Mount Saint Vincent University

Management Discussion and Analysis
and
Financial Statements
for the year ended
March 31, 2025

Mount Saint Vincent University

Management Discussion and Analysis

For the Year Ended March 31, 2025

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, 2025.

General Highlights

Statement of Operations

The financial statements reflect an excess of revenue over expenditures of $1M this year compared to an excess of $2.2M in 2024. 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. A prime example of this would be endowed scholarships, bursaries, and awards that are expended out of the Operating Fund but are paid for by transfers from the Endowment Fund income. Note 15 to the financial statements provides a summary of the inter-fund transfers. This is important when looking at results for individual funds because the result can be a deficiency on the Statement of Operations that is then eliminated on the Statement of Changes in Net Assets once the transfers are made.

- The largest deficiency in the financial statements arises in the Capital Fund as a result of the difference in two non-cash items - 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 2025 fiscal year, operations netted an excess of revenue over expenditures in the amount of $878K, which, in accordance with policy, has been transferred to the Strategy Implementation Unappropriated Reserve.

Other Highlights

- With the changing immigration regulations, which began in January 2024, and resulted in caps being placed on the number of international students that each University could enroll, and subsequent changes that limited the acceptance of 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. While the University still experienced a 5.6% increase in international student enrolment, this was well below the 14.5% increase experienced in fiscal 2024. Expectations are that international student numbers will decline further in the future.

- Enrolment decreased .9% from 2023/24 overall. Undergraduate enrolment remained fairly constant while BEd enrolment increased 5.4%. Graduate enrolment declined 9.6% over the prior year.

- During 23-24, there was a faculty strike which resulted in lower salary costs of approx. $1.2M and rebates to students (lower tuition revenue) of approximately $1M after $200K of expenses. While there was no gain or loss for the University, this impacts the changes in tuition revenue and salary costs from 23-24 to 24-25.

- Interest rates continued to decline during 2024-25 as the Bank of Canada lowered the prime interest rate by 2% during the year. This resulted in lower interest income than the prior year when rates were at the peak.

- The University is undertaking two capital projects in the upcoming year, the build of a new modernized child study centre which will expand to 122 spaces for children ranging from infants to preschoolers. A new PsyD academic program will also be developed, which will include the renovation of a space for a PsyD clinic. During 2024-25, provincial funding in the amount of $10.6M was recorded with $7.9M, of that amount, received shortly after year-end and included in both government receivables and deferred revenue.

The following are explanations of the key changes within the financial statements from fiscal 2024 to fiscal 2025:

Revenue

Total revenue increased by $1.9M or 2.3% over the prior year. The main areas of note are:

- The annual provincial operating funding of the University increased by $435K 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.

- Overall, student fees income increased by 6% or $2.2M over the prior year.

  Undergraduate tuition fees (including BEd), and Graduate tuition increased 2% for the year. (Undergraduate tuition fee increases for domestic undergraduate students were capped at 2% by the Province). International differential fees for new international students were increased by 16% to equate to an overall tuition increase (on base tuition plus differential) for new international students of 9% as mandated by the Province. International differential fees for returning international students were increased 4%.

Enrolment decreased .9% from 2023/24 overall. Undergraduate enrolment remained constant from the prior year, while BEd enrolment increased by 5.4% and graduate enrolment decreased by 9.6%. International enrolment (students who pay differential fees) increased 5.6% over the prior year.

As a result of the full-time faculty labour disruption in the prior year, salary savings net of related expenditures were returned to students impacted by the disruption ($1M). This accounts for $1M of the increase in the current year.

Residence and meal plan fee revenue from students decreased $166K from the prior year as a result of occupancy in residence returning to 85% from 95% in the prior year.

- Other revenue decreased $410K or 7.7% over the prior year, primarily from a reduction in ancillary revenues for conference activity (-$168K), bookstore revenue (-$93K), and parking fees ($-33K). Internally Restricted Special Purpose revenue also decreased $153K. This revenue tends to fluctuate annually based on the particular projects in a given year. During 23-24, the $150th Gala fund-raising event and celebration was held by the University, which generated higher revenue than normal.

