

**Mount Saint Vincent University**

**Management Discussion and Analysis  
and  
Financial Statements  
for the year ended  
March 31, 2024**

**Mount Saint Vincent University**  
**Management Discussion and Analysis**  
**For the Year Ended March 31, 2024**

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, 2024.

**General Highlights**

***Statement of Operations***

The financial statements reflect an excess of revenue over expenditures of \$2.2M this year compared to an excess of \$234K in 2023. 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 2024 fiscal year, operations netted an excess of revenue over expenditures in the amount of \$842K, which, in accordance with policy, has been transferred to the Strategy Implementation Reserve.

***Other Highlights***

- The Mount marked its 150<sup>th</sup> anniversary celebration in 2023 culminating in a fund-raising Gala in November of 2023.

- After experiencing an 8.8% reduction in undergraduate enrolment and a 4.7% reduction in international enrolment in the prior year, the University saw an overall increase in enrolment of 1.2% and an increase in international enrolment of 14.5% in 2023-24. Travel and other expenditures continued to increase to more pre-pandemic levels. Ancillary operations continued to rebound, particularly conference activity.
- Interest rates remained at higher levels during the fiscal year as the Bank of Canada continued to take steps to try to curb inflation. This resulted in a significant increase in interest income for the Operating fund.

The following are explanations of the key changes within the financial statements from fiscal 2023 to fiscal 2024:

### ***Revenue***

Total revenue increased by \$4.3M or 5.5% over the prior year. The main areas of note are:

- The annual provincial operating funding of the University increased by \$216K or 1%.
- Overall, student fees income increased by 4.6% or \$1.6M over the prior year.

Tuition fee rates increased by 3% as permitted under the Memorandum of Understanding with the Province and enrolment increased by 1.2% overall.

Undergraduate enrolment increased 2.7% from the prior year, while BEd enrolment increased by 1.2% and graduate enrolment decreased by 8.4%. International enrolment (students who pay differential fees) increased 14.5% over the prior year.

As a result of the full-time faculty labour disruption in the winter term, salary savings next of related expenditures were returned to students impacted by the disruption (\$1M).

The combined impact on tuition and related fees revenue of the items above was an increase of \$905K.

Residence and meal plan fee revenue from students increased \$465K from the prior year as a result of occupancy in residence rising to 94.8%, versus 85% in the prior year.

Student fees record in the Capital Fund increased by \$246K, primarily as the result of the levying of a new auxiliary fee for facilities renewal.

- Realized investment income increased \$926K or 62% over the prior year as the Bank of Canada increased prime interest rates during the year and then held them for the balance of the year, in an attempt to curb inflationary pressures.

- Other revenue increased \$1.38M or 35% over the prior year, primarily from a recovery in ancillary revenues (+\$483K) as conference activity continued to rebound from pandemic impacts. Restricted Special Purpose revenue also increased \$383K and Internally Restricted Special Purpose revenue increased \$397K. This revenue tends to fluctuate annually based on the particular projects in a given year. Approximately \$272K of the increase was related to the \$150<sup>th</sup> Gala fund-raising event and celebration held by the University in November.

### ***Expenditures***

Total expenditures increased by \$2.3M or 3%. The main areas of note are:

- Salaries and benefits continue to be the largest portion of the University's expenditures, comprising 67.6% of total expenditures as compared to 68.2% in the prior year. The increase for the year was \$1M or 2%, 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 also occurred as a result of the full-time faculty labour disruption in the winter term. (As noted above, the salary savings net of other related expenditures were distributed to students as recognition that they were impacted by the disruption.)
- Cost of sales increased by \$465K as a result of increased conference activity and higher residence occupancy.
- Travel and moving increased by \$178K or 15% as travel activity continued to return to pre-pandemic levels.
- Repairs and maintenance expenditures declined by \$248K or 12.8% over the prior. These expenditures tend to fluctuate based on the types (capital or repairs and maintenance) and quantity of facilities projects undertaken in the year.
- Other expenditures increased by \$854K or 10.1%, primarily as a result of increased international agent commissions and professional fees.

### **Statement of Changes in Net Assets**

This statement reflects the net asset position of the University, which is \$66.9M as at March 31, 2024. Other points to note:

- Endowment contributions were \$351K higher than the prior year as a result of fund-raising activity.

