



**Saint Mary's  
University**

# **Annual Financial Report**

March 31, 2024

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# Introduction



**As President and Vice-Chancellor of Saint Mary's University, I am pleased to introduce the university's Annual Financial Report for the 2024 fiscal year.**

As one of Canada's top primarily undergraduate universities, Saint Mary's is known for a connected campus, international collaborations, leadership in entrepreneurship, and research benefiting local and global communities. Our Annual Financial Report demonstrates resilience in action, accountability to the community, and a strong commitment to fiscal responsibility, in keeping with our values.

We are challenged by declining enrolments and external pressures, including inflation, resulting in year-over-year deficits and the erosion of our General Fund. We anticipate this to continue in the near term, as reduced student cohorts progress through our programs. Our Executive Management Group, through extensive consultation, has recently developed a multi-

year plan to pursue five key initiatives to ensure our return to financial sustainability. The Board of Governors approved the plan on May 31, 2024. The Board of Governors oversees management of the university's financial, physical and human assets, and ensures that the annual financial statements are prepared in accordance with best practices and audited by the university's auditor, Grant Thornton LLP.

This discussion and analysis should be read in conjunction with the audited financial statements.

The financial statements show the university's overall financial picture. The reporting is on a fund accounting basis, using the restricted fund method of accounting for contributions. Our independent auditor has audited the financial statements and, in their opinion, the statements fairly present, in all material respects, the university's financial position at March 31, 2024, and the results of the university's fiscal year operations. The aim of this Annual Financial Report is to ensure we are fully transparent about the university's finances. Thank you for your interest and support for Saint Mary's.

A handwritten signature in black ink, appearing to read 'R. Summerby-Murray', written over a thin horizontal line.

**Robert Summerby-Murray Ph.D.**  
**President and Vice Chancellor**

# Management Discussion and Analysis

## Vision, Mission & Values

The vision, mission and core values of Saint Mary’s University lay the foundation for the direction and culture of our university.

**AGE QUOD AGIS**

**VISION**  
Saint Mary’s, building on its strong tradition of accessibility and community engagement, will be the university of choice for aspiring citizens of the world.

**MISSION**  
The mission of Saint Mary’s University is to offer undergraduate, graduate, and life-long learning programs; to engage in research and disseminate its results; and to serve the community from the local to the international level.

**VALUES**  
Our values articulate our distinctive contribution to civil society, locally and globally. These values are highlighted in the Santamarian Signature:  
Pursuing academic growth, Demonstrating resilience, Developing intercultural competence, Engaging our alumni and community; and Exercising ethical wisdom

The university is committed to accessibility, diversity and the provision of a positive and supportive learning environment through the effective integration of teaching and research. We recognize the importance of the contribution and growth of each individual in the university’s success.

## Our Framework

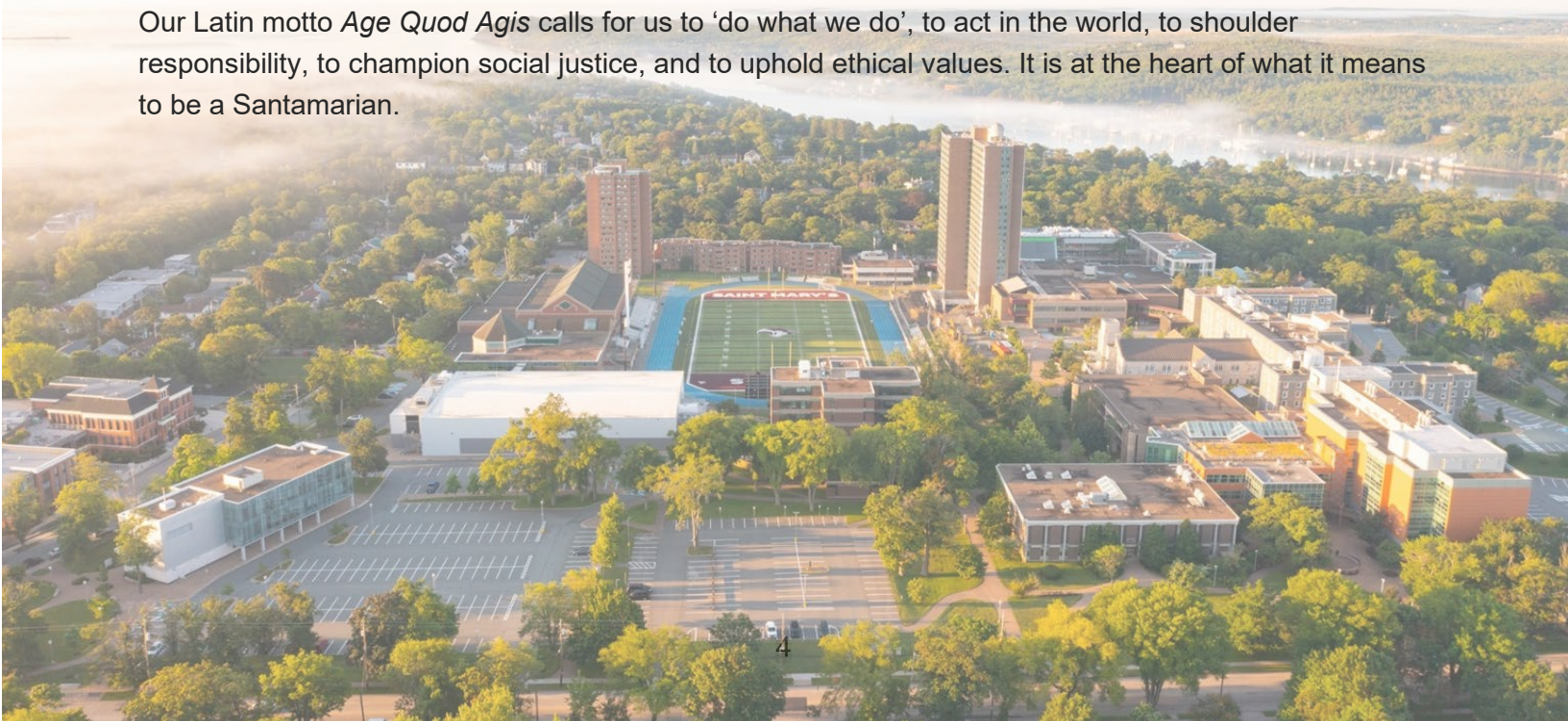
Saint Mary's University, founded in 1802 in Halifax, Nova Scotia, is the second-largest educational institution in the province. The campus is home to over 6,000 students from over 117 countries who are enrolled during the academic year and summer sessions, attending classes on the 42-acre campus in the south end of Halifax and nearly 850 faculty and staff supporting programs and operations.

Saint Mary's vision is to be the University of Choice for aspiring citizens of the world. Culturally diverse and globally connected, Saint Mary's is recognized as a national leader in international and intercultural education. Our global network of 55,000 alumni is strong and engaged; Saint Mary's boasts the 2<sup>nd</sup> highest level of alumni engagement in Canada.

An urban, mid-sized university, Saint Mary's offers innovative and relevant programs in Arts, Science, Business, and Graduate Studies and Research. While Saint Mary's is primarily undergraduate, the university is increasingly recognized for research excellence and has a strong and growing suite of graduate programs including five PhD programs. It is also well known for athletic excellence and a strong Arts program.

The renowned Sobey School of Business is a national leader in business education. It is the only comprehensive business school in the region offering academic and research programming at the undergraduate, Masters, and PhD levels. Saint Mary's nurtures innovators and entrepreneurs in every discipline. We are the only Canadian university to offer a Bachelor of Arts in Entrepreneurship, and the Master of Technology Entrepreneurship & Innovation program attracts ambitious entrepreneurs from around the world. The Arthur L. Irving Entrepreneurship Centre is a hub for entrepreneurship for local businesses and award-winning student teams.

Our Latin motto *Age Quod Agis* calls for us to 'do what we do', to act in the world, to shoulder responsibility, to champion social justice, and to uphold ethical values. It is at the heart of what it means to be a Santamarian.



## **Responsibility for Financial Reporting**

The university's administration is responsible for the preparation, integrity and objectivity of the financial statements and the notes thereto. The administration believes that the financial statements present fairly the university's financial position as of March 31, 2024, and the results of its operations for the year then ended. The administration has also prepared the unaudited financial information presented elsewhere in this financial report and has ensured that it is consistent with the financial statements.

The financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations consistent with Part III of the CPA Canada Handbook and the standards for private enterprise in Part II of the Handbook for items not addressed in Part III. Where alternative accounting methods exist, those deemed most appropriate in the circumstances have been chosen. Financial statements include amounts based on estimates and judgment. Such amounts have been determined on a reasonable and consistent basis to ensure that the financial statements are presented fairly, in all material respects.

In fulfilling its responsibilities and recognizing the limits inherent in all systems, management 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 financial statements.

The Board of Governors carries out its responsibility for review of the financial statements principally through its Audit and Risk Committee. All of the members of the Audit and Risk Committee are independent. The Audit and Risk Committee meets regularly with administration and with the external auditors, Grant Thornton LLP, to discuss the planning and results of audit examinations and financial reporting matters. The external auditors have full access to the Audit and Risk Committee with and without the presence of management.

The Board of Governors of Saint Mary's has responsibility to review and approve the financial statements upon the recommendation of management and the Audit and Risk Committee.

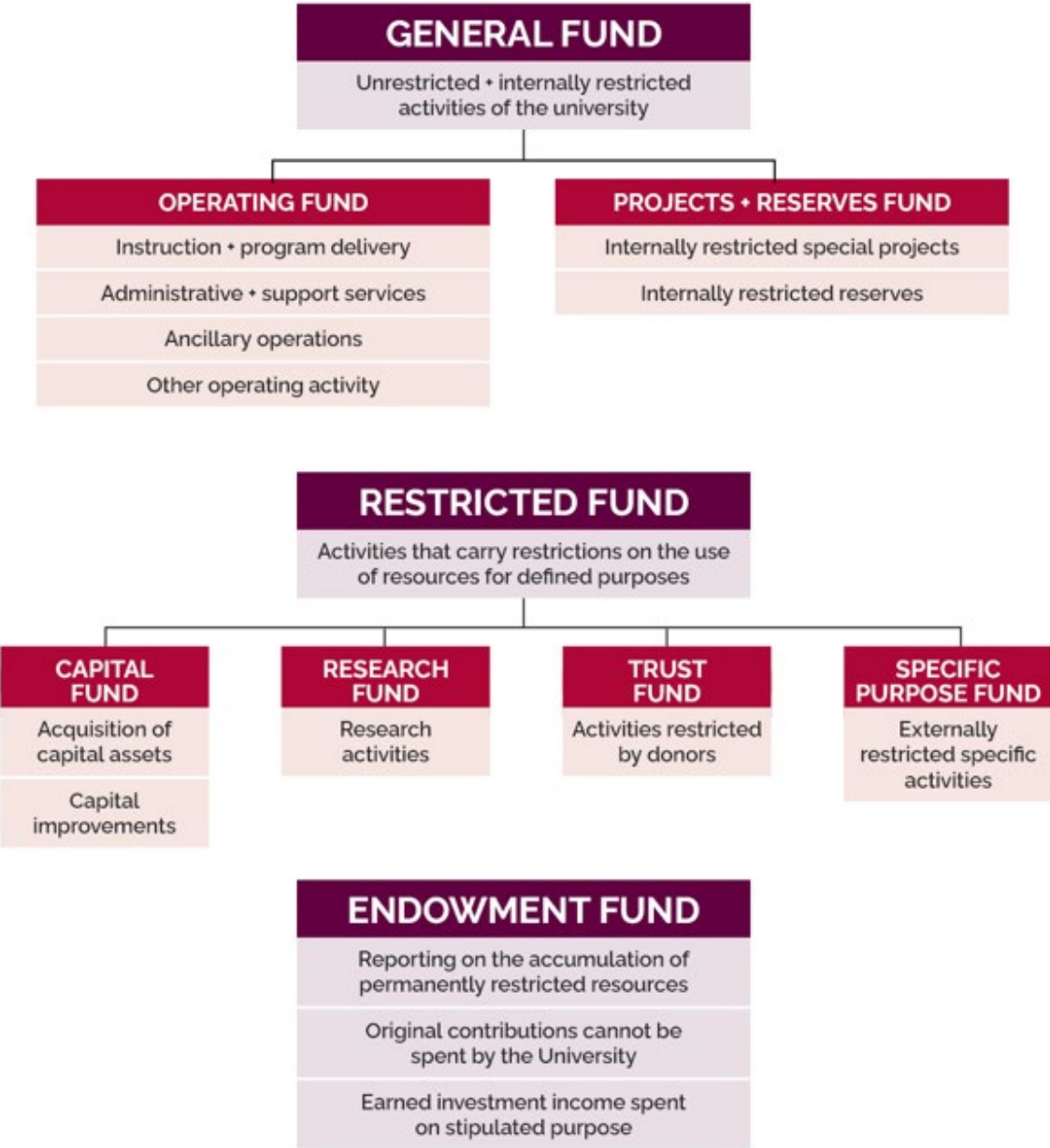


**Todd Williams, BA, FCMC, ITIL**  
**Interim Vice-President, Finance & Administration**

# Fund Accounting

The Board of Governors and management have responsibility to set the strategic direction for the university, allocate resources, and then assess achievements associated with those decisions. Fund accounting assists by classifying financial statement items for accounting and reporting purposes into logical groupings with specified activities and objectives. Presentation of the financial information in fund format, based on restrictions and areas of activity, enables more effective performance evaluation and stewardship.

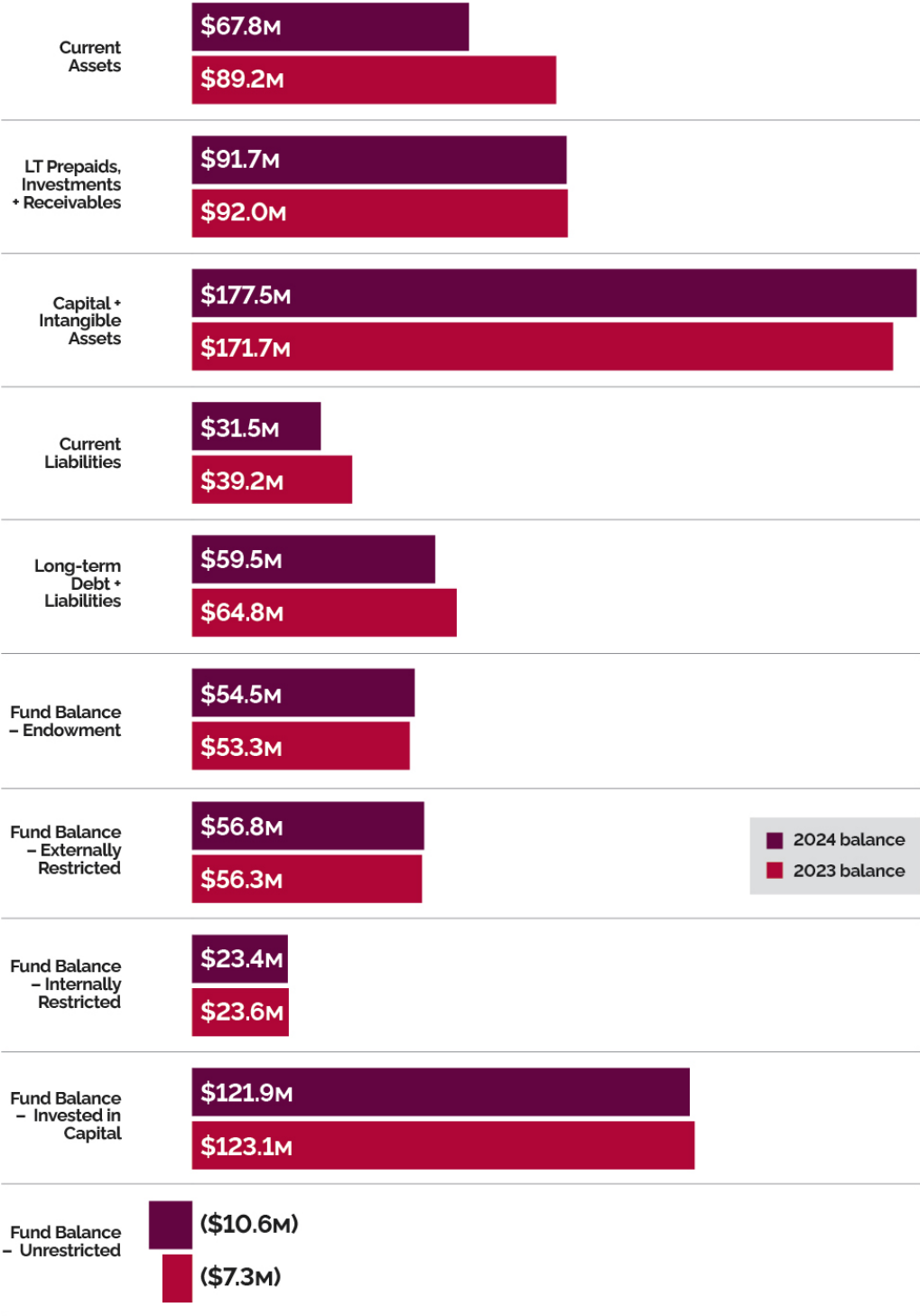
The financial statement structure for Saint Mary's University is comprised of:



# Financial Position and Fund Balances

## \$ Millions

The Statement of Financial Position reports what the university owns (assets), what it owes to others (liabilities) and the remaining interest or equity in the assets (fund balances) at the March 31, 2024, reporting date.