Expenditures

Total expenditures increased by $3M or 3.8%. The main areas of note are:

- Salaries and benefits continue to be the largest portion of the University's expenditures, comprising 68.4% of total expenditures as compared to 67.6% in the prior year. The increase for the year was $2.7M or 5%, 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. Salary savings estimated as $1.2M occurred in the prior year as a result of the full-time faculty labour disruption in the winter term. Excluding that, the overall salary and benefits cost increased approximately 2.9%.

- Travel and moving increased by $300K or 22% as travel activity continued to return to pre-pandemic levels.

Statement of Changes in Net Assets

This statement reflects the net asset position of the University, which is $71.8M as at March 31, 2025. Other points to note:

- Endowment contributions were $293K lower than the prior year – more in line with fiscal 2023 activity.
- Net realized investment income increased $1.3M or 70.6% over the prior year.
- Net unrealized investment income decreased $2.3M or 75.6% over the prior year as a result of declining economic market conditions and lower interest rates, particularly in the last quarter of the Mount's fiscal year.
- The University recorded a negative mark to market adjustment (loss) of $523K on derivatives designated as cash flow hedges (interest rate swaps) in 24/25 as a result of declining interest rates.
- The inter-fund transfers are reflected in this statement and more detail is provided in Note 15.

Statement of Financial Position

As at March 31, 2025, the financial statements reflect a current ratio of 2.24:1 and a total long-term liability to equity ratio (including all long-term obligations) of .59:1. The University has a history of balanced operating financial results although it is becoming more challenging to meet that objective. It currently maintains minimal debt (4.0%) in comparison to the total insured value of buildings and contents of $316M. Other points of note:

- The increase in cash and short-term deposits of $3.5M or 7.6% is primarily the result of a positive variance experienced in the Operating fund for the year and the timing of payment of liabilities. The cash balance at March 31st will be used, in part, to meet our short-term liabilities of $28M and to fund expenditures for deferred contributions for restricted special purpose funds of $11.9M.
- Student accounts receivable decreased by $133K over the prior year as collection activities have normalized.
- Government receivables increased $6M or 157% resulting from the accrual of prepayments from the Province for the PsyD program support (new program) and the PsyD Clinic renovations in the amount of $7.9M. This increase was offset by the reduction in the NS Bursary funding receivable as it was paid prior to year-end this year.

- Capital asset additions for 24/25 were $1.07M, including $666K for acquisition of science, research, computers, and other equipment, $377K for washroom renovations to Assisi Hall and a new cooling system in the E. Margaret Fulton server room. The balance was related to acquisition of library books. Capital asset amortization amounted to $2.4M.

- Deferred revenue increased by $8.3M or 99.4% primarily as a result of the deferral of funding received from the Province for the new Child Study Centre ($2.7M) and The PsyD program support and clinic renovations of $7.9M. Offsetting this was a $2.3M 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 $774K or 5.8%. No new debt financing was undertaken in 24/25, so the reduction is related solely to principal payments for the year.

- The liability for derivatives was increased by a $523K loss as a result of declining interest rates and the related mark to market adjustment for the interest rate swaps utilized for debt financing.

- Deferred contributions decreased $1M or 3.4% as compared to 23/24. The decrease is primarily driven by an increase in restricted project funding in excess of restricted expenditures in the year. There was also the amortization of deferred capital contributions of $1.1M.

Mount Saint Vincent University

Financial Statements
for the year ended
March 31, 2025

KPMG

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INDEPENDENT AUDITOR'S REPORT

To the Board of Governors of Mount Saint Vincent University

Opinion

We have audited the financial statements of Mount Saint Vincent University (the Entity), which comprise:

- the statement of financial position as at March 31, 2025
- the statement of operations for the year then ended
- the statement of changes in net assets for the year then ended
- the statement of cash flows for the year then ended
- and notes to the financial statements, including a summary of significant accounting policies

(Hereinafter referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Entity as at March 31, 2025, and its results of operations and its cash flows for the year then ended in accordance with Canadian accounting standards for non-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 auditor's report.

We are independent of the Entity 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.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Canadian accounting standards for non-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 Entity'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 Entity or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Entity'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 the 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 Entity'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 Entity'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 Entity 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.
- 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.

