



Mount Saint Vincent University

**Management Discussion and Analysis
and
Financial Statements
for the year ended
March 31, 2026**

Mount Saint Vincent University
Management Discussion and Analysis
For the Year Ended March 31, 2026

The following explanatory notes are provided in order to assist the reader in interpreting the financial statements for Mount Saint Vincent University for the year ended March 31, 2026.

General Highlights

Statement of Operations

The Statement of Operations reflects an excess of expenditures over revenue of \$963K this year compared to an excess of revenue over expenditures of \$1.8M in 2025 combined for all funds. The Operating Fund finished the year with an excess of expenditures over revenue of \$1.6M compared to an excess of revenue over expenditures in the prior year of \$878K.

To understand the financial results, a number of factors must be considered:

- The Statement of Operations reflects operating results before inter-fund transfers. Often expenditures are incurred in one fund and paid for by another fund. Note 16 to the financial statements provides a summary of the inter-fund transfers. This is important when looking at results for individual funds because the sub-total in the Statement of Net Assets will reflect the overall financial results for that fund.
- In the Capital Fund, there are a number of non-cash items. The two largest non-cash items are amortization of deferred capital contributions and amortization of capital assets. Accounting rules require that we defer all external contributions towards capital assets (such as government grant contributions) and amortize them over the life of the related capital assets. Likewise, capital assets are written off or amortized over their useful life.
- Operating Fund results are shown in the Statement of Changes in Net Assets as the sub-total after inter-fund transfers. For the 2026 fiscal year, operations show an excess of expenditures over revenues in the amount of \$1.6M, which, in accordance with Board policy, has been covered through a transfer from the Strategy Implementation Reserve (unappropriated reserve).

Other Highlights

- The Provincial operating grant for the University again increased only 2% or \$444K, and funding arrangements now include provisions where a portion of funding is withheld until the University meets specific performance targets set out in a bi-lateral agreement and aligned with the provincial strategic priorities for the Province. For 2025-26, approximately \$1M of grant revenue was at risk. The University met

its targets and the holdbacks were released prior to year-end. Also, as part of the bi-lateral agreement, undergraduate tuition for Nova Scotian students was frozen and could not be increased.

- Changes in immigration policy and regulations, which began in January 2024, has changed the landscape for universities and colleges all across Canada. With the establishment of caps on the number of international students that each University could enroll, and subsequent changes that limited the acceptance of certain diploma and certificate programs for post-graduate work permits, we began to see a reduction in the number of international students applying to the University. Even those that are applying may see lower approval ratings for entrance into the country. Canada is no longer seen as a welcoming place for international students to study. With international students required to pay the full cost of their education (having not paid taxes in Canada), they typically pay more than double tuition, so every lost student equates to two domestic students from a revenue perspective. In 2025, the University still saw an increase in enrolment from international students of 5.6%, although it was substantially lower than prior year increases. During 2025-26, international enrolment declined 24.1%. A similar decline is anticipated in the upcoming year as international student intake is low and students already attending are completing programs and graduating.
- Enrolment decreased 2.8% from 2025/26 overall. Undergraduate enrolment declined 6.1% while BEd enrolment increased 17.0% with the introduction of a new 14 month BEd program. Graduate enrolment overall was relatively flat, increasing only .2%.
- Interest rates declined a further .5% during 2025-26 and then held at 2.7%. This resulted in lower interest income than the prior year when rates were at the peak.
- The University has two capital projects currently in progress. The building of a new modernized child study centre (budget of \$18.2M will expand capacity from 40 spaces to 122 spaces for children ranging from infants to preschoolers. A new PsyD academic program will also begin in September 26, which will include the renovation of an existing building for a PsyD clinic (budget of \$4.2M). Construction in progress on these projects at March 31st was \$2.5M. During 2025-26, additional provincial funding in the amount of \$4.4M was received. At March 31, 2026, deferred revenue included approximately \$15M related to these projects.
- Financial Statement Presentation – For the current year financial statements, endowment spending allocations have been removed from interfund transfers in the Statement of Net Assets, with the revenue now included in the Statement of Operations as a new line entitled “Endowment Income” and as a reduction of Externally Restricted Endowments in the Statement of Net Assets in a new line called “Endowment Spending Allocation”. Also, the gain (loss) on derivatives is now shown in the Statement of Operations rather than the Statement of Net Assets. Comparative information has also been adjusted.

The following are explanations of the key changes within the financial statements from fiscal 2025 to fiscal 2026:

Revenue

Total revenue decreased by \$3.5M or 4.1% over the prior year. The main areas of note are:

- The annual provincial operating funding of the University increased by \$444K or 2%. The operating grant is now part of a bi-lateral agreement with the Province that includes extensive reporting requirements and a portion of the grant is conditional on meeting certain government criteria.
- Restricted government funding tends to fluctuate in research and special project areas depending on particular contracts/projects underway. Revenue declined \$2.4M in the fiscal year primarily related to this area as a number of large projects concluded at the end of 2025.
- Overall, student fees income decreased by 3.6% or \$1.4M over the prior year.

Undergraduate tuition fees (including BEd) were not increased from the prior year. (Undergraduate tuition fee increases for Nova Scotia undergraduate students were frozen). Graduate tuition was increased 3% for the year. International differential fees for new international students were increased by 3% and fees for international returning students were harmonized with those for new students starting in September (This amounted to a 14.9% increase for this group).

Enrolment decreased 2.8% from 2024/25 overall, while international enrolment decreased 24.1%. Undergraduate enrolment decreased by 6.1%. (This includes international undergrad students). BEd enrolment increased 17% over the prior year. A new 14 month BEd program began in May 25 in addition to the ongoing 20 month program. Graduate enrolment remained relatively flat (increased .2% over the prior year).

