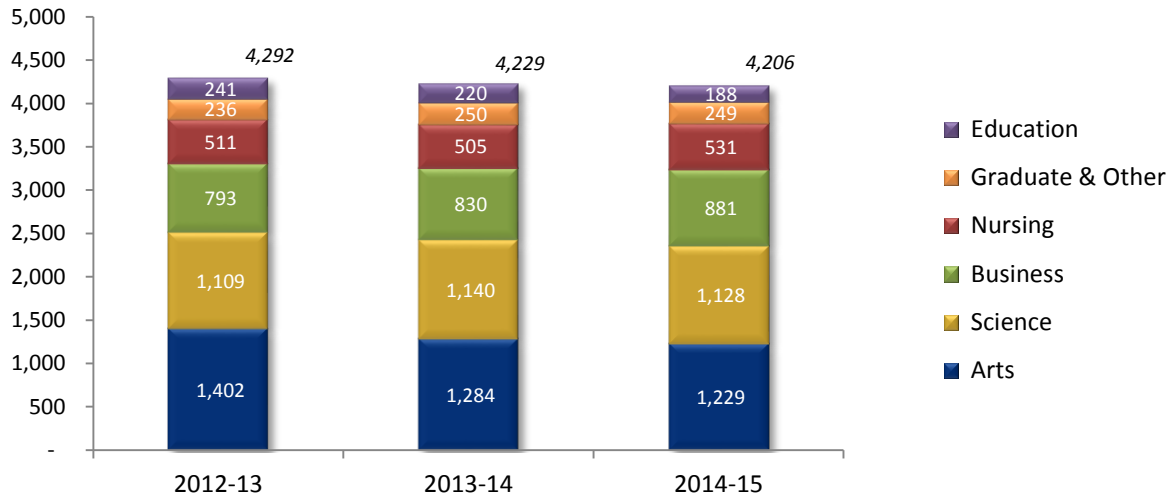
The following five criteria were selected to be evaluated for benchmarking. These are believed to be key indicators of the financial health of the University:

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

STUDENT DEMAND

Demand for post-secondary education from Students originating from Maritime Provinces is in the early phase of an expected period of declining enrolment. According to the Maritime Provinces Higher Education commission, the number of full-time and part-time students from Nova Scotia and the other Maritime Provinces studying at Nova Scotia post-secondary has shrunk by 5.3% and 1.6% respectively over the past five year period. This trend is expected to continue until the end of the decade as demographic statistics show expected declines in student aged populations in the Atlantic Provinces. According to Statistics Canada estimates from the publication, *Population Projections for Canada, Provinces and Territories (91-520-X)*, the population aged 15 to 24 in Nova Scotia is expected to decline by 13% from 2013 to 2021. These factors highlight the importance of national and international recruitment programs to fuel growth and sustainability of St Francis Xavier University and other post-secondary institutions.

St.FX Full Time Equivalent Student Enrolment

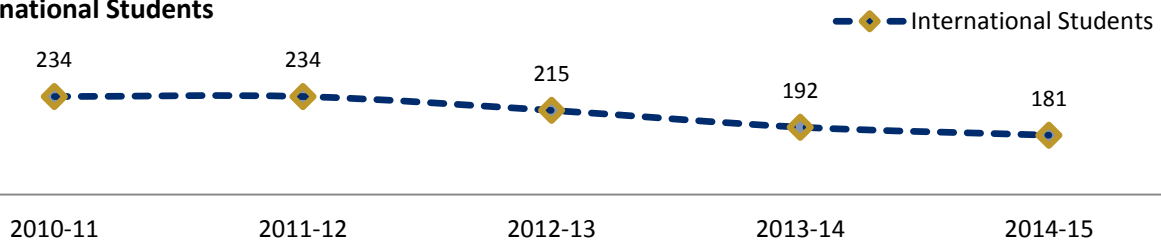


FTE figures generated from 100% of full time students plus part time students enrolled multiplied by a FTE factor calculated for each year based on the average course load for part time students (typically equivalent to about 25% of a full time course load).

The 3% decline in the number of full time equivalent students enrolled at StFX during the past three years is concentrated within the Arts and Education programs, with the effects mitigated somewhat by the enrolment growth in Nursing and business programs. These trends are echoed by post-secondary institutions throughout the Maritime Provinces as demonstrated by the Maritime Provinces Higher Education Commission’s (MPHEC) publication, *Annual Digest: University Enrolment - 2013-2014*, which shows Arts and Education program enrolment dropping over the one and five year time periods contrasted by high levels of growth in Science and Business programs.

Highlights for 2014-15 enrolment include continued Business School enrolment growth outpacing provincial growth, slight Nursing enrolment growth, and a decrease in the Faculty of Arts enrolment (although less than the previous year). The University needs to continue to adapt to enrolment trends ensuring teaching capacity and recruitment programs cater to post-secondary education demand.

International Students



International student enrolment has declined over each of the past five years at the University. This trend is in contrast to the 84.8% increase in international enrolment over the past five years in Nova Scotia, as shown in MPHEC’s publication, *Annual Digest: University Enrolment - 2013-2014*. The University recognises that international students enhance the diversity of perspectives in the classroom and on campus which ultimately enrich the educational experience in an increasingly globally connected world. Targeted initiatives focused on growing international student enrolment are underway.

