



MountAllison
UNIVERSITY

Annual Financial Report



2019 - 2020

Table of Contents

Message from the Vice-President, Finance and Administration	1
A Year in Review	2
Financial Highlights – All Funds	4
Consolidated Revenues	6
Consolidated Expenses	10
Salaries and Benefits	10
Capital Projects and Financing	11
Carbon Footprint and Sustainability Activities	12
Student Experience	13
Supplemental Information – Operating Fund	18
Audited Financial Statements	21

Message from the Vice-President, Finance and Administration

Mount Allison University's community engaged in a number of exciting and challenging ventures during the 2019-2020 year. These ventures were informed by the University's strategy centred on an extraordinary student experience which includes strengthened academic opportunities; a community-minded university; a focus on student life, support, and wellness; and providing a 21st Century Learning environment.

Academic developments included new joint majors, certificate programs and the introduction of a new Bachelor of Commerce, Aviation Management program with our partner, the Moncton Flight College.

Community-minded initiatives saw our students working to solve everyday problems within Mount Allison, the Sackville-Tantramar region and local employers. Faculty, staff and students were active participants on the Mayor of Sackville's Roundtable on Climate Change, while numerous students engaged in internships linking their formal academic courses with practical experiences in organizations in our region.

Successful fundraising efforts saw the addition of increased financial supports for students. As noted in the following report, the amount of financial aid available has been increasing steadily over the past 10 years and 2020 was no exception.

Work continued on the University's learning facilities. In addition, planning continued toward the future refurbishments of the R.P. Bell Library and Archives. Upgrading these facilities are part of a long-term vision to greatly enhance the academic experience for faculty and students alike, support student-athletes, and student life and well-being.

In the Spring of 2020, the University community arguably faced its greatest challenge with the onset of COVID-19 globally and in Canada. University faculty quickly pivoted to provide alternative ways of completing courses while staff provided the necessary support to students on and off campus to see them safely home. Work then began on planning for the Fall term taking into account the challenges brought on by the global pandemic.

The attached Annual Financial Report includes information on the use of our financial resources to support the University's mission as well as our annual audited financial statements. In addition to this report other financial reports dealing with the University's budget, investment holdings, salary costs and other matters are publicly available. Please visit mta.ca/financial to view many of these reports.



Robert Inglis, CPA, CA
Vice-President, Finance and Administration

A Year in Review

The spring of 2020 was a challenging time for the University, following closely on the heels of a one week faculty labour disruption, came the onset of a global pandemic due to the spread of COVID-19. Major changes were made to academic program delivery and to University operations generally. The University's response to the pandemic has taken three stages:

- The first stage focused on pivoting operations to ensure the safety of students, faculty, and staff while completing our academic programs and supporting our residence students as they returned home or moved to off-campus locations.
- The second stage concerned planning for the fall term while delivering some spring and summer programs.
- The third stage has been the implementation of our plans to support the delivery of academic programming in the fall of 2020 along with operating our campus, including residence and dining facilities, in a safe manner consistent with COVID-19 regulations.

Although the University's 2020 Convocation was also cancelled, degree-granting and celebration of graduating students' achievements were accomplished through a 'virtual Convocation video', streamed live.

While 2019-20 might well be remembered more for the impact of COVID-19, it is important to note a number of major highlights.

- Enrolment in 2019-2020 was very positive, increasing by 3.1% to a total of 2,247 students: the largest percentage increase in among New Brunswick universities. In particular, the incoming class of 700 first-year students was an increase of 60 students—the largest since 2015. Mount Allison welcomed 115 new international students in Fall 2019, an increase of 55 per cent over the prior year. Overall international student population in 2019-20 represented an all-time high of 12 per cent of the total University population with 255 students from 51 countries.
- Mount Allison retained its number one position among undergraduate universities in Canada in the annual Maclean's University Rankings. The University also received top marks in the Student Satisfaction Survey, earning first place for course instructors, experiential learning, extracurricular activities, student life staff, and administrative staff.

MOUNT ALLISON

181 Years since founded

19,000 alumni

\$176 million endowment

\$93,000 endowment per FTE student

2,200 students

\$6.6 million in financial aid and student compensation

750 student employees

33 exchange programs

Students from 51 countries

A Year in Review

- The nationally-recognized Meighen Centre celebrated its 25th anniversary in 2019-20. The Centre was one of the first of its kind among Canadian universities and is nationally recognized for its work with students who have learning disabilities. Several years ago, it expanded its services to include services for students with all types of disabilities, in partnership with the University's Wellness Centre. In 2019-20, the Meighen Centre supported over 270 students.
- 2019-20 was also a year of innovation in terms of academic programming and partnerships. The University introduced a B Comm in Aviation Management (in conjunction with the Moncton Flight College), and signed a new pathway agreement with Collège Communautaire du Nouveau-Brunswick (CCNB). A new minor in Museum and Curatorial Studies was also introduced. Additionally, Mount Allison University has become the first institution outside of Nova Scotia to join the Novanet Consortium of Academic Libraries, extending access to academic and creative materials to faculty and students
- The Maple League of Universities partnership entered an exciting phase in 2019-20, through the signing of a Memorandum of Understanding (MOU) that allows students to take courses, with a focus on online learning and virtual learning communities, from any of the four partner institutions. Additionally, a Virtual Teaching and Learning Centre was established as a grassroots, faculty-led virtual space designed to support faculty and students with online classrooms.

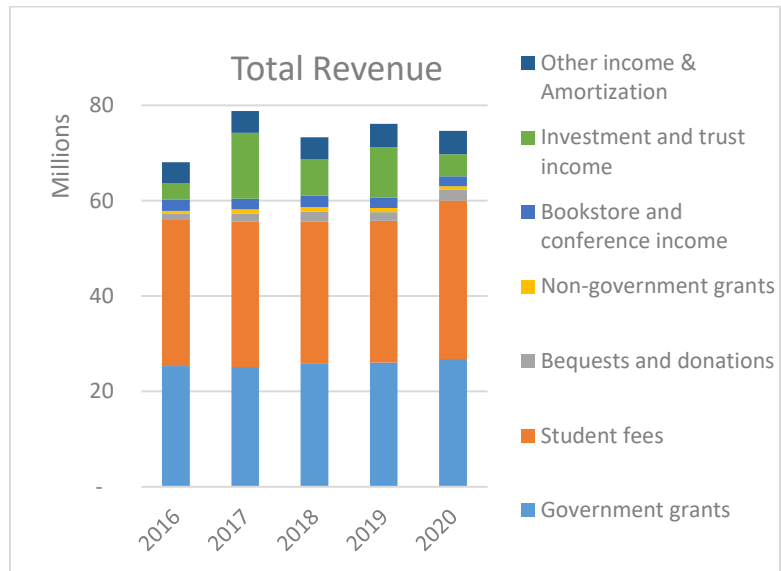
This report presents an overview of the consolidated operations of all funds of the University on a traditional accrual accounting basis. The operating fund budget and monitoring of results is presented on a modified cash basis and to assist in understanding both reports.

The University's budget document is posted on our website, and can be found at https://www.mta.ca/Community/Administrative_departments/Financial_Services/Financial_reports/Budget/Budget/

Financial Highlights – All Funds

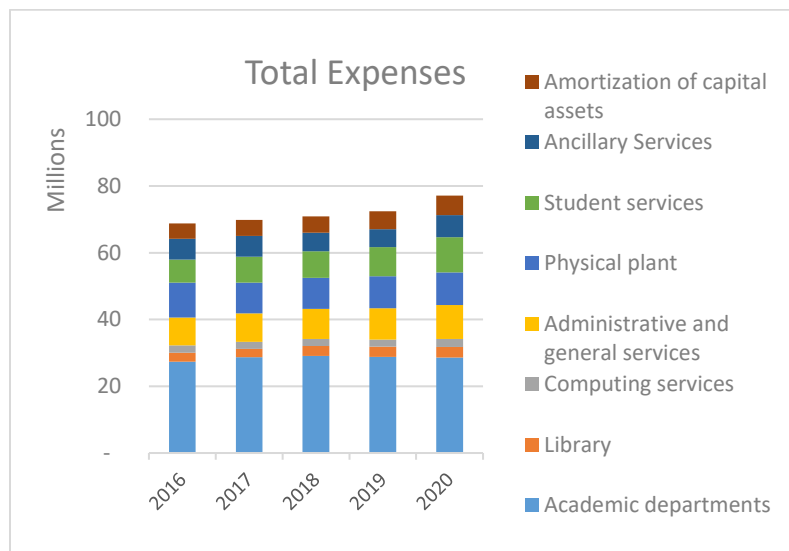
TOTAL REVENUE

- Revenue decreased 2% to \$74.7 million from \$76.1 million
- Government grants increased by \$0.8 million
- Student fees increased by \$3.4 million due to the increased number of students, mainly international students
- Investment income decreased 56% from \$10.6 million to \$4.6 million due to unrealized losses



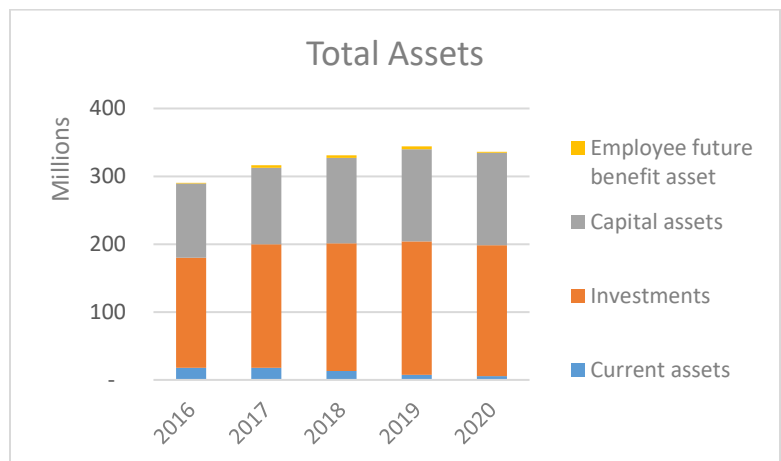
TOTAL EXPENSES

- Expenses increased 6% to \$77.1 million from \$72.4 million
- Increase in student services of \$1.8 million (21%) due to increased spending in financial aid and student credit of \$0.5 million due to the faculty strike
- Increase in ancillary services of \$1.3 million due to more students in residence



TOTAL ASSETS

- Assets decreased by 2% primarily related to investments
- Investments decreased by \$4.0 million
- Cash decreased by \$1.6 million due to the timing of withdrawing the spending allocation from endowment investments



Financial Highlights – All Funds

TOTAL LIABILITIES

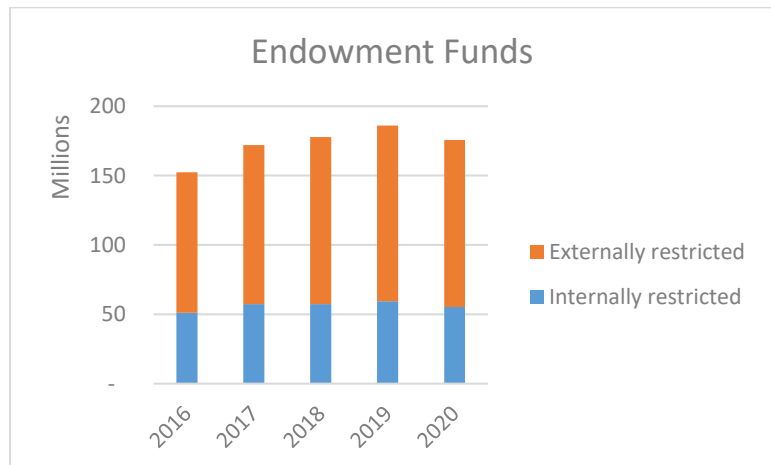
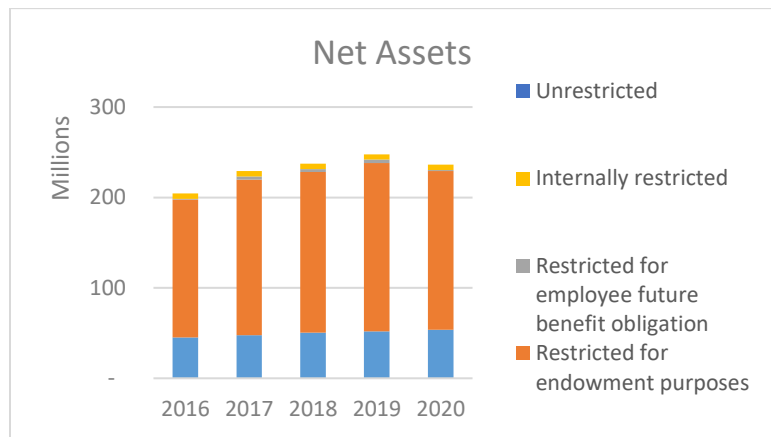
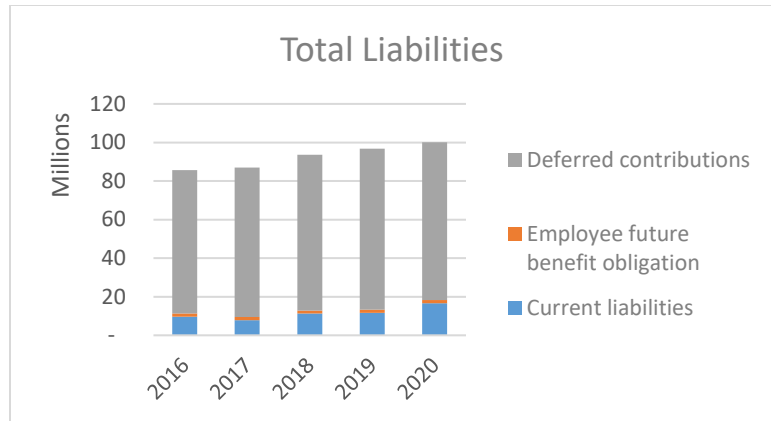
- Liabilities increased by 3% due primarily to an increase in bank indebtedness because of large capital projects