KPMG LLP

Chartered Professional Accountants

Halifax, Canada

June 24, 2025

MOUNT SAINT VINCENT UNIVERSITY
Statement of Financial Position

March 31,

	2025	2024
Assets		
Current assets		
Cash and short-term deposits	**$ 49,873,015**	$ 46,363,302
Accounts receivable -		
Students	**685,258**	818,756
Government grants	**9,901,200**	3,847,673
Other	**1,352,896**	1,309,952
Inventory and prepaids	**1,725,129**	1,606,370
	63,537,498	53,946,053
Investments (note 3)	**44,657,689**	41,246,951
Capital assets (note 4)	**34,495,518**	35,863,630
	$ 142,690,705	$ 131,056,634
Liabilities and Net Assets		
Current liabilities:		
Accounts payable and accrued liabilities (note 5)	**$ 10,977,913**	$ 11,182,421
Current portion of long-term debt (note 6)	**853,756**	774,454
Deferred revenue	**16,572,682**	8,313,345
	28,404,351	20,270,220
Long-term liabilities:		
Long-term debt (note 6)	**11,736,718**	12,590,474
Derivatives (note 7)	**300,997**	(222,087)
Deferred contributions (note 8)	**30,448,794**	31,530,840
	42,486,509	43,899,227
Net Assets:		
Endowments (note 9)		
Externally restricted	**42,621,480**	39,410,662
Internally restricted	**2,053,099**	1,916,987
Restricted net assets	**44,674,579**	41,327,649
Investment in capital assets	**3,053,758**	2,473,294
Capital reserves (note 10)	**4,413,263**	4,449,858
Unappropriated reserves (note 10)	**10,799,121**	7,670,973
Internally restricted special purpose funds	**8,859,124**	10,965,413
Unrestricted net assets	**27,125,266**	25,559,538
	71,799,845	66,887,187
	$ 142,690,705	$ 131,056,634

Commitments and Contingencies (note 11)

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	**2025 Total**	2024 Total
REVENUE:							
Government grants -							
Operating	$ 22,150,002	$ 266,822	$ -	$ -	$ -	**$ 22,416,824**	$ 21,981,490
Restricted	3,137,951	-	10,033,851	14,920	-	**13,186,722**	13,180,262
Student fees	38,470,696	599,237	-	-	-	**39,069,933**	36,866,529
Realized investment income	1,742,124	10,000	24,803	272,733	157,576	**2,207,236**	2,422,312
Unrealized investment gain	-	-	-	-	36,851	**36,851**	148,276
Donations and other grants	-	-	797,863	79,974	-	**877,837**	885,164
Amortization of deferred capital contributions	-	1,137,332	-	-	-	**1,137,332**	1,185,329
Other revenue (note 12)	3,226,752	39,934	520,907	1,162,917	-	**4,950,510**	5,360,734
Total Revenue	68,727,525	2,053,325	11,377,424	1,530,544	194,427	**83,883,245**	82,030,096
EXPENDITURES:							
Salaries and employee benefits	50,308,001	6,661	5,942,068	423,470	-	**56,680,200**	53,950,615
Cost of sales (note 13)	2,181,601	-	-	16,525	-	**2,198,126**	2,422,539
Travel and moving	1,062,082	-	527,349	74,563	-	**1,663,994**	1,364,129
Operating supplies	1,140,916	43,558	651,883	288,443	-	**2,124,800**	2,342,503
Repairs and maintenance	1,465,316	262,537	9,751	-	-	**1,737,604**	1,694,776
Amortization of capital assets	-	2,438,729	-	-	-	**2,438,729**	2,405,226
Utilities	2,625,460	-	-	-	-	**2,625,460**	2,476,351
Interest	643,798	-	-	-	-	**643,798**	641,615
Scholarship, awards and bursaries	2,767,614	-	420,928	-	-	**3,188,542**	3,249,531
Other expenditures (note 14)	5,587,526	398,904	2,980,492	578,592	-	**9,545,514**	9,298,977
Total Expenditures	67,782,314	3,150,389	10,532,471	1,381,593	-	**82,846,767**	79,846,262
Excess (deficiency) of revenue over expenditures	$ 945,211	$ (1,097,064)	$ 844,953	$ 148,951	$ 194,427	**$ 1,036,478**	$ 2,183,834

