Mount Allison University

ANNUAL FINANCIAL REPORT

2025-2026

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MESSAGE FROM PRESIDENT AND VICE-CHANCELLOR

The following Annual Financial Report provides an overview of the University's operations and financial performance for 2025–26.

In September 2025, Mount Allison achieved its highest enrolment in over a decade, with first-year enrolment increasing year over year and student retention also improving. These results reflect the exceptional regard for, and confidence in, a Mount Allison education and the University's sustained focus on student success.

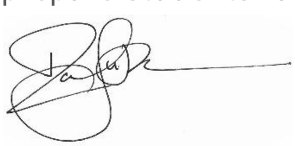
For nearly two centuries, Mount Allison University has been defined by curiosity, connection, and care. During the year, the University proudly shared its next bold chapter — Broad Minds. Bold Futures. Lifelong Connections. — the Strategic Plan that will guide Mount Allison's direction over the next five years through ongoing collaboration.

Developed through consultation with students, faculty, staff, alumni, and members of the Board of Regents, the Strategic Plan reflects a shared vision for Mount Allison's future, building on the University's strengths while embracing change with confidence and creativity. It will also support effective resource allocation and long-term financial sustainability.

In addition, 2025–26 saw continued investment in student wellness, residence life, and learning support as part of a broader effort to ensure students feel supported and set up for success. Student Success Guide positions were introduced in Student Affairs to help incoming students navigate supports, resources, and programming as they transition to life at Mount Allison. These supports are central to helping students make the most of their time at Mount Allison and to thrive academically, personally, and professionally.

The University is also in the midst of the largest investment and renewal of facilities in its modern history. Campus has been active with revitalization projects, including major construction of the Scott McCain and Leslie McLean Centre for Health and Wellness and early work on the R.P. Bell Library: Centre for Innovation and Learning, with major renovations to the library scheduled to begin in the Spring of 2027.

Through strong collaboration and engagement with the University community and partners, Mount Allison is well-positioned for a sustainable future, continuing to prepare students for meaningful lives, careers, and contributions to society.



Dr. Ian Sutherland
President and Vice-Chancellor
Mount Allison University

OVERVIEW

2,400+
FULL-TIME STUDENTS

$23.3M
DONATONS RECEIVED

$125,000
ENDOWMENT
PER FTE STUDENT

13%
INTERNATIONAL STUDENTS
FROM 70+ COUNTRIES

$303.7M
ENDOWMENT

$3.8M+
IN RESEARCH FUNDING

250+
RESEARCH GRANTS AWARDED

OVER 700,000 HOURS
OF EXPERIENTIAL LEARNING SINCE 2019

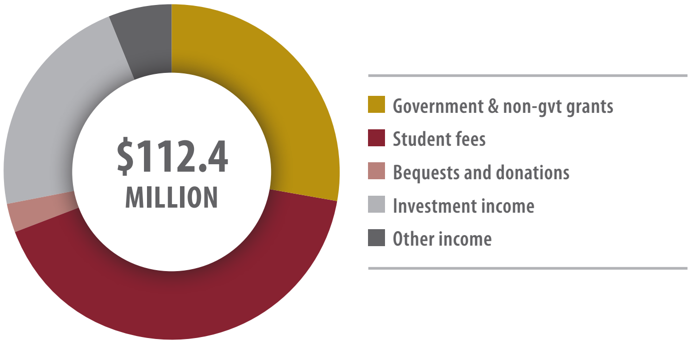
950+
RESIDENCE STUDENTS
40% OF STUDENT BODY

NEARLY
200
INTERNSHIPS COMPLETED

FINANCIAL HIGHLIGHTS
ALL FUNDS

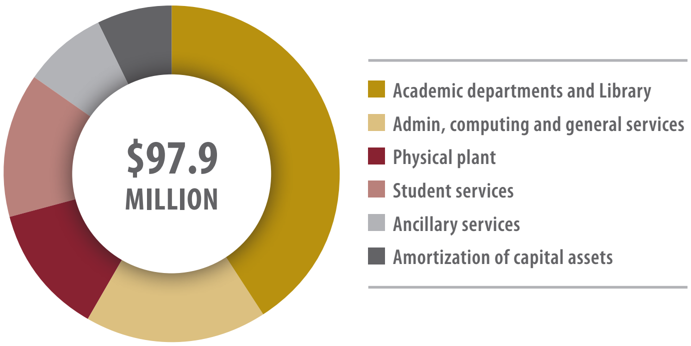
TOTAL REVENUE

- Total revenue increased by 15% to $112.4 million in 2025–26. Grants and student fees continued to represent the largest share of revenue at approximately 70%.
- Government and non-government grants decreased by $0.8 million (2%) to $31.4 million, reflecting lower research and special purpose funding.
- Student fees rose by $2.7 million (6%) to $46.6 million, driven by enrolment levels and tuition adjustments, with continued strength in both tuition and ancillary revenues.
- Investment income increased significantly to $24.8 million, compared to $12.5 million in the prior year, reflecting favourable market performance relative to previous year
- Recognized revenue from bequests and donations increased by 8% to $2.9 million, reflecting ongoing philanthropic support from alumni and donors.



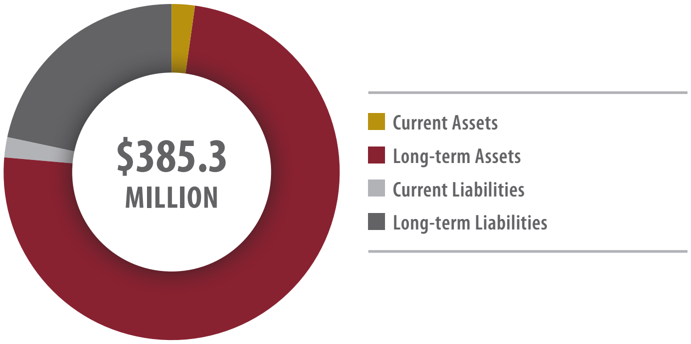
TOTAL EXPENSES

- Total expenses increased by 5% to $97.9 million in 2025–26.
- Academic departments and library spending rose by $0.9 million (2%) to $40.2 million, reflecting continued investment in teaching and learning and representing the largest share of expenditures.
- Administrative, computing, and general services increased by $1.4 million (9%) to $17.2 million, reflecting ongoing support for institutional operations and incremental investments in systems and services.
- Physical plant expenses increased by $1.9 million (18%) to $12.2 million, reflecting an increase in maintenance, utilities, and building-related costs.
- Student services expenses decreased by $0.4 million (3%) to $13.4 million, reflecting lower activity in certain restricted and special purpose programs.

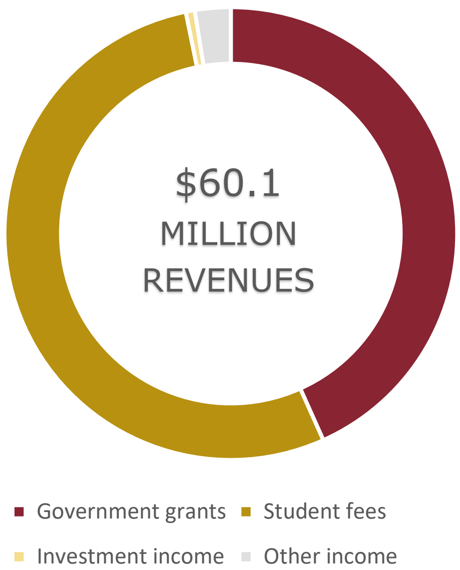


NET ASSETS

- Total assets increased by $83.8 million (18%) to $556.3 million at April 30, 2026, driven primarily by growth in investments and capital assets.
- Investment balances increased by $66.0 million (24%), reflecting strong market performance and continued endowment growth. Capital assets increased by $12.0 million (7%), reflecting ongoing investment in campus infrastructure and projects in progress.
- Deferred contributions increased by $22.2 million (20%) to $131.7 million, reflecting the timing of externally restricted funding received but not yet spent.



OPERATING FUND



The General Operating Fund encompasses the core academic, administrative, and operational activities supporting the university's primary teaching and research functions, financed through student fees, government grants, and other sources of revenue.