NET ASSETS

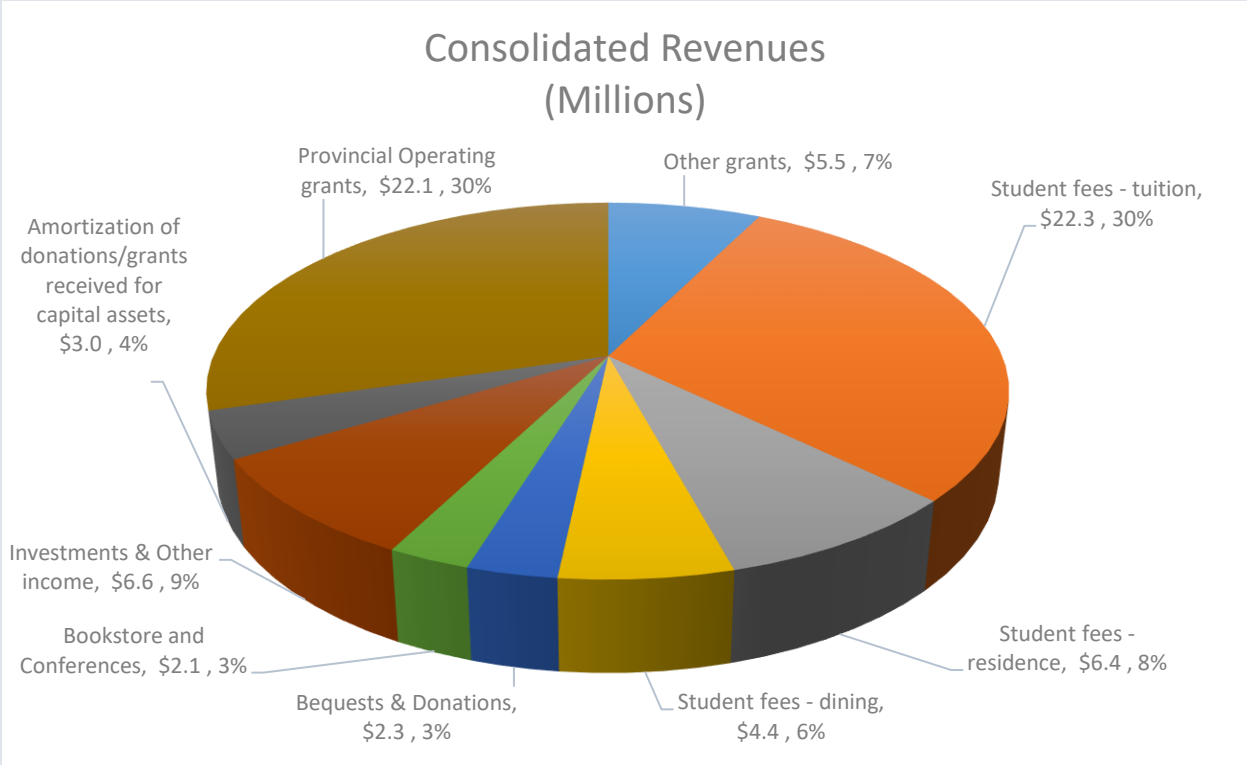
- Net assets decreased 4.7% to \$236 million from \$247 million
- Assets restricted for endowment purposes decreased by \$10.3 million (5.6%) due to negative investment returns
- Assets restricted for employee future benefit obligation decreased by \$2.9 million (73.5%) due to negative investment returns

ENDOWMENT FUNDS

- Reduction in endowment fund value was due to overall negative returns, mainly unrealized losses



Consolidated Revenues



Revenue comes from four main sources: student payments for tuition, residence, dining and bookstore services; grants from the Provincial government, Federal government and other sources; gifts received as donations, bequests, and trust income; and investment income earned on operating cash balances and on internally restricted and unrestricted endowments.

Revenue from students and government grants continue to be the predominant sources of revenue, which are under significant pressure due to: a decline in the number of potential students from traditional markets, competition from other universities with respect to student recruitment, and the financial health of the Province of New Brunswick, which impacts the Province’s ability to provide support to New Brunswick’s public, post-secondary institutions. Also, since December 31 2019, the spread of COVID-19 has severely impacted many economies around the globe. The University is providing a hybrid approach to delivering classes for the fall 2020 term. Early numbers show that students have registered for classes but many have stayed home, thus resulting in a lower number of students in residences. The financial impacts will depend on future developments, including the duration, spread and severity of the outbreak, costs mitigating against the risk of the virus, the duration and geographic scope of related travel advisories and restrictions, and the extent of disruptions to businesses and its related impact on the economy, including provincial government revenue.

In 2019-2020, total consolidated revenues decreased by \$1.4 million to \$74.7 million (1.9%) reflecting a decrease in investment income of \$6 million partially offset by an increase in student fees of \$3.4 million (11%).

Consolidated Revenues

Student Fees

Student fees includes tuition and other fees as well as residence and dining services. In 2019-2020 these fees overall increased by \$3.4 million (11%). Tuition and other fee revenue increased by 9% mainly due to an increase in the number of international students, as well as an increase in tuition rates: 5.7 per cent for domestic and 3 per cent for international, and ancillary fee revenue (residence & dining services) increased by nearly 16% due to the larger number of students on campus.

Operating Grants Revenue

The Provincial operating grant increased by 1% as per a MOU with the government of New Brunswick. The current MOU, negotiated with the previous liberal government, expires in 2021. The Federal operating grant is in support of research overhead and increased slightly from the prior year.

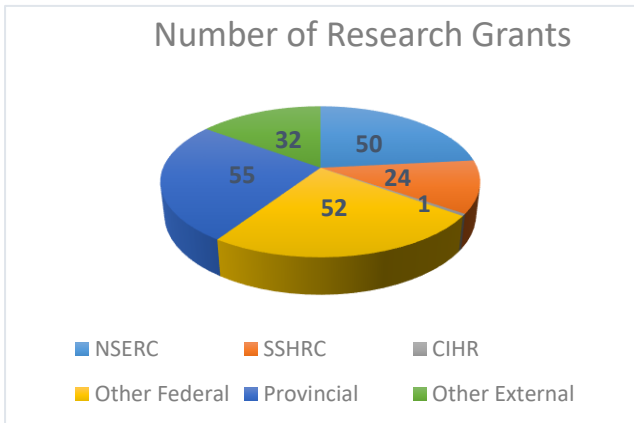
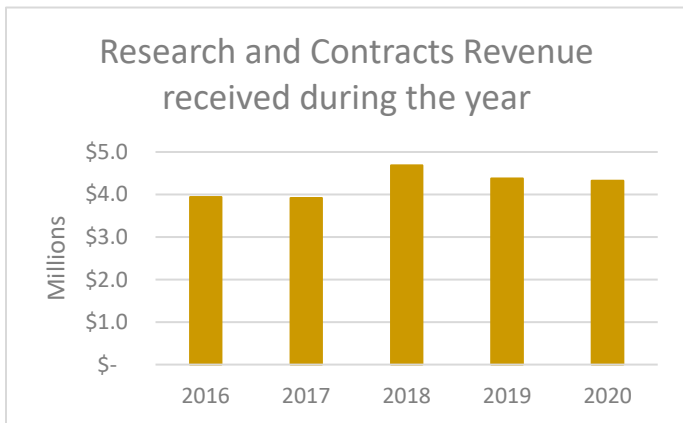
Research Grants and Contracts

Research revenue is recognized as income in the year related expenditures occur. Unspent research funds and funds spent on capital equipment and infrastructure are reflected as deferred contributions. Research revenue recognized in fiscal 2020 remained consistent with the prior year.

The University receives research grant and contract funding from a variety of sources and for many different projects and over the past three years has averaged \$4.5 million per year. This funding also provides students with opportunities to work with faculty on various research projects.

RESEARCH GRANTS

- Over 200 research grants
- NSERC provides largest source of funding by dollars for science-related research
- The University provided \$520,000 to support faculty members and instructors with professional development grants, consistent with prior years
- Research funding supported over \$700,000 in student fellowships



Consolidated Revenues

Ancillary Operations

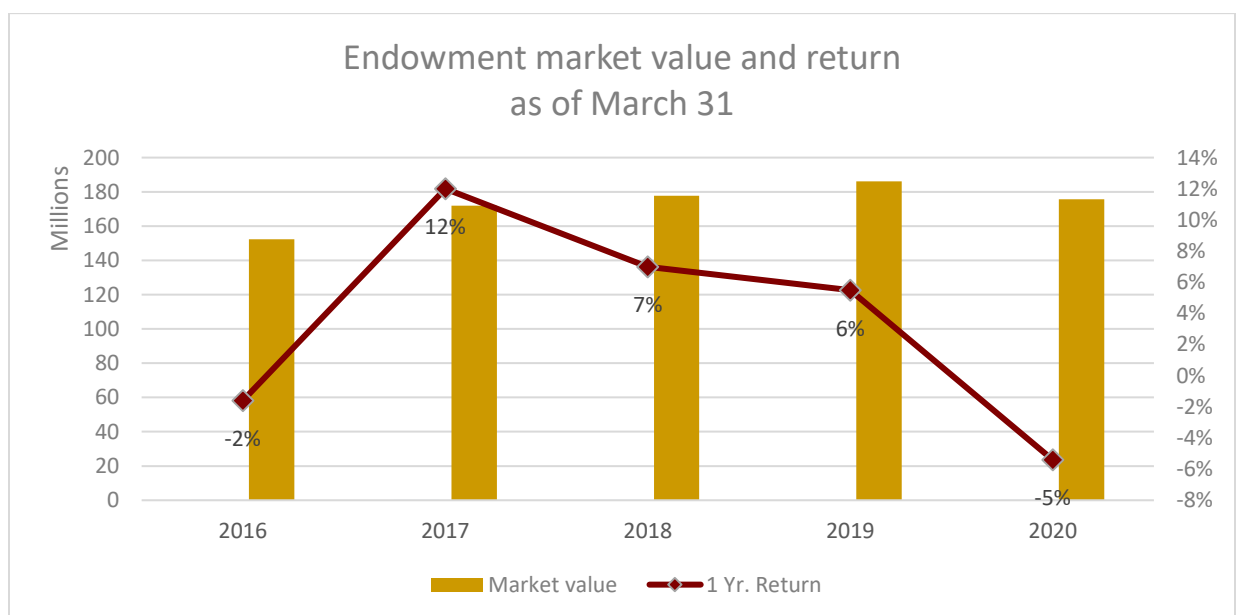
Ancillary operations provide essential student support including the residence, dining, conference and bookstore services. The operations are responsible for providing efficient and affordable services while covering all related operating and capital expenditures. The residence, dining and conference operations provided \$2.6 (2019 - \$2.3) million to support residence and dining services upgrades. The residence operation is responsible for maintaining 340,000 square feet encompassing eight large residences and a dining operation.

The bookstore operations had a loss of \$33,000 (2019 - \$13,000) due primarily to a reduction in textbook sales. Textbook and fine arts supply prices are set to ensure the bookstore covers its costs but does not generate any profits. The related retail operation provides Mount Allison branded clothing and other merchandise to the University community and the general public.

Investment Income

Investment income and donations are the third largest revenue source for the University and decreased by \$5.7 million (46%). Revenue from investment income (which includes both realized and unrealized gains) can fluctuate from year to year based on market returns.

The University's Endowment Fund experienced a negative 5.4 (2019 – positive 5.5) per cent return for the year ended March 31, 2020 and had a top decile ten-year return compared to other Canadian university endowments reporting for the 2019 calendar year. The chart below illustrates the market value of the funds in nominal dollars as well as the one year returns as of March 31 for each of the last five years which tend to be much more volatile than the average rate over ten years.

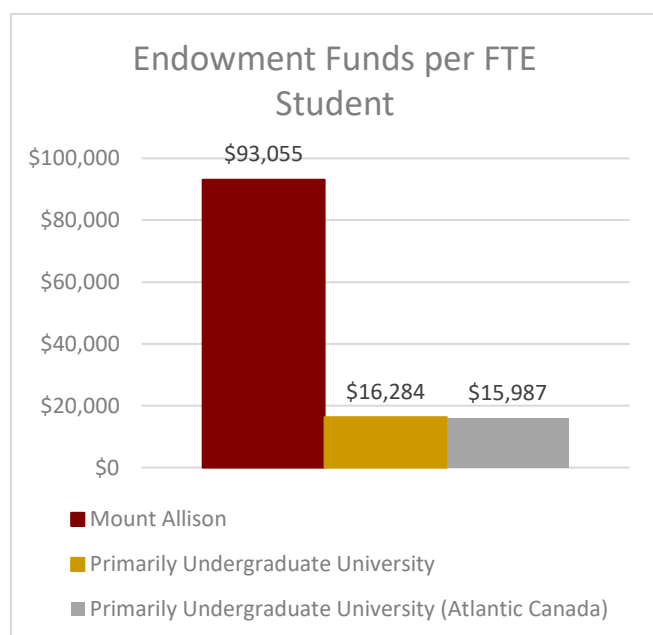


Consolidated Revenues

Investment and other income was 8.8 (2019 – 16.1) per cent of total revenue. Due to the pandemic, investments quickly dropped in value but managed to improve some by the end of March. The depreciation of the Canadian dollar against all major currencies helped to soften the blow. Subsequently, investments have continued to improve.

New endowment donations received exceeded \$2.8 million in fiscal 2020 (2019 - \$1.6 million) and directly increased the endowment funds. These donations support current and future generations of students and faculty.