Residence and meal plan fee revenue from students increased \$292K from the prior year as a result of a 3.8% increase in Room and Board fees. Occupancy in residence increased from 85% in 2024-25 to 87% in 2025-26.

- Realized investment income declined by \$768K as interest rates dropped a further .5% in 2025-26 and then remained low given the tenuous nature of the economy.
- The University recorded a positive mark to market gain of \$315K on derivatives designated as cash flow hedges (interest rate swaps) in 25/26.

Expenditures

Total expenditures decreased by \$742K or .9%. The main areas of note are:

- Salaries and benefits continue to be the largest portion of the University's expenditures, comprising 69.8% of total expenditures as compared to 68.4% in the

prior year. The increase for the year was \$641K or 1.1%, which was a combination of annual salary increases offset by savings from unexpected resignations and other turnover, and changes in the special purpose funds based on project activity. The Operating Fund Salaries & benefits increase was approximately \$1.9M or 3.7%. Salaries and benefit expenditures in Restricted Special Purpose funds decreased by \$1.5M spread over a number of projects that concluded in 2025.

- Travel and moving expenditures decreased by \$291K or 17.5% as travel activity varied and a number of restricted projects wound down.
- Repairs and maintenance expenditures increased by \$334K or 19.2% as a result of renovations to improve lab space funded through the Canada Foundation for Innovation.
- Scholarships, awards and bursaries costs increased by \$348K compared to the prior year as a result of higher acceptance rates and new awards.
- Other expenditures decreased by \$1.5M or 15.3%. \$758K of the reduction was in the Operating Fund as international agent commissions declined \$564K along with the decline in international enrolment. There was a \$677K decrease in Restricted Special Purpose Funds primarily from a number of significant projects concluding at the end of 2025.

Statement of Changes in Net Assets

This statement reflects the net asset position of the University, which is \$71.7M as at March 31, 2026. Other points to note:

- Endowment contributions were \$664K higher than the prior year.
- Net realized investment income decreased \$859K or 26.8% over the prior year as a result of lower investment rates.
- Net unrealized investment income decreased \$2.0M or 265% over the prior year as a result of declining economic market conditions and lower interest rates.
- The inter-fund transfers are reflected in this statement and more detail is provided in Note 16.

Statement of Financial Position

As at March 31, 2026, the financial statements reflect a current ratio of 2.15:1 and a total long-term liability to equity ratio (including all long-term obligations) of .60:1. While the University has had a history of balanced operating financial results, with an operating deficit this year and a budgeted deficit for the coming year, it is experiencing much more challenging times. It currently maintains minimal debt (3.7%) in comparison to the total insured value of buildings and contents of \$21M. Other points of note:

- The increase in cash and short-term deposits of \$8.7M or 17.4% is primarily the result of advance funding provided by the Province for the two capital projects underway and the new PsyD academic program. \$12.3M for these projects was received in 2025-26. \$7.9M of this amount was included in receivables at the end of 2025. A \$1.6M operating deficit in 25-26 would have drawn down the cash position.
- Government receivables decreased \$8.1M or 81.9% as a result of collection of government receivables during the year as noted above.
- Capital asset additions for 25/26 were \$3.3M, including \$2.5M for construction in progress related to the new Child Study Centre and PsyD clinic, building additions of \$434K and other additions of \$377K. Capital asset amortization amounted to \$1.9M. The construction in progress will not be amortized until the buildings are complete.
- Deferred revenue increased by \$1.4M or 8.2% primarily as a result of the deferral of funding received from the Province for the new PsyD clinic operations in the amount of \$4.4M offset by a transfer of deferred revenue to deferred capital contributions to cover construction in progress costs in the amount of \$2.5M. Also offsetting this was a \$400K reduction in student payments in advance of their studies, which relates to the softening of enrolment, particularly for international students.
- Long-term debt (including current portion) decreased \$816K or 6.5%. No new debt financing was undertaken in 25/26, so the reduction is related solely to principal payments for the year.
- The liability for derivatives was decreased by a \$315K gain as a result of the mark to market adjustment for the interest rate swaps utilized for debt financing. It is now a \$14K asset.
- Deferred contributions increased \$1.8M or 5.9% as compared to 24/25. The increase is primarily driven by provincial funding contributions of \$2.5M for construction in progress costs as noted above. There was also the amortization of deferred capital contributions of \$1.1M. The remaining difference relates to the change in deferred contributions for restricted special purpose funds during the year.



Mount Saint Vincent University

**Financial Statements
for the year ended
March 31, 2026**

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Independent auditor's report

To the Board of Governors

Mount Saint Vincent University

Opinion

We have audited the financial statements of Mount Saint Vincent University ("the University"), which comprise the Statement of Financial Position as at March 31, 2026, and the Statements of Operations, Changes in Net Assets and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Mount Saint Vincent University as at March 31, 2026, and its results of operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the University in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Matter

The financial statements for the year ended March 31, 2025, were audited by another practitioner who expressed an unmodified conclusion on those statements on June 24, 2025.

Information Other than the Financial Statements and Auditor's Report Thereon

Management is responsible for the other information. The other information comprises the information included in the Management Discussion and Analysis report but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact in this auditor's report. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance 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.

In preparing the financial statements, management is responsible for assessing the University's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the University or to cease operations, or has no realistic alternative but to do so.