Revenues

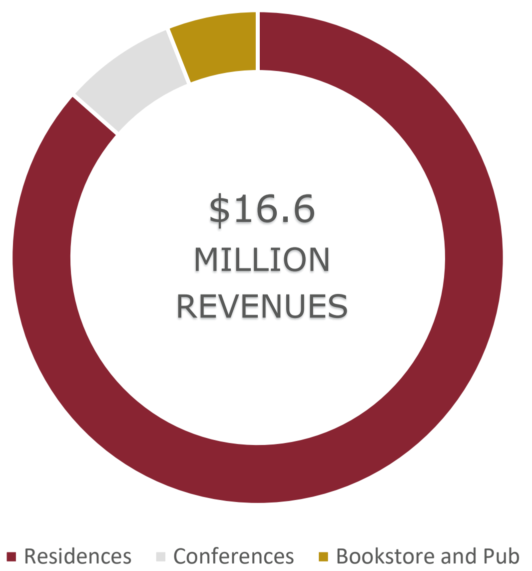
Operating Fund revenue increased by 3% in 2025–26 to $60.1 million, reflecting growth in the University’s core funding sources. Student fees rose by $2.1 million (7%), driven by enrolment growth and tuition adjustments, while government grants increased modestly by $0.3 million (1%). Together, these sources accounted for over 95% of total revenue, consistent with prior years. Investment income and other revenue contributed modestly to overall results, partially offset by a decline in other income. Overall, revenue growth remained stable and aligned with the University’s core funding model, with continued reliance on tuition and government support to sustain academic and operational activities.

Expenses

Operating Fund expenses totaled $58.5 million in 2025–26, an increase of 5% over the previous year. Academic departments and the library remained the largest area of expenditure, accounting for approximately 59% of total expenses and reflecting the University's continued commitment to teaching, learning, and academic support. Salaries and benefits represented approximately 83% of total expenses, underscoring the people-intensive nature of the University's operations.

While the University continued to invest in its academic mission and student experience, its overall operating position is also influenced by transfers between funds as reported in the audited financial statements. Recurring operating deficits highlight the need to align resources with institutional priorities, and actions are underway to strengthen the University's financial position and return to a sustainable path.

ANCILLARY FUND



Ancillary operations are crucial in providing essential support services to students, including residence, dining, conference, and bookstore services. These operations are designed to offer efficient and affordable services while ensuring all related operating and capital expenditures are covered.

Residence Operation

Residence operations generated $14.6 million in revenue in 2025–26, representing the largest component of ancillary activity. Occupancy remained strong at 954 students, consistent with the prior year and representing approximately 39% of the student population, underscoring the importance of the residential experience to campus life. Residence and dining operations support both student engagement and financial sustainability, with capacity utilization and meal plan participation remaining stable year over year. Continued demand for on-campus housing highlights the role of residence life in supporting student transition, retention, and overall experience.

Mount Allison oversees more than 300,000 square feet of residence space, including seven large and five smaller residences, along with dining facilities. These services are designed to deliver a high-quality residential experience while maintaining financial sustainability and supporting the broader campus community.

Conference Operation

Conference operations generated approximately $1.3 million in revenue in 2025–26, reflecting a strong year of activity. Total bed nights reached over 13,700, significantly higher than recent levels, indicating increased utilization of campus facilities during the summer and shoulder seasons. This growth reflects the University’s ability to attract a diverse range of external groups and events, supported by its scenic campus and adaptable facilities. Conference operations play an important role in revenue diversification, while also enhancing the University’s visibility and engagement with the broader community.

SPECIAL PURPOSE FUND

The Special Purpose Fund supports a wide range of academic, student services, and institutional initiatives through externally restricted contributions and internally designated allocations. These funds are distinct from research or endowment funding and are typically directed toward specific, time-bound projects or operational priorities. In accordance with the University's deferral method, externally restricted contributions are recorded as deferred revenue and recognized in the year they are spent, ensuring transparency, accountability, and alignment with both donor intent and institutional goals.

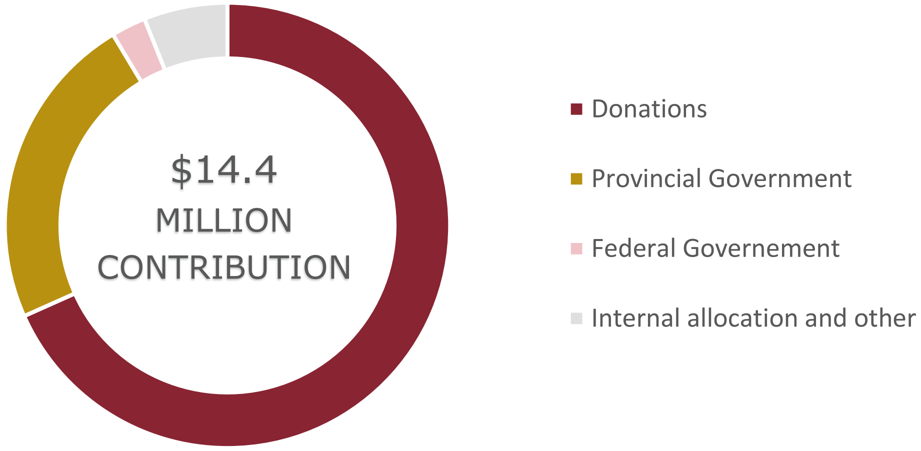
CONTRIBUTIONS RECEIVED

In 2025–26, Mount Allison received approximately $14.4 million in contributions to the Special Purpose Fund, reflecting continued support from donors and government partners for targeted institutional priorities.

A significant portion represents externally restricted funding that is recognized as revenue as related activities occur, with approximately 32% recognized in the current year. Donations remained the largest source, complemented by provincial and federal funding and internal allocations.

At year-end, total deferred contributions were approximately $44.9 million, providing a strong base of funding for future initiatives. These resources support strategic priorities across academic and student-focused areas while maintaining alignment with donor intent and program objectives.

SOURCE OF CONTRIBUTIONS

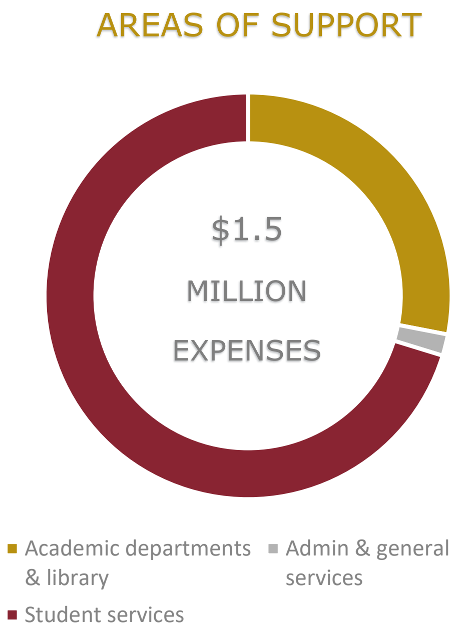


SPECIAL PURPOSE FUNDS

Expendable Funds

In 2025–26, Mount Allison allocated approximately $1.5 million in expendable funds to support a range of initiatives across the University. The majority of these funds—approximately 70%—were directed to student services, including wellness, accessibility, and experiential learning.

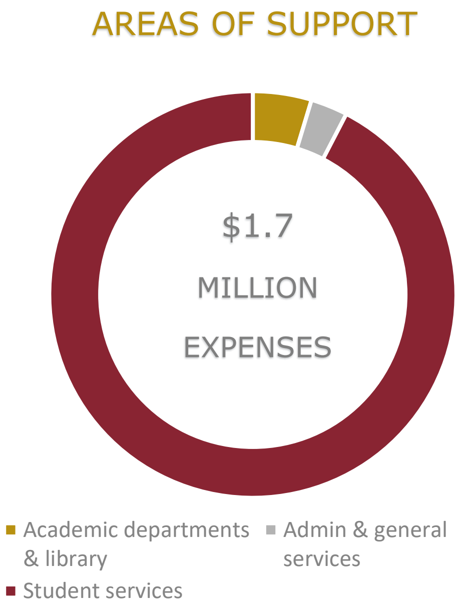
Academic departments and the library accounted for roughly 28% of expenditures, with the balance supporting administrative services. This distribution reflects the targeted use of expendable resources to enhance the student experience while maintaining support for academic programs and institutional priorities.



Restricted Governement Grants and Other Contacts

During 2025–26, Mount Allison received approximately $2.1 million in restricted grants from provincial, federal, and non-governmental sources. These funds supported a range of initiatives across the University, with a strong emphasis on student-focused programming.

Expenditures were primarily directed to student services (approximately 92%), including wellness, accessibility, and career development initiatives. The balance supported academic departments, the library, and administrative services, reflecting a balanced approach to advancing student experience and academic priorities through externally funded programs.