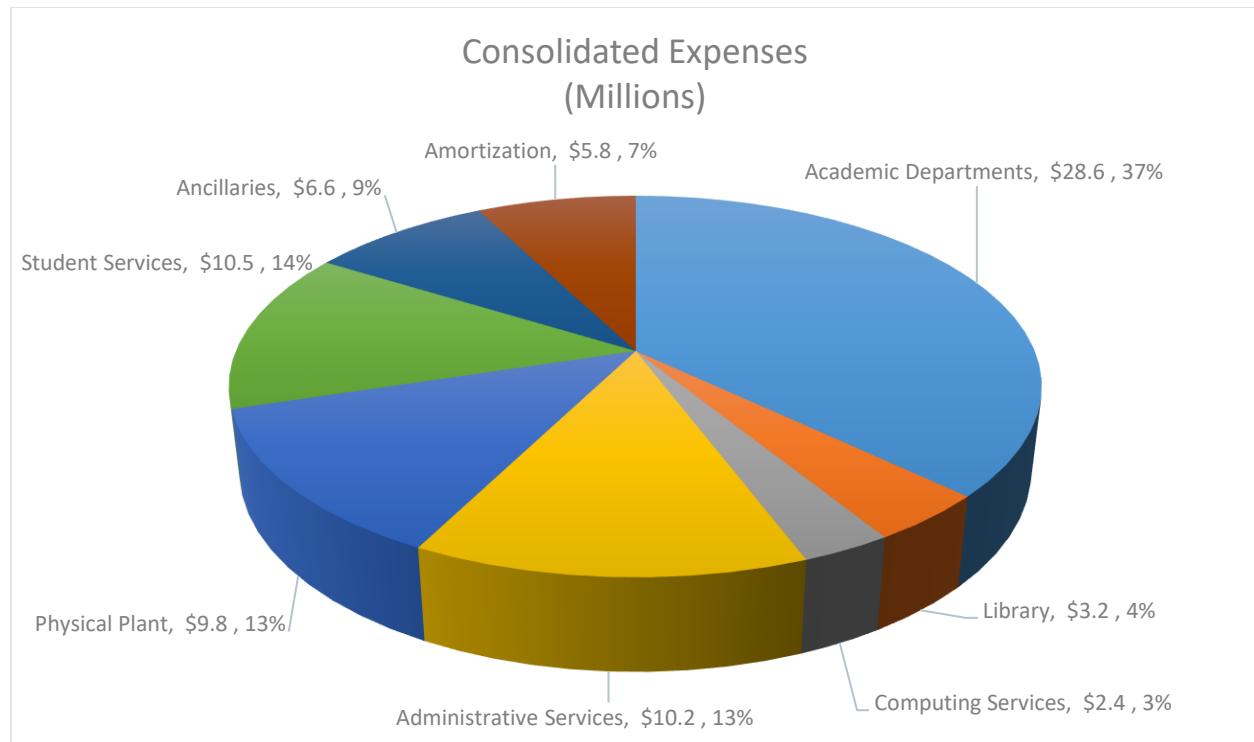
Consistent with almost all North American universities, Mount Allison invests endowed funds in a variety of asset classes to provide a long-term rate of return that will provide students and faculty of the future with the same benefits that current students and faculty receive. To preserve the capital in the endowment fund, the annual spending allocation is limited to the lesser of a) five per cent of the market value of endowment investments at the end of the prior year or b) five per cent of the average market value over the previous sixteen quarters. This amount, net of administration charges, investment management fees and custodial expenses, is allocated on a pro-rata basis to cover the spending of each endowment fund. The spending allocation support from endowed funds has increased every year and has allowed the University to spend more on its academic mission, including financial aid. This spending allocation percentage and the target asset allocations were under review prior to COVID-19, showing an increased risk to maintaining the current 5 per cent spending allocation. Post COVID-19, even with much of the loss regained, that risk has risen.



Mount Allison has the largest endowment per student of non-federated Canadian universities and the second largest endowment per student of all Canadian universities after Victoria University federated with the University of Toronto, reaching over \$93,000 as of December 31, 2019. Mount Allison has significantly larger endowments than the average Canadian and Atlantic Canadian primarily undergraduate university.

This large endowment provides support for student financial aid and faculty activities that otherwise would not be possible.

Consolidated Expenses



Consolidated expenses are reported in the consolidated statement of operations by function as shown in the chart above. Total consolidated expenses increased by 6.5 per cent in 2020, from \$72.4 million to \$77.1 million.

The largest portion of expenditures was \$31.8 million (2019 - \$31.8 million) for academic departments and library which represent 41% (2019 - 44%) of University expenditures. The largest dollar increase in expenses was in student services, \$1.8 million (21%) for the second year in a row. This was mostly due to the continued efforts of a dedicated experiential learning office to provide increased opportunities for students. The remainder was due to increased spending in financial aid due to the increased number of students and the credit given to the students related to the Faculty strike. Financial aid is nearly fully funded by endowments and other donations.

Salaries and benefits are by far the largest type of expense. Utilities, dining plan costs, financial aid, facilities maintenance and improvements and information technology costs also represent significant expenses.

Salaries

Salaries and benefits made up 56 per cent of the total expenditures or \$43 million, slightly up from the previous year. Salaries and benefits for Mount Allison, like other universities, represents the University's largest expenditure.

Consolidated Expenses

Employee future benefit obligations

Mount Allison University provides post-retirement benefits for its employees in various forms. The University has both a defined benefit pension plan and a defined contribution plan. The defined benefit plan is fully funded on a going concern basis and has received an exemption from making special payments for its solvency deficit. In addition, a retirement program provides a lump sum benefit to qualifying individuals at their date of termination or retirement. As compared to other universities, Mount Allison is exposed to few post retirement liability risks and has fully funded non-pension liabilities.

Capital Projects and Financing

In 2019 and 2020, Windsor Hall, the University's largest student residence, underwent a total renovation and upgrading at a total cost of \$15.4 million. It re-opened in August of 2019.

The next major capital project on the horizon is the revitalization of the R. P. Bell Library, which represents an opportunity to update both library and archive spaces and resources. A renewed space will respond to the changing nature of libraries in the digital age, and their renewed role as a catalyst for research, learning, creativity, and community engagement.

The Libraries 2025 Vision Committee has completed its initial planning, and work on the next phase of the project – 'functional programming' –has begun. That work will consider the spaces and requirements necessary to support and enhance the intended activities.

In order to sustain its facilities, a university must spend at least two per cent of facility replacement value each year on renewal and adaptive maintenance, even if there was no deferred maintenance. The amount necessary depends on the complexity of its facilities and other factors. Over the past 10 years, the University has spent over \$100 million on its Academic and Ancillary facilities. These funds have come from donations, government grants and operations.

For the portion of capital funding that comes from operations, the University integrates annual operating budgets with long-term capital and equipment budgets. It uses its own cash flows to fund major construction projects which has enabled the University to avoid using long term external debt for over 15 years. As of April 30, 20 the University had no external debt, other than an operating line of credit. The internal loan payments budgeted for 2020 were made as planned.

Carbon Footprint and Sustainability Activities

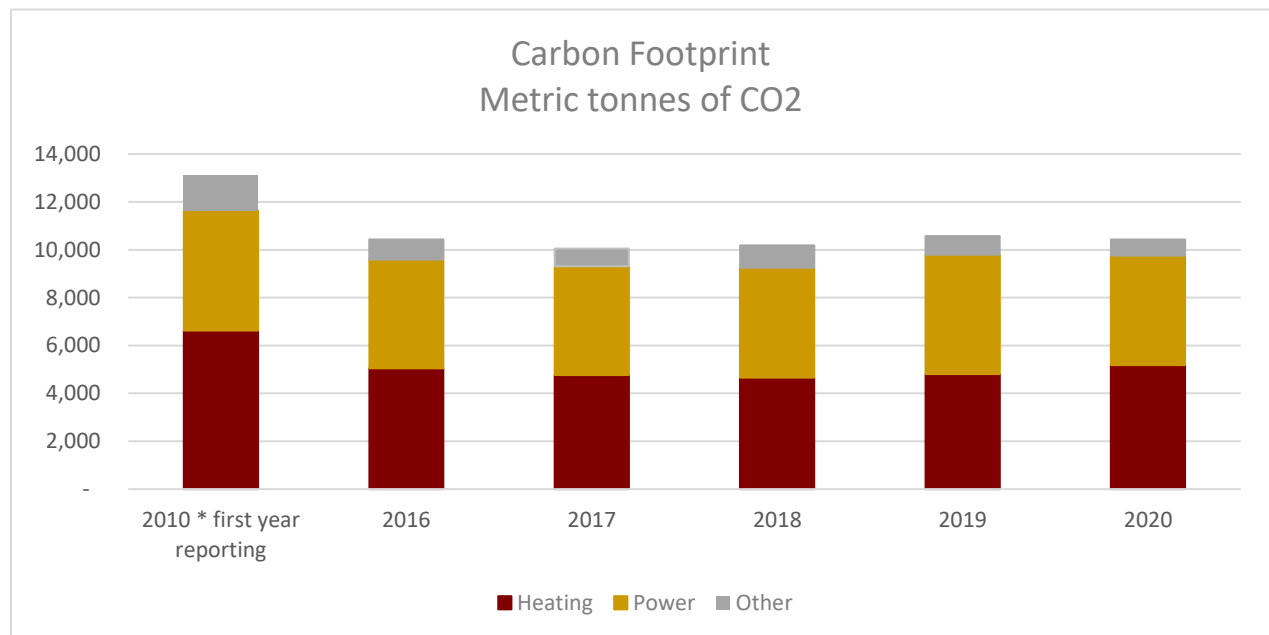
Climate change is widely acknowledged to be one of the world's most pressing problems and Mount Allison is committed to pursuing reductions in its use of fossil fuels in its operations. Carbon footprint reporting began in 2010 and there has been a 20 per cent decrease since that time.

The University's carbon footprint, not including commuting, totalled 10,428 metric tonnes for the one year period ended April 30, 2020. Student, faculty and staff commuting was estimated to result in an additional 1,306 tonnes. The chart below breaks out the major sources of the University's carbon emissions by fiscal year.

More information can be found at

https://www.mta.ca/Community/Governance_and_admin/VP_Finance_and_Administration/Climate_change_and_responsible_investing/Climate_change_and_responsible_investing/

Other activities include initiatives in the areas of academic programming, extra-curricular activities and research, policies on environmental matters and responsible investing, and reporting of such. In addition, a subcommittee of the Board of Regents was formed in 2018 to report on University actions, policies and initiatives related to improving the University's environmental performance, including greenhouse gas reduction, in the short and long term.

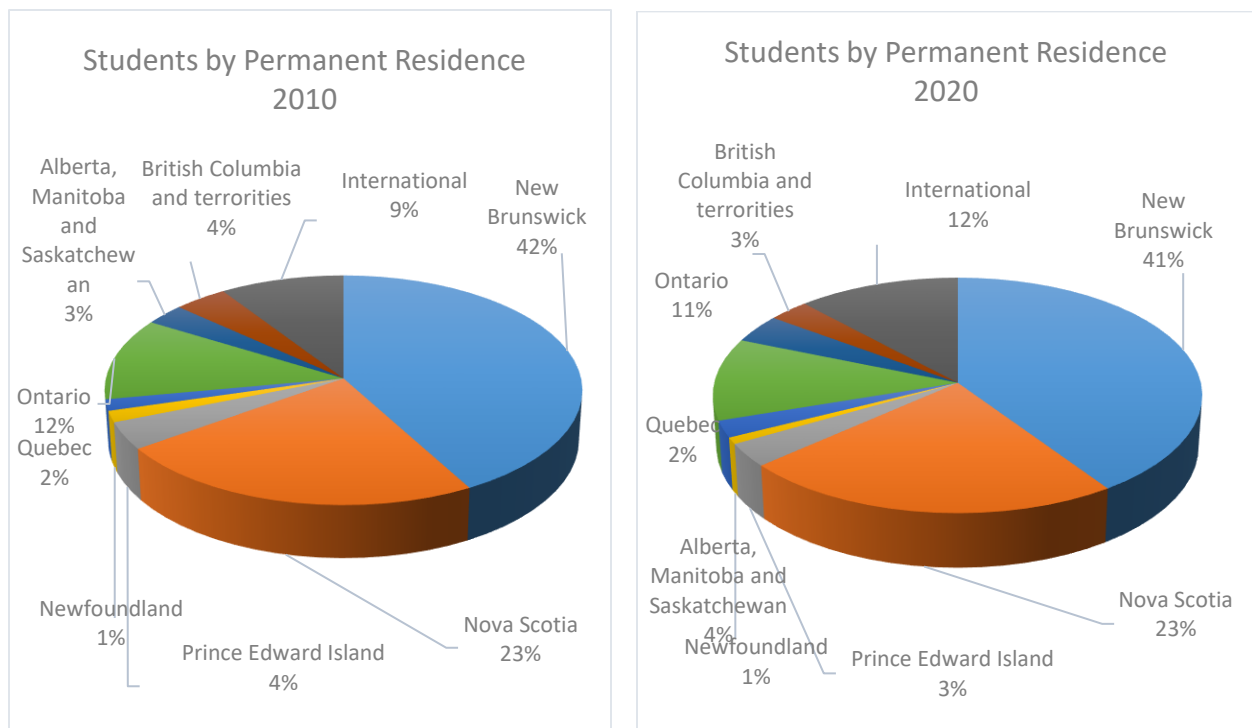


Student Experience

In *Maclean's* 2020 University Rankings, Mount Allison ranked #1 in student satisfaction, as well as on a variety of student satisfaction measures. Mount Allison students also report higher overall satisfaction than students at other schools. Over 80 per cent of first year students, and more than 90 per cent of senior students, rate their experience at Mount Allison as excellent or good. As well, the *Globe and Mail's* annual Canadian University Report noted Mount Allison provides an above-average overall student experience.