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

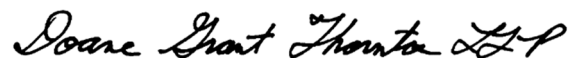
Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the University's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the University's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the University to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



Halifax, Canada
June 25, 2026

Chartered Professional Accountants

MOUNT SAINT VINCENT UNIVERSITY

Statement of Financial Position

March 31,

	2026	2025
Assets		
Current assets		
Cash and short-term deposits	\$ 58,544,042	\$ 49,873,015
Accounts receivable -		
Students	613,555	685,258
Government grants	1,795,274	9,901,200
Other	1,335,331	1,352,896
Inventory and prepaids	1,823,661	1,725,129
	64,111,863	63,537,498
Investments (note 3)	44,931,827	44,657,689
Capital assets (note 4)	35,706,894	34,495,518
	\$ 144,750,584	\$ 142,690,705
Liabilities and Net Assets		
Current liabilities:		
Accounts payable and accrued liabilities (note 5)	\$ 11,079,563	\$ 10,977,913
Current portion of long-term debt (note 6)	862,144	853,756
Deferred revenue (note 7)	17,930,878	16,572,682
	29,872,585	28,404,351
Long-term liabilities:		
Long-term debt (note 6)	10,912,316	11,736,718
Derivatives (note 8)	(14,108)	300,997
Deferred contributions (note 9)	32,251,721	30,448,794
	43,149,929	42,486,509
Net Assets:		
Endowments (note 10)		
Externally restricted	43,510,817	42,621,480
Internally restricted	2,058,185	2,053,099
Restricted net assets	45,569,002	44,674,579
Investment in capital assets	3,833,861	3,053,758
Capital reserves (note 11)	4,788,732	4,413,263
Unappropriated reserves (note 11)	9,738,355	10,799,121
Internally restricted special purpose funds	7,798,120	8,859,124
Unrestricted net assets	26,159,068	27,125,266
	71,728,070	71,799,845
	\$ 144,750,584	\$ 142,690,705

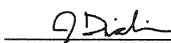
Commitments and Contingencies (note 12)

Subsequent event (note 19)

See accompanying notes to financial statements.

Approved by the Board of Governors

 Governor

 Governor

MOUNT SAINT VINCENT UNIVERSITY

Statement of Operations

Year ended March 31,

	Operating	Capital	Restricted Special Purpose	Internally Restricted Special Purpose	Internally Restricted Endowments	2026 Total	2025 Total
REVENUE:							
Government grants -							
Operating	\$ 22,588,706	\$ 272,158	\$ -	\$ -	\$ -	\$ 22,860,864	\$ 22,416,824
Restricted	3,273,378	-	7,540,081	14,161	-	10,827,620	13,186,722
Student fees	36,754,198	921,908	-	-	-	37,676,106	39,069,933
Realized investment income	1,141,523	10,000	18,551	155,805	113,097	1,438,976	2,207,236
Unrealized investment (loss) gain	-	-	-	-	(55,016)	(55,016)	36,851
Gain (loss on derivatives)	-	315,105	-	-	-	315,105	(523,084)
Endowment Income	822,757	159,000	420,431	-	(52,995)	1,349,193	1,250,491
Donations and other grants	-	-	732,832	45,091	-	777,923	877,837
Amortization of deferred capital contributions	-	1,107,647	-	-	-	1,107,647	1,137,332
Other revenue (note 13)	3,332,335	42,747	366,855	1,100,943	-	4,842,880	4,950,510
Total Revenue	67,912,897	2,828,565	9,078,750	1,316,000	5,086	81,141,298	84,610,652
EXPENDITURES:							
Salaries and employee benefits	52,170,332	6,628	4,418,172	726,084	-	57,321,216	56,680,200
Cost of sales (note 14)	2,366,462	-	-	19,575	-	2,386,037	2,198,126
Travel and moving	888,321	-	393,303	91,355	-	1,372,979	1,663,994
Operating supplies	986,883	27,238	622,966	391,188	-	2,028,275	2,124,800
Repairs and maintenance	1,462,558	308,537	300,601	-	-	2,071,696	1,737,604
Amortization of capital assets	-	1,948,707	-	-	-	1,948,707	2,438,729
Utilities	2,676,411	-	-	-	-	2,676,411	2,625,460
Interest	602,355	-	-	-	-	602,355	643,798
Scholarship, awards and bursaries	3,136,395	-	399,688	-	-	3,536,083	3,188,542
Loss on disposal of capital assets	-	80,794	-	-	-	80,794	-
Other expenditures (note 15)	4,829,794	199,664	2,303,869	746,668	-	8,079,995	9,545,514
Total Expenditures	69,119,511	2,571,568	8,438,599	1,974,870	-	82,104,548	82,846,767
(Deficiency) excess of revenue over expenditures	\$ (1,206,614)	\$ 256,997	\$ 640,151	\$ (658,870)	\$ 5,086	\$ (963,250)	\$ 1,763,885

See accompanying notes to financial statements.