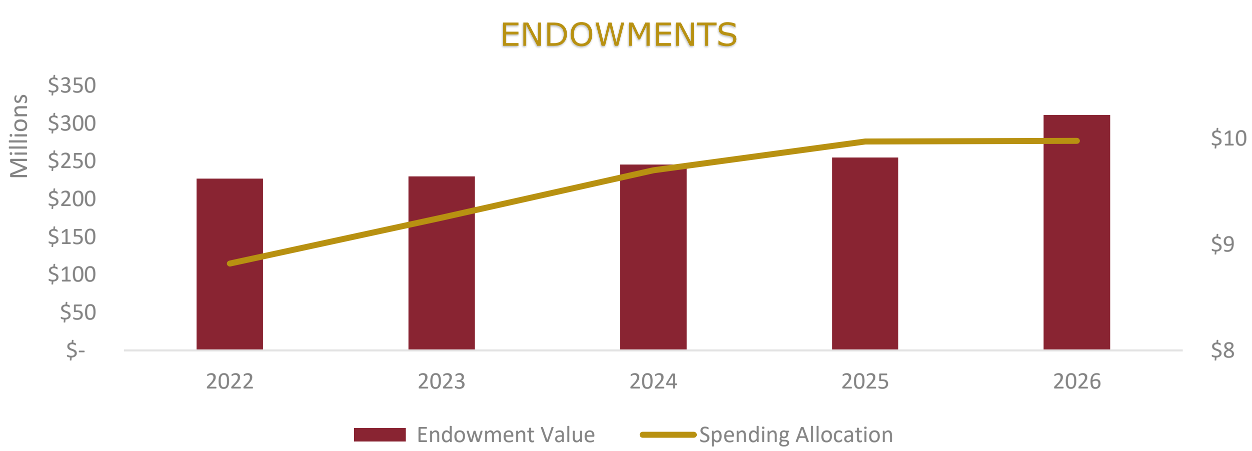


ENDOWMENTS

Mount Allison's endowment continued to grow in 2025–26, reaching a market value of over $310 million, reflecting strong investment performance and donor support. Endowment contributions remained significant during the year, further strengthening the long-term sustainability of the fund and its capacity to support future priorities.

Annual spending from the endowment increased gradually, reaching nearly $10.0 million, consistent with the University's disciplined spending framework. This measured growth reflects rising market values over time, allowing for modest increases in annual distributions while maintaining long-term stability. Endowment funding provides a reliable source of support for student financial aid, academic programming, and strategic initiatives, while preserving capital to ensure intergenerational equity.

Mount Allison's endowment is invested across a broad range of asset classes to ensure long-term growth and stability. In line with best practices among North American universities, the portfolio is strategically diversified—spanning domestic and international equities, fixed income, and alternative investments. This approach is designed to preserve capital, manage risk, and generate sustainable returns so that future students and faculty benefit as fully as those today.

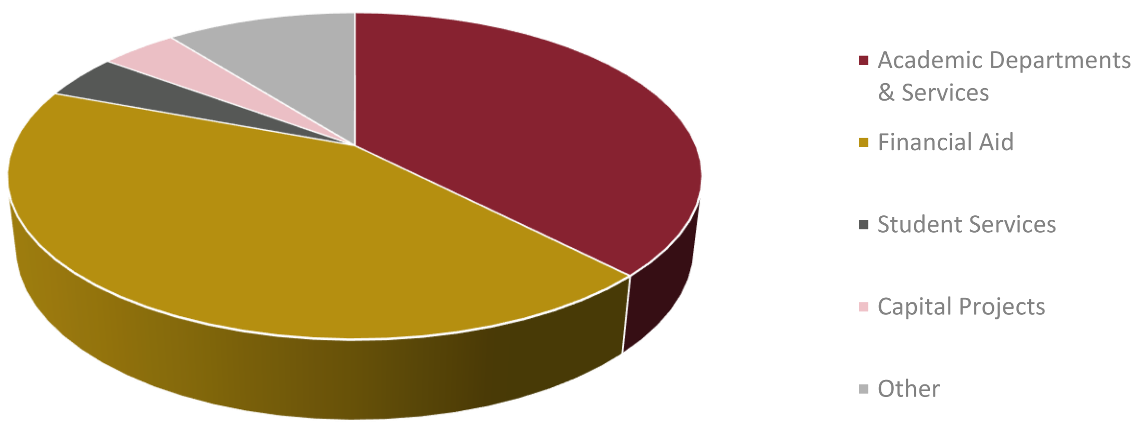


ENDOWMENTS

The University manages its endowment with a long-term focus, balancing stability and growth to support future needs. Investment decisions are guided by a diversified approach that helps manage market fluctuations while generating sustainable returns over time. This disciplined strategy has enabled the endowment to support annual distributions while maintaining its overall strength, ensuring it continues to play a consistent role in funding key priorities across the institution.

*New endowment gifts totaling approximately **$12.0 million** were received in 2025–26, significantly strengthening the University's long-term capacity to support students, faculty, and academic priorities for generations to come.*

ENDOWMENTS ANNUAL AREAS OF SUPPORT



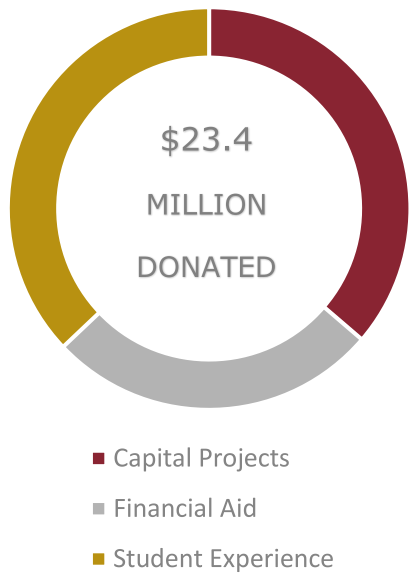
Support from the endowment plays a vital role in advancing Mount Allison's academic mission. In 2025–26, spending from endowed funds contributed to student financial aid, academic programming, and key institutional initiatives. These distributions provide a stable and predictable source of funding, helping to enhance accessibility and support a high-quality student experience. Endowment support also enables targeted investments in areas such as experiential learning, faculty support, and student services, strengthening the University's ability to deliver on its strategic priorities. The strength of the endowment reflects both donor generosity and disciplined stewardship, ensuring resources are available to meet current needs while preserving value for future generations.

DONATIONS

Areas of Support

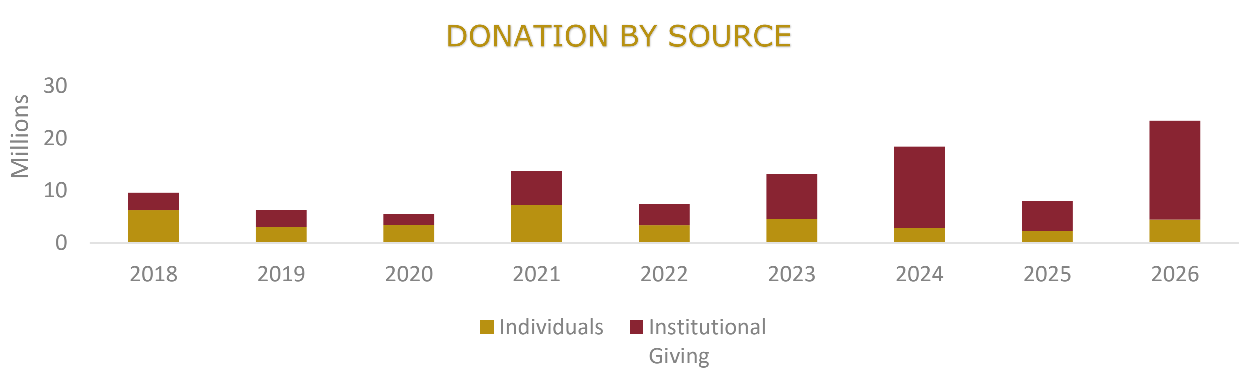
Charitable support play an important role in advancing Mount Allison's priorities, including both endowed and expendable contributions. In 2025–26, donations supported a broad range of areas, with approximately 43% directed to student financial aid, including scholarships, bursaries, and prizes, reinforcing the University's commitment to accessibility. Academic departments and services accounted for approximately 38% of support, contributing to teaching, research, and programming.

The remaining support was directed to student services, capital initiatives, and other priorities, reflecting a balanced allocation between immediate needs and longer-term objectives.