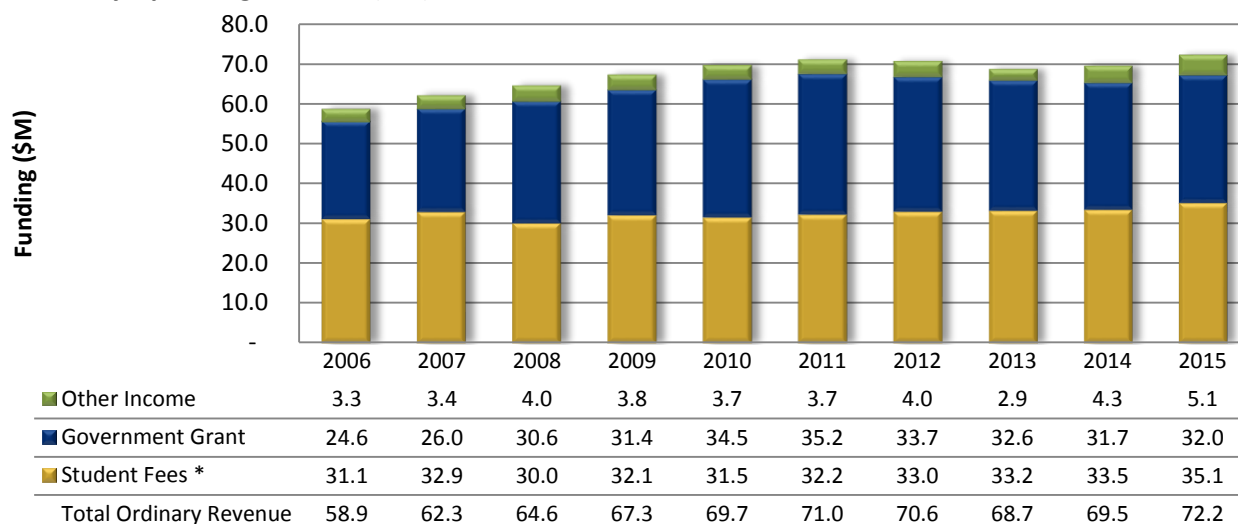
OPERATIONAL FUNDING RELIABILITY

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

Historically, annual provincial operating grant revenue was based on multi-year Memorandums of Understanding (MOU) with the Provincial Government, featuring scheduled increases in line with inflation. The most recent agreements are formalized annually. The 2014-15 agreement continued to cap tuition increases at 3% and increased the government operating grant by 1%.

The bulk of the University's operating expenditures are compensation expenses (approximately 75% of total operating expenditures). During the past five years, wage increases have exceeded the growth in revenue. This situation creates increasing operational funding pressures for the University.

Ordinary Operating Revenue (\$M)



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

The reliance on government funding is improving despite the 1% provincial funding increase. This is due to growth in student academic fees and other income. While provincial government revenue remains a significant revenue component at 44%, it decreased 1.4% over last year, and 6% since 2010-11 when it represented 51% of operating revenues.

Student fees comprise 49% of revenue in 2014-15. Revenues from student fees increased by \$1.7 million, in large part due to the 3% increase to tuition and the introduction of the \$175 facilities renewal fee to address annual repair and maintenance requirements (added \$0.7 million).

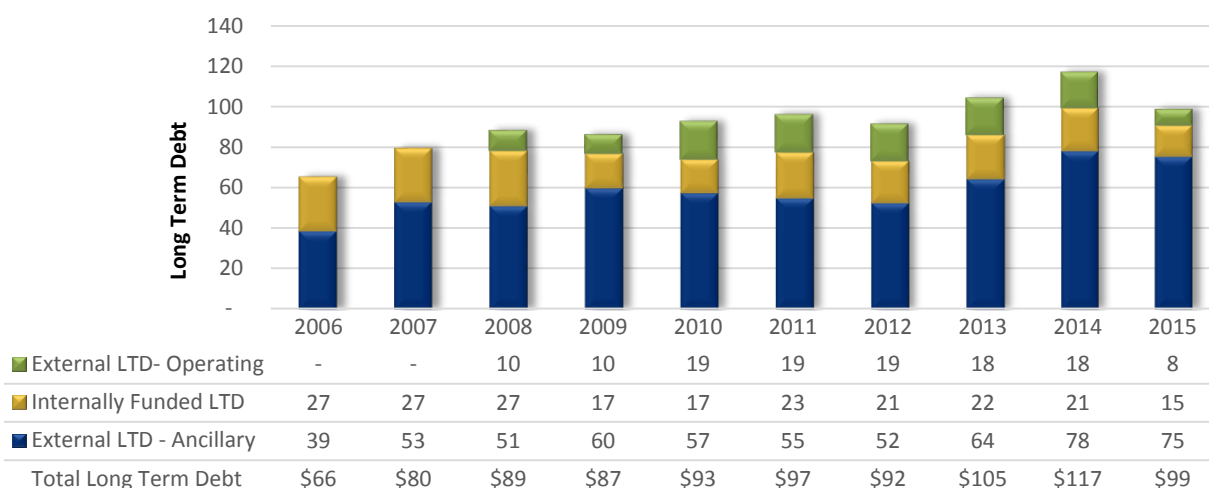
The University's opportunities for growing traditional revenue sources are limited with Government funding largely outside the control of the University, and student tuition rate increases capped at 3%. These two factors increase the importance of increasing enrolment at StFX, operating with fiscal discipline,

and diversifying funding sources where possible. The current funding outlook presents challenges for StFX and other post-secondary educational institutions in the Maritime Regions as options for generating additional revenues from traditional sources appear to be limited going forward.

DEBT CAPACITY & LIQUIDITY

St Francis Xavier University has undertaken a substantial modernization campaign to update and expand its historic campus and ageing facilities over the past fifteen years. The campus now features modern student accommodations, fitness facilities, and modern facilities for Coady, 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 and community. As a result, the StFX campus and facilities are better positioned for recruitment of students and faculty.

Internal & External Long Term Debt (LTD) (\$M)

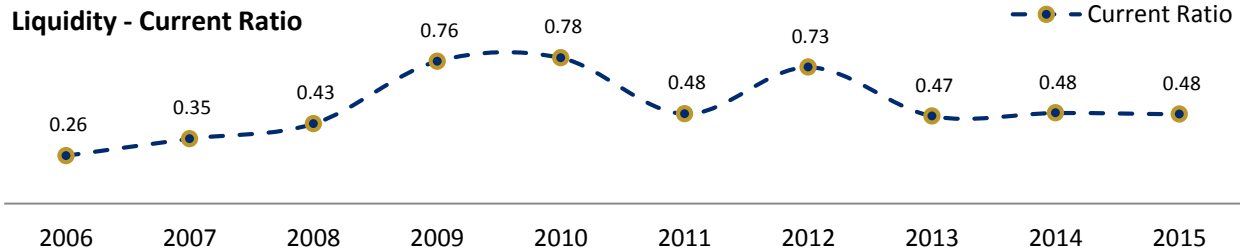


Overall, long term debt has decreased by about \$18 million in 2014-15. This decrease is due to the repayment of the \$9.5 million low interest loan (operating), new capital project funding (internally funded), and the repayment of Ancillary debt through Ancillary operations. The University has effectively managed its interest rate risk using fixed interest rate swaps.

The long term debt for ancillary operations financed several projects including 3 new residences and 2 major residence renovations. This investment accounted for the significant increase in long term debt over the ten year period. The Ancillary debt represents 75% of all long term debt and is financed by proceeds from residence rental fees.

The external long term debt for operating financed construction and upgrading of academic infrastructure. During the past fiscal year, a \$9.5M low interest loan associated with the Schwartz School of Business was fully retired through receipt of pledges as per the project plan.