MOUNT SAINT VINCENT UNIVERSITY

Statement of Changes in Net Assets

Year ended March 31,

	Operating	Unappropriated Reserves	Investment in Capital Assets	Capital Reserves	Restricted Special Purpose	Internally Restricted Special Purpose	Internally Restricted Endowments	Externally Restricted Endowments	2026 Total	2025 Total
Balance, beginning of year	\$ -	\$ 10,799,121	\$ 3,053,758	\$ 4,413,263	\$ -	\$ 8,859,124	\$ 2,053,099	\$ 42,621,480	\$ 71,799,845	\$ 66,887,187
(Deficiency) excess of revenue over expenditures	(1,206,614)	-	256,997	-	640,151	(658,870)	5,086	-	(963,250)	1,763,885
Endowment contributions	-	-	-	-	-	-	-	1,112,745	1,112,745	449,202
Net realized investment income	-	-	-	-	-	-	-	2,351,054	2,351,054	3,210,259
Net unrealized investment loss	-	-	-	-	-	-	-	(1,223,131)	(1,223,131)	739,803
Endowment Spending allocation	-	-	-	-	-	-	-	(1,349,193)	(1,349,193)	(1,250,491)
Inter-fund transfers (note 16)	(395,257)	541,105	898,575	-	(640,151)	(402,134)	-	(2,138)	-	-
Sub-total	(1,601,871)	541,105	1,155,572	-	-	(1,061,004)	5,086	889,337	(71,775)	4,912,658
Appropriations	1,601,871	(1,601,871)	(375,469)	375,469	-	-	-	-	-	-
Balance, end of year	\$ -	\$ 9,738,355	\$ 3,833,861	\$ 4,788,732	\$ -	\$ 7,798,120	\$ 2,058,185	\$ 43,510,817	\$ 71,728,070	\$ 71,799,845

See accompanying notes to financial statements.

MOUNT SAINT VINCENT UNIVERSITY

Statement of Cash Flows

Year ended March 31,

	2026	2025
Cash provided by (used for):		
Operating activities:		
(Deficiency) excess of revenue over expenditures for the year	\$ (963,250)	\$ 1,763,885
Items not involving cash:		
Amortization of capital assets	1,948,707	2,438,729
Amortization of deferred capital contributions	(1,107,647)	(1,137,332)
Unrealized investment loss (gain)	55,016	(36,851)
(Gain) loss on derivatives	(315,105)	523,084
Change in non-cash working capital	12,467,082	2,028,383
	12,084,803	5,579,898
Investing activities:		
Additions to investments	(3,621,913)	(5,576,609)
Proceeds on disposal of investments	2,069,628	2,942,525
Capital assets acquired net of disposals	(3,160,083)	(1,070,617)
Endowment investment income (net of spending)	1,001,861	1,959,768
	(3,710,507)	(1,744,933)
Financing activities:		
Principal payments on long-term debt	(816,014)	(774,454)
Endowment contributions	1,112,745	449,202
	296,731	(325,252)
Increase in cash and short-term deposits	8,671,027	3,509,713
Cash and short-term deposits, beginning of year	49,873,015	46,363,302
Cash and short-term deposits, end of year	\$ 58,544,042	\$ 49,873,015

See accompanying notes to financial statements.

MOUNT SAINT VINCENT UNIVERSITY

Notes to Financial Statements

Year ended March 31, 2026

1. Purpose:

Mount Saint Vincent University ("the University") is an organization operating under the authority of the *University Act of Nova Scotia*. Mount Saint Vincent University marked its 150th anniversary in 2023. Since 1873, MSVU has been challenging the status quo, and prioritizing access and impact. As a leader in online and experiential learning, and based on a strong tradition of social responsibility, MSVU takes a personalized approach to education to nurture socially responsible global citizens. The University has been nationally recognized for its small class sizes that connect students with peers and professors, for providing students early access to valuable research opportunities, for its legacy in the advancement of women, and for facilitating critical advancements in food security, healthy aging, literacy, childhood development and much more. MSVU is located in Mi'kma'ki, the unceded and ancestral territory of the Mi'kmaq People.

The University is known for its distinctive programs, access to high-quality faculty members and opportunities to be involved in research and community service. The University offers undergraduate degrees in liberal arts and sciences, education, and an array of professional programs including Applied Human Nutrition, Business Administration, Child and Youth Study, Family Studies and Gerontology, Public Relations and Tourism and Hospitality Management. In addition, co-operative education is offered in three of these professional programs and graduate programs build on and enhance undergraduate program strengths. The academic governance of the University is vested in the Senate. The University is a not-for-profit entity governed by a Board of Governors. The University is a registered charity under the *Income Tax Act* and accordingly is exempt from income taxes, provided certain requirements of the *Income Tax Act* are met.

2. Significant Accounting Policies:

These financial statements have been prepared by management in accordance with Part III of the CPA Canada Handbook, which sets out generally accepted accounting principles for not-for-profit organizations in Canada and includes the significant accounting policies set out below:

a) Fund accounting:

The University follows the deferral method with the multi-column format for the Statement of Operations and the Statement of Changes in Net Assets.

Revenue and expenditures related to daily operations and administrative activities of the University are reported in the Operating Fund.

The Capital Asset Fund, which includes Capital Reserves, reports the assets, liabilities, revenues and expenditures related to the University's capital assets.

The Unappropriated Reserves are used for specific initiatives as approved by the Board of Governors or through spending policies established by the Board of Governors.

Revenues and expenditures related to fundraising and research activities are reported in the Internally Restricted Special Purpose and the Restricted Special Purpose Funds.

There are both internally and externally restricted endowments. Internally Restricted Endowments are generally established through a motion of the Board of Governors. For all externally restricted endowments, the principal of the fund is preserved and spending levels are determined through the use of a Board approved Endowment Policy.

MOUNT SAINT VINCENT UNIVERSITY

Notes to Financial Statements

Year ended March 31, 2026

2. Significant Accounting Policies (continued):

b) Revenue recognition:

The University follows the deferral method of accounting for contributions, which includes donations and government grants.

The University receives grants and donations from a number of different sources to cover operating, research and capital expenditures. The operating portions of the grants are recorded as revenue in the period to which they relate. The capital portions of grants are recorded as a deferred contribution and amortized into revenue at a rate corresponding with the amortization rate for the related capital assets. When a portion of a grant relates to a future period, it is deferred and recognized in the subsequent period.

The operating grant from the Province of Nova Scotia in fiscal 2026 included holdbacks totalling \$1.1M tied to meeting certain targets and milestones as set out in the two-year bi-lateral agreement with the Province. All holdbacks were received by the end of the fiscal year.

Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Externally restricted contributions other than endowment contributions are recognized as revenue in the year in which the related expenses are recognized.

Endowment contributions and re-capitalized investment income on endowments are recognized as direct increases in endowment net assets.

Investment income includes dividend and interest income and realized and unrealized investment gains and losses. Unrealized gains and losses on held for trading financial assets are included in investment income and recognized as revenue in the Statement of Operations, deferred or reported directly in the fund balances, depending on the nature of any external restrictions imposed on the investment income.

Revenues from tuition fees, residence fees, contracts and sales are recognized when the services are provided or the goods are sold.

c) Contributed services:

Volunteers contribute an undeterminable number of hours each year. Because of the difficulty in determining the fair value, contributed services are not recognized in these financial statements.

d) Cash and short-term deposits:

Cash and short-term deposits include petty cash, cash on deposit, and short-term bank indebtedness with financial institutions, and deposits in money market instruments with maturities of three months or less.

MOUNT SAINT VINCENT UNIVERSITY

Notes to the Financial Statements

Year ended March 31, 2026

2. Significant Accounting Policies (continued):

e) Investments:

Pooled funds are valued based on reported unit values derived from quoted market values of underlying assets traded in an active market. Transaction costs are expensed as incurred.

f) Capital assets:

Purchased capital assets are recorded at cost. Donated capital assets are recorded at fair value at the date of acquisition. Repairs and maintenance costs are charged to expense. Betterments, which extend the estimated life of an asset, are capitalized.

Capital assets are amortized using the following rates.

Campus infrastructure	5% declining balance
Buildings	5% declining balance
Furniture and equipment	10 years straight-line
Computer equipment	6 years straight-line
Vehicles	5 years straight-line
Assets under capital lease	Matched to lease term
Art collection	Nil
Library collection	10 years straight-line

Capital assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability of an asset to be held and used is measured by a comparison of the carrying amount of an asset to the estimated undiscounted future cash flows expected to be generated by the asset. If the carrying amount of the asset exceeds its estimated future cash flows, an impairment charge is recognized by the amount by which the carrying amount of the asset exceeds the fair value of the asset.

g) Retirement Plan costs:

Pension expense for the year ended March 31, 2026 totalled \$2,626,002 (2025 - \$2,539,695).

h) Derivative financial instruments:

The University enters into interest rate swaps to manage its exposure to fluctuations in interest rates on portions of its long-term debt. It is not the University's policy to utilize derivative financial instruments for trading or speculative purposes. These swap agreements involve the periodic exchange of interest payments without the exchange of the underlying notional principal amount on which the payments are based. The University designates certain interest rate swaps as hedges of underlying debt in accordance with its risk management objectives. The derivatives are linked to identified debt obligations.

Where hedge accounting is applied, the net payments or receipts under the interest rate swaps are recognized as an adjustment to interest expense in the same period as the related interest on the hedged debt. Derivative financial instruments are measured at fair value, and changes in fair value

MOUNT SAINT VINCENT UNIVERSITY

Notes to the Financial Statements

Year ended March 31, 2026

2. Significant Accounting Policies (continued):

h) Derivative financial instruments (continued):

are recognized in income unless hedge accounting is applied. If a hedging relationship is discontinued or if a hedged item is sold, extinguished, or matures prior to the termination of the related derivative instrument, any associated gains or losses are recognized in income in the period in which they arise.

If a hedging relationship is discontinued or if a hedged item is sold, extinguished, or matures prior to the termination of the related derivative instrument, any associated gains or losses are recognized in income in the period in which they arise.

i) Use of estimates

The preparation of financial statements requires management to make estimates and assumptions that affect reported amounts of assets and liabilities, related amounts of revenue and expenses, and disclosure of contingent liabilities at the date of the statement of financial position. Actual results could differ from those estimates. The areas that are most subject to estimation and judgement include the amortization periods for capital assets and the accounts receivable allowance for doubtful accounts.

3. Investments:

	2026	2025
Pooled equity funds	\$ 41,581,465	\$ 41,111,920
Pooled fixed income funds	3,350,362	3,545,769
	<u>\$ 44,931,827</u>	<u>\$ 44,657,689</u>

Details of significant terms and considerations, exposures to interest rate and credit risks on investments are as follows:

- (i) The quality of fixed income fund units is supported by federal, provincial and municipal government guarantees or high quality corporate bonds.
- (ii) The fair value of equity securities within the pooled funds are exposed to normal market fluctuations. The University mitigates this risk by holding units of a diversified global balanced fund.
- (iii) The income earned on the securities is used to pay scholarships, fund endowed chairs and provide income for operations or other purposes specified by the terms of the endowment. Expenditure levels on these activities are determined based on the Endowment Policy approved by the Board of Governors.

MOUNT SAINT VINCENT UNIVERSITY

Notes to the Financial Statements

Year ended March 31, 2026

4. Capital Assets:

			2026	2025
	Accumulated Cost	Net book amortization	Net book value	value
Land	\$ 1,471,134	\$ -	\$ 1,471,134	\$ 1,471,134
Campus infrastructure	1,261,065	(844,020)	417,045	438,994
Buildings	84,047,617	(55,316,540)	28,731,077	29,919,017
Construction in progress	2,455,154	-	2,455,154	-
Furniture and equipment	15,842,864	(13,898,553)	1,944,311	2,064,896
Computer equipment	1,672,332	(1,313,835)	358,497	235,571
Vehicles	276,991	(242,957)	34,034	55,744
Art collection	159,100	-	159,100	159,100
Library collection	3,806,459	(3,669,917)	136,542	151,062
	\$110,992,716	\$ (75,285,822)	\$ 35,706,894	\$ 34,495,518

Construction in progress costs relate to the construction of the new Child Study Centre, which began in the early 2025 and is anticipated to be completed early in 2027. The total budgeted cost for the project is \$18.2M, which will be funded by \$10.5M in funding from the Province of Nova Scotia and the balance primarily from fund-raising. Also included are costs related to the retrofit of an existing building for a PsyD Clinic, which began in the fall of 2025 and is anticipated to be completed in early 2027. The total budgeted cost for the project is \$4.1M, which will be fully funded by the Province of Nova Scotia.