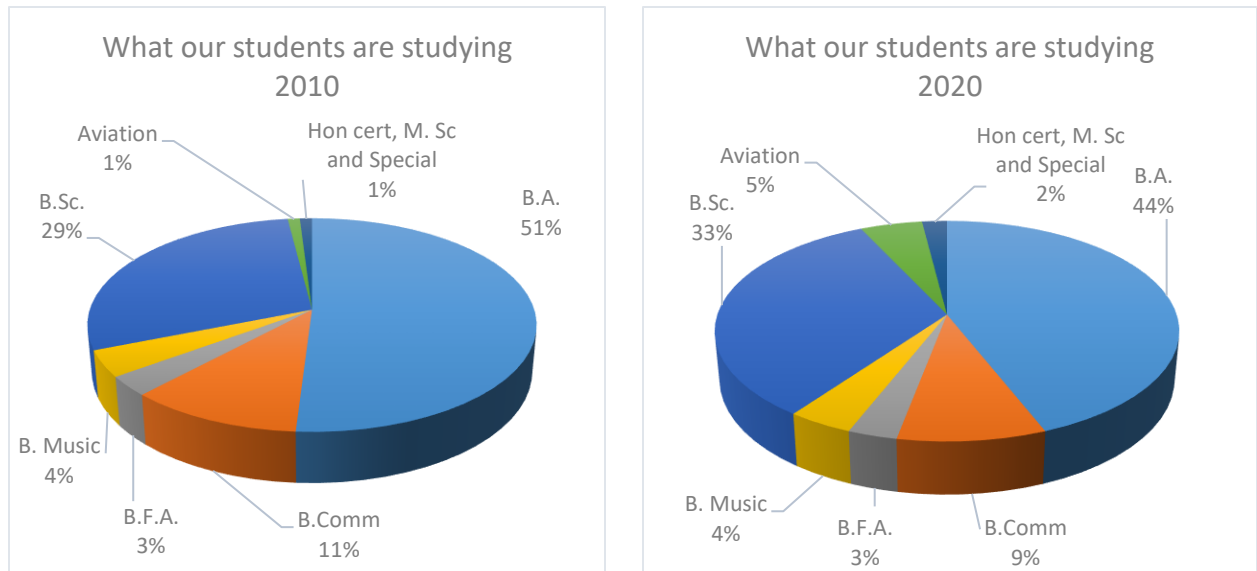
Academic Experience

Mount Allison recruits students from across Canada and the world. This contributes to the economy of New Brunswick by bringing in funds from outside the province to be spent in New Brunswick and also provides New Brunswick students the opportunity to interact with individuals from every region of Canada and from over 51 other countries. The percentage of international students has increased from 9 to 12 per cent. This increase is partly due to new enrolment initiatives undertaken to attract international students attending NS and NB high schools. This geographic mix helps enliven the Mount Allison student experience.



Student Experience

Mount Allison offers more than 40 different programs to choose from to create uniquely customized degrees.



The University is able to provide a high quality educational experience due to the low student faculty ratio of 16 to 1 and the high proportion of full-time faculty. The University's overall student faculty ratio is lower than the average for all Canadian universities and for primarily undergraduate universities. MacLean's magazine also ranks our faculty first in national awards won and in the percentage of full-time instructional faculty with a PhD, or highest degree in their field for primarily undergraduate universities.

In addition to providing a low student faculty ratio, financial resources are allocated to promote a unique and high quality academic experience

Other ways the University provides a unique and high quality academic experience are as follows:

- Academic and experiential learning opportunities through summer research and other fellowships, courses delivered in foreign countries, exchange programs with other universities and field trips to various locations.
- Funds approximately 60 summer independent student research grants each year.
- Many departments employ students as lab assistants and tutors.
- Approximately 30 per cent of graduates completed honours programs mentored by faculty members.
- University spending on library acquisitions is significant with the amount spent on library services per full-time equivalent student exceeding the average spending by primarily undergraduate universities in Canada.

Student Experience

Financial Aid

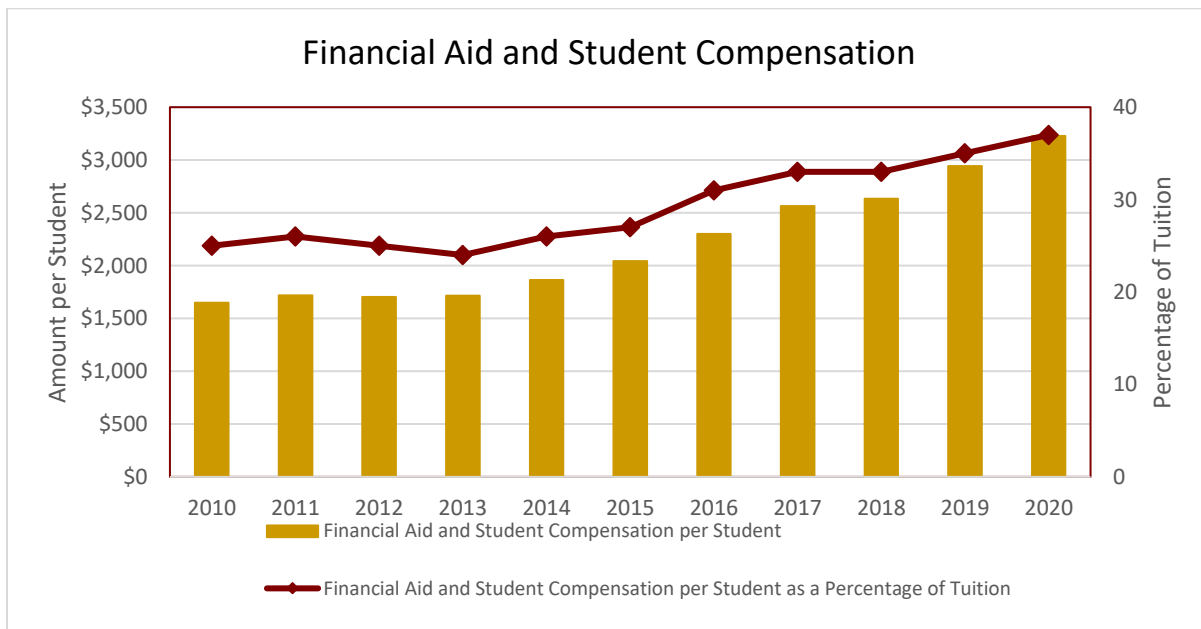
Recruiting and retaining qualified students requires significant financial aid and student employment resources. Financial Aid and student compensation per student has been steadily increasing over the years.

Financial aid spending represents the largest budget item in the endowment fund budget. The University spent over \$6.6 million in fiscal 2020 in financial aid and student compensation, up 12 per cent from the prior year due to more first year students and due to the average amount per student increasing.

FINANCIAL AID

- Spent over \$6.6 million
- Average of 37% of tuition per student
- Spends more per FTE student than the average primarily undergraduate university

Financial aid and student compensation as a percentage of tuition was 37% in 2020 and averaged 30% over the past ten years. In that ten years, the amount has risen from \$1,700 per student to \$3,200 per student. Funding support for financial aid comes from endowments, non-endowed donations, external research grants and government funding such as the Future New Brunswick program. MacLean’s magazine ranked Mount Allison third among primarily undergraduate universities for spending on scholarships and bursaries.



Awards

Mount Allison students, in addition to receiving financial aid from University funds, successfully compete for national and international entrance and graduate scholarships such as Rhodes, Graduate NSERC, National Merit and Loran awards. To date, 55 Mount Allison students have become Rhodes Scholars — one of the best per capita records of any university in Canada. Valued at more than \$100,000, the

Student Experience

University of Oxford's Rhodes Scholarship is one of the oldest and most prestigious in the world. *Maclean's* ranks Mount Allison fourth in the number of students who have won national academic awards. For more information on rankings visit mta.ca/rankings.

Extracurricular Experience

Mount Allison provides a variety of opportunities to foster student development outside of the classroom. Many extracurricular and leadership activities are closely linked to the academic mission and cover intellectual, social and physical activities. They provide opportunities for students to become engaged locally and globally. Students work with local children of all ages with different physical and mental abilities through the SMILE program, while other students provide sustainable health care solutions in Honduras through Global Brigades.

Many student music and theatre productions take place on campus each year where students perform both on stage and behind the scenes, including lighting, set development, costumes, and much more.

The University's annual President's Speaker Series provides an opportunity for students to explore particular ideas through lectures and discussions with internationally renowned figures. The most recent series, *Ideas Without Borders*, included Chef Michael Smith, one of Canada's best-known chefs, Dr. Norah McRae, Associate Provost, Co-operative and Experiential Education, University of Waterloo, and a panel of three Mount Allison graduates whose careers have centered on NGO initiatives and projects in Canada and around the globe.

Other activities focused on the extracurricular experience include:

- *Residence Life Programming*
 - o Grants allocated to residences to support unique, inclusive, community building activities
 - o Academic advising specifically tailored to residence life
- *Student Societies*
 - o Over 103 active student societies in 2020
 - o Societies range from musical (Garnet and Gold) to academic (History Society) to community focused (Habitat for Humanity)
- *Athletics*
 - o Opportunities to compete at all skill levels in a variety of sports
 - o Opportunities to compete at all skill levels in a variety of sports
 - o 74 intramural sports teams in 8 sports involving close to 1,070 students, including individual sports such as golf and team sports such as soccer, basketball, hockey, volleyball and dodgeball
 - o Eight club sports including men's and women's rugby, cross country, lacrosse, field hockey, curling, varsity dance and ultimate frisbee
 - o Five Canadian Collegiate Athletic Association teams (men's & women's badminton / men's & women's basketball / women's volleyball)

Student Experience

- o Six Canadian U SPORTS teams (football / women's hockey / men's & women's soccer /men's & women's swimming)
- o 68 students obtaining academic all-Canadians awards
- *Employment, Internship and Related Opportunities*
 - o Over 100,000 hours of direct student employment
 - o Leadership opportunities as Assistant Dons, Residence Assistants, athletic trainers

Meighen Centre

Mount Allison continues to invest in student resources and supports. The team at Mount Allison's Meighen Centre provides services to students with learning disabilities and with accessibility needs.

The Centre provides services such as:

- test and exam accommodations
- academic support such as note-taking, assistive technology, alternative lecture formats, and mentoring
- learning strategies assistance
- individual and academic counselling
- limited learning disability assessments
- a self-help resource centre
- professional training both on and off campus

Supplemental Information — Operating Fund

Operating Fund Budget

Mount Allison's audited financial statements are prepared in accordance with generally accepted accounting principles as prescribed by the Chartered Professional Accountants of Canada using the deferral method of accounting.

Similar to many not-for-profit organizations in Canada, including universities, Mount Allison University accounts for its activities using the principles of fund accounting. This method ensures observance of restrictions, if any, on the use of University resources and allows for separate planning, budgeting and management of each significant University activity. For external reporting under the deferral method, all funds are consolidated on the statements of financial position and operations in the audited financial statements. Supplementary schedules provide information on the various funds' operations.

The largest fund is the General Operating Fund and it accounts for the core mission of the University: its academic, administrative and other operating activities associated with the primary teaching and research function.

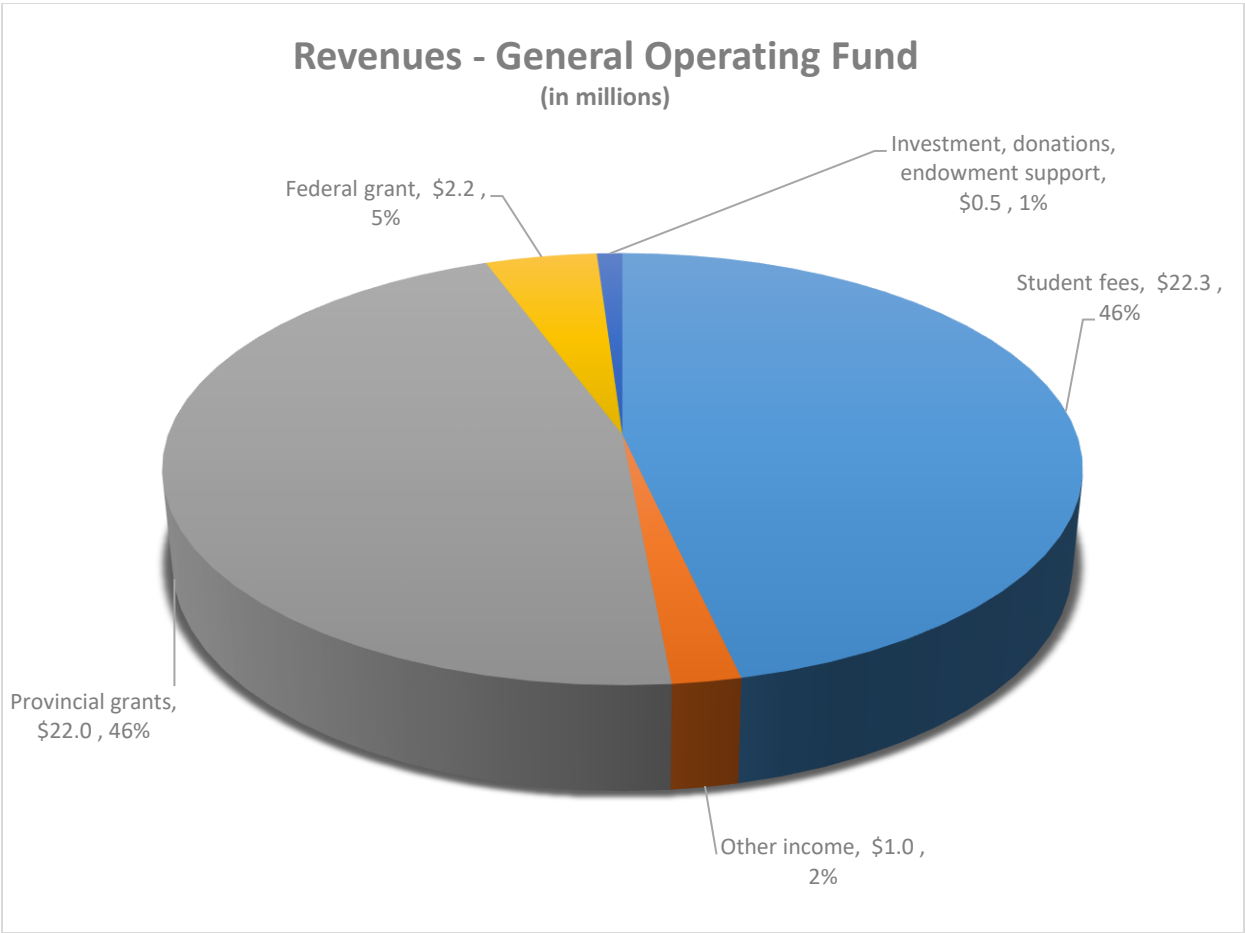
The two main differences between budgets and audited financial statements are in the operating fund's accounting for capital assets and pension contributions for the defined benefit pension plan provided for non-academic staff as per below. In addition, in 2020, the Executive Committee of the Board approved several special initiatives outside of the operating budget that will focus on student experience, academic programs and increased spend on marketing and advertising with the goal to protect and increase future enrolment. These initiatives are being funded by various sources of government grants and internal loans.