Source of Donations

Donations in 2025–26 were supported by a diverse mix of contributors, with institutional giving representing the largest share at approximately 81%, including foundations, corporations, and other organizations. Individual donors contributed approximately 19%, reflecting continued alumni and community engagement. This balanced donor base provides both stability and flexibility in funding, supporting a range of priorities from immediate program needs to longer-term strategic initiatives, and reinforcing the importance of sustained relationships across the University's donor community.



RESEARCH

FUNDING AND IMPACT

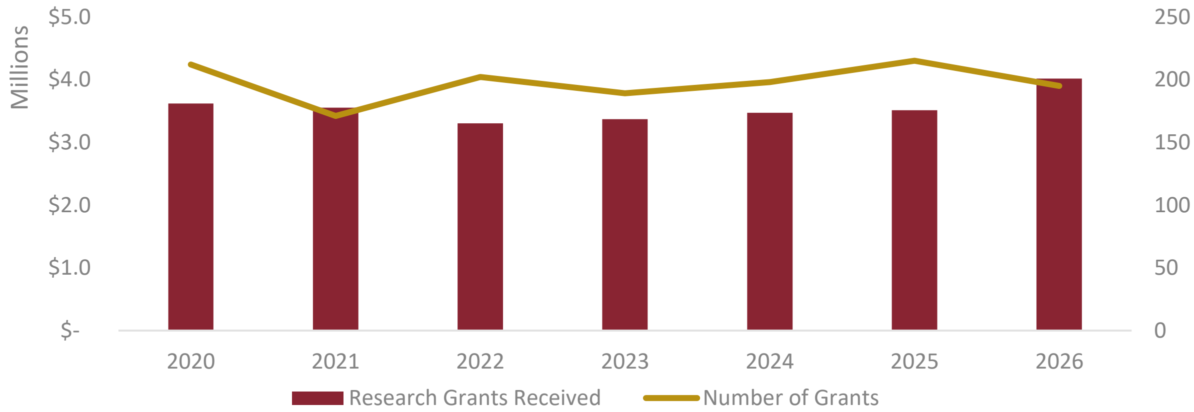
In 2025–26, Mount Allison researchers attracted over $4.0 million in research funding, reflecting continued success in securing competitive support from federal, provincial, and other external sources. This growth highlights the strength and breadth of research activity across the University.

Research funding supports a wide range of initiatives across disciplines, from science and health to social sciences and the arts. These projects contribute to addressing complex challenges while enhancing learning opportunities for students and fostering collaboration across departments. They also strengthen the University’s connections with external partners and communities, while providing valuable hands-on research and experiential learning opportunities that enrich the undergraduate academic experience.

RESEARCH ACTIVITIES

Research at Mount Allison spans a wide range of disciplines and approaches — from creative practice and theoretical inquiry to applied and community-based research. In 2025-26, faculty secured 195 external research grants across federal, provincial, and other sources, supporting projects in science, social policy, health, and the arts. This breadth of inquiry fosters a vibrant research culture that engages students and addresses complex, real-world challenges.

RESEARCH GRANTS



ADVANCING THE STRATEGIC PLAN

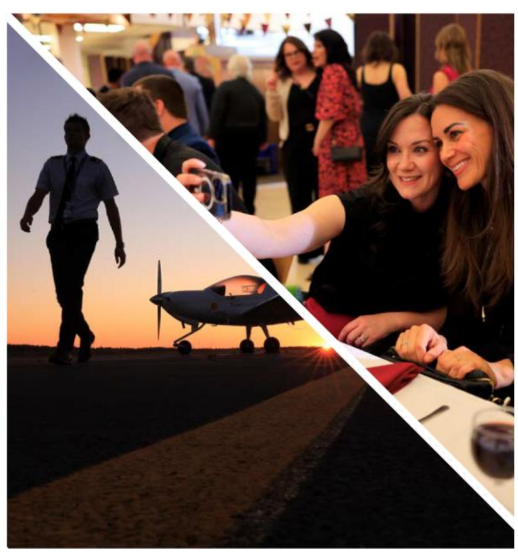
Broad Minds. Bold Futures. Lifelong Connections.

January 2026 marked the launch of the Mount Allison University Strategic Plan. Developed through extensive consultation across the University community, the plan establishes a shared vision for a future-ready institution where students and employees thrive and lifelong relationships flourish.

Driven by Mount Allison’s commitment to a student-centered and thriving community, the University’s Strategic Plan establishes four strategic directions that will guide the University’s future: student life and success; community, culture, and well-being; future-focused liberal arts and sciences; and operational and digital transformation.

Together, these priorities support an exceptional student experience, foster a culture of belonging and trust, strengthen Mount Allison’s distinctive academic offering, and advance fiscal and environmental sustainability.

As implementation begins, the university will work collaboratively across campus to translate these priorities into action and measure progress toward its shared vision.



CAPITAL PROJECTS

R.P. Bell Library: Centre for Innovation and Learning

The R.P. Bell Library renovation is the largest infrastructure project in Mount Allison's modern history. The project includes extensive upgrades at every level of the building, the transformation of the adjacent breezeway into a coffee and gathering space, and the creation of new accessible entrances from both the academic quad and York Street. Together, these changes will enhance accessibility and create a more welcoming space for community and connection.

Early construction at the R.P. Bell Library began in spring 2026, with major renovations set to start in spring 2027. The library will close during the revitalization and is expected to reopen in 2030.

The project is grounded in a commitment to Indigenous engagement, presence, and representation, shaping a space that reflects respect, inclusion, and diverse histories and perspectives. The renovation will follow Green Globes certification standards and ensure full accessibility throughout.

CAPITAL PROJECTS

Scott McCain and Leslie McLean Centre for Health and Wellness

The Scott McCain and Leslie McLean Centre for Health and Wellness will provide modern facilities for a range of sports and recreation activities. Named in honour of Scott McCain ('78, LLD '20) and Leslie McLean ('81), the Centre recognizes the couple's leadership gift and longstanding support of Mount Allison.

Among other features, the facility will include 26,000 square feet of versatile playing space under a 42-foot-high roof, high-performance sport flooring, removable turf, a walking track for the University and wider community and will be fully accessible throughout.

TIMELINE

- 2025: Construction begins
- 2027: Interim Library opens
- 2030—2031: Major renovations of R.P. Bell Library complete and interior of the Scott McCain and Leslie McLean Centre for Health and Wellness renovated

STUDENT EXPERIENCE

HEALTH, WELLNESS & BELONGING

Mount Allison continues to foster a student-centred, wellness-focused environment. In 2025–26, the Meighen Centre supported 658 students through personalized accommodations, mentoring, and neurodivergent-friendly programming, while facilitating 923 accommodated final exams in December and April. The University also advanced its commitment to student well-being through the Wellness Roadmap, a campus-wide initiative aligned with strategic priorities and focused on promoting a healthy, supportive, and inclusive student experience. Together, these efforts reflect Mount Allison's dedication to accessibility, wellness, and student success.

ATHLETICS & RECREATION

Athletics at Mount Allison continues to thrive, offering opportunities for students at all skill levels. In 2025–26, more than 850 students participated in 60 intramural teams across five sports, alongside 10 club teams and nine varsity teams competing in the U SPORTS and CCAA conferences. Highlights included ACAA conference championships in women's volleyball and women's cross country. In addition, 92 student-athletes were named U SPORTS Academic All-Canadians or CCAA National Scholars.

ACADEMIC EXCELLENCE & SUCCESS

Mount Allison continues to be recognized nationally for its academic distinction. The University has produced 56 Rhodes Scholars — one of the best per capita records in Canada. Students also regularly earn prestigious national awards, including McCall MacBain, NSERC, Loran, and National Merit scholarships.

Mount Allison was ranked #1 undergraduate university in Canada by *Maclean's* for a record 26 times.

- **26 Maclean's #1 undergraduate rankings**
- **56 Rhodes Scholars**
- **Six Tier 2 Canada Research Chairs**
- **200 internships completed in 2025-26**
- **Since 2019, 725,000+ experiential learning hours over 8,600 total experiences**

Enhancing Student Support and Campus Life

Mount Allison's student-first approach ensures that every learner has access to the tools, support, and guidance needed to thrive. In 2025, Student Success Guides were introduced to help first-year students navigate their transition to university life. Each first-year student is paired with a Student Success Guide who serves as a go-to resource throughout the semester, offering support on a variety of academic, social, and campus life topics. In 2025, the Suzanne Crawford Residence Life Zone opened as part of the Harper Hall renovations. Located between Harper Hall and Jennings Hall, the space is open to all residence students. The space offers opportunities for studying, socializing, events, and recreation while supporting student connection, health, and well-being.