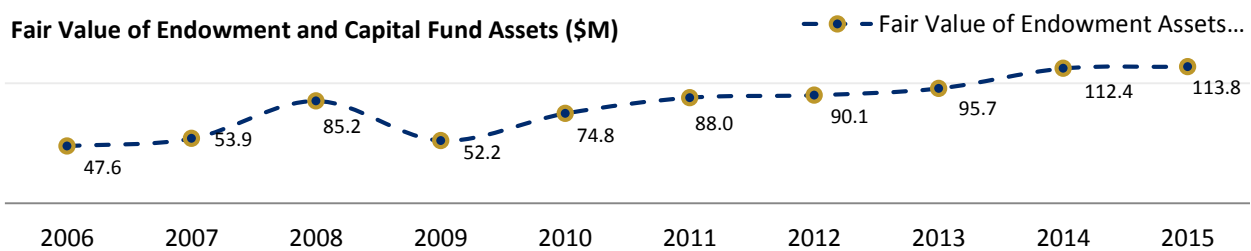
Internally funded long term debt relates to funds borrowed to finance capital projects for academic and support services over the past number of years. This debt is financed through the bank credit line with obligation for interest payments only. Principal payments are made as operating budgets allow.



This ratio compares current assets to current liabilities (ability to meet short term obligations – target of 1:1). The University’s liquidity measure remained unchanged sitting near its 10 year average of .5. The last five years presented increasing challenges with reduced Government funding and decreased enrolment leading to several consecutive operating deficits. That has negatively impacted the current cash position and the ability to pay off internal debt amounts within the timelines originally planned. The liquidity position is expected to improve going forward based on stabilized Government funding, planned enrolment growth, endowment revenue growth, and a dedicated budget investment tied to a repayment plan for the outstanding internal debt.

ENDOWMENT FUND PERFORMANCE

StFX has a very strong connection with its alumni fostered through a long history exceeding 160 + years of providing high quality post-secondary education to students the *StFX Way*. This has played a significant role in the establishment and growth of its endowment fund. The fund is primarily used to offer scholarships and bursaries to students, and fund academic Chairs of the University.

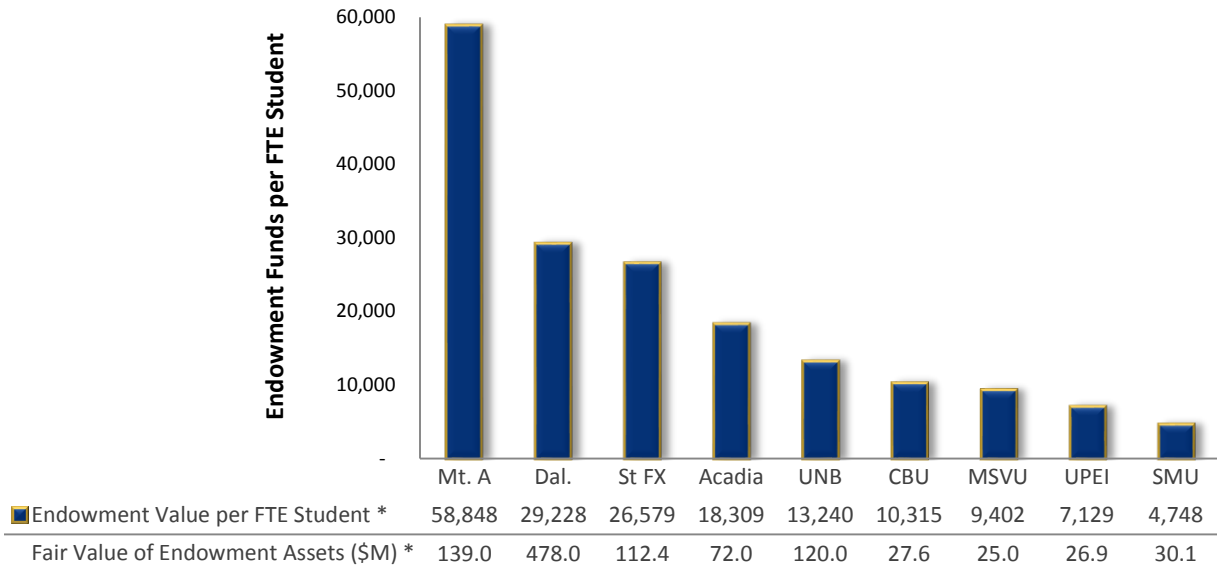


University endowment investment assets increased overall by 1.3% to \$113.8 million in 2014-15. The portfolio investment performance was held back by energy sector investments during the past year similar and consistent with the Canadian benchmark, the Toronto composite Index. The investment assets above consist of restricted endowment funds of \$110.8 million, and unrestricted endowment funds of \$3 million.

The astounding ten year endowment fund growth of 139% stems from a combination of generous contributions from external benefactors, and above average gains in market value from investment decisions. The Investment Committee worked to rebalance asset class allocations in accordance with guidelines provided by the Board by increasing fixed income and preferred share holdings within the portfolio. The CAUBO University investment survey for the year ending December 31, 2013 shows StFX has the second highest 5-year and 10-year annualized return on endowment assets amongst all 66

participating Canadian universities at 18.7% and 11.2% respectively. This, combined with the generous contributions used to update the campus facilities over the last 15 years demonstrates that both fundraising efforts and fund stewardship are very strong.

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



* Fair Value of Endowment Assets per Full-Time Equivalent Student were calculated using the fair value of endowment assets as disclosed in the financial statements for the 2013-14 fiscal year divided by the Full Time Equivalent Student Enrolment figures for 2013-14 provided by MPHEC.

The fair value of the University’s endowment fund per full-time equivalent student sits at \$26,579. This positions StFX as the third highest per student ratio for endowment value amongst maritime universities offering comprehensive undergraduate programs and ranked twelfth nationally in the CAUBO University investment survey for the year ending December 31, 2013. The relative strength of the endowment fund is a competitive advantage for StFX. It allows the University to attract and retain high quality students by awarding scholarships and bursaries. Growing endowment investment is a core focus area 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 grant and student tuition.

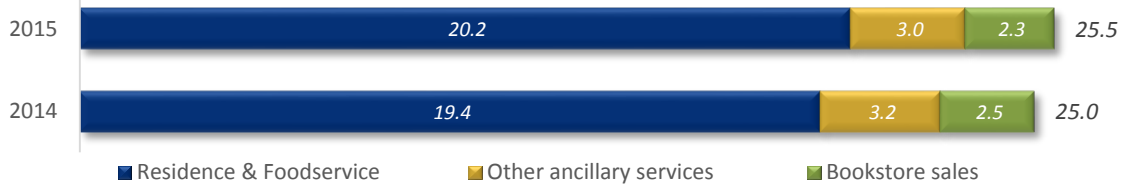
ANCILLARY OPERATIONS PERFORMANCE

The University’s operations are centered on the activities relating to academic instruction and fostering learning. However the University’s Ancillary Operations are essential to supporting these activities and creating the residential campus environment and student experience which attracts many of the students choosing to attend StFX.