University current assets amount to \$67.8 and are comprised of cash, short-term investments, accounts receivable, inventories and prepaid expenses. The year-end balance of current assets was \$21.4 lower than the previous year. Cash and short-term investments decreased by \$23.3. The decrease in cash is primarily due to the prior year receipt of \$25.0 in funding from the Province of NS for development of healthcare data analytics programs.

In total, long-term prepaid expenses, receivables, and investments decreased \$0.3 compared to the prior year. The long-term investments are recorded at fair value and the investment gain of \$8.6 included net unrealized gains of \$0.4 (2023, unrealized loss of \$6.0) from the change in the fair value. The university received \$7.9 in gifts and bequests, a decrease of \$4.6 from the previous year. The gifts include funds for endowments and program support. Capital and intangible assets, with a net book value of \$177.5, are a prominent component of the university's statement of financial position. The university's buildings comprise 82% of net capital assets.

Current liabilities of \$31.5 include payables, accruals, students' deposits, deferred revenue and the current portion of long-term debt. The year-end balance decreased \$7.7 compared to the prior year primarily due to a reduction in payables and accruals of \$5.0 and a reduction of \$1.8 in deferred revenue as increased liabilities related to future employee benefits were offset by reduced payables as the Sobeys Inspiration Hub neared completion. The decrease in long-term debt & liabilities of \$5.3 was primarily due to debt repayment during the year of \$3.9 and a positive change in the fair value of interest rate swaps of \$1.5.

The fund balances represent the university's residual interest in its assets after deducting liabilities. The fund accounting method of reporting used by Saint Mary's shows the restrictions on the balances. \$111.4 relates to resources that are constrained by endowments and other external restrictions; \$23.4 is internally restricted by the university for projects and reserves; \$121.9 is the net amount invested in buildings and other capital assets. The unrestricted General Fund balance represents the accumulated surplus or deficit. During the year this balance further declined from an accumulated deficit of \$7.3 to an accumulated deficit of \$10.6.

# Debt Analysis

## Financial Condition

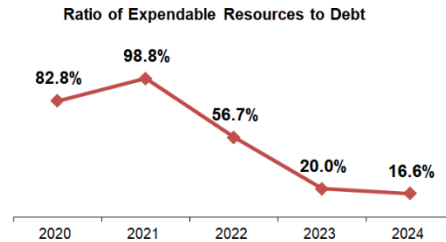
### Debt Analysis, March 31, 2024

Critical Success Factor: **Ability to pay debt charges with medium term resources**

Key Performance Indicator: **Ratio of expendable resources to debt**

Financially healthy institutions are able to draw on an appropriate mix of capital funding. This would include capital grants, fundraising, debt and internally generated cash from operations. When measuring debt capacity, two levels of liquidity are important: i) unrestricted fund balances which are immediately available to be expended and ii) resources which the university can access in the medium term. Together these two types of liquid assets are termed "expendable resources" and provide the capacity to service debt which, in turn, enables the university to fund its educational mission.

<b>Ability to pay debt with medium term resources</b>	2023	2024
Expendable resources (millions)	\$13.8	\$10.8
Debt, incl. current portion of long-term debt (millions)	\$69.0	\$65.1
Ratio of expendable resources to debt	20.0%	16.6%



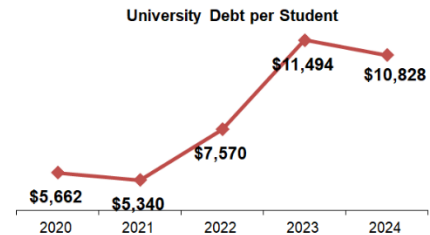
- Increasing debt in recent years to fund capital projects included \$18.5 million in FY22 for Dauphinee Arena and Inglis Street Land plus \$16.5M for Hub Building and \$8.5M for Loyola Building recladding in FY23. University debt increased 103% since 2021.
- Expendable resources decreased 21.7% in 2024; primarily due to an operating deficit of \$3.3M.
- Declining ratio of expendable resources will restrict ability to fund capital expenditures internally.

Critical Success Factor: **Manageable debt load**

Key Performance Indicator: **University debt per student**

Moody's Credit Research (Special Comment, 2001) indicates that debt capacity in higher education institutions is not a static concept, but changes over time as fundamental credit factors evolve. As a result, the university's debt capacity would increase as enrolment grows, provincial funding strengthens, external donations increase or the endowment levels improve. Student demand is a key indicator that can be used as a proxy for a combination of these fundamental credit factors. Accordingly, the amount of outstanding debt owed by the University per student should be kept at a level that is consistent with the university's tolerance for debt risk.

<b>Manageable debt load</b>	2023	2024
Debt, incl. current portion of long-term debt (millions)	\$69.0	\$65.1
Number of students (full time equivalents)	6,003	6,012
University debt per student	\$11,494	\$10,828



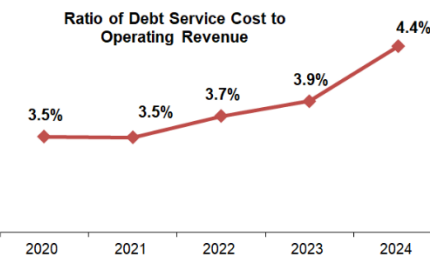
- Debt per student declined in FY24 as principle debt repayments were made during the year while student enrolment was consistent.

Critical Success Factor: **Debt funding strength arising from operations**

Key Performance Indicator: **Ratio of debt service cost to operating revenue**

Revenue growth (tuition + other sources of revenue) provides "funding room" for new debt. Projects such as residence ancillaries are often expected to be self-supporting and use less debt capacity than projects that do not have an associated revenue stream. Overall, the university must be concerned about the potential for reduced long-term financial flexibility when adding fixed costs in the form of principal and interest payments on debt. Debt charges add cost pressure to the expenditure side of the operating budget, so it is important to monitor the ratio of debt service cost to total operations.

<b>Debt funding strength arising from operations</b>	2023	2024
Debt service cost: principal + interest (millions)	\$5.4	\$6.5
Total operating revenue (millions)	\$140.0	\$146.9
Ratio of debt service cost to operating revenue	3.9%	4.4%



- debt funding strength from operations remains within tolerable range.
- exceeding 10% would raise concerns about being highly leveraged (Moody's)

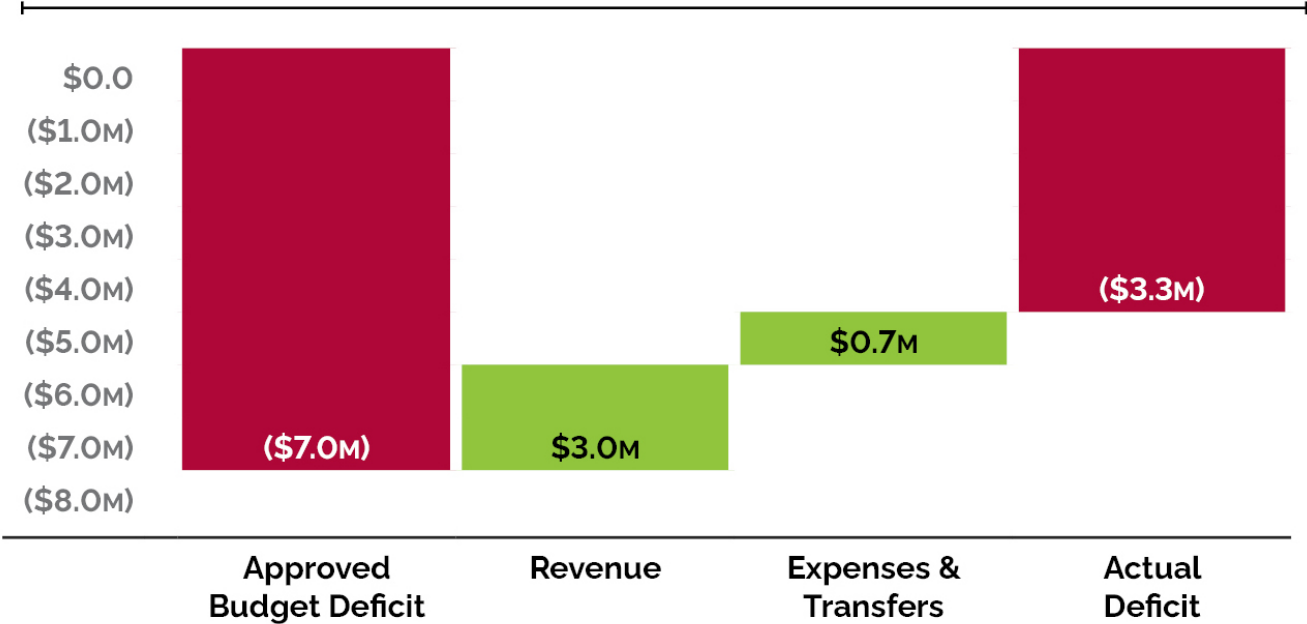
# General Fund Analysis – Operating Fund Budget