Revenues over expenses per audited financial statements, Schedule 2 – Operating fund	\$922,000
Alterations and renovations and equipment capitalized	(1,487,000)
Difference between pension contributions and pension expense as required by accounting principals	(146,000)
Special initiatives net investment not included in budget	\$113,000
Net interfund transfers to operating fund	376,000
Deficit against budget	(\$222,000)

The various interfund transfers that were completed during the year were a) planned as part of the budget, b) recorded for accounting or policy reasons, or c) resulted from decisions made during the year. The types of interfund transfers are the same as in prior years.

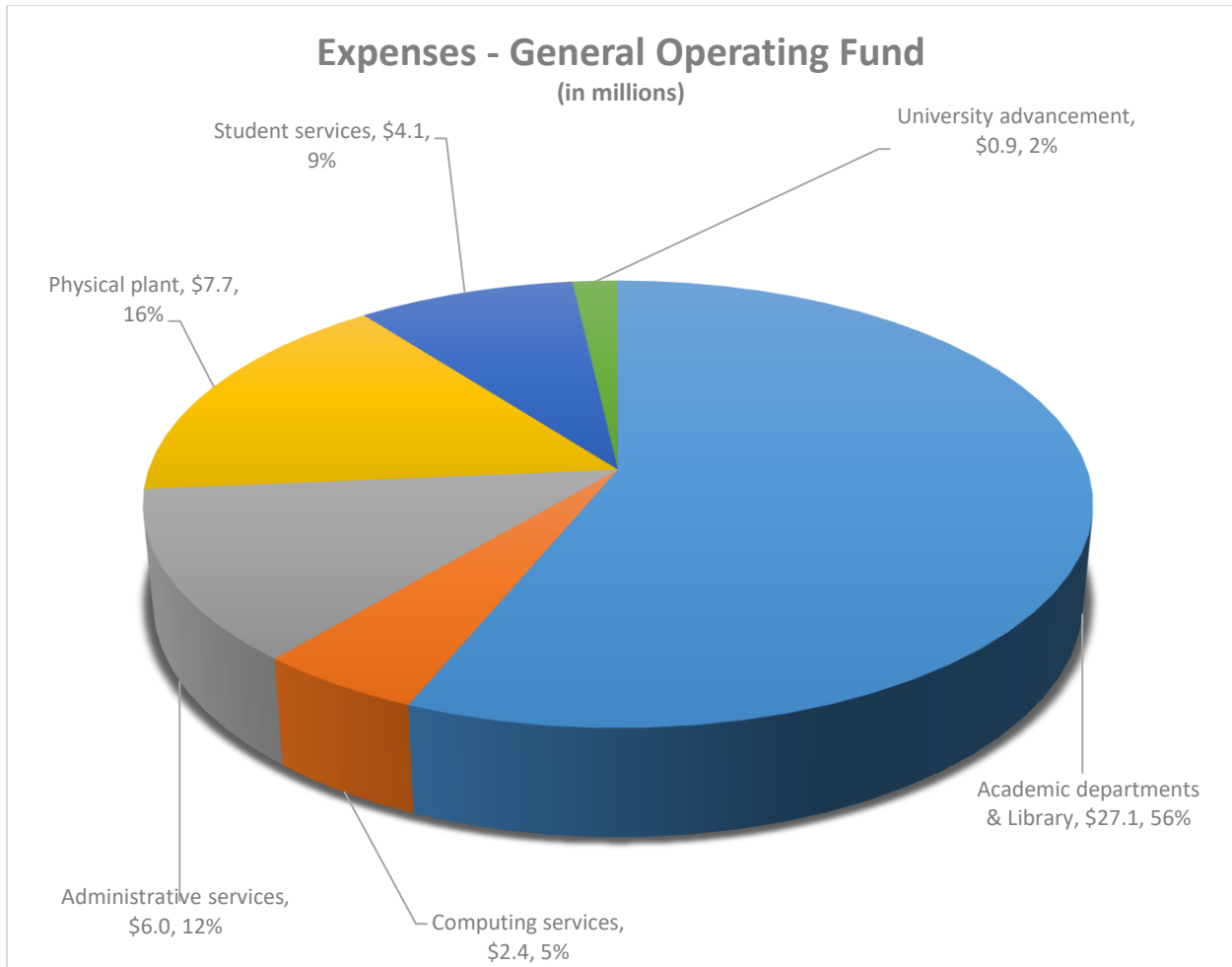
Supplemental Information — Operating Fund

The University budgets its general operating fund on a modified cash basis and ended the year with a small deficit for 2019-2020 of \$0.2 million (2018-2019 - \$0.4 million). In 2020, the operating fund budget was approved with a \$809,000 deficit, the first time in many years any deficit budget was approved. The actual deficit on this modified cash basis was less due mainly to a greater number of international students and the related tuition revenue.



In fiscal 2020, the General Operating Fund had revenues and transfers in from other funds of \$48 (2019 - \$45.6) million, compared to a budget of \$46.6 million. The largest portion of University financial resources, student tuition and Provincial Grants, make up 92 per cent of the revenue in the General Operating Fund. In fiscal 2020, the operating grant provided to universities by the New Brunswick government increased by a flat one per cent with no consideration of enrolment in proportion to the other New Brunswick universities. The actual student tuition and other fees was \$22.3 million compared to a budget of \$21.4 million.

Supplemental Information — Operating Fund



The largest expenditure in the General Operating Fund is the direct cost of academic departments and the library followed by student services (when financial aid support from the endowment fund is considered) and physical plant costs. Total expenditures and transfers out to other funds in the general operating fund were \$48.2 (2019 - \$46.0) million, compared to a budget of \$47.4 million.

A net transfer in from other funds of \$.4 (2019 - \$.5) million supplemented the operations.



MountAllison
UNIVERSITY

Consolidated Financial Statements



April 30, 2020

Contents

	Page
Statement of management responsibility	23
Independent auditors' report	24-25
Consolidated statement of financial position	26
Consolidated statement of operations	27
Consolidated statement of changes in net assets	28
Consolidated statement of cash flows	29
Notes to the consolidated financial statements	30-43
Schedule of operating funds, restricted funds and net assets invested in capital assets	44
Schedule of general, ancillary and special program operating funds	45
Schedule of research, special purpose and endowment expendable funds	46

STATEMENT OF MANAGEMENT RESPONSIBILITY

The administration of the University is responsible for the preparation of the consolidated financial statements and the notes to the consolidated financial statements.

The administration has prepared the consolidated financial statements in accordance with Canadian accounting standards for not-for-profit organizations as issued by the Chartered Professional Accountants of Canada. In order to achieve the objective of fair presentation in all material respects, the use of reasonable estimates and judgements were employed. The administration believes that the consolidated financial statements present fairly the University's financial position as at April 30, 2020 and the results of its operations for the year then ended.

In fulfilling its responsibilities and recognizing the limits inherent in all systems, the administration has developed and maintains a system of internal control designed to provide reasonable assurance that University assets are safeguarded from loss and that the accounting records are a reliable basis for the preparation of the consolidated financial statements.

The Board of Regents is responsible for ensuring that administration fulfils its responsibilities for financial reporting and is ultimately responsible for reviewing and approving the consolidated financial statements. The Board carries out its responsibility for review of the consolidated financial statements principally through the Audit Committee. All of the members of the Audit Committee are independent, i.e., not officers or employees of the University. The Audit Committee meets regularly with administration and with the external auditors to discuss the planning and results of audit examinations and financial reporting matters. The external auditors have full access to the Audit Committee with and without the presence of administration.

The consolidated financial statements for the year ended April 30, 2020 have been reported on by Grant Thornton, LLP, Chartered Professional Accountants, the independent auditors appointed by the Board of Regents. The independent auditors' report outlines the scope of their audit and their opinion on the consolidated financial statements.



Dr. Jean-Paul Boudreau, PhD, FCPA
President and Vice-Chancellor
October 23, 2020



Robert Inglis, CPA, CA
Vice-President, Finance and Administration
October 23, 2020

Independent auditor's report

Grant Thornton LLP
Nova Centre, North Tower
Suite 1000, 1675 Grafton Street
Halifax, NS
B3J 0E9
T +1 902 421 1734
F +1 902 420 1068

To the Board of Regents of
Mount Allison University

Opinion

We have audited the consolidated financial statements of Mount Allison University (the "University") which comprise the consolidated statement of financial position as at April 30, 2020, and the consolidated statements of operations, changes in net assets and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly in all material respects, the financial position of Mount Allison University as at April 30, 2020, and its results of operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Basis for opinion

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

Other matter – supplementary information

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements of Mount Allison University taken as a whole. The supplementary information included in the schedules is presented for purposes of additional detail and is not a required part of the consolidated financial statements. Such information has been subjected to the auditing procedures applied, only to the extent necessary to express an opinion, in the audit of the financial statements taken as a whole

Responsibilities of management and those charged with governance for the consolidated financial statements

Management is responsible for the preparation and fair presentation of these consolidated 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated 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 consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the University's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the University's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the University to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

Halifax, Canada
October 23, 2020

The logo for Grant Thornton LLP, featuring the company name in a stylized, cursive script.

Chartered Professional Accountants

Mount Allison University

Consolidated statement of financial position

As at April 30

2020

2019

Assets

Current

Cash and cash equivalents (note 3)	\$ 563,455	\$ 1,337,123
Accounts receivable (note 4)	3,630,732	4,634,845
Prepaid expenses and inventory	<u>1,595,721</u>	<u>1,432,661</u>
	<u>5,789,908</u>	<u>7,404,629</u>

Long term

Investments (note 5)	192,750,284	196,807,358
Capital assets (note 6)	136,103,464	135,943,410
Employee future benefit asset (note 10)	<u>1,467,713</u>	<u>4,181,372</u>
	<u>330,321,461</u>	<u>336,932,140</u>
	<u>\$ 336,111,369</u>	<u>\$ 344,336,769</u>

Liabilities

Current

Bank indebtedness (note 8)	\$ 9,180,000	\$ 980,000
Accounts payable and accrued liabilities (note 9)	5,583,108	9,418,848
Deferred income	<u>1,799,969</u>	<u>1,236,937</u>
	<u>16,563,077</u>	<u>11,635,785</u>

Long term

Employee future benefit obligation (note 10)	<u>1,795,296</u>	<u>1,650,970</u>
--	------------------	------------------

Deferred contributions

Related to capital assets (note 11)	65,615,200	67,869,772
Related to restricted and endowed funds (note 12)	<u>16,168,586</u>	<u>15,686,157</u>
	<u>81,783,786</u>	<u>83,555,929</u>

	<u>100,142,159</u>	<u>96,842,684</u>
--	--------------------	-------------------

Net assets (deficit)

Invested in capital assets	53,673,963	51,993,328
Restricted for endowment purposes (note 13)	175,722,768	186,068,187
Restricted for employee future benefit obligation	1,042,327	3,927,552
Internally restricted (note 14)	5,908,091	5,644,643
Unrestricted	<u>(377,939)</u>	<u>(139,625)</u>
	<u>235,969,210</u>	<u>247,494,085</u>

	<u>\$ 336,111,369</u>	<u>\$ 344,336,769</u>
--	-----------------------	-----------------------

Commitments (note 16)

Contingent liabilities (note 17)

COVID-19 (note 19)

Mount Allison University

Consolidated statement of operations

Year ended April 30

2020

2019

Schedule 1

Revenues

Government grants - provincial	\$ 23,551,650	\$ 22,824,135
Government grants - federal	3,275,347	3,202,531
Student fees – tuition and other	22,296,797	20,391,915
Student fees – ancillary	10,863,391	9,355,337
Bequests and donations	2,287,064	1,811,040
Non-government grants and contracts	750,195	923,540
Bookstore and conference income	2,074,305	2,087,609
Investment income (note 5)	4,622,036	10,609,003
Other income	1,925,155	1,681,094
Amortization of deferred capital contributions (note 11)	<u>3,035,046</u>	<u>3,225,957</u>
	<u>74,680,986</u>	<u>76,112,161</u>

Expenses

Academic departments	28,608,891	28,835,393
Library	3,164,174	3,001,743
Computing services	2,366,724	2,137,711
Administrative and general services	10,198,947	9,377,015
Physical plant	9,788,855	9,642,304
Student services	10,517,429	8,720,681
Ancillary services	6,619,196	5,354,632
Amortization of capital assets	<u>5,844,165</u>	<u>5,359,377</u>
	<u>77,108,381</u>	<u>72,428,856</u>

Revenues over expenses (Expenses over revenues)	<u>(2,427,395)</u>	<u>3,683,305</u>
---	--------------------	------------------