With respect to the projects, the University had signed construction contracts of approximately \$4.5M by March 31, 2026. The portion that has been committed but unspent as at March 31, 2026 is approximately \$2.8M. Subsequent to year-end, the University entered additional contracts on these projects totalling \$4.1M.

MOUNT SAINT VINCENT UNIVERSITY

Notes to Financial Statements

Year ended March 31, 2026

5. Government Remittances Payable:

Included in accounts payable and accrued liabilities are government remittances payable of \$147,583 (2025 - \$145,304).

6. Long-Term Debt:

(a) The details of the long-term debt are as follows:

	2026	2025
Birches Residence - Non-revolving term facility loan by way of banker's acceptance at the CORRA plus 0.68%, renewable quarterly in declining principal amounts which range from \$9,000 to \$32,000, due February, 2031	\$ 572,000	\$ 670,000
Research House - 2.29% first mortgage, due March 2030, payable in blended monthly payments of \$721	37,742	45,286
Westwood Residence - 7.25% term loan, due April 2034, payable in blended monthly payments of \$45,763	3,351,718	3,646,188
Evaristus Science Labs/EMF Roof - Non-revolving term facility loan by way of banker's acceptance at CORRA plus 0.68%, renewable quarterly in declining principal amounts which range from \$8,000 to \$28,000, due October, 2032	655,000	734,000
47 College Rd/Seton Roof - Non-revolving term facility loan by way of banker's acceptance at CORRA plus 0.77%, renewable quarterly in declining principal amounts which range from \$15,000 to \$47,000, due March, 2034	1,233,000	1,362,000

MOUNT SAINT VINCENT UNIVERSITY

Notes to Financial Statements

Year ended March 31, 2026

6. Long-Term Debt (continued):

	2026	2025
Margaret Norrie McCain Centre - Non-revolving term facility loan by way of banker's acceptance at CORRA plus 0.62%, renewable monthly in declining principal amounts which range from \$12,000 to \$36,000, due July, 2045	5,925,000	6,133,000
	11,774,460	12,590,474
Less current portion of long-term debt	(862,144)	(853,756)
	\$ 10,912,316	\$ 11,736,718

The University's borrowings bear interest at a variable rate based on the Canadian Overnight Repo Rate Average (CORRA) plus an applicable margin. Prior to the transition, interest was based on Banker's acceptances (BA). This change reflects the market-wide transition away from BA to CORRA as the primary benchmark rate in Canada.

The mortgage is secured by the related building on which the mortgage is placed. The remaining debt is secured by a guarantee from the University.

(b) The aggregate amount of principal payments required in each of the next five years is as follows:

Year ending March 31,	
	2027
	2028
	2029
	2030
	2031
	862,144
	908,175
	960,050
	1,015,855
	1,068,905

MOUNT SAINT VINCENT UNIVERSITY

Notes to Financial Statements

Year ended March 31, 2026

7. Deferred Revenue:

Deferred revenue includes grants, contributions and income received which are unspent at the end of the year and for which the contributor has specified a particular use. Deferred operating revenues include student tuition, grant and other income received in advance of year-end relating to the period after March 31.

	2026	2025
Operating	\$11,101,122	\$ 7,033,941
Capital	6,829,756	9,044,587
Research	-	60,102
Special Purpose	-	434,052
	\$ 17,930,878	\$ 16,572,682

8. Derivatives:

The fair value of the interest rate swap contracts are:

	2026	2025
Margaret Norrie McCain Centre	\$ (111,587)	\$ 134,170
Birches Residence	25,642	42,432
Evaristus Science Labs/EMF Roof	53,698	78,114
47 College Rd/Seton Roof	18,139	46,281
	\$ (14,108)	\$ 300,997

Interest rate swaps have been recorded at fair value as a component of derivatives. The swaps entitle the University to receive interest at a 90 day CORRA rate and pay interest at an effective fixed rate of 3.70% for the McCain Centre, 5.13% for the Birches Residence, 5.82% for the Evaristus Science Labs/EMF Roof and 4.03% for 47 College Rd/Seton Roof.

At March 31, 2026, the notional value of interest rate swaps was equal to the respective loans to which they are associated. The McCain Centre interest rate swap ends on July 6, 2045, the Birches Residence interest rate swap ends on February 3, 2031, the Evaristus Science Labs/EMF Roof interest rate swap ends on October 4, 2032 and the 47 College Rd/Seton Roof interest rate swap ends on March 31, 2034.

MOUNT SAINT VINCENT UNIVERSITY

Notes to Financial Statements

Year ended March 31, 2026

9. Deferred Contributions:

Deferred contributions related to expenses of future periods for the Restricted Special Purpose Fund represent unspent externally restricted grants and donations for research, special projects and development programs. Deferred capital contributions related to capital assets represent the unamortized amount and unspent amount of donations and grants received for the purchase of capital assets. The amortization of deferred capital contributions is recorded as revenue in the Statement of Operations.