## FY 2024 Budget vs Actual (Millions \$)

The university faced many significant challenges during the year, in particular the financial impacts associated with declining enrolment levels.

The chart below portrays the overall variance of each major component of the Operating Fund’s Approved Budget for 2024 (see Appendix 2 - Statement of Operations – Actual versus Budget)

### Operating Fund



The Board of Governors approved a FY 2024 operating budget deficit of \$7.0, factoring in an expectation that enrolment levels would continue to decline compared to the prior year. The university outperformed against budget, resulting in an actual deficit of \$3.3 due to revenue surpassing budget projections and expense savings realized throughout the year.

The university’s income from investments varied positively \$2.6 from budget due to favourable interest rates, and sales of services and products was also positive by \$0.7, mainly due to increased revenue from Athletics and Recreation. This was offset by a negative variance of \$0.9 in student fees.

Expenses & transfers were favourable to budget by \$0.7, driven mainly by \$1.0 savings on salaries and benefits, primarily due to vacancies, as well operating expense savings in relation to materials and supplies, utilities, and travel, achieved through the year as a result of focused cost cutting initiatives.

This was offset by increases in student financial aid of \$1.3 and other operating expenses of \$1.1 against budget.

## General Fund Analysis – Operating Fund Revenues

### Millions \$

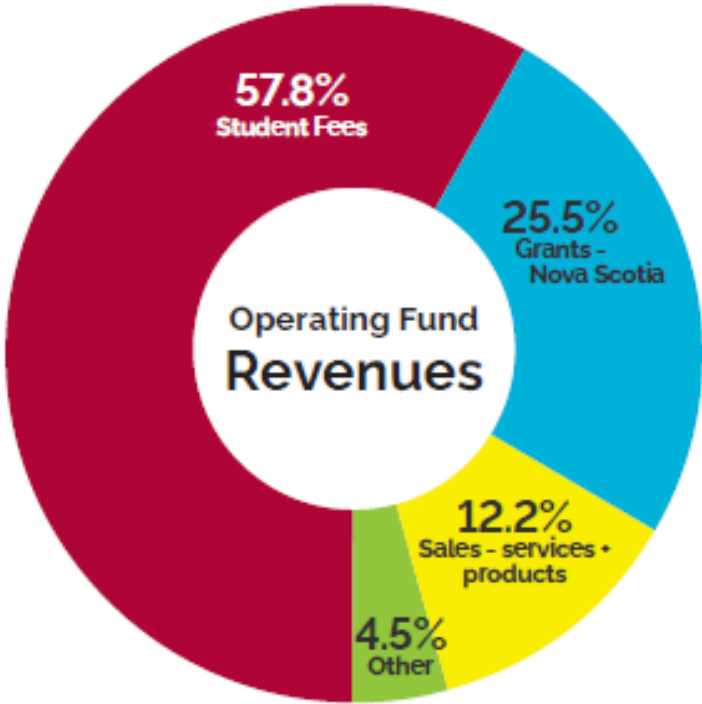
The 2024 operations of Saint Mary's University produced revenues of \$146.9 (2023 - \$140.0). (see Page 31 – Operating Fund)

Student fees are the largest component of operating revenue. The majority of sales of services and products are also related to students and enrolment, i.e., residence fees, food service and campus store sales. The chart on the right shows the breakdown of operating revenue including ancillaries.

Student fee revenue increased \$2.6 from the previous year, primarily driven by undergraduate program revenue which increased by \$2.7 over last year due to a shift in enrolment between domestic and international students. Auxiliary Fee revenue increased \$0.2 from prior year. Graduate revenue and professional Master's program revenue each grew by \$0.2 respectively.

Sales of services and products increased \$2.2 from the prior year. Residence, food service, campus store and parking revenue represented \$1.7 of that number. Increases in membership and rental revenue for Athletic and Recreation facilities accounted for an additional \$0.3. Overall operating revenue was up \$6.9 over the previous year.

The Unrestricted Fund Balance at the end of the year is at an accumulated deficit position of \$10.6.

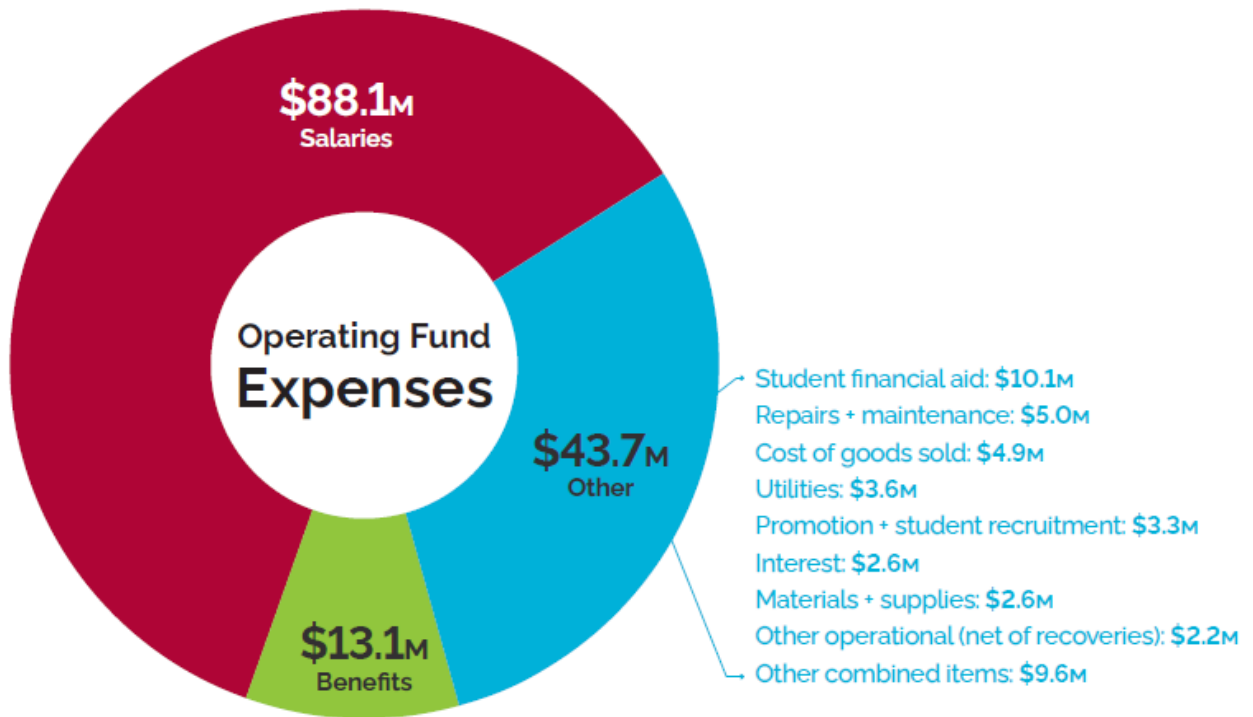


# General Fund Analysis – Operating Fund Expenses

## Millions \$

The 2024 operations of Saint Mary's incurred expenses of \$145.7 (2023 - \$144.1) excluding interfund transfers. The chart shows the breakdown of operating expenses for the year by category, including ancillary operations and after grouping together a portion of "other" expenses. (see Page 31 – Operating Fund)

The largest component of the university's investment in its educational mission is salaries and benefits (70%), which increased \$1.8. The next largest component of operating expenses is the investment in student financial aid, \$10.1 which is down slightly from \$10.8 in 2023. Cost of goods sold increased \$0.2 and the remaining expenses increased by \$0.3 with Other Combined Items increasing by \$0.4.