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	**2025 Total**	2024 Total
Balance, beginning of year	$ -	$ 7,670,973	$ 2,473,294	$ 4,449,858	$ -	$ 10,965,413	$ 1,916,987	$ 39,410,662	**$ 66,887,187**	$ 58,706,755
Excess (deficiency) of revenue over expenditures	945,211	-	(1,097,064)	-	844,953	148,951	194,427	-	**1,036,478**	2,183,834
Endowment contributions	-	-	-	-	-	-	-	449,202	**449,202**	742,716
Net realized investment income	-	-	-	-	-	-	-	3,210,259	**3,210,259**	1,881,256
Net unrealized investment loss	-	-	-	-	-	-	-	739,803	**739,803**	3,036,342
(Loss) gain on derivatives	-	-	(523,084)	-	-	-	-	-	**(523,084)**	336,284
Inter-fund transfers (note 15)	(67,063)	-	2,164,017	-	(844,953)	(5,240)	(58,315)	(1,188,446)	**-**	-
Sub-total	878,148	-	543,869	-	-	143,711	136,112	3,210,818	**4,912,658**	8,180,432
Appropriations	(878,148)	3,128,148	36,595	(36,595)	-	(2,250,000)	-	-	**-**	-
Balance, end 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

See accompanying notes to financial statements.

MOUNT SAINT VINCENT UNIVERSITY
Statement of Cash Flows

Year ended March 31,

	2025	2024
Cash provided by (used for):		
Operating activities:		
Excess of revenue over expenditures for the year	$ 1,036,478	$ 2,183,834
Items not involving cash:		
Amortization of capital assets	2,438,729	2,405,226
Amortization of deferred capital contributions	(1,137,332)	(1,185,329)
Unrealized investment loss	(36,851)	(148,276)
Change in non-cash working capital	2,028,383	1,408,163
	4,329,407	4,663,618
Investing activities:		
Additions to investments	(5,576,609)	(3,968,922)
Proceeds on disposal of investments	2,942,525	2,266,875
Capital assets acquired	(1,070,617)	(965,882)
Endowment net investment income	3,210,259	1,881,256
	(494,442)	(786,673)
Financing activities:		
Principal payments on long-term debt	(774,454)	(732,179)
Endowment contributions	449,202	742,716
	(325,252)	10,537
Increase in cash and short-term deposits	3,509,713	3,887,482
Cash and short-term deposits, beginning of year	46,363,302	42,475,820
Cash and short-term deposits, end of year	$ 49,873,015	$ 46,363,302

See accompanying notes to financial statements.

MOUNT SAINT VINCENT UNIVERSITY
Notes to Financial Statements

Year ended March 31, 2025

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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 fund-raising 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, 2025

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.

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.

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.

MOUNT SAINT VINCENT UNIVERSITY

Notes to the Financial Statements

Year ended March 31, 2025

2. Significant Accounting Policies (continued):

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. A full year's amortization is taken in the year of acquisition and no amortization in the year of disposal.

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, 2025 totalled $2,539,695 (2024 - $2,361,650).

h) Derivative financial instruments:

The University enters into interest rate swaps in order to reduce the impact of fluctuating 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 require the periodic exchange of payments without the exchange of the notional principal amount on which the payments are based. Interest expense on the debt is adjusted to include the payments made or received under the interest rate swaps.

The University documents all relationships between hedging instruments and hedged items, as well as its risk management objective and strategy for undertaking various hedge transactions. This process includes linking all derivatives to specific portions of long-term debt on the statement

MOUNT SAINT VINCENT UNIVERSITY
Notes to the Financial Statements

Year ended March 31, 2025

2. Significant Accounting Policies (continued):

of financial position. The University also formally assesses, both at the hedge's inception and on an ongoing basis, whether the derivatives that are used in hedging transactions are highly effective in offsetting changes in cash flows of hedged items.

The University designates each interest swap agreement as a cash flow hedge of a specifically identified debt instrument. The swap agreements are effective hedges, both at maturity and over the term of the agreement, since the term to maturity, the notional principal amount, and the interest rate of the swap agreements all match the terms of the debt instruments being hedged. The swap agreements involve periodic exchange of payments and are recorded as an adjustment of the interest expense on the hedged debt instrument.

Realized and unrealized gains or losses associated with derivative instruments, which have been terminated or cease to be effective prior to maturity that were deferred under other current, or non-current assets or liabilities on the statement of financial position, would be recognized in income in the period in which the underlying hedged transaction is recognized. In the event a designated hedged item is sold, extinguished or matures prior to the termination of the related derivative instrument, any realized or unrealized gain or loss of such derivative instrument is recognized in income.