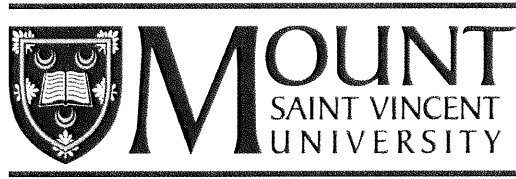
- Net realized investment income increased \$157K or 9.1% over the prior year as a result of higher interest rates.
- Net unrealized investment income increased \$4M or 411% over the prior year as a result of more positive economic market conditions, particularly in the last quarter of the Mount's fiscal year.
- The University recorded a positive mark to market adjustment (gain) of \$336K on derivatives designated as cash flow hedges (interest rate swaps) in 23/24 as a result of higher interest rates.
- The inter-fund transfers are reflected in this statement and more detail is provided in Note 15. Of particular note, the Board of Governors approved the transfer to the Capital Fund of \$500K to support the proposed Child Study Centre project to be undertaken in 2024-25, subject to final Board of Governors approval.

### **Statement of Financial Position**

As at March 31, 2024, the financial statements reflect a current ratio of 2.66:1 and a total long-term liability to equity ratio (including all long-term obligations) of .66:1. The University has consistently balanced its budget and maintains minimal debt (4.4%) in comparison to the total insured value of buildings and contents of \$304M. Other points of note:

- The increase in cash and short-term deposits of \$3.9M or 9.2% 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 31<sup>st</sup> will be used, in part, to meet our short-term liabilities of \$20M and to fund expenditures for deferred contributions for restricted special purpose funds of \$12.5M.
- Student accounts receivable decreased by \$225K over the prior year as collection activities returned to pre-pandemic levels.
- Government receivables increased \$2.2M or 131% resulting from the Province not paying an advance on the NS University Student Bursary program during the year.
- Capital asset additions for 23/24 were \$966K, including \$557K for acquisition of science, research, computers, and other equipment, \$112K for accessibility renovations to Assisi Hall, and \$190K for a new roof for the Central Heating Plant. The balance was related to acquisition of library books and the purchase of a maintenance vehicle. Capital asset amortization amounted to \$2.4M.
- Accounts Payable increased by \$1.2M or 12.2% as a result of growth in salary accruals for retro pay related to recent collective agreement settlements, retirement incentives for faculty, international agent commissions, and other invoice accruals.

- Deferred revenue increased by \$2.9M or 52.2% primarily as a result of the deferral of funding received from the Province for the new Child Study Centre (\$2M) and an increase in student payments in advance of their studies.
- Long-term debt (including current portion) decreased \$732K or 5.2%. No new debt financing was undertaken in 23/24, so the reduction is related solely to principal payments for the year.
- The liability for derivatives was decreased by a \$336K gain as a result of rising interest rates and the related mark to market adjustment for the interest rate swaps utilized for debt financing.
- Deferred contributions decreased \$1.6M or 4.8% as compared to 22/23. 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 \$1.2M.



**Mount Saint Vincent University**

**Financial Statements  
for the year ended  
March 31, 2024**



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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, 2024
- 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, 2024, 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 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 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 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.



Page 3

- 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 25, 2024

**MOUNT SAINT VINCENT UNIVERSITY**

## Statement of Financial Position

March 31,

	2024	2023
<b>Assets</b>		
Current assets		
Cash and short-term deposits	\$ 46,363,302	\$ 42,475,820
Accounts receivable -		
Students	818,756	1,043,268
Government grants	3,847,673	1,667,307
Other	1,309,952	1,197,305
Inventory and prepaids	1,606,370	1,400,098
	53,946,053	47,783,798
Investments (note 3)	41,246,951	36,360,286
Capital assets (note 4)	35,863,630	37,302,974
	\$ 131,056,634	\$ 121,447,058

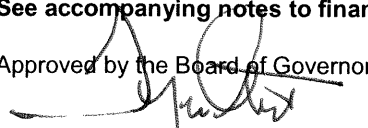
**Liabilities and Net Assets**

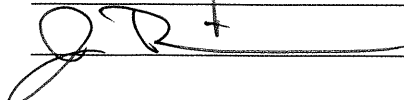
Current liabilities:		
Accounts payable and accrued liabilities (note 5)	\$ 11,182,421	\$ 9,964,064
Current portion of long-term debt (note 6)	774,454	732,179
Deferred revenue	8,313,345	5,460,934
	20,270,220	16,157,177
Long-term liabilities:		
Long-term debt (note 6)	12,590,474	13,364,928
Derivatives (note 7)	(222,087)	114,197
Deferred contributions (note 8)	31,530,840	33,104,001
	43,899,227	46,583,126
Net Assets:		
Endowments (note 9)		
Externally restricted	39,410,662	34,813,922
Internally restricted	1,916,987	1,723,896
Restricted net assets	41,327,649	36,537,818
Investment in capital assets	2,473,294	1,694,952
Capital reserves (note 10)	4,449,858	3,315,667
Unappropriated reserves (note 10)	7,670,973	6,828,850
Internally restricted special purpose funds	10,965,413	10,329,468
Unrestricted net assets	25,559,538	22,168,937
	66,887,187	58,706,755
	\$ 131,056,634	\$ 121,447,058