Invested in capital assets	(1,680,635)	(1,612,245)
Committed (to) from internally restricted endowments	4,278,638	(2,128,660)
Committed to future pension benefits	(145,474)	(185,714)
Committed (to) from internally restricted net assets	<u>(263,448)</u>	<u>109,889</u>
	<u>2,189,081</u>	<u>(3,816,730)</u>

Change in unrestricted net deficit	<u>\$ (238,314)</u>	<u>\$ (133,425)</u>
------------------------------------	---------------------	---------------------

Mount Allison University

Consolidated statement of changes in net assets

Year ended April 30

	General, Ancillary and Special Program Operating Funds <u>2020</u>	Research, Special Purpose and Endowment Expendable Funds <u>2020</u>	Net Assets Invested in Capital Assets <u>2020</u>	Net Assets Restricted for Endowment Purposes <u>2020</u>	Total <u>2020</u>	Total <u>2019</u>
Net assets, beginning of year	\$ 3,787,927	\$ 5,644,643	\$ 51,993,328	\$ 186,068,187	\$ 247,494,085	\$ 237,224,296
Revenues over expenses (expenses over revenues)	(423,373)	805,097	(2,809,119)	-	(2,427,395)	3,683,305
Endowed donations	-	-	-	2,823,649	2,823,649	1,634,580
(Deficiency)/excess of investment earnings over endowment spending on externally restricted endowments	-	-	-	(8,890,430)	(8,890,430)	4,614,580
Employee future benefit remeasurements and other items	<u>(3,030,699)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(3,030,699)</u>	<u>337,324</u>
	<u>(3,454,072)</u>	<u>805,097</u>	<u>(2,809,119)</u>	<u>(6,066,781)</u>	<u>(11,524,875)</u>	<u>10,269,789</u>
Transfers (to) from other funds arising from policy or approved as part of the budget	3,131,301	(3,131,301)	-	-	-	-
(Deficiency)/excess of investment earnings over endowment spending on internally restricted endowments	1,743,071	2,628,617	-	(4,371,688)	-	-
Contract research overhead support and research grants	(305,054)	305,054	-	-	-	-
Donations and fundraising	(116,398)	30,303	-	86,095	-	-
Capitalized buildings and equipment - General Operating Fund	(1,487,201)	-	1,487,201	-	-	-
Capitalized buildings and equipment - other funds	(2,632,710)	(369,843)	3,002,553	-	-	-
Other	<u>(2,476)</u>	<u>(4,479)</u>	<u>-</u>	<u>6,955</u>	<u>-</u>	<u>-</u>
Transfers (to) from other funds	<u>330,533</u>	<u>(541,649)</u>	<u>4,489,754</u>	<u>(4,278,638)</u>	<u>-</u>	<u>-</u>
Change in net assets	<u>(3,123,539)</u>	<u>263,448</u>	<u>1,680,635</u>	<u>(10,345,419)</u>	<u>(11,524,875)</u>	<u>10,269,789</u>
Net assets, end of year	<u>\$ 664,388</u>	<u>\$ 5,908,091</u>	<u>\$ 53,673,963</u>	<u>\$ 175,722,768</u>	<u>\$ 235,969,210</u>	<u>\$ 247,494,085</u>
Components of net assets (deficit)						
Invested in capital assets	\$ -	\$ -	\$ 53,673,963	\$ -	\$ 53,673,963	\$ 51,993,328
Restricted for endowment purposes	-	-	-	175,722,768	175,722,768	186,068,187
Restricted for employee future benefit obligation	1,042,327	-	-	-	1,042,327	3,927,552
Internally restricted	-	5,908,091	-	-	5,908,091	5,644,643
Unrestricted	<u>(377,939)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(377,939)</u>	<u>(139,625)</u>
	<u>\$ 664,388</u>	<u>\$ 5,908,091</u>	<u>\$ 53,673,963</u>	<u>\$ 175,722,768</u>	<u>235,969,210</u>	<u>\$ 247,494,085</u>

See accompanying notes to the consolidated financial statements.

Mount Allison University

Consolidated statement of cash flows

Year ended April 30

2020

2019

Operating

Revenues over expenses (expenses over revenues)	\$ (2,427,395)	\$ 3,683,305
Amortization of deferred contributions	(3,035,046)	(3,225,957)
Unrealized loss on investments	12,395,514	3,605,842
Amortization of capital assets	5,844,165	5,359,377
Change in employee future benefit obligation	(172,714)	(181,658)
Change in non-cash operating working capital	<u>(2,431,655)</u>	<u>(1,448,499)</u>
	10,172,869	7,792,410

Contributions related to research and operations deferred during the year	<u>259,866</u>	<u>32,820</u>
---	----------------	---------------

Net cash provided by operating activities 10,432,735 7,825,230

Financing

Increase in bank indebtedness	8,200,000	980,000
Contributions related to special purpose funds and endowment expendable funds deferred during the year	222,563	2,782,869
Contributions related to capital assets deferred during the year	780,474	3,247,710
Endowed restricted donations	<u>2,823,649</u>	<u>1,634,580</u>

Net cash provided by financing activities 12,026,686 8,645,159

Investing

Purchase of capital assets net of proceeds on disposals	(6,004,219)	(15,231,572)
Excess (deficiency) of investment earnings over endowment spending on externally restricted endowments	(8,890,430)	4,614,580
Purchase of investments net of proceeds on disposals	<u>(8,338,440)</u>	<u>(12,487,065)</u>

Net cash used in investing activities (23,233,089) (23,104,057)

Net decrease in cash (773,668) (6,633,668)

Cash and cash equivalents, beginning of year 1,337,123 7,970,791

Cash and cash equivalents, end of year 563,455 \$ 1,337,123

Mount Allison University

Notes to the consolidated financial statements

April 30, 2020

1. Purpose of the organization

Mount Allison University (the "University") operates under the authority of the *Mount Allison University Act*, 1993, a special act of the Legislative Assembly of the Province of New Brunswick. The University is dedicated to providing a rigorous liberal education of high quality primarily to undergraduate students in a co-educational, intimate, residential environment. The University is a charitable organization and, under the provisions of section 149 of the Income Tax Act, is exempt from paying income taxes.

2. Significant accounting policies

Basis of accounting

These consolidated financial statements have been prepared by management in accordance with Canadian accounting standards for not-for-profit organizations in Part III of the Chartered Professional Accountants Canada Handbook (the "Handbook").

Use of estimates and judgments

The preparation of consolidated financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities as of the date of the consolidated financial statements and the reported amounts of revenues and expenses during the period. Actual amounts could differ from those estimates. The areas that are most subject to estimation and judgment include the amortization periods for capital assets, the actuarial assumptions used to estimate employee future benefit obligation and the fair value measurement of investments.

Fund accounting

University accounts are maintained in accordance with the principles of fund accounting. This method ensures observance of restrictions, if any, on the use of University resources by maintaining separate accounts for each fund. Contributions that have limitations placed on their use by parties external to the University are classified as restricted funds.

The following provides a brief description of each fund group:

The General Operating Fund includes academic, administrative, and other operating activities within the primary teaching and research functions of the University which are funded by student fees, government grants and other revenue.

The Ancillary Operating Fund accounts for the provision of services of a revenue producing nature which are outside the primary University function of teaching and research. These include bookstore, residence, dining, University merchandise sales, and conference services. Expenses reported in ancillary operations include direct costs as well as an apportionment of administrative and overhead costs of the University.

Mount Allison University

Notes to the consolidated financial statements

April 30, 2020

2. Significant accounting policies (continued)

Fund accounting (continued)

The Special Program Operating Fund includes the Meighen Centre, the Purdy Crawford Teaching Centre and the University Advancement department. Unrestricted donations and the income on internally restricted and unrestricted endowments are also recorded here as revenue and then appropriated for special purposes.

The Endowment Principal Fund reflects the total resources which have been endowed, either by terms imposed by the benefactor or by the University.

The Endowment Expendable Fund accounts for investment income earned on the endowment principal that has been spent on restricted purposes. It also accounts for income on internally restricted and unrestricted endowments which is reported in the Special Program Operating Fund and then transferred to the Endowment Expendable Fund. The unexpended portion of the prior year's spending allocation from externally restricted funds is recorded as either a deferred contribution and available for spending in future years or is added to the endowment principal. The Endowment Expendable Fund balance is comprised of the unexpended portion of internally restricted funds.

The Research Fund accounts for the expenditure of externally restricted contributions which have been received by the University from organizations or granting agencies and spent on research projects. It also accounts for funds appropriated from operating funds for research purposes. Unspent externally restricted contributions are recorded as deferred contributions on the consolidated statement of financial position. The Research Fund balance represents unspent internally restricted funds.

The Special Purpose Fund accounts for the expenditure of externally restricted contributions not related to research or endowment purposes. It also accounts for internally restricted funds appropriated from operating funds for special purposes. Unspent externally restricted funds are recorded as deferred contributions. The Special Purpose Fund balance represents unspent internally restricted funds.

The Capital Asset Fund accounts for the amortization of capital assets and the amortization of any externally restricted contributions received to fund those assets. The fund balance consists of unamortized capital assets which were financed with general operating or ancillary operating funds.

Revenue recognition

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

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

Externally restricted endowment contributions and the portion of income earned on externally restricted endowments are recognized as direct increases in net assets in the Endowment Principal Fund.

Mount Allison University

Notes to the consolidated financial statements

April 30, 2020

2. Significant accounting policies (continued)

Revenue recognition (continued)

Contributions which are externally restricted but are not endowed are recognized as revenue of the appropriate restricted fund as it is earned. Unspent balances are recorded as deferred contributions on the consolidated statement of financial position and recognized as revenue in the year in which the related expenses are recognized.

Contributions of materials and services are not recorded.

Contributions of cash or cash equivalents restricted for capital assets are deferred and amortized on the same basis as the related capital asset costs.

Student fees are recognized as revenue as courses are held. Sales and service revenue are recognized at point of sale or when the service has been provided. Amounts received in advance are recorded as deferred income.

Pledges are recorded as revenue in the period in which they are received.

Inventory

Inventories are valued at the lower of cost and net realizable value.

Capital assets

Land is stated at the nominal value of one dollar.

Collections are defined as works of art and historical treasures which are held for public exhibition, education, or research. The University maintains five major library collections as well as the Owens Art Gallery Permanent Collection. These collections are stated at the nominal value of one dollar. Further detail on these collections is provided in note 7.

Buildings, land improvements, and equipment are stated at their appraised values as at April 30, 1992, with all subsequent additions and betterments recorded at cost.

Amortization is provided on a straight-line basis. Useful lives are estimated at 5 years for equipment and major software, 40 years for buildings, and 20-40 years for land improvements. Amortization of the capitalized costs of constructed assets begins when the asset is available for use.

Library books, which are held for circulation, are not capitalized but are recorded as an expense in the year in which they are purchased.

Management reviews estimates of the useful lives of capital assets and adjusts the estimates as required. Management regularly reviews assets for indicators of impairment and records any impairment charges when the carrying amount exceeds the recoverable amount.

Appropriations from ancillary fund operation to capital projects

Any excess of revenues over expenditures in the residence and conference operations is appropriated for capital projects related to the residence operation.

Mount Allison University

Notes to the consolidated financial statements

April 30, 2020

2. Significant accounting policies (continued)

Endowment income and spending allocation

University policy limits the spending allocation and fees on endowments to the lower of 5.0% of the market value at the end of the previous fiscal year and the average market value of the sixteen quarters in the previous four fiscal years. At the end of each year, the portion allocated for spending is recorded as deferred contributions and recognized as revenue in the Endowment Expendable Fund as it is spent. The remaining investment income is recognized as a direct increase in net assets in the Endowment Principal Fund. In years when the investment income is less than the spending allocation and fees, or when there is a realized loss, the difference is recorded as a decrease in net assets in the Endowment Principal Fund.

Income (loss) earned on internally restricted or unrestricted endowments is reported as revenue (loss) in the Special Program Operating Fund and transferred to the Endowment Expendable Fund or the Endowment Principal Fund.

Financial instruments

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

- Cash and cash equivalents
- Accounts receivable
- Investments
- Accounts payable
- Bank indebtedness

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

The University subsequently measures all of its financial assets and financial liabilities at amortized cost except investments in equity instruments which are described below.

The University removes financial liabilities, or any portion thereof, when the obligation is discharged, cancelled or expires. Financial assets measured at cost are tested for impairment when there are indicators of impairment. Previously recognized impairment losses are reversed to the extent of the improvement providing the asset is not carried at an amount, at the date of reversal, greater than the amount that would have been the carrying amount had no impairment loss been recognized previously. The amounts of any write-downs or reversals are recognized in the consolidated statement of operations.

The carrying values of cash and cash equivalents, accounts receivable, accounts payable and bank indebtedness approximate their fair market values due to the relatively short periods to maturity of the instruments.

Mount Allison University

Notes to the consolidated financial statements

April 30, 2020

2. Significant accounting policies (continued)

Financial instruments (continued)

Investments are accounted for at fair value except for certain non-endowed long term bonds and guaranteed investment certificates which are held to maturity and recorded on a cost basis with any premium or discount amortized on the effective interest basis.

Fair value is defined as estimates of the consideration that would be agreed upon between knowledgeable, willing parties who are under no obligation to act. Publicly traded securities are valued at quoted market values in an actively traded market. Private infrastructure investments, which comprise of shares or units in an externally managed pooled investment vehicle (such as a limited partnership) with underlying investments in private infrastructure assets are valued based on the latest valuation provided by the external investment manager of the fund, adjusted for subsequent cash receipts and distributions from the fund, and cash disbursements to the fund through April 30. The University believes that the carrying amount of these financial instruments is a reasonable estimate of fair value. Because private infrastructure investments are not readily traded, their estimated values are subject to uncertainty and therefore may differ from the value that would have been used had a ready market for such investments existed.