COMMUNITY, CULTURE & WELLBEING

One Community, Many Connections

Mount Allison's strength lies in its connected community—bringing together students, faculty, staff, alumni, and donors in a shared commitment to learning and growth. Within a close-knit campus environment, relationships are built through teaching, mentorship, and active engagement in academic and community life. Beyond campus, a global network of more than 25,000 alumni remains closely connected to one another and to the University, while donors and partners play a vital role in supporting student success and institutional priorities. Together, these connections create a strong and enduring community that continues to shape the Mount Allison experience across generations.

Mount Allison is more than a university—it's a community. Here, students, faculty, and staff support one another, grow together, and celebrate shared success in a place where every voice matters.

Living and Learning Together

At Mount Allison, living and learning are closely connected, creating an environment where students, faculty, and staff engage both inside and outside the classroom. Small class sizes and accessible faculty support meaningful interactions and personalized learning, while co-curricular activities, residences, and campus spaces foster connection and a strong sense of belonging. These shared experiences extend beyond graduation, with alumni maintaining lifelong ties to the University. Supported by donors and partners, this integrated approach helps create a dynamic and supportive community where individuals learn, grow, and contribute together.

Consolidated Financial Statements

Mount Allison University

April 30, 2026

Contents

Mount Allison University

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, 2026 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, 2026 have been reported on by Doane 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. Ian Sutherland, PhD	Robert Inglis, CPA, CA
President and Vice-Chancellor	Vice-President, Finance and Administration

Independent auditor’s report

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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, 2026, and the consolidated statements of operations, changes in net assets and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly in all material respects, the consolidated financial position of Mount Allison University as at April 30, 2026, and its consolidated 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 Consolidated 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 on the audit of the consolidated financial statements taken as a whole.

Information Other than the Consolidated Financial Statements and Auditor’s Report Thereon

Management is responsible for the other information. The other information comprises the Annual Financial Report. The Annual Financial Report is expected to be made available to us after the date of this auditor’s report.

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

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

When we read the Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

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 consolidated 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.

Doane Grant Thornton LLP

Halifax, Canada
August 13, 2026

Chartered Professional Accountants

Mount Allison University
Consolidated statement of financial position

As at April 30	**2026**	2025
Assets		
Current		
Cash and cash equivalents	**$ 9,197,175**	$ 8,943,981
Accounts receivable (note 3)	**5,919,933**	2,772,800
Prepaid expenses and inventory	**1,946,133**	1,863,095
Short-term investments (note 4)	**169,105**	965,548
	17,232,346	14,545,424
Long term		
Investments (note 4)	**346,416,022**	280,396,130
Capital assets (note 5)	**178,074,089**	166,102,035
Employee future benefit asset (note 7)	**14,550,059**	11,406,901
	539,040,170	457,905,066
	$ 556,272,516	$ 472,450,490
Liabilities		
Current		
Bank indebtedness (note 8)	**$ -**	$ 980,000
Accounts payable and accrued liabilities (note 9)	**12,254,242**	10,866,987
Current portion of long-term debt (note 10)	**478,593**	460,892
Deferred income	**2,085,905**	2,132,350
	14,818,740	14,440,229
Long term		
Long-term debt (note 10)	**22,217,463**	22,694,542
Employee future benefit obligation (note 7)	**2,188,249**	2,245,990
	24,405,712	24,940,532
Deferred contributions		
Related to capital assets (note 11)	**71,207,897**	61,896,546
Related to restricted and endowed funds (note 12)	**60,531,074**	47,639,751
	131,738,971	109,536,297
	170,963,423	148,917,058
Net assets (deficit)		
Restricted for endowment purposes (note 13)	**303,672,005**	244,737,818
Invested in capital assets	**66,238,643**	62,067,613
Restricted for employee future benefit obligation	**14,189,942**	10,960,977
Internally restricted (note 14)	**6,995,806**	9,223,806
Unrestricted	**(5,787,303)**	(3,456,782)
	385,309,093	323,533,432
	$ 556,272,516	$ 472,450,490

Commitments (note 16)
Contingent liabilities (note 17)

See accompanying notes to the consolidated financial statements.

Mount Allison University
Consolidated statement of operations

Year ended April 30		2026		2025
Revenues				
Government grants - provincial	$	**27,002,985**	$	27,531,010
Government grants - federal		**3,983,766**		3,919,076
Student fees – tuition and other		**32,144,563**		30,069,100
Student fees – ancillary		**14,481,942**		13,856,027
Bequests and donations		**2,902,007**		2,675,205
Non-government grants and contracts		**390,120**		724,538
Bookstore and conference income		**2,285,413**		2,044,947
Investment income (note 4)		**24,802,831**		12,452,632
Other income		**1,623,292**		1,878,011
Amortization of deferred capital contributions (note 11)		**2,774,061**		2,832,051
		112,390,980		97,982,597
Expenses				
Academic departments		**36,728,312**		35,939,080
Library		**3,451,677**		3,380,824
Computing services		**3,160,628**		2,865,416
Administrative and general services		**14,020,081**		12,960,787
Physical plant		**12,237,752**		10,353,671
Student services		**13,408,880**		13,816,326
Ancillary services		**7,931,952**		7,717,321
Amortization of capital assets		**6,953,223**		6,521,178
		97,892,505		93,554,603
Revenues over expenses		**14,498,475**		4,427,994
Invested in capital assets		**(4,171,030)**		(2,118,828)
Committed to internally restricted endowments		**(14,065,593)**		(1,383,669)
Committed to future pension benefits		**(820,373)**		(995,675)
Committed from (to) internally restricted net assets		**2,228,000**		(1,213,869)
		(16,828,996)		(5,712,041)
Increase in unrestricted net deficit	$	**(2,330,521)**	$	(1,284,047)

See accompanying notes to the consolidated financial statements.

Mount Allison University
Consolidated statement of changes in net assets
Year ended April 30

	General, Ancillary and Special Program Operating Funds	Research, Special Purpose and Endowment Expendable Funds	Net Assets Invested in Capital Assets	Net Assets Restricted for Endowment Purposes	**Total 2026**	Total 2025
Net assets, beginning of year	$ 7,504,195	$ 9,223,806	$ 62,067,613	$ 244,737,818	**$ 323,533,432**	$ 310,523,008
Revenues over expenses (expenses over revenues)	19,200,626	(522,989)	(4,179,162)		**14,498,475**	4,427,994
Endowed donations	-	-	-	12,005,164	**12,005,164**	4,275,964
Excess of investment earnings over endowment spending on externally restricted endowments	-	-	-	32,863,430	**32,863,430**	3,379,297
Employee future benefit remeasurements	2,408,592	-	-	-	**2,408,592**	927,169
	21,609,218	(522,989)	(4,179,162)	44,868,594	**61,775,661**	13,010,424
Transfers to (from) other funds						
Arising from policy or approved as part of the budget	2,655,451	(2,664,224)	-	8,773	**-**	-
(Deficiency) excess of investment earnings over endowment spending on internally restricted endowments	(16,248,428)	3,058,462	-	13,189,966	**-**	-
Contract research overhead support and research grants	(263,862)	263,862	-	-	**-**	-
Donations and fundraising	(1,155,343)	288,489	-	866,854	**-**	-
Capitalized buildings and equipment	(5,633,992)	(2,716,200)	8,350,192	-	**-**	-
Other	(64,600)	64,600	-	-	**-**	-
Transfers (from) to other funds	(20,710,774)	(1,705,011)	8,350,192	14,065,593	**-**	-
Change in net assets	898,444	(2,228,000)	4,171,030	58,934,187	**61,775,661**	13,010,424
Net assets, end of year	$ 8,402,639	$ 6,995,806	$ 66,238,643	$ 303,672,005	**$ 385,309,093**	$ 323,533,432
Components of net assets (deficit)						
Restricted for endowment purposes	$ -	$ -	$ -	$ 303,672,005	**$ 303,672,005**	$ 244,737,818
Invested in capital assets	-	-	66,238,643	-	**66,238,643**	62,067,613
Restricted for employee future benefit obligation	14,189,942	-	-	-	**14,189,942**	10,960,977
Internally restricted	-	6,995,806	-	-	**6,995,806**	9,223,806
Unrestricted	(5,787,303)	-	-	-	**(5,787,303)**	(3,456,782)
	$ 8,402,639	$ 6,995,806	$ 66,238,643	$ 303,672,005	**$ 385,309,093**	$ 323,533,432

See accompanying notes to the consolidated financial statements.