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:

	2025	2024
Pooled equity funds	$ 41,111,920	$ 37,729,849
Pooled fixed income funds	3,545,769	3,517,102
	$ 44,657,689	$ 41,246,951

MOUNT SAINT VINCENT UNIVERSITY
Notes to the Financial Statements

Year ended March 31, 2025

3. Investments (continued):

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.

4. Capital Assets:

			2025	2024
	Cost	Accumulated amortization	Net book value	Net book value
Land	$ 1,471,134	$ -	$ 1,471,134	$ 1,471,134
Campus infrastructure	1,261,065	(822,071)	438,994	462,099
Buildings	84,290,397	(54,371,380)	29,919,017	31,116,153
Furniture and equipment	15,545,309	(13,480,413)	2,064,896	2,347,729
Computer equipment	1,619,048	(1,383,477)	235,571	60,439
Vehicles	276,991	(221,247)	55,744	77,455
Art collection	159,100	-	159,100	159,100
Library collection	3,780,249	(3,629,187)	151,062	169,521
	$ 108,403,293	$ (73,907,775)	$ 34,495,518	$ 35,863,630

MOUNT SAINT VINCENT UNIVERSITY
Notes to Financial Statements

Year ended March 31, 2025

5. Government Remittances Payable:

Included in accounts payable and accrued liabilities are government remittances payable of $ 145,304 (2024 - $817,769).

6. Long-Term Debt:

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

	2025	2024
Birches Residence - Non-revolving term facility loan by way of banker's acceptance at the BA discount rate plus 0.38%, renewable quarterly in declining principal amounts which range from $9,000 to $32,000, due February, 2031	$ 670,000	$ 763,000
Research House - 2.29% first mortgage, due 2026, payable in blended monthly payments of $721	45,286	52,804
Westwood Residence - 7.25% term loan, due 2034, payable in blended monthly payments of $45,763	3,646,188	3,920,124
Evaristus Science Labs/EMF Roof - Non-revolving term facility loan by way of banker's acceptance at the BA discount rate plus 0.38%, renewable quarterly in declining principal amounts which range from $8,000 to $28,000, due October, 2032	734,000	809,000
47 College Rd/Seton Roof - Non-revolving term facility loan by way of banker's acceptance at the BA discount rate plus .47%, renewable quarterly in declining principal amounts which range from $15,000 to $47,000, due March, 2034	1,362,000	1,486,000

MOUNT SAINT VINCENT UNIVERSITY
Notes to Financial Statements

Year ended March 31, 2025

6. Long-Term Debt (continued):

	2025	2024
Margaret Norrie McCain Centre - Non-revolving term facility loan by way of banker's acceptance at the BA discount rate plus 0.33%, renewable monthly in declining principal amounts which range from $12,000 to $36,000, due July, 2045	6,133,000	6,334,000
	12,590,474	13,364,928
Less current portion of long-term debt	(853,756)	(774,454)
	$ 11,736,718	$ 12,590,474

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,

2026	853,756
2027	854,543
2028	900,270
2029	950,777
2030	1,005,195

7. Derivatives:

The fair value of the interest rate swap contracts are:

	2025	2024
Margaret Norrie McCain Centre	$ 134,170	$ (272,068)
Birches Residence	42,432	19,385
Evaristus Science Labs/EMF Roof	78,114	51,649
47 College Rd/Seton Roof	46,281	(21,053)
	$ 300,997	$ (222,087)

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 BA 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 4.59% for 47 College Rd/Seton Roof.

At March 31, 2025, 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, 2025

8. 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	2025	2024
Balance, beginning of year	$ 12,465,381	$ 19,065,459	$ 31,530,840	$ 33,104,001
Contributions received in the year	11,011,757	420,953	11,432,710	10,753,559
	23,477,138	19,486,412	42,963,550	43,857,560
Reported in revenue	(11,377,424)	(1,137,332)	(12,514,756)	(12,326,720)
Reallocation	(201,208)	201,208	-	-
Balance, end of year	$ 11,898,506	$ 18,550,288	$ 30,448,794	$ 31,530,840

MOUNT SAINT VINCENT UNIVERSITY
Notes to Financial Statements

Year ended March 31, 2025

9. **Endowments:**

Details of year-end balances are as follows:

	2025	2024
Externally Restricted		
Scholarships and Bursaries	$ 24,669,883	$ 22,594,868
The Nancy's Chair in Women's Studies	5,178,976	4,852,239
Lena Isabel Jodrey Fund in Gerontology	1,065,453	1,001,498
Gail and Stephen Jarislowsky Chair in Learning Disabilities	3,820,554	3,570,316
Capital Endowment	4,487,490	4,218,193
Other Endowments	3,399,124	3,173,548
	42,621,480	39,410,662
Internally Restricted		
Rosaria Student Centre	1,424,174	1,338,649
Development Operations	235,037	214,061
MSVU Indigenous Student Fund	322,274	296,960
Other Endowments	71,614	67,317
	2,053,099	1,916,987
	$ 44,674,579	$ 41,327,649

MOUNT SAINT VINCENT UNIVERSITY
Notes to Financial Statements

Year ended March 31, 2025

10. Capital Reserves and Unappropriated Reserves:

Details of year-end balances are as follows:

	2025	2024
Capital Reserves		
Facilities Renewal	$ 1,148,091	$ 1,188,510
Other Capital Projects	3,265,172	3,261,348
	$ 4,413,263	$ 4,449,858
Unappropriated Reserves		
Strategy Implementation Reserve	$ 10,799,121	$ 7,670,973

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 budgets 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.

MOUNT SAINT VINCENT UNIVERSITY

Notes to Financial Statements

Year ended March 31, 2025

11. 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, 2024, CURIE had an accumulated excess of income over expenses of $130 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 (2024 - $1.240 billion) of re-insurance with commercial insurers to cover major property claims in excess of $15 million (2024 - $10 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.

12. 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.

13. Cost of Sales:

The amount of inventory expensed during the year was $559,027 (2024 - $634,579).

14. 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, 2025

15. 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, 2025 (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	$ (58,175)	$ -	$ 1,079,383	$ (21,981)	$ (999,227)	$ -	$ -
Endowment Spending	790,685	-	152,480	365,741	(100)	(58,315)	(1,250,491)
Endowed Assistantships	(13,000)	-	-	-	22,195	-	(9,195)
Debt Servicing	(774,454)	-	774,454	-	-	-	-
New Scholars Funding	(110,000)	-	-	-	110,000	-	-
Reallocations of Donations	(200)	-	-	(70,500)	-	-	70,700
CFI Matching Funds	(100,000)	-	-	-	100,000	-	-
Faculty Professional Close out of Int'l Projects	-	-	-	(814,850)	814,850	-	-
Other Financial Aid Funding	270,862	-	-	(270,862)	-	-	-
Other	(72,781)	-	157,700	(32,501)	(52,958)	-	540
	$ (67,063)	$ -	$ 2,164,017	$ (844,953)	$ (5,240)	$ (58,315)	$ (1,188,446)

16. Financial Instruments:

Financial Risk

Financial risk refers to the impact on the University's cash flows as a result of fluctuations in interest rates and the credit quality of student receivables. The University manages its financial risk as follows:

(a) Interest Rate Risk

Interest rate risk is minimized as financing utilizes fixed interest rates or interest rate swaps are entered into to fix interest rates on variable rate mortgages.

16. Financial Instruments (continued):

(b) Credit Risk

The University is exposed to credit-related losses in the event of non-performance by counterparties to financial instruments. Credit exposure is minimized by dealing mostly with creditworthy counterparties such as highly rated financial institutions.

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

(c) Currency Risk

The University receives a small portion of its revenue in foreign currencies and is thus exposed to foreign exchange fluctuations. This risk is minimized, where possible, by timing the conversion of such revenue to Canadian dollars based on market conditions.

(d) Liquidity risk

Liquidity risk is the risk that the University will be unable to fulfill its obligations on a timely basis or at a reasonable cost. The University manages its liquidity risk by monitoring its operating requirements. The University prepares budget and cash forecasts to ensure it has sufficient funds to fulfill its obligations.

(e) Fair Value

The fair value of cash and short-term deposits, accounts receivable, and accounts payable and accrued liabilities is approximately equal to their carrying values as a result of their short-term maturity. Investments are recorded at fair value as described in notes 2(e) and 3. Derivatives are determined based on a quote from the counterparty of the value at the reporting date.

There has been no significant change to any of the above risk exposures during the year.