The operations managed by Ancillary Services vary widely and include managing residence accommodations and food services, campus bookstore, and other ancillary services. Other Ancillary services include commercial operations such as Conference services, Special events, Athletic facilities,

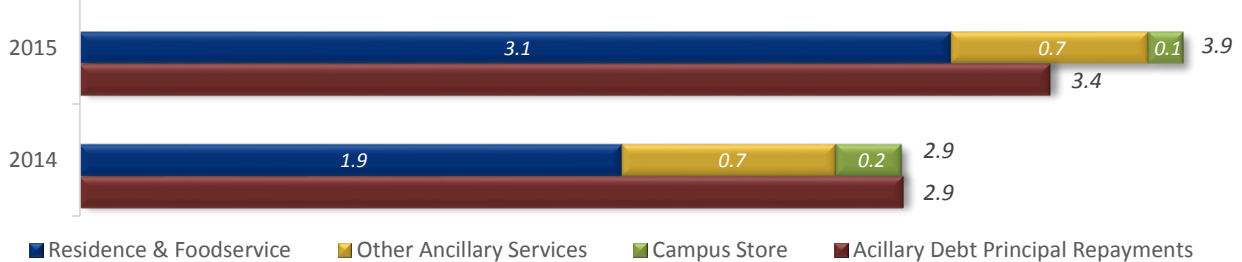
rentals, Laundry services, and other miscellaneous revenues. Services are delivered to students directly within the University’s programming mandate, and commercially to external customers (local community, parents, and alumni). During the summer months broader community outreach opportunities are leveraged which support future recruitment and building brand awareness.

Ancillary Operations Revenue (\$M)



Nearly 80% of Ancillary operation revenues are generated from its residences and foodservice program. The 4% increase to revenue demonstrates that the University’s commitment to investing in its accommodation infrastructure is yielding the increased returns required to finance the associated debt repayments.

Ancillary Operations Net Contribution to Surplus & Debt Principal Repayment (\$M)



Overall, Ancillary operation’s surplus rose \$0.5 million over the previous year. This is largely due to the \$1.2 million improved performance in residence and foodservice operations offset by \$0.5 million increase to ancillary debt principal repayments.

The major factors credited for the \$1.2 million increase to the Ancillary surplus are increases to student residence revenues of \$0.8 million, and the \$0.4 million decrease in facilities expense largely due to lower heating expenses.

The contribution surplus from other ancillary services remained unchanged in 2014-15.

The bookstore’s contribution to the overall surplus decreased by 50% over the previous year. This is due to continued decreases in textbook sales resulting from the increased competition from online retailers. An assessment is underway with changes being made to make improvements in 2015-16.

APPENDIX A

Financial Statements of

ST. FRANCIS XAVIER UNIVERSITY

March 31, 2015

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 statements of financial position as at March 31, 2015 and the statements of operations, changes in fund balances, and cash flows and 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 audits. We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

We believe the audit evidence we have obtained in our audit 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, 2015 and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

A handwritten signature in cursive script that reads "Deloitte LLP".

Chartered Accountants
Halifax, Nova Scotia
June 12, 2015

ST. FRANCIS XAVIER UNIVERSITY

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March 31, 2015

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ST. FRANCIS XAVIER UNIVERSITY
Statement of Financial Position
As at March 31, 2015

	March 31, 2015	March 31, 2014
	\$	\$
ASSETS		
Cash	17,495	6,261
Cash in transit	2,089,228	-
Short-term investments	84,330	8,800,726
Accounts receivable (Note 4)	8,826,342	8,054,770
Inventories and other assets	743,619	613,729
	11,761,014	17,475,486
Accrued benefit asset (Note 7)	2,716,100	1,869,420
Investments (Note 5)	113,838,874	112,413,000
Capital assets (Note 6)	179,273,737	185,741,840
	307,589,725	317,499,746
LIABILITIES		
Bank loan (Note 11)	11,725,103	14,157,456
Accounts payable and accruals	6,189,491	6,315,904
Current portion of long-term debt (Note 12)	4,057,913	13,207,875
Deferred revenue	2,633,694	2,371,734
	24,606,201	36,052,969
Other employee future benefits (Note 8)	2,509,484	2,687,272
Accrued pension benefit liability (Note 7)	-	40,920
Deferred revenue - restricted (Note 14)	90,318,078	92,095,867
Long-term debt (Note 12)	79,548,657	82,843,678
	196,982,420	213,720,706
NET ASSETS		
Fund balances	110,607,305	103,779,040
	307,589,725	317,499,746

ST. FRANCIS XAVIER UNIVERSITY

Statement of Operations

Year ended March 31, 2015

	2015				2014
	Operating Fund	Research Fund	Capital Fund	Total Funds	Total Funds
	\$	\$	\$	\$	\$
Ordinary revenue (Schedule 1)					
Student academic fees	35,121,315	-	-	35,121,315	33,452,409
Bequests, donations and non-government grants	919,800	-	-	919,800	853,410
Miscellaneous	1,351,839	-	-	1,351,839	852,151
Special purpose and trust income	2,808,773	-	-	2,808,773	2,607,428
Government grants	31,955,479	-	-	31,955,479	31,730,313
Total ordinary revenue	72,157,206	-	-	72,157,205	69,495,711
Sponsored research funds	-	5,594,209	-	5,594,209	5,946,394
Coady International Institute (Schedule 3)	6,647,590	-	-	6,647,590	6,308,078
Extension Department (Schedule 4)	337,015	-	-	337,015	396,203
Ancillary Enterprises (Schedule 5)	25,493,058	-	-	25,493,058	24,977,275
Amortization of deferred revenue	-	-	2,887,278	2,887,278	4,055,339
Total revenue	104,634,869	5,594,209	2,887,278	113,116,356	111,179,000
Ordinary expenditure (Schedule 2)					
Instruction and non-sponsored research	39,544,566	-	-	39,544,566	38,200,863
Continuing education/training and development	483,668	-	-	483,668	519,873
Educational information/technology	1,595,584	-	-	1,595,584	1,817,208
Library	2,926,890	-	-	2,926,890	3,037,870
Student services	7,709,139	-	-	7,709,139	7,391,740
Advancement	2,185,387	-	-	2,185,387	1,978,434
Administration and general	6,185,225	-	-	6,185,225	6,316,825
Facilities management	8,970,218	-	-	8,970,218	9,402,314
Repairs and maintenance	391,699	-	-	391,699	477,997
Capital renewal	500,000	-	-	500,000	250,000
Information and technology funding	1,181,968	-	-	1,181,968	901,339
Contingency/write-offs	1,099,586	-	-	1,099,586	-
Capital expenditures and debt repayment (Note 13)	(1,561,572)	-	-	(1,561,572)	(1,065,433)
Total ordinary expenditure	71,212,358	-	-	71,212,358	69,229,030
Sponsored research expense	-	5,594,209	-	5,594,209	5,946,394
Capital expenditure - Research Fund (Note 13)	-	(499,050)	-	(499,050)	(150,435)
Coady International Institute (Schedule 3)	6,647,590	-	-	6,647,590	6,308,078
Extension department (Schedule 4)	337,015	-	-	337,015	396,203
Ancillary Enterprises (Schedule 5)	21,626,835	-	-	21,626,835	22,094,458
Write-down of research equipment	-	-	-	-	647,626
Amortization expense	-	-	8,361,765	8,361,765	7,446,003
Total expenditure	99,823,797	5,095,159	8,361,765	113,280,722	111,917,357
(Deficit) Surplus before interfund transfers	4,811,072	499,050	(5,474,487)	(164,366)	(738,357)
Interfund transfers (Note 13)	(5,427,795)	(499,050)	5,926,845	-	-
(Deficit) Surplus	(616,723)	-	452,358	(164,366)	(738,357)