Mount Allison University
Consolidated statement of cash flows

Year ended April 30	2026	2025
Operating		
Revenues over expenses	**$ 14,498,475**	$ 4,427,994
Amortization of deferred capital contributions	**(2,774,061)**	(2,832,051)
Unrealized gain on investments	**(32,404,614)**	(3,664,720)
Amortization of capital assets	**6,953,223**	6,521,178
Change in employee future benefit obligation	**(792,307)**	(680,745)
Change in non-cash operating working capital	**(1,889,361)**	1,965,956
	(16,408,645)	5,737,612
Contributions related to research and operations (earned) deferred during the year	**292,061**	(477,527)
Net cash provided by (used for) operating activities	**(16,116,584)**	5,260,085
Financing		
Proceeds from bank indebtedness	**-**	8,995,000
Repayment of bank indebtedness	**(980,000)**	(23,300,000)
Proceeds from issuance of long-term debt	**-**	23,300,000
Principal repayment of long-term debt	**(459,378)**	(144,566)
Contributions (expenditures) related to special purpose funds and endowed expendable funds, net	**12,599,262**	(518,022)
Contributions related to capital assets deferred during the year	**12,085,412**	5,933,625
Endowed restricted donations	**12,005,164**	4,275,964
Net cash provided by financing activities	**35,250,460**	18,542,001
Investing		
Purchase of capital assets, net of proceeds on disposals	**(18,925,277)**	(15,954,007)
Investment earnings over endowment spending on externally restricted endowments	**32,863,430**	3,379,297
Purchase of investments, net of proceeds on disposals	**(32,818,835)**	(2,348,674)
Net cash used for investing activities	**(18,880,682)**	(14,923,384)
Net increase (decrease) in cash	**253,194**	8,878,702
Cash and cash equivalents, beginning of year	**8,943,981**	65,279
Cash and cash equivalents, end of year	**$ 9,197,175**	$ 8,943,981

See accompanying notes to the consolidated financial statements.

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 obligations 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.

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.

2. Significant accounting policies (continued)

Fund accounting (continued)
The Endowment Principal Fund reflects the total resources which have been endowed, either by terms imposed by the benefactor or by the University and includes investment returns that have been capitalized in accordance with the University's spending allocation policy.

The Endowment Expendable Fund includes investment returns on the endowment principal that have been spent on restricted purposes. It also includes capitalized investment returns on internally restricted and unrestricted endowments which is reported as revenue 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 transferred 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 Special Program 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 investment returns earned on externally restricted endowments are recognized as direct increases in net assets in the Endowment Principal Fund.

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.

Cash and cash equivalents
Cash and cash equivalents include amounts on deposit with financial institutions and investments with maturities of less than three months that are considered highly liquid. Cash and cash equivalents are stated at cost, which together with accrued interest income approximates fair value given the short- term nature.

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.

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, 20 years for certain major equipment, 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.

2. Significant accounting policies (continued)

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.

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 returns are recognized as a direct increase in net assets in the Endowment Principal Fund. In years when the investment returns are 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.

Investment returns, positive or negative, earned on internally restricted or unrestricted endowments are 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:

- Accounts receivable
- Investments
- Accounts payable
- Bank indebtedness
- Long-term debt

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

The University subsequently measures all of its financial assets and financial liabilities at amortized cost except 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 accounts receivable, accounts payable, and bank indebtedness approximate their fair market values due to the relatively short periods to maturity of the instruments.

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

Derivative financial instruments
Derivative financial instruments are utilized by the University to manage interest rate exposure. The University enters into interest rate swaps to reduce the impact of fluctuating interest rates on its long-term debt. The swap agreements require the periodic exchange of payments without the exchange of the notional principal amount on which the payments are based. The University designates its interest rate swap agreements as hedges of underlying debt.

When the University has reasonable assurance that the critical terms of the hedging item and the hedged item are the same, both at the inception of a hedging relationship and through the term, the University may choose to designate that hedge accounting will be applied. The University then formally documents the hedging relationship. Interest rate swaps in qualifying hedging relationships are not recognized until maturity. Interest expense on the debt is adjusted to include the payments made or received under the interest rate swaps.

In the event that interest rate swaps are terminated or cease to be effective prior to maturity, any associated unrecognized gains or losses would be recognized in the period in which the underlying hedged transaction is recognized or, if a future hedged transaction is no longer likely to occur, immediately. In the event a designated hedged item is sold, extinguished, or matures prior to the termination of the related derivative instrument, any gain or loss on such derivative instrument is recognized in revenue or expenses.

2. Significant accounting policies (continued)

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 defined benefit pension plan obligation and service cost are recorded based on the Plan's going concern obligation and current service cost as calculated in the most recent funding valuation 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.

The University records pension expenses in its consolidated financial statements in accordance with applicable accounting standards. However, 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 differ under these two methods, 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.

3. Accounts receivable

	2026	2025
Student fees	**$ 1,238,423**	$ 1,124,161
Federal and provincial governments	**4,461,883**	1,422,975
Other	**539,627**	545,664
Allowance for doubtful accounts	**(320,000)**	(320,000)
	$ 5,919,933	$ 2,772,800

4. Investments	**2026**	2025
Investments (carried at amortized cost)		
Guaranteed investment certificates and principal notes	**$ 4,489,077**	$ 7,620,845
Investments (carried at fair value)		
Bonds and notes	**20,720,052**	17,236,996
Canadian equities	**66,300,689**	49,990,420
Hedge funds	**36,259,597**	30,468,253
Other equities	**161,938,437**	129,303,369
Private infrastructure funds	**10,501,948**	11,679,619
Private real estate	**22,481,351**	21,250,646
Private equity	**23,893,976**	13,811,530
	342,096,050	273,740,834
Investments – Total	**$ 346,585,127**	281,361,678
Investments – short-term	**$ 169,105**	$ 965,548
Investments – long-term	**346,416,022**	280,396,130
	$ 346,585,127	$ 281,361,678

Fixed-income and structured investments carried at amortized cost include guaranteed investment certificates, and principal protected notes. These investments mature between October 2026 and April 2033 (2025 – April 2026 and June 2029). Guaranteed investment certificates earn interest at rates of 3.25% to 5.00% (2025 – 3.25% to 5.00%).

Principle protected notes included in this category do not have a fixed interest rate and provide returns linked to the performance of underlying assets or indices, while protecting the original principal at maturity. Certain of these investments may be callable by the issuer prior to maturity, which could affect the timing of cash flows.

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

Included in Canadian equities for 2025 are $21,245,364 previous reported as Guaranteed investment certificates. Amounts consist of publicly traded stocks therefore presented under Canadian equities.

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

In 2026, the University's investment income of $24,802,831 (2025 – $12,452,632) recorded in the consolidated statement of operations consists of income related to investments held for endowments of $ 24,116,405 (2025 – $11,722,898) and income of $ 686,426 (2025 – $729,734) on investments other than those held for endowments.

5. Capital assets

	Cost	Accumulated Amortization	**Net Book Value 2026**	Net Book Value 2025
Buildings	$ 294,311,358	$ 146,810,223	**$ 147,501,135**	$ 147,937,615
Construction in progress	20,835,382	-	**20,835,382**	8,335,435
Land improvements	19,992,935	13,229,547	**6,763,388**	6,647,116
Equipment	30,785,297	27,811,115	**2,974,182**	3,181,867
Land	1	-	**1**	1
Collections (note 6)	1	-	**1**	1
	$ 365,924,974	$ 187,850,885	**$ 178,074,089**	$ 166,102,035

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

Project	Funding source	**Balance 2026**	Balance 2025
Academic and student services building	future general operations	**$ 3,717,498**	$ 4,559,308
Equipment and other	future general operations	**1,308,981**	914,534
Residence buildings	future ancillary operations	**12,905,014**	13,509,960
		$ 17,931,493	$ 18,982,442

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. The interest income and related expense are eliminated in the consolidated financial statements.

6. 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 2026 on the MMAM and WPB collections were $1,302 (2025 – $4,379) and $ 3,903 (2025 – $7,426) respectively. The Government of Canada donates a large quantity of documents to the Government Documents Collection each year and, in addition, the University spent $ 2,754 (2025 – $5,320) for additions to this collection in 2026.