# Restricted Fund Analysis – Capital Fund

## Millions \$

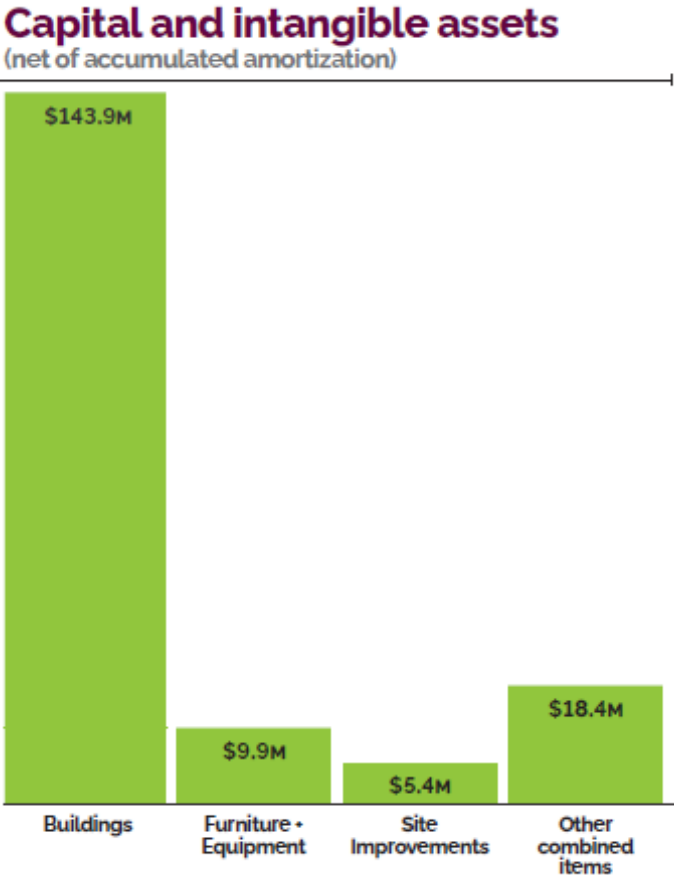
The Restricted Fund accounts for resources that are subject to restrictions on their use, either for capital assets or for specific purposes defined by external contributors to the university.

With a fund balance of \$122.0, the Capital Fund makes up the largest portion of the Restricted Fund. It accounts for all the capital and intangible assets of the university and the related debt. Capital and intangible assets are purchased by transfers from other funds, borrowing, or by contributions from external sources. Contributions restricted for capital and intangible assets related to projects in progress are shown as revenue of the Capital Fund in the year the assets are acquired.

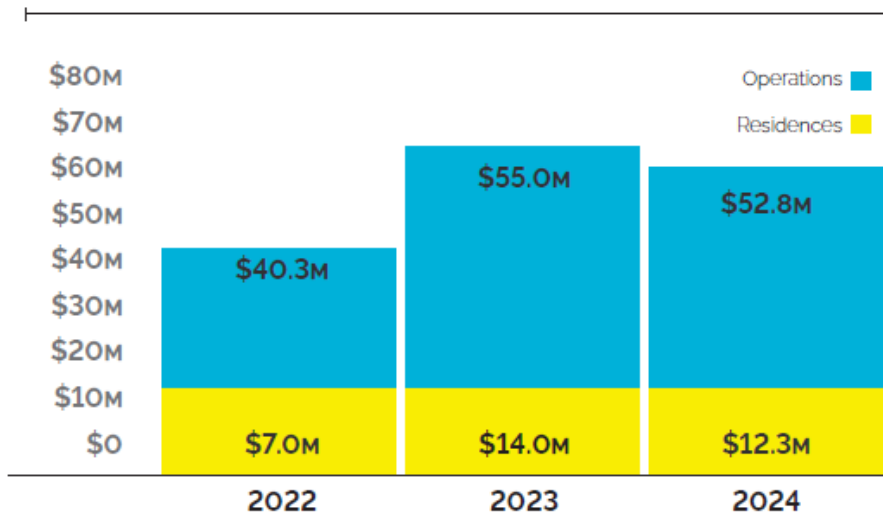
The Capital Fund’s balance is the net investment in capital and intangible assets, which consists of the net capital and intangible assets less the related debt. During 2024 the university acquired capital and intangible assets of \$16.3. Funding for these acquisitions included transfers from externally restricted funds of \$1.6, external financing of \$13.1, transfers from internally restricted funds of \$1.1, transfers from the Research Fund of \$0.4 and transfers from the Operating Fund of \$0.1.

Included in the \$16.3 acquisitions of capital and intangible assets was \$12.1 for buildings, \$2.8 for furniture, equipment & campus improvements, \$1.3 for computer and intangibles and \$0.1 for library books.

In March 2021, the university secured funding in the amount of \$35.0 to fund working capital replenishment, and future capital projects. The first tranche of this debt, \$18.5, was drawn in April 2021. The second tranche, \$16.5, was drawn in January 2024 to fund the construction of the Sobey’s Inspiration Hub building. In March 2022 the University secured funding of \$8.5 to fund the Loyola Residence Recladding project, which began April 2022. This debt was drawn in March 2024.



## Debt



By the end of 2024 the university's debt has decreased to \$65.0 from \$69.0 in 2023. The portion of debt related to academic and administration buildings at the end of 2024 was 81%. The remainder of the debt relates to the student residence buildings.

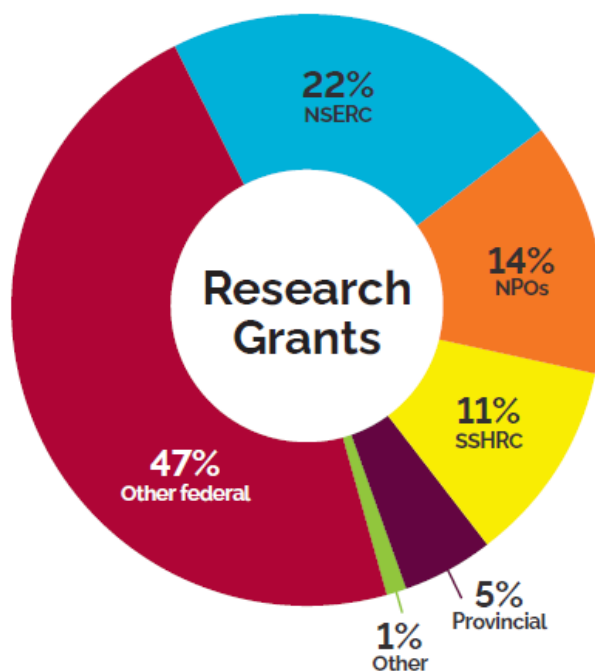
## Restricted Fund Analysis – Research and Other

### Millions \$

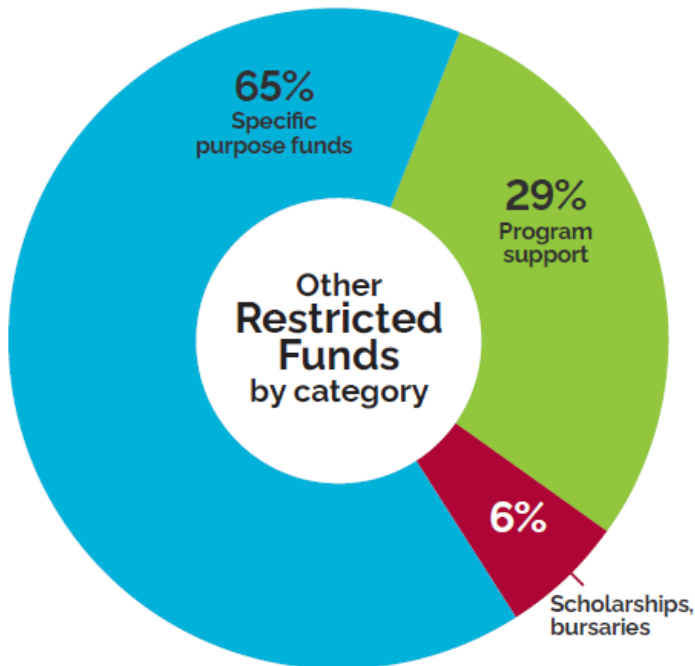
#### Research Fund

Research is an integral part of the university's mission. Most research funding is provided by external organizations, such as the Natural Sciences and Engineering Research Council (NSERC), the Social Sciences and Humanities Research Council (SSHRC), Canadian Foundation for Innovation (CFI) and various not-for-profit organizations (NPO's). Contributions from these organizations are restricted for research purposes and are shown as revenue of the Research Fund when received. The balance of the Research Fund, \$10.7, consists of contributions available to be carried forward to the following year.