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

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

Foreign currency

Long term investments denominated in foreign currency are translated at exchange rates as of the date of the consolidated statement of financial position. Transactions denominated in foreign currencies are translated at the exchange rate in effect on the transaction date. Exchange gains and losses are accounted for in investment gains and losses.

Employee benefit plans

The Plans' benefit obligation and service cost are determined based on the Plans' going concern obligation and current service cost as determined based on the last funding valuations and extrapolated to the fiscal year end date.

A valuation allowance will be charged against the defined benefit asset for any excess of the defined benefit asset over the expected future benefit the University expects to realize from a plan surplus. The University determines the expected future benefit as the present value of expected future employer current service costs for the current number of active employees.

Remeasurements and other items are recognized directly in net assets in the consolidated statement of changes in net assets.

Mount Allison University

Notes to the consolidated financial statements

April 30, 2020

2. Significant accounting policies (continued)

Employee benefit plans (continued)

The University records pension expenses in its consolidated financial statements, but it does not budget for those expenses. Rather, it budgets for pension contributions as determined by the University's actuaries in accordance with the New Brunswick Pension Benefits Act and the University's funding policy. Since pension contributions and pension cost or expenses are not the same in the case of the University's defined benefit pension plan, the difference is recorded as an internally restricted net asset (deficit).

Controlled entities

The University controls the activities of Conferences Mount Allison Inc., Mount Allison University Foundation, and The Friends of Mount Allison University, Inc. through representation on their respective boards. The University owns 100% of the shares of Conferences Mount Allison Inc., a corporation established to attract additional conference contract revenue. The Friends of Mount Allison University, Inc. is a United States incorporated, income tax exempt organization used to facilitate fundraising from United States residents. The results of operations and net assets of these entities have been consolidated in these financial statements.

Change in accounting policy

During the year, the University adopted the new accounting standard 4433, Tangible Capital Assets held by not-for-profit organizations of the Handbook, as of May 1, 2019 which requires tangible capital assets be separated into their significant component parts where practicable. This standard was applied prospectively and did not result in any figures being restated.

The University also adopted section 4441, Collections held by not-for-profit organizations, as of May 1, 2019, which requires Collections be recorded at cost or a nominal value. This standard was applied retrospectively and did not require any figures to be restated.

3. Cash and cash equivalents	<u>2020</u>	<u>2019</u>
Cash	\$ 214,455	\$ 367,922
Short term investments	<u>349,000</u>	<u>969,201</u>
	<u>\$ 563,455</u>	<u>\$ 1,337,123</u>

4. Accounts receivable	<u>2020</u>	<u>2019</u>
Student fees	\$ 501,947	\$ 343,878
Federal and provincial governments	2,281,798	3,648,365
Other	959,987	729,602
Allowance for doubtful accounts	<u>(113,000)</u>	<u>(87,000)</u>
	<u>\$ 3,630,732</u>	<u>\$ 4,634,845</u>

Mount Allison University

Notes to the consolidated financial statements

April 30, 2020

5. Investments	<u>2020</u>	<u>2019</u>
Investments (carried at amortized cost)		
Bonds and guaranteed investment certificates	<u>\$ 1,601,636</u>	<u>\$ 1,965,917</u>
Investments (carried at fair value)		
Bonds and notes	31,484,347	28,734,959
Canadian equities	37,158,948	38,875,396
US equities	30,733,027	30,921,070
Non-North American equities	22,357,973	23,658,711
Global small cap and low volatility equities	24,002,047	28,149,121
Emerging market equities	13,472,497	14,782,425
Hedge funds	17,490,124	16,962,496
Private infrastructure funds	<u>14,449,685</u>	<u>12,757,263</u>
	<u>191,148,648</u>	<u>194,841,441</u>
	<u>\$ 192,750,284</u>	<u>\$ 196,807,358</u>

Bonds and notes include guaranteed investment certificates, investments in a Canadian passive bond fund, notes issued by Federal, Provincial and Municipal Governments and related Crown Corporations, and Canadian corporate bonds with interest rates ranging from 1.80% to 8.75% (2019 – 1.80% to 8.75%) with maturities up to July 2025 (2019 – July 2025).

Equity investments consist of investments in units of active and passive, single and multi-manager pooled funds.

Hedge fund investments consist of units of pooled investments funds that invest primarily in cash or short term investments denominated in various currencies and which may purchase or sell exchange traded funds or options thereon, or may enter into various futures and forward contracts to gain the desired exposures to various asset classes including equities, government bonds, commodities and currencies.

Private infrastructure investments consist of units of pooled investment funds that invest primarily in private infrastructure assets and other income generating properties.

In 2020, the University's investment income of \$4,622,036 (2019 – \$10,609,003) recorded in the consolidated statement of operations consists of income related to investments held for endowments of \$4,153,802 (2019 – \$10,274,335) and income of \$468,234 (2019 – \$334,668) on investments other than those held for endowments.

Mount Allison University

Notes to the consolidated financial statements

April 30, 2020

6. Capital assets	Cost	Accumulated Amortization	Net Book	Net Book
			Value 2020	Value 2019
Buildings	\$ 243,488,104	\$ 120,174,074	\$ 123,314,030	\$111,113,272
Construction in progress	977,696		977,696	13,179,217
Land improvements	19,345,235	10,202,904	9,142,331	9,641,374
Equipment	23,571,267	20,901,862	2,669,405	2,009,545
Land	1		1	1
Collections	1		1	1
	<u>\$ 287,382,304</u>	<u>\$ 151,278,840</u>	<u>\$ 136,103,464</u>	<u>\$ 135,943,410</u>

Details of the internally financed capital projects which have various recovery terms and periods are as follows:

Project	Funding source	Balance 2020	Balance 2019
Research building	future operations	\$ 5,058,428	\$ 5,727,460
Research and teaching building	future operations	-	32,928
Equipment and other	future operations	405,853	286,193
Residence buildings	future ancillary operations	11,350,020	10,033,729
		<u>\$ 16,814,301</u>	<u>\$ 16,080,310</u>

Interfund loans between the General Operating Fund and the Ancillary Operating Fund are charged interest at the rate earned on the University's expendable funds or the rate paid on external indebtedness, if applicable.

7. Collections

The University maintains five permanent library collections as well as the Owens Art Gallery Permanent Collection.

Library permanent collections

The five library permanent collections are the Mary Mellish Archibald Memorial (MMAM) Collection, the Winthrop Pickard Bell (WPB) Collection of Acadiana, the Edgar and Dorothy Davidson Collection of Canadiana, the Government Documents Collection, and the Mount Allison Rare Book Collection. Additions are made to the first two collections each year from the income earned on endowments established for that purpose. The additions in 2020 on the MMAM and WPB collections were \$1,359 (2019 – \$3,606) and \$8,573 (2019 – \$7,168) respectively. The Government of Canada donates a large quantity of documents to the Government Documents Collection each year and, in addition, the University spent \$4,853(2019 – \$4,726) for additions to this collection in 2020.

Mount Allison University

Notes to the consolidated financial statements

April 30, 2020

7. Collections (continued)

Owens Art Gallery permanent collection

The University art gallery ("Owens Art Gallery") has a permanent collection consists of approximately 3,500 works, including historical and contemporary paintings, works on paper and sculptures of Canadian, European and American origin. The historical component of the Collection consists of approximately 300 18th and 19th century paintings and water colours and a large collection of works by John Hammond. The contemporary collection consists of American and Canadian prints as well as paintings, sculpture, photography, and drawings. For the year ended April 30, 2020, donated artwork valued at approximately \$11,850 (2019 – \$25,800) and purchased acquisitions of approximately \$69,000 (2019 – \$18,625) were added to the permanent collection.

8. Bank indebtedness

The University has an \$11,000,000 line of credit with interest at prime less 0.7% per annum. As at April 30, 2020, the balance outstanding was \$9,180,000 (2019 - \$980,000). During the year, the University entered into an agreement for a second line of credit for \$13.6 million with interest at prime plus 0.25%. As of April 30, 2020, the balance outstanding was nil.

In addition, the University has a lease facility of \$1,000,000 with interest at prime minus 0.70%. The University did not make use of this facility during fiscal 2020.

9. Accounts payable and accrued liabilities

Accounts payable and accrued liabilities include government remittances payable of \$561,934 (2019 – \$539,510).

10. Employee future benefit obligation

The University has a defined benefit pension plan, a defined contribution pension plan and other post-retirement obligations.

The defined benefit plan covers most persons employed in a non-academic capacity. The plan is based on the final average earnings of members, allows for early retirement after age 55 and postponed retirement up to age 69. The pension payments are not indexed. The defined contribution plan covers primarily persons employed in an academic capacity. The University makes contributions of 8.4% (8.25% from March 1, 2017 to February 28, 2018 and 8.0% prior to March 1, 2017) of the plan members' salaries to this plan.

The University provides a retiring allowance program that provides a lump sum benefit to qualifying individuals at their date of termination or retirement. The program is available to employees in the CUPE 2338 and CUPE 3433 bargaining units and certain grandfathered non-bargaining unit and non-academic employees. The lump sum benefit paid at termination or retirement is equal to five days of pay for each year of service and is payable only if the participant has completed a minimum of ten years of employment at the date of termination of employment.

Mount Allison University

Notes to the consolidated financial statements

April 30, 2020

10. Employee future benefit obligation (continued)

The most recent actuarial valuation for funding purposes of the defined benefit pension plan was as of December 31, 2019. The next actuarial valuation for funding purposes must be as of a date no later than December 31, 2020. The Plan's actuary has extrapolated the results of the December 31, 2019 actuarial valuation of the Plan for funding purposes to April 30, 2020 as follows:

	<u>Pension Benefit Plans</u>		<u>Retirement Allowance Plan</u>	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Fair value of Plan assets	\$ 46,599,781	\$ 46,052,318	\$	\$
Defined benefit obligation	<u>45,132,068</u>	<u>41,870,946</u>	<u>1,795,296</u>	<u>1,650,970</u>
Accrued benefit asset (liability)	<u>\$ 1,467,713</u>	<u>\$ 4,181,372</u>	<u>\$ (1,795,296)</u>	<u>\$ (1,650,970)</u>

The University recorded a rereasurement loss of \$2,865,122 (2019 – gain of \$348,620) in the pension benefit plans and a rereasurement loss of \$165,577 (2019 – loss of \$11,296) in the retirement allowance plan. Rereasurements and other items were recorded directly in the consolidated statement of changes in net assets.

Total cash payment for employee future benefits for 2020, consisting of cash contributed by the University to its defined benefit, defined contribution and retirement allowance plan was \$2,720,468 (2019 – \$2,671,908).

11. Deferred contributions related to capital assets

Deferred contributions related to capital assets are externally restricted expendable funds received in the current period or in a prior period to support capital assets which have not yet been amortized. The amortization of deferred capital contributions is recorded as revenue in the consolidated statement of operations. Changes in the deferred contributions related to capital assets balance is detailed in the following table:

	<u>2020</u>	<u>2019</u>
Beginning balance	\$ 67,869,772	\$ 67,848,019
Add		
Contributions for capital assets deferred during the year	780,474	3,247,710
Less		
Deferred contributions amortized during the year	<u>(3,035,046)</u>	<u>(3,225,957)</u>
Ending balance	<u>\$ 65,615,200</u>	<u>\$ 67,869,772</u>

Mount Allison University

Notes to the consolidated financial statements

April 30, 2020

12. Deferred contributions related to restricted and endowed funds

Deferred contributions are externally restricted expendable funds received in the current period or in a prior period which have not yet been spent and the spending allocation from externally restricted endowments set aside for the following year. Changes in the deferred contributions balance are detailed in the following tables:

	Special Purpose and Endowment Research	<u>Expendable</u>	<u>2020</u>
Beginning balance	\$ 3,507,553	\$ 12,178,604	\$ 15,686,157
Add			
Expendable restricted contributions	3,792,174	10,104,014	13,896,188
Less			
Recognized as revenue and interfund transfers	(3,270,108)	(9,363,177)	(12,633,285)
Deferred to capital assets	<u>(262,200)</u>	<u>(518,274)</u>	<u>(780,474)</u>
Ending balance	<u>\$ 3,767,419</u>	<u>\$ 12,401,167</u>	<u>\$ 16,168,586</u>

	Special Purpose and Endowment Research	<u>Expendable</u>	<u>2019</u>
Beginning balance	\$ 3,474,733	\$ 9,395,735	\$ 12,870,468
Add			
Expendable restricted contributions	3,941,416	13,617,984	17,559,400
Less			
Recognized as revenue and interfund transfers	(3,413,429)	(8,082,572)	(11,496,001)
Deferred to capital assets	<u>(495,167)</u>	<u>(2,752,543)</u>	<u>(3,247,710)</u>
Ending balance	<u>\$ 3,507,553</u>	<u>\$ 12,178,604</u>	<u>\$ 15,686,157</u>

Mount Allison University

Notes to the consolidated financial statements

April 30, 2020

13. Endowments

The following table details the changes in the endowment funds

	<u>2020</u>	<u>2019</u>
Beginning balance	\$ 186,068,187	\$ 177,690,367
Donations	2,823,649	1,634,580
Investment income (loss)	<u>(13,169,068)</u>	<u>6,743,240</u>
Total	<u>\$ 175,722,768</u>	<u>\$186,068,187</u>

The market value of the endowment funds is disclosed in note 5. Net assets restricted for endowment purposes consists of \$120,443,256 (2019 – \$126,642,591) externally restricted endowments and \$55,279,512 (2019 – \$59,425,596) internally restricted endowments.

In 2020, there was an investment loss, net of fees, of \$5,321,718. To fund this investment loss and the balance for the next year's spending allocation of \$7,946,728, \$4,371,688 was deducted from internally restricted endowments, and the balance of \$8,896,758 was deducted from externally restricted endowments, recorded as a direct decrease in endowments.