**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	2024 Total	2023 Total
<b>REVENUE:</b>							
Government grants -							
Operating	\$ 21,719,900	\$ 261,590	\$ -	\$ -	\$ -	\$ 21,981,490	\$ 21,765,978
Restricted	3,430,453	-	9,740,032	9,777	-	13,180,262	13,068,441
Student fees	36,337,695	528,834	-	-	-	36,866,529	35,249,745
Realized investment income	1,988,070	10,000	31,236	299,966	93,040	2,422,312	1,496,735
Unrealized investment gain (loss)	-	-	-	-	148,276	148,276	(51,002)
Donations and other grants	-	-	840,798	44,366	-	885,164	1,034,465
Amortization of deferred capital contributions	-	1,185,329	-	-	-	1,185,329	1,220,265
Other revenue (note 12)	3,500,283	15,000	529,325	1,316,126	-	5,360,734	3,981,843
<b>Total Revenue</b>	<b>66,976,401</b>	<b>2,000,753</b>	<b>11,141,391</b>	<b>1,670,235</b>	<b>241,316</b>	<b>82,030,096</b>	<b>77,766,470</b>
<b>EXPENDITURES:</b>							
Salaries and employee benefits	47,740,584	7,314	5,723,445	479,272	-	53,950,615	52,901,381
Cost of sales (note 13)	2,390,410	-	-	32,129	-	2,422,539	1,957,617
Travel and moving	763,647	-	540,244	60,238	-	1,364,129	1,185,949
Operating supplies	1,160,882	16,670	901,562	263,389	-	2,342,503	2,319,797
Repairs and maintenance	1,519,003	65,984	61,873	47,916	-	1,694,776	1,942,836
Amortization of capital assets	-	2,405,226	-	-	-	2,405,226	2,424,564
Utilities	2,476,351	-	-	-	-	2,476,351	2,465,603
Interest	641,615	-	-	-	-	641,615	731,720
Scholarship, awards and bursaries	2,766,536	-	482,495	500	-	3,249,531	3,157,382
Other expenditures (note 14)	5,218,166	137,161	3,140,172	803,478	-	9,298,977	8,445,279
<b>Total Expenditures</b>	<b>64,677,194</b>	<b>2,632,355</b>	<b>10,849,791</b>	<b>1,686,922</b>	<b>-</b>	<b>79,846,262</b>	<b>77,532,128</b>
<b>Excess (deficiency) of revenue over expenditures</b>	<b>\$ 2,299,207</b>	<b>\$ (631,602)</b>	<b>\$ 291,600</b>	<b>\$ (16,687)</b>	<b>\$ 241,316</b>	<b>\$ 2,183,834</b>	<b>\$ 234,342</b>

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	2024 Total	2023 Total
<b>Balance, beginning of year</b>	\$ -	\$ 6,828,850	\$ 1,694,952	\$ 3,315,667	\$ -	\$ 10,329,468	\$ 1,723,896	\$ 34,813,922	<b>\$ 58,706,755</b>	\$ 56,802,169
Excess (deficiency) of revenue over expenditures	2,299,207	-	(631,602)	-	291,600	(16,687)	241,316	-	<b>2,183,834</b>	234,342
Endowment contributions	-	-	-	-	-	-	-	742,716	<b>742,716</b>	391,373
Net realized investment income	-	-	-	-	-	-	-	1,881,256	<b>1,881,256</b>	1,723,889
Net unrealized investment loss	-	-	-	-	-	-	-	3,036,342	<b>3,036,342</b>	(976,322)
Gain on derivatives	-	-	336,284	-	-	-	-	-	<b>336,284</b>	531,304
Inter-fund transfers (note 15)	(1,457,084)	-	2,207,851	-	(291,600)	652,632	(48,225)	(1,063,574)	-	-
<b>Sub-total</b>	<b>842,123</b>	<b>-</b>	<b>1,912,533</b>	<b>-</b>	<b>-</b>	<b>635,945</b>	<b>193,091</b>	<b>4,596,740</b>	<b>8,180,432</b>	<b>1,904,586</b>
<b>Appropriations</b>	<b>(842,123)</b>	<b>842,123</b>	<b>(1,134,191)</b>	<b>1,134,191</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Balance, end of year</b>	<b>\$ -</b>	<b>\$ 7,670,973</b>	<b>\$ 2,473,294</b>	<b>\$ 4,449,858</b>	<b>\$ -</b>	<b>\$ 10,965,413</b>	<b>\$ 1,916,987</b>	<b>\$ 39,410,662</b>	<b>\$ 66,887,187</b>	<b>\$ 58,706,755</b>

See accompanying notes to financial statements.