During 2024 Saint Mary's University received \$13.0 in contributions and funding for research, representing an 14% decrease from 2023. The majority of the research expenses were for salaries for research assistants, financial aid for students and consulting relating to research and fieldwork.



## Other Restricted Funds



Other Restricted Funds include Trust Funds for program support and scholarships and bursaries and other Specific Purpose Funds for activities that have been stipulated by donors and contributors. During the year the university received donations of \$6.6 into the Trust Fund. The Trust Fund balance of \$18.5 consists of expendable trusts and the expendable portion of the university's endowment funds. The Specific Purpose Fund accounts for resources contributed to Saint Mary's that are restricted for specific purposes other than research. During the year the university received grants of \$1.5 and donations of \$0.4 for specific purposes. As of March 31, 2024, the Specific Purpose Fund balance was \$27.6 compared to \$30.7

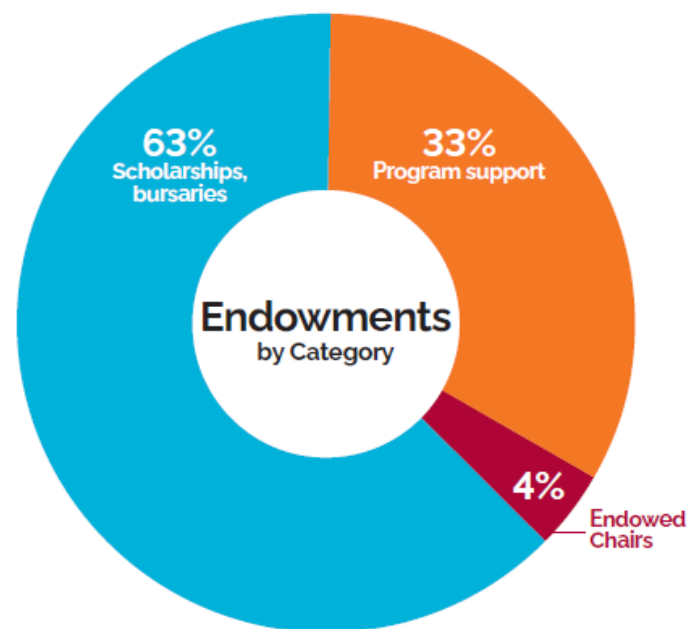
at the end of the prior year. During the year, the Other Restricted Funds provided scholarships and bursaries totaling \$2.6.

## Endowment Funds Analysis

### Millions \$

The \$54.5 in the Endowment Fund (2023 - \$53.3) must be maintained in perpetuity and is not available for spending. However, each year a portion of the investment income is available for spending in accordance with donors' restrictions and university policy. This portion of the investment income earned on the Endowment Fund is transferred to the Trust Fund for spending, increasing the expendable funds. The chart shows the breakdown by category of the Endowment Fund balance on March 31, 2024.

Endowment investments are recorded at fair value and investment income, including unrealized gains and losses, is allocated to the related endowments.





Investment performance recognized net investment gains of \$2.8. This included net unrealized gains of \$0.7.

The endowment spending policy provides an allocation of 4.0% of the market value of the endowment assets based on a three-year moving average. The spending limit is intended to preserve the purchasing power of the endowment principal by adding investment returns greater than 4.0% to the endowment principal. Over the long-term, these excess returns are expected to grow and offset the effect of inflation.

During 2024, Saint Mary's University received \$0.9 in endowed donations.

# **Audited Financial Statements & Accompanying Notes**

# Independent auditor's report

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

To the Board of Governors of  
**Saint Mary's University**

## Opinion

We have audited the financial statements of Saint Mary's University (the "University") which comprise the statement of financial position as at March 31, 2024, and the statements of operations, changes in fund balances and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly in all material respects, the financial position of Saint Mary's University as at March 31, 2024, and its results of operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

## Basis for Opinion

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

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

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian accounting standards for not-for-profit organizations, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

## Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Halifax, Canada  
September 25, 2024

*Grant Thornton LLP*  
Chartered Professional Accountants

**Statement of Financial Position**

As at March 31  
(\$ thousands)

	2024				2023			
	General	Restricted	Endowment	Total	General	Restricted	Endowment	Total
<b>Current Assets</b>								
Cash and short-term investments (Note 3)	50,725	2,165	126	53,016	74,083	2,074	229	76,386
Accounts receivable (Note 4)	10,439	929	-	11,368	9,411	218	-	9,629
Inventories	756	-	-	756	685	-	-	685
Prepaid expenses	2,645	3	-	2,648	2,493	12	-	2,505
	<u>64,565</u>	<u>3,097</u>	<u>126</u>	<u>67,788</u>	<u>86,672</u>	<u>2,304</u>	<u>229</u>	<u>89,205</u>
<b>Long-term Assets</b>								
Long-term investments (Note 5)	-	35,900	54,685	90,585	-	37,088	53,890	90,978
Long-term receivable	1,031	103	-	1,134	921	99	-	1,020
Capital assets (Note 7)	-	176,262	-	176,262	-	170,695	-	170,695
Intangible assets (Note 8)	-	1,287	-	1,287	-	997	-	997
	<u>1,031</u>	<u>213,552</u>	<u>54,685</u>	<u>269,268</u>	<u>921</u>	<u>208,879</u>	<u>53,890</u>	<u>263,690</u>
	<u>65,596</u>	<u>216,649</u>	<u>54,811</u>	<u>337,056</u>	<u>87,593</u>	<u>211,183</u>	<u>54,119</u>	<u>352,895</u>
<b>Current Liabilities</b>								
Amounts due to governments	1,033	-	-	1,033	2,292	-	-	2,292
Accounts payable and accrued liabilities	10,352	3,290	8	13,650	12,685	5,861	10	18,556
Unearned fees and other deferred revenue	12,403	265	-	12,668	14,450	-	-	14,450
Current portion of long-term debt (Note 9)	-	4,143	-	4,143	-	3,933	-	3,933
	<u>23,788</u>	<u>7,698</u>	<u>8</u>	<u>31,494</u>	<u>29,427</u>	<u>9,794</u>	<u>10</u>	<u>39,231</u>
<b>Long-term Liabilities</b>								
Long-term accrued liabilities	2,991	-	-	2,991	2,764	-	-	2,764
Long-term debt (Note 9)	-	60,998	-	60,998	-	65,066	-	65,066
Interest Rate Swaps (Note 10)	-	(4,524)	-	(4,524)	-	(3,072)	-	(3,072)
Due to (from) other funds (Note 13)	26,006	(26,298)	292	-	39,100	(39,942)	843	1
	<u>28,997</u>	<u>30,176</u>	<u>292</u>	<u>59,465</u>	<u>41,864</u>	<u>22,052</u>	<u>843</u>	<u>64,759</u>
	<u>52,785</u>	<u>37,874</u>	<u>300</u>	<u>90,959</u>	<u>71,291</u>	<u>31,846</u>	<u>853</u>	<u>103,990</u>
<b>Fund Balances</b>								
Endowment	-	-	54,511	54,511	-	-	53,266	53,266
Externally restricted	-	56,846	-	56,846	-	56,285	-	56,285
Internally restricted	23,399	-	-	23,399	23,576	-	-	23,576
Invested in capital assets	-	121,929	-	121,929	-	123,052	-	123,052
Unrestricted	(10,588)	-	-	(10,588)	(7,274)	-	-	(7,274)
	<u>12,811</u>	<u>178,775</u>	<u>54,511</u>	<u>246,097</u>	<u>16,302</u>	<u>179,337</u>	<u>53,266</u>	<u>248,905</u>
	<u>65,596</u>	<u>216,649</u>	<u>54,811</u>	<u>337,056</u>	<u>87,593</u>	<u>211,183</u>	<u>54,119</u>	<u>352,895</u>

Commitments (Note 14) Contingencies (Note 15)

**Approved by the Board of Governors**


Chair, Board of Governors



President and Vice Chancellor

See accompanying notes to the financial statements.