ST. FRANCIS XAVIER UNIVERSITY

Statement of Cash Flows

Year ended March 31, 2015

	2015	2014
	\$	\$
Cash provided from (used in) operating activities		
Deficit	(164,366)	(738,357)
Amortization	8,361,765	7,446,003
Deferred revenue amortization	(2,887,278)	(4,055,339)
Change in other employee future benefits	(177,788)	(1,114,212)
Change in accrued pension benefit liability	(887,600)	(2,190,350)
Pension remeasurement	707,500	3,642,117
Campaign fund transfer	5,914,619	278,771
Net change in non-cash working capital	(765,916)	(4,254,756)
	10,100,936	(986,123)
Cash provided from (used in) investing activities		
Endowment investment income	605,782	254,289
Corpfinance penalty	241,005	228,637
Capital asset acquisitions	(1,949,144)	(13,344,462)
Investments acquisitions	(2,253,889)	(5,023,304)
	(3,356,246)	(17,884,840)
Cash provided from (used in) financing activities		
Contributions	1,516,711	7,733,119
Decrease in bank loan	(2,432,353)	(271,359)
Increase in long-term debt	762,892	16,667,920
Repayments of long-term debt	(13,207,875)	(3,200,632)
	(13,360,625)	20,929,048
Net cash (outflow) inflow	(6,615,934)	2,058,085
Cash and cash equivalents, beginning of year	8,806,987	6,748,902
Cash and cash equivalents, end of year	2,191,053	8,806,987
Cash and cash equivalents is comprised of		
Cash	17,495	6,261
Cash in transit	2,089,228	-
Short-term investments	84,330	8,800,726
	2,191,053	8,806,987

ST. FRANCIS XAVIER UNIVERSITY
Statement of Changes in Fund Balances
Year ended March 31, 2015

	March 31, 2015				2014
	Operating Fund	Capital Fund	Endowment Fund	Total Funds Balance	Total Funds Balance
	\$	\$	\$	\$	\$
					(restated - Note 2)
Balance, beginning of year, as originally stated	(6,660,920)	(2,737,998)	113,177,958	103,779,040	82,574,190
Adoption of new accounting policies (note 2)	-	-	-	-	2,454,217
Balance, beginning of year, restated	-	-	-	-	85,028,407
Transactions during the year					
Bequests and donations, net	-	(751,759)	1,158,981	407,222	5,804,988
Capital gains and write-downs	-	-	4,635,341	4,635,341	2,213,010
Reinvested income	-	-	605,782	605,782	254,289
Development program - net (Schedule 6)	-	5,914,618	-	5,914,618	278,771
Corpfinance penalty recovery	-	241,005	-	241,005	228,637
Change in fair value of restricted held for trading investments	-	-	(5,463,356)	(5,463,356)	9,521,395
Transfer reserve to deferred revenue	-	(55,482)	-	(55,482)	-
Pension remeasurement (note 2 & 7)	707,500	-	-	707,500	1,187,900
(Deficit) surplus	(616,723)	452,358	-	(164,366)	(738,357)
Balance, end of year	(6,570,143)	3,062,742	114,114,706	110,607,305	103,779,040

ST. FRANCIS XAVIER UNIVERSITY

Notes to the Financial Statements

March 31, 2015

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. CHANGES IN ACCOUNTING POLICIES

Section 3462/3463, Employee Future Benefits

On April 1, 2014, the University adopted Section 3462 Employee Future Benefits (“Section 3462”) in Part II of the CPA Handbook and Section 3463 Reporting Employee Future Benefits in Part III Not for Profit Organizations (“Section 3463”). In accordance with the transitional provisions, the University retrospectively applied the revised standard. The 2014 comparative figures and notes have been restated.

Under the new standard, the University could elect to use the actuarial valuation prepared for funding purposes or the actuarial valuation prepared for accounting purposes. The University elected to use the actuarial valuation prepared for funding purposes for all plans.

Section 3462 eliminated the deferral and amortization method as a policy choice for accounting for defined benefit plans and the three-month window for measuring plan assets and obligations. The Standard, therefore, requires the measurement date to be the balance sheet date, i.e. March 31. To apply the transitional provisions, the University extended the measurement period from its most recent funding valuations to 15 months; the measurement period extended from January 1, 2014 to March 31, 2015. The University allocated 12/15 of this measurement to the current period and 3/15 as an adjustment to opening retained earnings in 2014.

Section 3463 requires that all re-measurement and other items as defined by Section 3462 be recognized as a separate line item directly in net assets in the period in which they occur. Section 3462 defines re-measurement and other items as the changes in the fair value of the plan assets, and in the measurement of the obligation, including past service costs, actuarial gains and losses, and curtailment/settlement gains and losses.

The retrospective application of the new standards resulted in an increase to opening equity at April 1, 2013 of \$2,454,217 with a pension re-measurement of \$1,187,900 for the year ended March 31, 2014, mainly due to the elimination of the deferral and amortization approach.

The adoption resulted in an accrued benefit asset of \$2,716,100 on the Statement of Financial Position and a pension re-measurement gain of \$707,500 in the Statement of Changes in Fund Balances as at March 31, 2015.

ST. FRANCIS XAVIER UNIVERSITY

Notes to the Financial Statements

March 31, 2015

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.

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

Endowment contributions are recognized directly in net assets.

Pledged contributions are recorded when received.

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

Cash and cash equivalents

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

Inventories

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

ST. FRANCIS XAVIER UNIVERSITY

Notes to the Financial Statements

March 31, 2015

3. 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	20.0 - 40.0
Paving	8.0
Computer equipment	5.0
Equipment and furnishings	10.0
Library books	10.0
Motor vehicles	3.5

Impairment of long-lived assets

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

Pension plans

The University recognizes the defined benefit obligations as the employees render services giving them the right to earn the pension benefit. The defined benefit obligation at the balance sheet 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.