**MOUNT SAINT VINCENT UNIVERSITY**

## Statement of Cash Flows

Year ended March 31,

	2024	2023
Cash provided by (used for):		
Operating activities:		
Excess of revenue over expenditures for the year	\$ 2,183,834	\$ 234,342
Items not involving cash:		
Amortization of capital assets	2,405,226	2,424,564
Amortization of deferred capital contributions	(1,185,329)	(1,220,265)
Unrealized investment loss	(148,276)	51,002
Change in non-cash working capital	1,408,163	2,181,441
	4,663,618	3,671,084
Investing activities:		
Additions to investments	(3,968,922)	(3,586,495)
Proceeds on disposal of investments	2,266,875	2,879,400
Capital assets acquired	(965,882)	(1,062,950)
Endowment net investment income	1,881,256	1,723,889
	(786,673)	(46,156)
Financing activities:		
Principal payments on long-term debt	(732,179)	(695,246)
Endowment contributions	742,716	391,373
	10,537	(303,873)
Increase in cash and short-term deposits	3,887,482	3,321,055
Cash and short-term deposits, beginning of year	42,475,820	39,154,765
Cash and short-term deposits, end of year	\$ 46,363,302	\$ 42,475,820

**See accompanying notes to financial statements.**

# MOUNT SAINT VINCENT UNIVERSITY

## Notes to Financial Statements

Year ended March 31, 2024

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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, 2024

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### **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 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, 2024

### 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	3 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, 2024 totalled \$2,361,650 (2023 - \$2,443,600).

#### 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, 2024

### 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:

	2024	2023
Pooled equity funds	\$ 37,729,849	\$ 33,498,387
Pooled fixed income funds	3,517,102	2,861,899
	<u>\$ 41,246,951</u>	<u>\$ 36,360,286</u>

# MOUNT SAINT VINCENT UNIVERSITY

## Notes to the Financial Statements

Year ended March 31, 2024

### 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:

			2024	2023
	Cost	Accumulated amortization	Net book value	Net book value
Land	\$ 1,471,134	\$ -	\$ 1,471,134	\$ 1,471,134
Campus infrastructure	1,261,065	(798,966)	462,099	486,421
Buildings	83,912,848	(52,796,695)	31,116,153	32,451,859
Furniture and equipment	15,350,259	(13,002,530)	2,347,729	2,292,842
Computer equipment	1,147,908	(1,087,469)	60,439	209,677
Vehicles	276,991	(199,536)	77,455	37,550
Art collection	159,100	-	159,100	159,100
Library collection	3,753,372	(3,583,851)	169,521	194,391
	\$ 107,332,677	\$ (71,469,047)	\$ 35,863,630	\$ 37,302,974

**MOUNT SAINT VINCENT UNIVERSITY**

## Notes to Financial Statements

Year ended March 31, 2024

**5. Government Remittances Payable:**

Included in accounts payable and accrued liabilities are government remittances payable of \$ 817,769 (2023 - \$754,019).

**6. Long-Term Debt:**

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

	2024	2023
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	\$ 763,000	\$ 852,000
Research House - 2.29% first mortgage, due 2026, payable in blended monthly payments of \$721	52,804	60,149
Westwood Residence - 7.25% term loan, due 2034, payable in blended monthly payments of \$45,763	3,920,124	4,174,958
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	809,000	880,000
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	1,486,000	1,603,000

**MOUNT SAINT VINCENT UNIVERSITY**

## Notes to Financial Statements

Year ended March 31, 2024

**6. Long-Term Debt (continued):**

	2024	2023
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	6,334,000	6,527,000
	13,364,928	14,097,107
Less current portion of long-term debt	(774,454)	(732,179)
	\$ 12,590,474	\$ 13,364,928