In 2019, investment earnings, net of fees, of \$14,222,202 were earned on endowments, of which \$7,854,522 was made available for spending, \$2,092,951 was for the preservation of capital on internally restricted endowments, and the balance of \$4,274,729 was for the preservation of capital on externally restricted endowments, which was recorded as a direct increase in endowments.

14. Internally restricted net assets

	Balance <u>2020</u>	Balance <u>2019</u>
Contingency Fund to support revenue shortfalls and emergencies	\$ 889,039	\$ 656,174
Infrastructure and other projects support	733,491	1,356,018
Research support	615,334	397,135
Internally restricted endowment spending	<u>3,670,227</u>	<u>3,235,316</u>
	<u>\$ 5,908,091</u>	<u>\$ 5,644,643</u>

Mount Allison University

Notes to the consolidated financial statements

April 30, 2020

15. Financial instruments

The University is exposed to various risks in relation to its financial instruments. The main types of risks are market risk and credit risk:

Market risk

Market risk refers to the impact on the University's cash flows due to fluctuations in interest rates and the fair value of assets held in debt and equity markets. The primary risk exposures relate to investments held in foreign currencies, interest rate volatility, and other market risk. The University has formal policies and procedures in place governing asset mix and setting limits on the proportion of each asset class within the endowment or non-endowed bond and guaranteed investment certificate portfolios. Investments held in the University's endowment fund and non-endowed bond and guaranteed investment certificate portfolios are managed by professional investment managers who are monitored by University officials and committees of the University's Board of Regents. The University's policy governing its spending from investment returns earned on its endowment funds means that there is little risk to annual cash flows as the spending allocation is based on an average of the market value over the prior sixteen quarters.

Credit risk

Credit risk refers to the impact on the University's cash flows of the credit quality of the University's receivables. Credit risk mainly relates to the quality of student receivables. To reduce credit risk with student accounts, the University places restrictions on the issuance of grades and degrees until payment on account is made. The University also uses third party agencies to collect outstanding receivables. The University does not have a significant exposure to any individual customer or counterparty.

16. Commitments

The private infrastructure investment is a private fund and contains a contractual commitment to remit funds over time in response to a series of capital calls to the investors by the fund manager. As of April 30, 2020, the University's uncalled commitment was approximately \$6.4 million (2019 – \$10.4 million). The capital committed is called by the manager over a pre-defined investment period, expected to be between three to five years from the date the private fund closed and will be funded by transfers from other investment asset allocations.

The University has outstanding capital construction commitments as of April 30, 2020, estimated at \$1.3 million (2019 – \$3.9 million).

17. Contingent liabilities

The University is a member of the Canadian Universities Reciprocal Insurance Exchange ("CURIE") self-insurance program. This self-insurance reciprocal involves a contractual agreement to share the insurance of property and liability risks of member universities for a term of not less than five years. This long term period creates an environment for CURIE where financial risk can be spread over time as well as among subscribers. In addition, the reciprocal has obtained re-insurance with commercial insurers to cover catastrophic loss. 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.

Mount Allison University

Notes to the consolidated financial statements

April 30, 2020

17. Contingent liabilities (continued)

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 and any claims arising out of the ordinary course of business are adequately provided for.

18. Comparative figures

Certain of the comparative figures have been reclassified to conform to the financial statement presentation adopted for the current year.

19. Allocated expenses

Certain costs are recorded in the General Operating Fund and then allocated to other funds. The allocations are based on staff time and supply consumption used by each fund. The following table indicates the allocations made by type of expense.

	Ancillary Operating Fund	Endowment Expendable Fund	Total <u>2020</u>	Total <u>2019</u>
Computing services	\$ 104,774	\$	\$ 104,774	\$ 102,222
Administrative and general expenses	717,003	144,611	861,614	882,842
Physical plant	1,834,226		1,834,226	1,765,595
Student services	<u>189,858</u>		<u>189,858</u>	<u>188,909</u>
	<u>\$ 2,845,861</u>	<u>\$ 144,611</u>	<u>\$ 2,990,472</u>	<u>\$ 2,939,568</u>

20. COVID-19

Since December 31, 2019, the spread of COVID-19 has severely impacted many local economies around the globe. In many countries, including Canada, businesses were forced to cease or limit operations for long periods of time. Measures taken to contain the spread of the virus, including travel bans, quarantines, social distancing, and closures of non-essential services have triggered significant disruptions to businesses around the world, resulting in an economic slowdown. Global stock markets have also experienced great volatility and a significant weakening. Governments and central banks have responded with monetary and fiscal interventions to stabilize economic conditions.

The extent of such adverse effects on the University's business and financial and operational performance are uncertain and difficult to assess. Normal spring and summer operations of the University were impacted by the pandemic. Many events and activities were cancelled and resulted in a loss of some Ancillary and Student academic fees and related costs. The University intends to provide a hybrid approach to classes for the fall 2020 term. It will continue detailed planning and consultation to ensure quality education and community safety, however the pandemic is expected to impact enrolment and operating costs. The University has implemented additional financial controls and monitoring of financial and liquidity risks over this period.

Mount Allison University

Notes to the consolidated financial statements

April 30, 2020

20. COVID-19 (continued)

The financial impacts will depend on future developments, including the duration, spread and severity of the outbreak, physical distancing requirements, the duration and geographic scope of related travel advisories and restrictions, and the extent of disruptions to businesses globally and its related impact on the economy. As at April 30, 2020, the University did not have significant adjustments to reflect the possible future impact of COVID-19. Investments are recorded at fair value which included the impact on financial markets as at year-end and extra emphasis was put on the collectability of receivables and other estimates within the financial statements as at April 30, 2020. Management has assessed the going concern assumptions and believes there are no issues, given the University has access to liquid resources to support operations in the coming year. Given the outcome and timeframe to a recovery from the current pandemic is highly unpredictable, it is not practicable to estimate and disclose its financial effect on future operations at this time.

Mount Allison University

Schedule of operating funds, restricted funds and net assets invested in capital assets

April 30, 2020

Schedule 1

	From schedule 2 General, Ancillary and Special Program Operating Funds		From schedule 3 Research, Special Purpose and Endowment Expendable Funds		Net Assets Invested in Capital Assets		Total 2020	Total 2019
	2020	2019	2020	2019	2020	2019		
Revenues								
Government grants - provincial	\$ 22,089,161	\$ 21,845,693	\$ 1,462,489	\$ 978,442	\$ -	\$ -	\$ 23,551,650	\$ 22,824,135
Government grants – federal	692,309	716,254	2,583,038	2,486,277	-	-	3,275,347	3,202,531
Student fees – tuition	22,296,797	20,391,915	-	-	-	-	22,296,797	20,391,915
Student fees – ancillary	10,863,391	9,355,337	-	-	-	-	10,863,391	9,355,337
Bequests and donations	300,786	219,328	1,986,278	1,591,712	-	-	2,287,064	1,811,040
Non-government grants and contracts	-	-	750,195	923,540	-	-	750,195	923,540
Bookstore and conference income	2,074,305	2,087,609	-	-	-	-	2,074,305	2,087,609
Investment income	(1,274,837)	5,047,120	5,896,873	5,561,883	-	-	4,622,036	10,609,003
Other income	1,854,157	1,656,525	70,998	24,569	-	-	1,925,155	1,681,094
Amortization of deferred capital contributions	-	-	-	-	3,035,046	3,225,957	3,035,046	3,225,957
	<u>58,896,069</u>	<u>61,319,781</u>	<u>12,749,871</u>	<u>11,566,423</u>	<u>3,035,046</u>	<u>3,225,957</u>	<u>74,680,986</u>	<u>76,112,161</u>
Expenses								
Academic departments	24,491,358	24,518,727	4,117,533	4,316,666	-	-	28,608,891	28,835,393
Library	2,505,855	2,494,644	658,319	507,099	-	-	3,164,174	3,001,743
Computing services	2,366,724	2,137,711	-	-	-	-	2,366,724	2,137,711
Administrative and general services	8,712,928	7,853,200	1,486,019	1,523,815	-	-	10,198,947	9,377,015
Physical plant	9,662,676	9,398,822	126,179	243,482	-	-	9,788,855	9,642,304
Student services	4,960,705	3,968,791	5,556,724	4,751,890	-	-	10,517,429	8,720,681
Ancillary services	6,619,196	5,344,740	-	9,892	-	-	6,619,196	5,354,632
Amortization of - capital assets	-	-	-	-	5,844,165	5,359,377	5,844,165	5,359,377
	<u>59,319,442</u>	<u>55,716,635</u>	<u>11,944,774</u>	<u>11,352,844</u>	<u>5,844,165</u>	<u>5,359,377</u>	<u>77,108,381</u>	<u>72,428,856</u>
Revenues over expenses (expenses over revenues)	\$ <u>(423,373)</u>	\$ <u>5,603,146</u>	\$ <u>805,097</u>	\$ <u>213,579</u>	\$ <u>(2,809,119)</u>	\$ <u>(2,133,420)</u>	\$ <u>(2,427,395)</u>	\$ <u>3,683,305</u>

Mount Allison University

Schedule of general, ancillary and special program operating funds

April 30, 2020

Schedule 2

	General Operating Fund		Ancillary Operating Fund		Special Program Operating Fund		Total	Total
	2020	2019	2020	2019	2020	2019	2020	2019
Revenues								
Government grants - provincial	\$ 21,954,387	\$ 21,737,017	\$ -	\$ -	\$ 134,774	\$ 108,676	\$ 22,089,161	\$ 21,845,693
Government grants - federal	692,309	716,254	-	-	-	-	692,309	716,254
Student fees - tuition	22,296,797	20,391,915	-	-	-	-	22,296,797	20,391,915
Student fees – ancillary	-	-	10,863,391	9,355,337	-	-	10,863,391	9,355,337
Bequests and donations	-	-	-	-	300,786	219,328	300,786	219,328
Bookstore and Conference income	-	-	2,074,305	2,087,609	-	-	2,074,305	2,087,609
Investment income	468,234	334,668	-	-	(1,743,071)	4,712,452	(1,274,837)	5,047,120
Other income	1,057,539	908,433	646,825	532,452	149,793	215,640	1,854,157	1,656,525
	<u>46,469,266</u>	<u>44,088,287</u>	<u>13,584,521</u>	<u>11,975,398</u>	<u>(1,157,718)</u>	<u>5,256,096</u>	<u>58,896,069</u>	<u>61,319,781</u>
Expenses								
Academic departments	24,265,782	24,287,188	-	-	225,576	231,539	24,491,358	24,518,727
Library	2,505,855	2,494,644	-	-	-	-	2,505,855	2,494,644
Computing services	2,261,950	2,035,489	104,774	102,222	-	-	2,366,724	2,137,711
Administrative and general services	5,985,647	5,152,923	717,003	738,919	2,010,278	1,961,358	8,712,928	7,853,200
Physical plant	6,300,927	6,108,082	3,361,749	3,285,430	-	5,310	9,662,676	9,398,822
Student services	4,227,339	3,217,676	189,858	188,909	543,508	562,206	4,960,705	3,968,791
Ancillary services	-	-	6,619,196	5,344,740	-	-	6,619,196	5,344,740
	<u>45,547,500</u>	<u>43,296,002</u>	<u>10,992,580</u>	<u>9,660,220</u>	<u>2,779,362</u>	<u>2,760,413</u>	<u>59,319,442</u>	<u>55,716,635</u>
Revenues over expenses (expenses over revenues)	\$ <u>921,766</u>	\$ <u>792,285</u>	\$ <u>2,591,941</u>	\$ <u>2,315,178</u>	\$ <u>(3,937,080)</u>	\$ <u>2,495,683</u>	\$ <u>(423,373)</u>	\$ <u>5,603,146</u>

Mount Allison University

Schedule of research, special purpose and endowment expendable funds

April 30, 2020

Schedule 3

	Research Fund		Special Purpose Fund		Endowment Expendable Fund		Total	Total
	2020	2019	2020	2019	2020	2019	2020	2019
Revenues								
Government grants - provincial	\$ 391,413	\$ 391,695	\$ 1,071,076	\$ 586,747	\$ -	\$ -	\$ 1,462,489	\$ 978,442
Government grants - federal	2,244,495	2,196,567	338,543	289,710	-	-	2,583,038	2,486,277
Bequests and donations	-	-	1,807,900	1,387,777	178,378	203,935	1,986,278	1,591,712
Non-government grants and income	749,878	873,626	317	49,914	-	-	750,195	923,540
Investment income	-	-	-	-	5,896,873	5,561,883	5,896,873	5,561,883
Other income	-	-	70,090	2,605	908	21,964	70,998	24,569
	<u>3,385,786</u>	<u>3,461,888</u>	<u>3,287,926</u>	<u>2,316,753</u>	<u>6,076,159</u>	<u>5,787,782</u>	<u>12,749,871</u>	<u>11,566,423</u>
Expenses								
Academic departments	2,844,985	3,031,512	361,747	386,796	910,801	898,358	4,117,533	4,316,666
Library	20,126	-	73,396	59,762	564,797	447,337	658,319	507,099
Computing services								
Administrative and general services	23,701	27,761	483,352	347,888	978,966	1,148,166	1,486,019	1,523,815
Physical plant	-	-	26,774	70,199	99,405	173,283	126,179	243,482
Student services	45,716	56,106	2,098,652	1,433,756	3,412,356	3,262,028	5,556,724	4,751,890
Ancillary services	-	9,892	-	-	-	-	-	9,892
	<u>2,934,528</u>	<u>3,125,271</u>	<u>3,043,921</u>	<u>2,298,401</u>	<u>5,966,325</u>	<u>5,929,172</u>	<u>11,944,774</u>	<u>11,352,844</u>
Revenues over expenses (expenses over revenues)	\$ <u>451,258</u>	\$ <u>336,617</u>	\$ <u>244,005</u>	\$ <u>18,352</u>	\$ <u>109,834</u>	\$ <u>(141,390)</u>	\$ <u>805,097</u>	\$ <u>213,579</u>