The balance of unamortized deferred contributions consists of the following:

	Restricted Special Purpose	Capital	2026	2025
Balance, beginning of year	\$ 11,898,506	\$ 18,550,288	\$ 30,448,794	\$ 31,530,840
Contributions received in the year	9,548,970	2,440,354	11,989,324	11,798,451
	21,447,476	20,990,642	42,438,118	43,329,291
Reported in revenue	(9,078,750)	(1,107,647)	(10,186,397)	(12,880,497)
Reallocation	(229,686)	229,686	-	-
Balance, end of year	\$ 12,139,040	\$ 20,112,681	\$ 32,251,721	\$ 30,448,794

MOUNT SAINT VINCENT UNIVERSITY

Notes to Financial Statements

Year ended March 31, 2026

10. Endowments:

Details of year-end balances are as follows:

	2026	2025
Externally Restricted		
Scholarships and Bursaries	\$ 25,584,144	\$ 24,669,883
The Nancy's Chair in Women's Studies	5,114,462	5,178,976
Lena Isabel Jodrey Fund in Gerontology	1,058,062	1,065,453
Gail and Stephen Jarislowsky Chair in Learning Disabilities	3,823,907	3,820,554
Capital Endowment	4,456,371	4,487,490
Other Endowments	3,473,871	3,399,124
	43,510,817	42,621,480
Internally Restricted		
Rosaria Student Centre	1,414,289	1,424,174
Development Operations	241,187	235,037
MSVU Indigenous Student Fund	331,696	322,274
Other Endowments	71,013	71,614
	2,058,185	2,053,099
	\$ 45,569,002	\$ 44,674,579

MOUNT SAINT VINCENT UNIVERSITY

Notes to Financial Statements

Year ended March 31, 2026

11. Capital Reserves and Unappropriated Reserves:

Details of year-end balances are as follows:

	2026	2025
<i>Capital Reserves</i>		
Facilities Renewal	\$ 2,607,662	\$ 1,148,091
Other Capital Projects	2,181,070	3,265,172
	<u>\$ 4,788,732</u>	<u>\$ 4,413,263</u>
<i>Unappropriated Reserves</i>		
Strategy Implementation Reserve	\$ 9,738,355	\$ 10,799,121

The Facilities Renewal Reserve is used to fund capital projects, as approved by the Board of Governors or the President, based on specific approval limits.

The Other Capital Projects Reserve includes carry-forward funds from prior approved capital allocations that will be used for ongoing or new capital initiatives.

The Strategy Implementation Reserve was established to fund specific strategic initiatives that are not part of regular operations and approval from the Board of Governors or the President, based on specified approval limits, is required for use of the funds.

At the end of each fiscal year, in accordance with the Board policy for the Strategy Implementation Reserve, any operating surplus is transferred to the Reserve and any operating deficit is funded from the Reserve unless the Board has approved an alternate approach. These transfers are reflected as appropriations in the Statement of Net Assets. Also any remaining funding from unspent Capital Fund allocations/budget is transferred back to the Other Capital Reserves at year-end and any approved spending from the Facilities Renewal Reserve is transferred to the Capital Fund as spent. These transfers also are reflected under appropriations between the Capital Fund and Capital Reserves in the Statement of Net Assets.

MOUNT SAINT VINCENT UNIVERSITY

Notes to Financial Statements

Year ended March 31, 2026

12. Commitments and Contingencies:

Insurance Contingency - Reciprocal Exchange of Insurance Risks:

The University participates in a reciprocal exchange of insurance risks in association with seventy-nine other Canadian universities through the Canadian Universities Reciprocal Insurance Exchange (CURIE). This self-insurance cooperative involves a contractual agreement to share the insurance property and liability risks of member universities for a term of not less than five years.

The projected cost of claims will be funded through members' premiums based on actuarial projections. As of December 31, 2025, CURIE had an accumulated excess of income over expenses of \$134 million, of which the University's pro rata share is approximately 0.50% on an ongoing basis. In addition, the reciprocal has obtained \$1.235 billion (2025 - \$1.235 billion) of re-insurance with commercial insurers to cover major property claims in excess of \$15 million (2025 - \$15 million) per occurrence. In respect of general liability, the limit is \$5 million per occurrence. Re-insurance for general liability coverage in the amount of \$45 million in excess of \$5 million per occurrence is in place.

In the event premiums are not sufficient to cover claim settlements, the member universities would be subject to an assessment in proportion to their participation.

Legal Contingencies:

From time to time, the University is involved in litigation or proceedings relating to claims arising out of its operations in the ordinary course of business. It is the opinion of management that the aggregate amount of any potential liability is not expected to have a material adverse effect on the University's financial position or results.

13. Other Revenue:

Other revenue includes revenue from bookstore sales, conference operations, parking fees, child study centre fees, athletic membership fees, non-government project funding, and a variety of expenditure recoveries.

14. Cost of Sales:

The amount of inventory expensed during the year was \$615,198 (2025 - \$559,027).

15. Other Expenditures:

Other expenditures includes expenditures for non-capitalized library acquisitions, equipment rentals, equipment purchases (non-capital), professional fees, advertising, bank charges, memberships, insurance, property taxes, software and other miscellaneous expenditures.

MOUNT SAINT VINCENT UNIVERSITY

Notes to Financial Statements

Year ended March 31, 2026

16. Inter-fund Transfers:

All inter-fund transfers are accumulated on one line to eliminate duplicate recording. Inter-fund transfers are necessary when revenues are received or expenditures are incurred in one fund but are directly related to another.