6. Collections (continued)

Owens Art Gallery permanent collection
The University art gallery ("Owens Art Gallery") has a permanent collection consisting of approximately 4,000 works, including historical and contemporary Canadian, Indigenous, American, and European art. The historical component of the Collection consists of approximately 300 18th- and 19th- century paintings, watercolors, prints and plaster casts (also known as the Original Collection), works related to the Mount Allison Ladies' College and the history of Fine Arts at Mount Allison, art from the Atlantic provinces, and Canadian and American prints from the modern period. The contemporary collection consists of Canadian and Indigenous art in a wide range of media, including but not limited to painting, printmaking, installation, video, textiles, sculpture, drawing, and porcupine quillwork. For the year ended April 30, 2026, donated artwork was valued at approximately $ 21,900 (2025 - $56,950) and $ 14,110 (2025 - $557,490) in purchased acquisitions was added to the permanent collection.

7. 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.

The most recent actuarial valuation for funding purposes of the defined benefit pension plan was as of December 31, 2025. The next actuarial valuation for funding purposes must be as of a date no later than December 31, 2028. The Plan's actuary has extrapolated the results of the December 31, 2025 actuarial valuation of the Plan for funding purposes to April 30, 2026 as follows:

	Pension Benefit Plans		Retirement Allowance Plan	
	2026	2025	**2026**	2025
Fair value of plan assets	**$ 67,713,808**	$ 58,268,236	**$ -**	$ -
Defined benefit obligation	**(53,163,749)**	(46,861,335)	**(2,188,249)**	(2,245,990)
Accrued benefit asset (liability)	**$ 14,550,059**	$ 11,406,901	**$ (2,188,249)**	$ (2,245,990)

The University recorded a remeasurement gain of $ 2,322,784 (2025; $1,034,519) in the pension benefit plan and a remeasurement gain of $ 85,808 (2025 – loss of $107,352) in the retirement allowance plan. Remeasurements and other items were recorded directly in the consolidated statement of changes in net assets.

7. Employee future benefit obligation (continued)

Total cash payment for employee future benefits for 2026, consisting of cash contributed by the University to its defined benefit, defined contribution and retirement allowance plan was $2,793,794 (2025 – $2,684,330).

The significant actuarial assumptions adopted in measuring the employee future benefits are as follows:

	2026	2025
Pension plan		
Rate of compensation increase	**3.00%**	3.00%
Discount rate	**6.15%**	6.85%

8. Bank indebtedness

The University has access to a $7,500,000 line of credit with interest at prime less 0.7% per annum which had no outstanding balance as at April 30, 2026 (2025 – $980,000).

In addition, the University has a lease facility of $1,000,000 with interest at prime minus 0.7%. The University did not make use of this facility during fiscal 2026.

9. Accounts payable and accrued liabilities

Accounts payable and accrued liabilities include government remittances payable of $702,517 (2025 – $693,489).

10. Long-term Debt

Long-term loan (unsecured)	**Principal and interest payments**	**Maturity date**	**Interest rate**	**2026**	2025
Residence Renovation	Monthly - $117,413	November 2052	4.15%	**$22,696,056**	$23,155,434
Sub-total – Long-term loans				**22,696,056**	23,155,434
Less: Current Portion				**(478,593)**	(460,892)
Total – Long-term debt				**$22,217,463**	$22,694,542

Principal repayments for the next five years are as follows: 2027 - $478,593; 2028 - $493,631; 2029 - $517,050; 2030 - $531,828; 2031 - $564,142.

The University uses interest rate swaps to manage interest rate risk (see note 15). The interest rate stated above is the effective rate per the swap agreement related to the underlying long-term debt. Interest of $951,683 (2025 – $348,779) relating to long-term debt has been included in ancillary services expense.

11. Deferred contributions related to capital assets

Deferred contributions related to capital assets are externally restricted expendable funds received in the current or prior periods 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 is detailed in the following table:

	2026	2025
Beginning balance	**$ 61,896,546**	$ 58,794,972
Add		
Contributions for capital assets deferred during the year	**12,085,412**	5,933,625
Less		
Deferred contributions amortized during the year	**(2,774,061)**	(2,832,051)
Ending balance	**$ 71,207,897**	$ 61,896,546

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:

	Research	Special Purpose and Endowment Expendable	2026
Beginning balance	$ 3,315,503	$ 44,324,248	**$ 47,639,751**
Add			
Expendable restricted contributions	4,004,890	67,726,792	**71,731,682**
Less			
Recognized as revenue and interfund transfers	(3,499,379)	(44,535,786)	**(48,035,165)**
Deferred to capital assets	(213,450)	(10,591,744)	**(10,805,194)**
Ending balance	$ 3,607,564	$ 56,923,510	**$ 60,531,074**

12. Deferred contributions related to restricted and endowed funds (continued)

	Research	Special Purpose and Endowment Expendable	2025
Beginning balance	$ 3,793,030	$ 44,842,267	$ 48,635,297
Add			
Expendable restricted contributions	3,508,838	20,874,986	24,383,824
Less			
Recognized as revenue and interfund transfers	(3,717,474)	(15,845,478)	(19,562,952)
Deferred to capital assets	(268,891)	(5,547,527)	(5,816,418)
Ending balance	$ 3,315,503	$ 44,324,248	$ 47,639,751

13. Endowments

The following table details the changes in the endowment funds

	2026	2025
Beginning balance	**$ 244,737,818**	$ 235,698,888
Donations	**12,865,158**	4,284,356
Recapitalized endowments	**15,633**	12,368
Investment gain	**46,053,396**	4,742,206
Total	**$ 303,672,005**	$ 244,737,818

The market value of the endowment funds is disclosed in note 4. Net assets restricted for endowment purposes consists of $220,578,152 (2025 – $175,289,409) in externally restricted endowments and $83,093,853 (2025 – $69,448,409) in internally restricted endowments.

In 2026, investment earnings, net of fees, of $56,615,076 were earned on endowments, of which $10,576,001 was made available for spending, $13,189,966 was for the preservation of capital on internally restricted endowments, and the balance of $32,849,109 was for the preservation of capital on externally restricted endowments, which was recorded as a direct increase in endowments.

In 2025, investment earnings, net of fees, of $14,506,503 were earned on endowments, of which $9,800,102 was made available for spending, $1,362,909 was for the preservation of capital on internally restricted endowments, and the balance of $3,343,492 was for the preservation of capital on externally restricted endowments, which was recorded as a direct increase in endowments.

14. Internally restricted net assets

	2026	2025
Contingency Fund to support revenue shortfalls and emergencies	**$ 1,180,142**	$ 882,862
Infrastructure and other projects support	**933,235**	1,572,153
Research support	**593,957**	487,929
Internally restricted endowment spending	**4,288,472**	6,280,862
	$ 6,995,806	$ 9,223,806

15. Financial instruments

The University is exposed to various risks in relation to its financial instruments. The main types of risks are market risk, interest rate 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 it's 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.

Interest rate risk
Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The University is exposed to interest rate risk on its variable rate operating line of credit and changes in the variable rate subject the University to cash flow risk.

The University uses derivatives to hedge interest rate exposures on certain long-term debt. Interest rate swaps allow the University to raise long-term borrowing at floating rates and effectively swap them into fixed rates. Under the interest rate swaps, the University agrees with the counterparty to exchange, at specific intervals, the difference between fixed-rate and floating-rate interest amounts calculated by reference to the notional amount.

At April 30, 2026, interest rate swaps outstanding have a notional value of $22,696,056 (2025 - $23,155,434) and are designated as hedges for accounting purposes. The interest rate swap contracts result in the University securing long-term fixed interest rates of 4.15%. Although the University has no intention of settling these instruments at April 30, 2026, the interest rate swap contracts described in Note 10, have a fair value liability of $119,272 (2025 - $1,656,224).

15. Financial instruments (continued)

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 University has outstanding capital construction commitments as of April 30, 2026, estimated at $17.3M (2025 – $24.5M).

The University has also entered into purchase commitments in the normal course of operations totaling approximately $100K as at April 30, 2026 (2025 – $Nil).

The University is committed under operating leases for premises and equipment. Minimum lease payments over the next five years and thereafter are as follows:

2027 – $137,671
2028 – $137,671
2029 – $116,371
2030 – $ 79,535
2031 – $ 24,231

The University has outstanding commitments to invest in private funds through contractual agreements that require periodic remittance of funds in response to capital calls from fund managers. These commitments will be financed by reallocating resources from other invested asset allocations.

Uncalled private fund commitments	**2026**	2025
Private Infrastructure	**$ 1,231,167**	$ 1,587,964
Private Equity	**10,480,470**	15,802,072
	$ 11,711,637	$ 17,390,036

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.