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 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.

ST. FRANCIS XAVIER UNIVERSITY

Notes to the Financial Statements

March 31, 2015

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 any associated realized or unrealized gain or loss is recognized in income. In the event that the designated debt is extinguished or matures prior to the termination of the related interest rate swap agreement any realized or unrealized gain or loss is recognized in income.

Use of estimates

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

Financial instruments

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

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

ST. FRANCIS XAVIER UNIVERSITY

Notes to the Financial Statements

March 31, 2015

4. ACCOUNTS RECEIVABLE

	2015	2014
	\$	\$
Accounts receivable - students	4,174,616	3,913,427
Accounts receivable - general	2,491,624	2,485,067
Accounts receivable - internally restricted	2,160,102	1,656,276
	8,826,342	8,054,770

5. INVESTMENTS

	2015		2014
	Fair Value	Cost	Fair Value
	\$	\$	\$
Cash, bonds and stocks -			
Endowment Fund, restricted	110,873,322	87,502,705	108,654,157
Cash, bonds and stocks -			
Capital Fund, restricted	-	-	751,758
Cash, bonds and stocks -			
Endowment Fund, unrestricted	2,965,552	2,340,454	3,007,085
	113,838,874	89,843,159	112,413,000

6. CAPITAL ASSETS

	Cost	Accumulated Amortization	Net Book Value	Net Book Value
	\$	\$	\$	\$
Land	4,117,099	-	4,117,099	4,117,099
Buildings	254,154,424	86,315,917	167,838,507	175,007,501
Equipment	31,537,517	25,016,891	6,520,626	5,693,504
Library books	4,663,955	3,916,872	747,083	852,952
Motor vehicles	858,478	808,056	50,422	70,784
	295,331,473	116,057,736	179,273,737	185,741,840

ST. FRANCIS XAVIER UNIVERSITY

Notes to the Financial Statements

March 31, 2015

7. 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, 2013. The next required valuation will be as of December 31, 2014 for Plan 1 and December 31, 2016 for Plan 2.

The accrued benefit obligation as at March 31, 2015 was measured by extending the measurement period by 15 months from the most recent December 31, 2013 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.

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

	2015	2014
	Plan 1	Plan 1
	\$	\$
		(restated - Note 2)
Fair value of plan assets	21,387,700	18,408,100
Accrued benefit obligation	18,708,100	16,741,200
Surplus	2,679,600	1,666,900
Employer contributions adjustment (note 2)	-	82,620
Re-measurement date adjustment (3/15ths) (note 2)	-	119,900
Accrued benefit asset	2,679,600	1,869,420

The University recorded a re-measurement gain of \$694,900 (2014 - \$1,365,000) relating to Plan 1 in the Statement of Changes in Fund Assets.

	2015	2014
	Plan 2	Plan 2
	\$	\$
		(restated - Note 2)
Fair value of plan assets	483,500	568,400
Accrued benefit obligation	447,000	628,700
Surplus (deficit)	36,500	(60,300)
Employer contributions adjustment	-	5,080
Re-measurement date adjustment (3/15ths)	-	14,300
Accrued benefit asset (liability)	36,500	(40,920)

The University recorded a re-measurement gain of \$104,700 (2014 - \$41,100) relating to Plan 2 in the statement of Changes in Fund Assets.

ST. FRANCIS XAVIER UNIVERSITY

Notes to the Financial Statements

March 31, 2015

7. PENSION PLANS (Continued)

Employer and employee contributions to the defined contribution plan were \$200,262 (2014 - \$184,609) and \$176,702 (2014 - \$162,890) respectively for the year ended March 31, 2015.

8. 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:

	March 31, 2015	March 31, 2014
	\$	\$
Fair value of plan assets	-	-
Accrued benefit obligation	2,509,484	2,687,272
Deficit	(2,509,484)	(2,687,272)

The University recorded a re-measurement loss of \$93,200 (2014 - \$286,100) in the Statement of Changes in Fund Assets.

9. DEVELOPMENT PROGRAM (SCHEDULE 6)

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

10. ANNUAL GIVING FUND

The total Annual Giving Fund proceeds for the year were \$5,706,538 (2014 - \$4,352,682), most of which was directed for restricted uses such as scholarships and bursaries. As at March 31, 2015, \$262,654 (2014 - \$321,545) was considered unrestricted and recorded in income in the Operating Fund (Schedule 1).

ST. FRANCIS XAVIER UNIVERSITY

Notes to the Financial Statements

March 31, 2015

11. BANK LOAN

The University has a line of credit with the Bank of Nova Scotia for \$15 million with interest payable at prime and a \$13 million revolving term loan to assist with bridge financing of capital projects. \$8 million of this bridge financing is reflected in Note 12. The current portion of these facilities outstanding as of March 31, 2015 is outlined below:

	<u>2015</u>	<u>2014</u>
	\$	\$
Revolving BA (monthly rate, 30 days)	4,000,000	4,000,000
Bankers Acceptance (1.898%, 30 days)	4,000,000	-
Overdraft (prime)	3,725,103	10,157,456
	<u>11,725,103</u>	<u>14,157,456</u>

ST. FRANCIS XAVIER UNIVERSITY

Notes to the Financial Statements

March 31, 2015

12. LONG-TERM DEBT

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

	March 31, 2015	March 31, 2014
	<u>\$</u>	<u>\$</u>
Congregation of Sisters of Notre Dame - non-interest bearing, due June 1, 2021 (Mount St. Bernard)	902,379	1,041,206
Bank of Montreal 10 year SWAP - 4.81% due January 1, 2015 (Consolidated CMHC Loans - Residence)	-	305,663
Bank of Montreal 19 year SWAP - 5.53% due October 1, 2023 (Refinanced Mortgages- Residences Pre 2004)	13,425,546	14,630,572
Bank of Montreal 25 year SWAP - 5.63% due September 2, 2031 (Governors Hall Construction)	15,113,588	15,668,015
Bank of Montreal 20 year SWAP - 5.48% due October 1, 2026 (MacIsaac Hall Renovation)	6,021,937	6,390,714
Bank of Montreal 20 year SWAP - 5.31% due February 1, 2028 (Bishops Hall Renovation)	8,289,889	8,733,686
Bank of Nova Scotia 10 year SWAP - 5.15% due April 24, 2018 (Academic Renovations and Science Hall)	8,222,808	8,514,343
NSSOFI Loan - 1.5% due January 21, 2015 (Financing from Province - Knowledge Infrastructure Program)	-	9,530,246
Bank of Montreal 25 year SWAP - 3.22% due October 3, 2039 (New Residences South Campus)	31,630,423	31,237,108
	83,606,570	96,051,553
Less: current portion	4,057,913	13,207,875
	79,548,657	82,843,678

ST. FRANCIS XAVIER UNIVERSITY

Notes to the Financial Statements

March 31, 2015

12. LONG-TERM DEBT (continued)

Long-term debt (continued)

In January 2015, the University repaid the loan from the Nova Scotia Strategic Opportunities Fund Incorporated ("NSSOFI") that helped finance the construction of the Schwartz School of Business. Funds that had been set aside in a short-term investment account were used to repay the loan.