Year Ended March 31, 2026

(Funded By) On Behalf Of

	Operating	Unappropriated Reserves	Investment in Capital Assets	Restricted Special Purpose	Internally Restricted Special Purpose	Internally Restricted Endowments	Externally Restricted Endowments
Capital Expenditures	\$(26,210)	\$ -	\$ 83,631	\$ (57,421)	\$ -	\$ -	\$ -
Debt Servicing	(816,014)	-	816,014	-	-	-	-
Close out of Special Project	-	541,105	-	-	(541,105)	-	-
Other Financial Aid							
Funding	498,911	-	-	(378,361)	(120,550)	-	-
Other	(51,944)	-	(1,070)	(204,369)	259,521	-	(2,138)
	<u>\$ (395,257)</u>	<u>\$ 541,105</u>	<u>\$ 898,575</u>	<u>\$ (640,151)</u>	<u>\$ (402,134)</u>	<u>\$ -</u>	<u>\$ (2,138)</u>

17. Financial Instruments:

The University considers any contract creating a financial asset, liability or equity instrument a financial instrument, except in limited circumstances. The University's financial instruments consist of the following:

- Accounts receivable
- Investments
- Accounts payable and accrued liabilities
- Long-term debt

The University initially measures its financial assets and liabilities at fair value, except for certain non-arm's length transactions.

The University subsequently measures all of its financial assets and financial liabilities at amortized cost except pooled funds which are described below.

The University removes financial liabilities, or any portion thereof, when the obligation is discharged, cancelled or expires. Financial assets measured at cost are tested for impairment when there are indicators of impairment. Previously recognized impairment losses are reversed to the extent of the

MOUNT SAINT VINCENT UNIVERSITY

Notes to Financial Statements

Year ended March 31, 2026

17. Financial Instruments (continued):

improvement providing the asset is not carried at an amount, at the date of reversal, greater than the amount that would have been the carrying amount had no impairment loss been recognized previously. The amounts of any write-downs or reversals are recognized in the consolidated statement of operations.

The carrying values of accounts receivable, accounts payable and accrued liabilities approximate their fair market values due to the relatively short periods to maturity of the instruments.

Pooled funds are valued based on reported unit values derived from quoted market values of underlying assets traded in an active market.

Transactions are recorded on a trade date basis and transaction costs are expensed as incurred.

Investment returns, positive or negative, which consist of interest, dividends, income distributions from pooled funds, and realized and unrealized gains and losses, are recorded as investment income (loss) or endowment contributions (drawdowns) in the statements of operations and changes in net assets.

Financial Instruments Risk Management

The University is exposed to various risks in relation to its financial instruments. The principal risks include credit risk, liquidity risk, and market risk. Market risk comprises interest rate risk, foreign currency risk, and other price risk. The University manages its financial risk as follows:

(a) Interest rate risk

The University is exposed to interest rate risk related to its interest-bearing investments and long-term debt. Fluctuations in interest rates may affect the fair value of investments and the future cash flows associated with variable rate debt.

To manage this risk, the University may hold a mix of fixed and variable rate investments and debt. The University has also entered into interest rate swap agreements to economically manage exposure to fluctuations in interest rates. These derivatives are recorded at fair value, and changes in fair value are recognized in the statement of operations.

MOUNT SAINT VINCENT UNIVERSITY

Notes to Financial Statements

Year ended March 31, 2026

17. Financial Instruments (continued):

(b) Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the University by failing to discharge an obligation. The University is exposed to credit risk through its cash and cash equivalents, accounts receivable, and investments.

The University mitigates this risk by holding cash with high-quality financial institutions, diversifying its investment portfolio, and regularly monitoring receivable balances. The University assesses, on a continuous basis, accounts receivable and provides for any amounts that are not considered collectible.

To manage credit risk related to student accounts, the University places restrictions on course registration and the release of grades and degrees until outstanding balances are settled.

(c) Foreign currency risk

The University is exposed to foreign currency risk arising from financial instruments denominated in foreign currencies. Changes in exchange rates may affect the value of these financial instruments.

The University manages foreign currency risk by limiting exposure to foreign currencies and, where appropriate, holding investments in diversified portfolios.

(d) Liquidity risk

Liquidity risk is the risk that the University will encounter difficulty in meeting its obligations associated with financial liabilities. The University is exposed to this risk mainly in respect of its accounts payable and accrued liabilities and long-term debt.

The University manages liquidity risk by maintaining adequate cash and investment balances, preparing budgets and cash flow forecasts, and monitoring actual cash flows against forecasts to ensure sufficient resources are available to meet its obligations as they become due.

(e) Market risk

Market risk is the risk that the fair value or future cash flows of financial instruments will fluctuate due to changes in market prices. Market risk comprises interest rate risk, foreign currency risk, and other price risk

MOUNT SAINT VINCENT UNIVERSITY

Notes to Financial Statements

Year ended March 31, 2026

17. Financial Instruments (continued):**(f) Other price risk**

Other price risk is the risk that the fair value of investments will fluctuate due to changes in market prices (other than those arising from interest rate or foreign currency risk). The University is exposed to other price risk through its investment portfolio.

The University manages this risk through diversification of its investments across asset classes and regular monitoring of market conditions.

18. Comparative Figures:

Comparative figures have been adjusted to conform with changes in the current year presentation, which have been made to comply with certain presentation and disclosure requirements of Canadian accounting standards for not-for-profit organizations.

The impact relates to the net realized gains on investments held in the Externally Restricted Endowments fund and loss on derivatives being recognized in the Statement of Operations in the current year instead of the Statement of Changes in Net Assets. There was no impact to net assets as at March 31, 2025 as a result of these changes.

19. Subsequent Event

Subsequent to year-end, on June 18, 2026, the University purchased land located at PID 00137802 Seton Road, Halifax, NS for total cash consideration of \$1.5M. Per the Purchase terms, it is anticipated that the University will pay \$100K in 2028-29 and \$157K per year thereafter for nine years.