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,

2025	774,454
2026	853,756
2027	854,543
2028	900,270
2029	950,777

**MOUNT SAINT VINCENT UNIVERSITY**

## Notes to Financial Statements

Year ended March 31, 2024

**7. Derivatives:**

The fair value of the interest rate swap contracts are:

	2024	2023
Margaret Norrie McCain Centre	\$ (272,068)	\$ (27,942)
Birches Residence	19,385	42,161
Evaristus Science Labs/EMF Roof	51,649	84,638
47 College Rd/Seton Roof	(21,053)	15,340
	<b>\$ (222,087)</b>	<b>\$ 114,197</b>

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, 2024, 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, 2024

### 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	2024	2023
Balance, beginning of year	\$ 13,068,304	\$ 20,035,697	\$ 33,104,001	\$ 33,753,442
Contributions received in the year	10,538,468	215,091	10,753,559	11,189,411
	23,606,772	20,250,788	43,857,560	44,942,853
Reported in revenue	(11,141,391)	(1,185,329)	(12,326,720)	(11,838,852)
Balance, end of year	\$ 12,465,381	\$ 19,065,459	\$ 31,530,840	\$ 33,104,001

**MOUNT SAINT VINCENT UNIVERSITY**

## Notes to Financial Statements

Year ended March 31, 2024

**9. Endowments:**

Details of year-end balances are as follows:

	2024	2023
<b>Externally Restricted</b>		
Scholarships and Bursaries	\$ 22,594,868	\$ 19,589,638
The Nancy's Chair in Women's Studies	4,852,239	4,365,854
Lena Isabel Jodrey Fund in Gerontology	1,001,498	911,229
Gail and Stephen Jarislowsky Chair in Learning Disabilities	3,570,316	3,248,189
Capital Endowment	4,218,193	3,838,076
Other Endowments	3,173,548	2,860,936
	39,410,662	34,813,922
<b>Internally Restricted</b>		
Rosaria Student Centre	1,338,649	1,217,924
Development Operations	214,061	188,275
MSVU Indigenous Student Fund	296,960	256,618
Other Endowments	67,317	61,079
	1,916,987	1,723,896
	\$ 41,327,649	\$ 36,537,818



**MOUNT SAINT VINCENT UNIVERSITY**

## Notes to Financial Statements

Year ended March 31, 2024

**10. Capital Reserves and Unappropriated Reserves:**

Details of year-end balances are as follows:

	2024	2023
<i>Capital Reserves</i>		
Facilities Renewal	\$ 1,188,510	\$ 688,150
Other Capital Projects	3,261,348	2,627,157
	<b>\$ 4,449,858</b>	<b>\$ 3,315,667</b>
<i>Unappropriated Reserves</i>		
Strategy Implementation Reserve	\$ 7,670,973	\$ 6,828,850

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, 2024

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### **11. Commitments and Contingencies:**

#### Insurance Contingency - Reciprocal Exchange of Insurance Risks:

The University participates in a reciprocal exchange of insurance risks in association with fifty-six 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, 2023, CURIE had an accumulated excess of income over expenses of \$108 million, of which the University's pro rata share is approximately 0.50% on an ongoing basis. In addition, the reciprocal has obtained \$1.24 billion (2023 - \$1.24 billion) of re-insurance with commercial insurers to cover major property claims in excess of \$10 million (2023 - \$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 \$634,579 (2023 - \$637,941).

### **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, 2024

### 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, 2024

(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	\$ (360,118)	\$ -	\$ 653,837	\$ (293,719)	\$ -	\$ -	\$ -
Child Study Centre Project	(500,000)	-	500,000	-	-	-	-
Endowment Spending	732,313	-	144,745	324,679	-	(48,225)	(1,153,512)
Endowed Assistantships	(13,000)	-	-	-	20,555	-	(7,555)
Debt Servicing	(732,179)	-	732,179	-	-	-	-
New Scholars Funding	(100,000)	-	-	-	100,000	-	-
Reallocations of Donations	-	-	-	(97,273)	(220)	-	97,493
NSERC Science Chair	(17,625)	-	-	17,625	-	-	-
Faculty Professional Development C/F	(133,543)	-	-	-	133,543	-	-
Other Financial Aid Funding	6,958	-	-	(301,405)	294,447	-	-
Other	(339,890)	-	177,090	58,493	104,307	-	-
	\$ 1,457,084	\$ -	\$ 2,207,851	\$ (291,600)	\$ 652,632	\$ (48,225)	\$ (1,063,574)

### 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.

**MOUNT SAINT VINCENT UNIVERSITY**

## Notes to Financial Statements

Year ended March 31, 2024

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**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.