The Bank of Nova Scotia SWAP ends in April, 2018. At that time there will be a balance outstanding of \$7,270,127.

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

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

2016	\$	4,057,913
2017		4,244,295
2018		4,437,240
2019		4,295,935
2020		4,494,913
	\$	<u>21,530,296</u>

13. INTERFUND TRANSFERS

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

	<u>2015</u>	<u>2014</u>
	\$	\$
Facilities management equipment	151,913	17,567
Alterations and renovations	-	50,026
Administration, TSG, Student Services, Security	418,557	187,677
Mount Saint Bernard, Municipal building	408,762	407,668
Library books and equipment	82,340	152,495
Capital renewal	500,000	250,000
Capital expenditures and debt repayment - Operating Fund	1,561,572	1,065,433
Ancillary debt repayments and capital exp. (Schedule 5)	3,866,223	2,882,816
Interfund transfer - Operating Fund to Capital Fund	5,427,795	3,948,249

Reductions in the Research Fund expenses as well as transfers to deferred revenue for capital expenditures during the year totalled \$499,050 (2014 – \$110,435).

ST. FRANCIS XAVIER UNIVERSITY

Notes to the Financial Statements

March 31, 2015

14. DEFERRED REVENUE - RESTRICTED

Deferred revenue - Capital fund

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

	<u>March 31,</u> <u>2015</u>	<u>March 31,</u> <u>2014</u>
	\$	\$
Capital Fund balance, beginning of year	79,291,559	81,432,984
Add: Contributions received during the year	6,312,619	5,229,281
Less: Recognition of deferred revenue	<u>(8,552,446)</u>	<u>(7,370,706)</u>
Capital Fund balance, end of year	<u>77,051,732</u>	<u>79,291,559</u>

Recognized deferred revenue in the table above includes transfers in the amount \$5,665,168 (2014 - \$3,314,112) 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 deferred revenue – restricted at March 31, 2015 are deferred revenues related to the Research Fund of \$4,249,905 (2014 - \$4,459,253) the Endowment Fund of \$3,963,895 (2014 - \$3,772,158) and Other \$5,052,546 (2014 - \$4,572,897).

15. FINANCIAL INSTRUMENTS

Financial risk

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

Interest rate risk

Interest rate risk is minimized as the University uses interest rate swaps to fix interest rates on its long-term debt. At March 31, 2015, the bank loan balance of \$11.7 million is exposed to variable interest rates.

Market risk

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

ST. FRANCIS XAVIER UNIVERSITY

Notes to the Financial Statements

March 31, 2015

15. FINANCIAL INSTRUMENTS (continued)

Credit risk

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

Fair value

The fair value of cash, accounts receivable, bank loan and accounts payable and accruals is approximately equal to their carrying values due to their short-term maturity. The fair value of long-term debt is described in Note 12. Bonds and stocks are recorded at fair value. Fair value is determined by quoted market prices.

16. CAPITAL MANAGEMENT

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

	<u>2015</u>	<u>2014</u>
	\$	\$
Fund equities	110,607,305	103,779,040
Long-term debt	83,606,570	96,051,553
	<u>194,213,875</u>	<u>195,822,174</u>

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, 2015. 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 95% of annualized income as at December 31 of the previous year.

17. COMPARATIVES

Certain of the comparatives have been reclassified to conform with the current year's presentation.

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

Year ended March 31, 2015

	<u>2015</u>	<u>2014</u>
	\$	\$
Student academic fees		
Full-time tuition	24,172,582	23,900,500
Tuition bursary	3,469,899	3,379,466
Information and technology fee	1,500,368	1,501,340
Part-time tuition	2,475,195	1,877,973
Summer school tuition	1,340,765	1,223,818
Continuing education/training and development	459,774	598,600
Other	1,702,732	970,712
	<u>35,121,315</u>	<u>33,452,409</u>
Bequests, donations and non-government grants		
Annual Giving Fund - unrestricted (Note 10)	262,654	321,545
Scholarship and bursary donations	657,146	531,865
	<u>919,800</u>	<u>853,410</u>
Miscellaneous	1,351,839	852,151
Special purpose and trust income		
General endowment	96,928	95,720
Academic endowment	106,953	31,450
Library endowment	11,548	11,223
Murphy endowment	15,000	15,000
Scholarship and bursary endowment	2,049,379	2,039,494
Alumni Aquatic Centre operating endowment	119,921	116,547
Chairs of study endowment	376,044	264,994
Athletic endowment	33,000	33,000
	<u>2,808,773</u>	<u>2,607,428</u>
Government grants		
Provincial - operating	28,771,891	28,488,916
Provincial special - operating	2,400,000	2,400,000
Federal - indirect research	783,588	841,397
	<u>31,955,479</u>	<u>31,730,313</u>
Total ordinary revenue	<u>72,157,206</u>	<u>69,495,711</u>

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

Year ended March 31, 2015

	<u>2015</u>	<u>2014</u>
	\$	\$
Instruction and non-sponsored research		
Salaries - instruction and research	27,951,969	27,168,533
- support and other	4,356,503	4,330,012
Fringe benefits	4,742,528	4,702,286
Post retirement benefits	(127,700)	-
Operational supplies and expenses	1,545,195	1,105,032
Travel	416,416	380,006
Chairs of studies	376,044	264,994
Extension department - net (Schedule 4)	83,611	50,000
Coady International Institute - net (Schedule 3)	200,000	200,000
	<u>39,544,566</u>	<u>38,200,863</u>
Continuing education/training and development		
Salaries	192,862	199,257
Fringe benefits	33,713	35,370
Outside services	63,060	64,730
Operational supplies and expenses	131,639	138,761
Travel	62,394	81,755
	<u>483,668</u>	<u>519,873</u>
Educational information/technology		
Salaries	1,161,493	1,293,237
Fringe benefits	233,225	251,003
Operational supplies and expenses	137,987	151,400
Service of equipment	46,614	100,981
Travel	16,265	20,587
	<u>1,595,584</u>	<u>1,817,208</u>
Library		
Salaries	1,481,330	1,604,240
Fringe benefits	254,555	289,189
Library acquisitions	1,158,622	1,116,489
Operational supplies and expenses	25,931	23,523
Travel	6,452	4,429
	<u>2,926,890</u>	<u>3,037,870</u>
Student services		
Salaries	2,357,720	2,295,179
Fringe benefits	443,937	455,274
Operational supplies and expenses	1,221,374	1,260,923
Scholarships, bursaries and prizes	3,041,926	2,807,100
Travel	644,182	573,264
	<u>7,709,139</u>	<u>7,391,740</u>