**Statement of Operations and Changes in Fund Balances**

For the year ended March 31  
(\$ thousands)

	2024				2023			
	General (See Schedule 1)	Restricted (See Schedule 2)	Endowment	Total	General (See Schedule 1)	Restricted (See Schedule 2)	Endowment	Total
<b>Revenues</b>								
Government grants and contributions								
Government of Canada	1,819	12,141	-	13,960	1,656	11,051	-	12,707
Government of Nova Scotia	37,464	970	-	38,434	37,824	28,642	-	66,466
Other	-	-	-	-	-	-	-	-
Other grants	39	2,311	-	2,350	5	2,486	-	2,491
Student fees	84,897	276	-	85,173	82,278	175	-	82,453
Gifts and bequests	80	6,980	849	7,909	105	11,856	489	12,450
Sales of services and products	17,912	345	-	18,257	15,736	275	-	16,011
Income from investments	4,715	1,058	2,832	8,605	1,363	(287)	(3,019)	(1,943)
Miscellaneous income	1,101	834	-	1,935	1,241	967	-	2,208
	<u>148,027</u>	<u>24,915</u>	<u>3,681</u>	<u>176,623</u>	<u>140,208</u>	<u>55,165</u>	<u>(2,530)</u>	<u>192,843</u>
<b>Expenses</b>								
Salaries	88,752	5,447	-	94,199	87,431	5,266	-	92,697
Employee benefits	13,881	514	-	14,395	14,143	506	-	14,649
Equipment rental	1,063	-	-	1,063	1,086	2	-	1,088
Materials and supplies	2,840	1,080	-	3,920	3,186	1,221	-	4,407
Communications	488	30	-	518	471	9	-	480
Travel	3,551	1,522	-	5,073	3,143	1,298	-	4,441
Utilities	3,562	-	-	3,562	3,439	-	-	3,439
Printing and duplicating	681	21	-	702	557	19	-	576
Library acquisitions	1,774	-	-	1,774	1,841	-	-	1,841
Hospitality	653	253	-	906	558	248	-	806
Repairs and maintenance	5,109	341	-	5,450	4,605	477	-	5,082
Promotion and student recruitment	3,278	172	-	3,450	3,627	86	-	3,713
Professional fees	2,082	4,129	261	6,472	2,321	4,533	215	7,069
Rent	16	42	-	58	37	32	-	69
Other operational expenses	4,099	1,450	13	5,562	4,307	1,361	12	5,680
Cost of goods sold	4,860	-	-	4,860	4,629	-	-	4,629
Student financial aid	10,207	5,675	-	15,882	10,994	5,263	-	16,257
Amortization of capital and intangible assets	-	10,449	-	10,449	-	9,647	-	9,647
Interest	2,588	-	-	2,588	2,083	-	-	2,083
Internal cost recoveries	(1,935)	1,733	202	-	(1,338)	1,128	209	(1)
	<u>147,549</u>	<u>32,858</u>	<u>476</u>	<u>180,883</u>	<u>147,120</u>	<u>31,096</u>	<u>436</u>	<u>178,652</u>
Revenues less expenses before transfers	478	(7,943)	3,205	(4,260)	(6,912)	24,069	(2,966)	14,191
Interest rate swap unrealized gains (losses)	-	1,452	-	1,452	-	2,244	-	2,244
Interfund transfers (Note 13)	(3,969)	5,929	(1,960)	-	(6,230)	8,298	(2,068)	-
Net increase in fund balances	<u>(3,491)</u>	<u>(562)</u>	<u>1,245</u>	<u>(2,808)</u>	<u>(13,142)</u>	<u>34,611</u>	<u>(5,034)</u>	<u>16,435</u>
Fund balances, beginning of year								
Endowment	-	-	53,266	53,266	-	-	58,300	58,300
Externally restricted	-	56,285	-	56,285	-	34,568	-	34,568
Internally restricted	23,576	-	-	23,576	26,944	-	-	26,944
Invested in capital assets	-	123,052	-	123,052	-	110,158	-	110,158
Unrestricted	(7,274)	-	-	(7,274)	2,500	-	-	2,500
Fund balances, beginning of year, total	<u>16,302</u>	<u>179,337</u>	<u>53,266</u>	<u>248,905</u>	<u>29,444</u>	<u>144,726</u>	<u>58,300</u>	<u>232,470</u>
Fund balances, end of year								
Endowment	-	-	54,511	54,511	-	-	53,266	53,266
Externally restricted	-	56,846	-	56,846	-	56,285	-	56,285
Internally restricted	23,399	-	-	23,399	23,576	-	-	23,576
Invested in capital assets	-	121,929	-	121,929	-	123,052	-	123,052
Unrestricted	(10,588)	-	-	(10,588)	(7,274)	-	-	(7,274)
Fund balances, end of year, total	<u>12,811</u>	<u>178,775</u>	<u>54,511</u>	<u>246,097</u>	<u>16,302</u>	<u>179,337</u>	<u>53,266</u>	<u>248,905</u>

See accompanying notes to the financial statements.

**Statement of Cash Flows**

For the year ended March 31  
(\$ thousands)

	2024				2023			
	General	Restricted	Endowment	Total	General	Restricted	Endowment	Total
<b>Operating Activities</b>								
Increase in fund balances from operations	(3,491)	(562)	1,245	(2,808)	(13,142)	34,611	(5,034)	16,435
Amortization of capital and intangible assets	-	10,449	-	10,449	-	9,647	-	9,647
Realized and unrealized investment losses (gains)	-	(445)	(1,234)	(1,679)	-	1,774	5,058	6,832
Interest rate swap unrealized (gains) losses	-	(1,452)	-	(1,452)	-	(2,244)	-	(2,244)
Gifts-in-kind	-	(1,474)	(416)	(1,890)	-	(65)	(74)	(139)
Change in non-cash working capital	(19,867)	10,607	(552)	(9,812)	48,899	(41,865)	974	8,008
Cash generated from operating activities	(23,358)	17,123	(957)	(7,192)	35,757	1,858	924	38,539
<b>Investing Activities</b>								
Purchase of investments	-	(1,697)	(41,743)	(43,440)	-	(10,035)	(11,871)	(21,906)
Disposal of investments	-	4,777	42,597	47,374	-	13,631	10,948	24,579
Acquisition of long-term receivable	-	-	-	-	-	-	-	-
Purchase of capital assets	-	(15,765)	-	(15,765)	-	(27,507)	-	(27,507)
Disposal of capital assets	-	-	-	-	-	-	-	-
Purchase of intangible assets	-	(490)	-	(490)	-	(28)	-	(28)
Cash used for investing activities	-	(13,175)	854	(12,321)	-	(23,939)	(923)	(24,862)
<b>Financing Activities</b>								
Debt financing proceeds	-	86	-	86	-	25,000	-	25,000
Debt repayments	-	(3,943)	-	(3,943)	-	(3,317)	-	(3,317)
Cash used for financing activities	-	(3,857)	-	(3,857)	-	21,683	-	21,683
Increase (decrease) in cash and short-term investments	(23,358)	91	(103)	(23,370)	35,757	(398)	1	35,360
Cash and short-term investments, beginning of year	74,083	2,074	229	76,386	38,326	2,472	228	41,026
Cash and short-term investments, end of year	50,725	2,165	126	53,016	74,083	2,074	229	76,386

See accompanying notes to the financial statements.

## Notes to the Financial Statements

For the year ended March 31, 2024  
(\$ thousands)

### 1. Authority and purpose

Saint Mary's University (the University) is a provincially incorporated body operating under the authority of the Saint Mary's University Act, 1970 (amended 2007). The University is a not-for-profit entity and grants degrees, diplomas, and certificates in the Sobey School of Business, and the Faculties of Arts, Science, Graduate Studies and Research, and Education. The University also performs research activities. The Board of Governors has overall governance responsibility for the University and, subject to the powers of the Board of Governors, the Senate is responsible for the educational policy. The University is a registered charity under the Income Tax Act and accordingly is exempt from income taxes.

### 2. Summary of significant accounting policies and reporting practices

#### a) Basis of accounting

These financial statements have been prepared in accordance with Canadian generally accepted accounting principles using Canadian accounting standards for not-for-profit organizations in Part III of the *CPA Canada Handbook*.