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. 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 2026**	Total 2025
Computing services	$ 121,968	$ -	**$ 121,968**	$ 107,812
Administrative and general expenses	757,621	243,718	**1,001,339**	983,901
Physical plant	2,356,153	-	**2,356,153**	2,273,348
Student services	278,103	-	**278,103**	136,833
	$ 3,513,845	$ 243,718	**$ 3,757,563**	$ 3,501,894

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

April 30, 2026 | 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**	Total
	2026	2025	**2026**	2025	**2026**	2025	**2026**	2025
Revenues								
Government grants - provincial	**$ 25,485,172**	$ 25,232,828	**$ 1,517,813**	$ 2,298,182	**$ -**	$ -	**$ 27,002,985**	$ 27,531,010
Government grants – federal	**704,600**	648,069	**3,279,166**	3,271,007	**-**	-	**3,983,766**	3,919,076
Student fees – tuition	**32,144,563**	30,069,100	**-**	-	**-**	-	**32,144,563**	30,069,100
Student fees – ancillary	**14,481,942**	13,856,027	**-**	-	**-**	-	**14,481,942**	13,856,027
Bequests and donations	**1,250,988**	301,957	**1,651,019**	2,373,248	**-**	-	**2,902,007**	2,675,205
Non-government grants and contracts	**-**	-	**390,120**	724,538	**-**	-	**390,120**	724,538
Bookstore and conference income	**2,285,413**	2,044,947	**-**	-	**-**	-	**2,285,413**	2,044,947
Investment income	**16,934,854**	5,016,421	**7,867,977**	7,436,211		-	**24,802,831**	12,452,632
Other income	**1,619,049**	1,875,646	**4,243**	2,365	**-**	-	**1,623,292**	1,878,011
Amortization of deferred capital contributions	**-**	-	**-**	-	**2,774,061**	2,832,051	**2,774,061**	2,832,051
	94,906,581	79,044,995	**14,710,338**	16,105,551	**2,774,061**	2,832,051	**112,390,980**	97,982,597
Expenses								
Academic departments	**32,133,135**	31,304,949	**4,595,177**	4,634,131	**-**	-	**36,728,312**	35,939,080
Library	**2,854,199**	2,793,437	**597,478**	587,387	**-**	-	**3,451,677**	3,380,824
Computing services	**2,971,228**	2,803,727	**189,400**	61,689	**-**	-	**3,160,628**	2,865,416
Administrative and general services	**12,436,116**	11,446,227	**1,583,965**	1,514,560	**-**	-	**14,020,081**	12,960,787
Physical plant	**11,604,986**	10,345,364	**632,766**	8,307	**-**	-	**12,237,752**	10,353,671
Student services	**5,847,919**	5,304,490	**7,560,961**	8,511,836	**-**	-	**13,408,880**	13,816,326
Ancillary services	**7,858,372**	7,683,478	**73,580**	33,843	**-**	-	**7,931,952**	7,717,321
Amortization of capital assets	**-**	-	**-**	-	**6,953,223**	6,521,178	**6,953,223**	6,521,178
	75,705,955	71,681,672	**15,233,327**	15,351,753	**6,953,223**	6,521,178	**97,892,505**	93,554,603
Revenues over expenses (expenses over revenues)	**$ 19,200,626**	$ 7,363,323	**$ (522,989)**	$ 753,798	**$ (4,179,162)**	$ (3,689,127)	**$ 14,498,475**	$ 4,427,994

Mount Allison University
Schedule of general, ancillary and special program operating funds
April 30, 2026 Schedule 2

	General Operating Fund 2026	General Operating Fund 2025	Ancillary Operating Fund 2026	Ancillary Operating Fund 2025	Special Program Operating Fund 2026	Special Program Operating Fund 2025	**Total 2026**	Total 2025
Revenues								
Government grants - provincial	**$ 25,308,569**	$ 25,057,989	**$ 162,000**	$ 162,000	**$ 14,603**	$ 12,839	**$ 25,485,172**	$ 25,232,828
Government grants - federal	**704,600**	648,069	**-**	-	**-**	-	**704,600**	648,069
Student fees - tuition	**32,144,563**	30,069,100	**-**	-	**-**	-	**32,144,563**	30,069,100
Student fees – ancillary	**-**	-	**14,481,942**	13,856,027	**-**	-	**14,481,942**	13,856,027
Bequests and donations	**-**	-	**-**	-	**1,250,988**	301,957	**1,250,988**	301,957
Bookstore and Conference income	**-**	-	**2,283,941**	1,966,400	**1,472**	78,547	**2,285,413**	2,044,947
Investment income	**381,585**	331,296	**-**	-	**16,553,269**	4,685,125	**16,934,854**	5,016,421
Other income (expense)	**1,536,589**	2,029,336	**(284,657)**	(556,672)	**367,117**	402,982	**1,619,049**	1,875,646
	60,075,906	58,135,790	**16,643,226**	15,427,755	**18,187,449**	5,481,450	**94,906,581**	79,044,995
Expenses								
Academic departments	**31,598,712**	30,798,815	**-**	-	**534,423**	506,134	**32,133,135**	31,304,949
Library	**2,854,199**	2,793,437	**-**	-	**-**	-	**2,854,199**	2,793,437
Computing services	**2,849,260**	2,695,915	**121,968**	107,812	**-**	-	**2,971,228**	2,803,727
Administrative and general services	**8,477,923**	7,605,167	**757,621**	757,267	**3,200,572**	3,083,793	**12,436,116**	11,446,227
Physical plant	**7,547,297**	6,859,774	**4,057,689**	3,485,590	**-**	-	**11,604,986**	10,345,364
Student services	**5,161,713**	4,807,500	**278,103**	136,833	**408,103**	360,157	**5,847,919**	5,304,490
Ancillary services	**-**	-	**7,858,372**	7,683,478	**-**	-	**7,858,372**	7,683,478
	58,489,104	55,560,608	**13,073,753**	12,170,980	**4,143,098**	3,950,084	**75,705,955**	71,681,672
Revenues over expenses (expenses over revenues)	**$ 1,586,802**	$ 2,575,182	**$ 3,569,473**	$ 3,256,775	**$ 14,044,351**	$ 1,531,366	**$ 19,200,626**	$ 7,363,323

Mount Allison University
Schedule of research, special purpose and endowment expendable funds
April 30, 2026 Schedule 3

	Research Fund		Special Purpose Fund		Endowment Expendable Fund		**Total**	Total
	2026	2025	**2026**	2025	**2026**	2025	**2026**	2025
Revenues								
Government grants - provincial	**$ 276,774**	$ 432,881	**$ 1,241,039**	$ 1,865,301	**$ -**	$ -	**$ 1,517,813**	$ 2,298,182
Government grants - federal	**2,887,322**	2,702,923	**391,844**	568,084	**-**	-	**3,279,166**	3,271,007
Bequests and donations	**-**	-	**1,374,226**	2,070,956	**276,793**	302,292	**1,651,019**	2,373,248
Non-government grants and income	**348,122**	622,589	**41,998**	101,949	**-**	-	**390,120**	724,538
Investment income	**-**	-	**-**	-	**7,867,977**	7,436,211	**7,867,977**	7,436,211
Other income	**-**	-	**-**	-	**4,243**	2,365	**4,243**	2,365
	3,512,218	3,758,393	**3,049,107**	4,606,290	**8,149,013**	7,740,868	**14,710,338**	16,105,551
Expenses								
Academic departments	**3,107,855**	3,198,532	**425,398**	519,556	**1,061,924**	916,043	**4,595,177**	4,634,131
Library	**1,634**	5,500	**106,418**	38,320	**489,425**	543,567	**597,478**	587,387
Computing services	**-**	-	**189,400**	61,689	**-**	-	**189,400**	61,689
Administrative and general services	**16,830**	29,398	**86,729**	108,845	**1,480,406**	1,376,317	**1,583,965**	1,514,560
Physical plant	**-**	-	**-**	8,307	**632,766**	-	**632,766**	8,307
Student services	**53,626**	81,212	**2,637,414**	3,918,120	**4,869,922**	4,512,504	**7,560,961**	8,511,836
Ancillary services	**-**	-	**73,580**	33,843	**-**	-	**73,580**	33,843
	3,179,945	3,314,642	**3,518,939**	4,688,680	**8,534,443**	7,348,431	**15,233,327**	15,351,753
Revenues over expenses (expenses over revenues)	**$ 332,273**	$ 443,751	**$ (469,832)**	$ (82,390)	**$ (385,430)**	$ 392,437	**$ (522,989)**	$ 753,798