ST. FRANCIS XAVIER UNIVERSITY

SCHEDULE 2

Expenditure (continued)

Year ended March 31, 2015

	2015	2014
	\$	\$
Advancement		
Salaries	1,384,681	1,208,290
Fringe benefits	276,823	245,277
Operational supplies and expenses	459,850	448,236
Travel	64,033	76,631
	2,185,387	1,978,434
Administration and general		
Salaries	2,307,142	2,700,660
Fringe benefits	645,693	532,142
Operational supplies and expenses	315,534	303,930
Institutional dues, legal, audit and other	1,569,759	1,475,473
Interest - net (Schedule 7)	1,228,781	1,207,055
Travel	118,316	97,565
	6,185,225	6,316,825
Facilities management		
Salaries	3,434,788	3,308,873
Fringe benefits	715,978	727,672
Operational supplies and expenses	1,526,141	1,439,898
Insurance	228,250	243,994
Utilities	3,065,061	3,681,877
	8,970,218	9,402,314
Repairs and maintenance	391,699	477,998
Capital renewal	500,000	250,000
Information and technology funding	1,181,968	901,339
Contingency/write-offs	1,099,586	-
Capital expenditures and debt repayment (Note 13)	(1,561,572)	(1,065,434)
	1,611,681	563,903
Total ordinary expenditure	71,212,358	69,229,030
Interfund transfers (Note 13)	1,561,572	1,065,434
Total ordinary expenditures after inter-fund transfers	72,773,930	70,294,464
Less: Total ordinary revenue (Schedule 1)	72,157,206	69,495,711
Net Operating Fund deficit	(616,723)	(798,753)

ST. FRANCIS XAVIER UNIVERSITY
COADY INTERNATIONAL INSTITUTE
Statement of Revenue and Expenditure
Year ended March 31, 2015

SCHEDULE 3

	<u>2015</u>	<u>2014</u>
	\$	\$
Revenue		
DFATD	2,049,815	1,886,808
Contract projects	2,367,340	2,666,281
General revenue	954,935	753,774
Endowments	133,737	122,529
Antigonish Movement Fund	10,472	10,152
Other grants and donations	1,131,291	868,534
	<u>6,647,590</u>	<u>6,308,078</u>
University contribution	200,000	200,000
	<u>6,847,590</u>	<u>6,508,078</u>
Expenditure		
Salaries	2,581,078	2,300,365
Fringe benefits	416,382	356,160
Travel - students	18,306	13,843
- staff	473,651	405,620
Operational supplies and expense	793,540	602,496
Library acquisitions	23,163	19,827
Room and board	534,433	374,267
Facilities and services	258,749	238,216
Contract projects	1,748,288	2,197,284
	<u>6,847,590</u>	<u>6,508,078</u>

ST. FRANCIS XAVIER UNIVERSITY
EXTENSION DEPARTMENT
Statement of Revenue and Expenditure
Year ended March 31, 2015

SCHEDULE 4

	<u>2015</u>	<u>2014</u>
	\$	\$
Revenue		
Antigonish Movement Fund	10,472	10,152
Cape Breton endowment	87,445	84,985
Murphy endowment	70,875	68,458
Other grants and donations	168,223	232,608
	<u>337,015</u>	<u>396,203</u>
University contribution	83,611	50,000
	<u>420,626</u>	<u>446,203</u>
Expenditure		
Salaries	346,572	362,513
Fringe benefits	53,260	58,355
Travel	7,141	8,480
Operational supplies and expense	13,653	16,855
	<u>420,626</u>	<u>446,203</u>

ST. FRANCIS XAVIER UNIVERSITY
ANCILLARY ENTERPRISES
Statement of Revenue and Expenditure
Year ended March 31, 2015

SCHEDULE 5

	<u>2015</u>	<u>2014</u>
	\$	\$
Revenue		
Residence fees - students	16,995,572	16,243,809
- others	3,167,077	3,128,532
Bookstore sales	2,324,701	2,454,072
Other ancillary services	3,005,708	3,150,862
	<u>25,493,058</u>	<u>24,977,275</u>
Expenditure		
Food service expenses	7,487,103	7,391,781
Facilities management expenses	5,242,994	5,628,861
Bookstore expenses	2,201,930	2,224,487
Administrative expenses	1,268,542	1,253,547
Other ancillary services	2,315,075	2,401,624
Interest on ancillary debt payments repayments	3,162,977	3,245,944
Capital expenditures	(51,786)	(51,786)
	<u>21,626,835</u>	<u>22,094,458</u>
Surplus before capital expenditures	3,866,223	2,882,817
Less: Ancillary debt repayments (principal only)	(3,295,970)	(2,829,776)
Less: Capital expenditures	(51,786)	(51,786)
	<u>518,467</u>	<u>1,255</u>
Surplus - Provison for ancillary improvements	518,467	1,255

ST. FRANCIS XAVIER UNIVERSITY
DEVELOPMENT PROGRAM (Note 9)
Statement of Fund Receipts and Disposition
Year ended March 31, 2015

SCHEDULE 6

	<u>2015</u>	<u>2014</u>
	\$	\$
Cash receipts	10,777,957	10,171,467
Allocated to		
Endowments	408,579	5,270,307
Capital Fund - physical services project	500	1,500
- Science Hall	105,252	2,100
- Millennium Centre	648	5,750
- School of Business	821,865	505,960
- Coady	43,276	134,848
- other	120	308
Specific operating accounts	3,483,098	3,971,923
	4,863,338	9,892,696
Increase in Campaign Fund capital	5,914,619	278,771
Development program capital, beginning of year	624,795	346,024
Development program capital, end of year	6,539,414	624,795

Interest Expense

Year ended March 31, 2015

	<u>2015</u>	<u>2014</u>
	\$	\$
Operating interest expense		
Interest and bank charges	1,397,010	1,376,268
Operating Interest recoveries		
University bookstore	19,000	19,000
Lane Hall	1,981	2,965
Other	147,248	147,248
	168,229	169,213
Operating interest expense - net	1,228,781	1,207,055
Ancillary interest expense	3,162,978	3,245,943
Total consolidated interest expense	4,391,759	4,452,998