#### b) Use of estimates

The preparation of financial information requires management to make estimates and assumptions that affect reported amounts of assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the year. Significant estimates and assumptions are involved in the calculation of the collectible portion of accounts receivables, amortization of capital assets, accrued liabilities for payroll and employee future benefits, unearned portion of tuition and fees, and the fair value of financial instruments. Actual results could differ from those estimates. Estimates are regularly reviewed by management and adjusted as required.

#### c) Fund accounting

The University follows the restricted fund method of accounting for contributions. Under fund accounting, resources are classified for accounting and reporting purposes into funds in accordance with specified activities or objectives.

The University has classified accounts with similar characteristics into major funds as follows:

- i) The General Fund is unrestricted and accounts for the University's program delivery, service and administrative activities. This fund is further divided into the Operating Fund and the Projects and Reserves Fund.

The Operating Fund accounts for the University's primary function of instruction, including academic, support services, administrative services, facilities management and other operating activities. It also accounts for ancillary operations that provide goods and services to the University community, which are supplementary to the functions of instruction, research and service and are expected to operate on at least a break-even basis.

The Projects and Reserves Fund accounts for money internally designated for specific projects or purposes.

- ii) The Restricted Fund carries restrictions on the use of the resources for particular defined purposes. The fund is further divided into the Capital, Research, Trust and Specific Purpose Funds.

The Capital Fund accounts for the acquisition of and major renovation or improvement to capital assets.

The Research Fund accounts for activities in support of research.

The Trust Fund accounts for activities that have been stipulated by donors and contributors.

The Specific Purpose Funds are externally restricted for specific projects and purposes.

- iii) The Endowment Fund accounts for resources received with the stipulation that the original contribution not be spent. The fund also consists of a portion of the investment income earned on these funds that is required by donors and the Board of Governors to be added to the fund to offset the eroding effect of inflation.



## Notes to the Financial Statements

For the year ended March 31, 2024

(\$ thousands)

### d) Inventories

Bookstore inventory and inventory on hand for repairs and maintenance are valued at the lower of cost and net realizable value.

### e) Capital assets

Purchased and constructed capital assets are recorded at cost and subsequently measured at cost less accumulated amortization. Interest on financing during construction is added to the capitalized costs. The University reports donated capital assets at fair value upon receipt when the fair value can be reliably determined. Amortization expense is reported in the Capital Fund. Capital assets, other than land, art, and antiques, are amortized over their estimated useful lives. Land, art and antiques are not amortized. Amortization is recorded in the year of acquisition, or in the case of new construction in the year premises are available for use. Management reviews estimates of the useful lives of capital assets and adjusts the estimates as required.

Whenever events or changes in circumstances indicate a capital asset no longer has any long-term service potential to the University, the excess of its net carrying amount over any residual value would be recognized as an expense. Such a write-down is not reversed if the service potential subsequently improves.

Capital assets are amortized over the estimated useful life of the asset using the straight-line method. The range of the estimated useful lives of each category of capital asset is shown below expressed in years.

Buildings	3 - 40
Site improvements	8 - 25
Library materials	10
Equipment, furnishings and interior improvements	8
Leasehold improvements	3
Information technology and motor vehicles	5

### f) Intangible assets

Purchased and developed intangible assets are recorded at cost and subsequently measured at cost less accumulated amortization. The University reports donated intangible assets at fair value upon receipt when the fair value can be reliably determined. Interest on financing during development is added to the capitalized costs. Amortization expense is reported in the Capital Fund. All intangible assets have limited lives and are amortized over their estimated useful lives. Amortization of purchased and developed intangible assets begins in the year usage commences. Management regularly reviews estimates of the useful lives of intangible assets and adjusts the estimates as required.

Whenever events or changes in circumstances indicate an intangible asset no longer has any long-term service potential to the University, the excess of its net carrying amount over any residual value would be recognized as an expense. Such a write-down is not reversed if the service potential subsequently improves.

Intangible assets are amortized over the estimated useful life of the asset using the straight-line method. The estimated useful lives of each category of intangible asset is shown below expressed in years.

Enterprise Resource Planning System	15
Other software	5

### g) Financial instruments

The University considers any contract creating a financial asset or liability as a financial instrument, except in certain limited circumstances. Financial instruments consist of cash, short and long-term investments, accounts receivables, accounts payable, and short and long-term debt.

The University initially measures its financial assets and liabilities at fair value. Cash denominated in Canadian dollars is measured and reported at face value. Cash balances denominated in foreign currency are translated using the exchange rate on the Statement of Financial Position date. Short-term investments are measured and reported at fair value.

## Notes to the Financial Statements

For the year ended March 31, 2024

(\$ thousands)

### g) Financial instruments (continued)

The University has chosen to subsequently measure and report long-term investments at fair value calculated using quoted market values based on actively traded markets. The University records the change in the fair value as part of income from investments.

Changes in fair value of financial assets are recognized in the Statement of Operations. All other financial assets including accounts receivable and other long term receivables, are recorded at amortized cost. Transaction costs related to financial assets are expensed as incurred. Financial liabilities, including accounts payable, accruals, and long-term debt are recorded at amortized cost. Financing fees related to financial liabilities are deferred and amortized over the period of the related liability. Management reviews financial instruments for impairment and adjusts as required.

If there is an indicator of impairment, the University determines whether there is a significant adverse change in the expected amount or timing of the future cash flows from the financial asset. If there is a significant adverse change in expected cash flows, the carrying value of the financial asset is reduced to the highest of the present value of the expected cash flows (the amount that could be realized from selling the financial asset or the amount the University expects to realize by exercising its right to any collateral). If events and circumstances reverse in a future period, an impairment loss will be reversed to the extent of the improvement, not exceeding the initial carrying value.

The University is exposed to various risks through its financial instruments. Included are the following significant risks:

#### Credit risk

The University is exposed to credit-related losses in the event of non-performance by counterparties to financial instruments. Credit exposure is minimized by dealing mostly with creditworthy counterparties such as highly rated financial institutions. The University provides credit to its students in the normal course of operations. To reduce this risk, the University places restrictions on registering for courses and the issuance of grades and degrees until payment on account is made. The University also uses third party agencies to collect outstanding receivables. The University assesses accounts receivable and provides for any amounts that are not collectible in the allowance for doubtful accounts.

#### Interest rate risk

The University minimizes interest rate risk by using fixed interest rate loans and interest rate swaps on floating rate loans to fix interest rates on its long-term debt.

#### Foreign currency risk

The University undertakes revenue and purchase transactions in foreign currencies, and therefore is subject to gains and losses due to the fluctuations in foreign currency exchange rates. All foreign currency is reflected in Canadian dollars for financial statement purposes.

The University is also exposed to foreign currency risk on a portion of its long-term investments. The University believes that, over the long term, fluctuations in currency tend to offset. The University believes there is a role for currency management within the funds however the benefits must be measured against the cost of management.

#### Market risk

The University's investments are affected by market conditions. The University has established an Investment Committee and a Treasury department to mitigate market risk.

#### Liquidity risk

Liquidity risk is the risk that the University will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. The University maintains a \$5,500,000 line of credit with a major financial institution that is designed to ensure sufficient funds are available to meet current and forecasted financial requirements in the most cost effective manner. There are no amounts outstanding on the line of credit.

### h) Interest rate swap agreements

The University has entered into several interest rate swap agreements with chartered banks to reduce interest rate exposure associated with certain long-term debt obligations. The agreements have the effect of converting the floating rate of interest on certain debt to a fixed rate. It is the University's policy not to use derivative financial instruments for trading or speculative purposes. The University formally documents all relationships between hedging instruments and hedged items, as well as its risk management objective and strategy for undertaking various interest rate hedge transactions. This process includes linking the derivatives to specific assets and liabilities on the statement of financial position or to specific firm commitments or anticipated transactions. The University also formally assesses, both at the hedges' inception and on an ongoing basis, whether the derivatives that are used in hedging transactions are highly effective in offsetting changes in fair values or cash flows of hedged items.

## Notes to the Financial Statements

For the year ended March 31, 2024

(\$ thousands)

### h) Interest rate swap agreements (continued)

The University designates each interest rate swap agreement as a cash flow hedge of a specifically identified debt instrument. The swap agreements are effective hedges, both at maturity and over the term of the agreement, since the term to maturity, the notional principal amount, and the interest rate of the swap agreements all match the terms of the debt instruments being hedged. The swap agreements involve periodic exchange of payments without the exchange of the notional principal amount upon which the payments are based. The payments are recorded as an adjustment of the interest expense on the hedged debt instrument.

The University applies hedge accounting to qualifying interest rate swaps. When an interest rate swap does not qualify for hedge accounting because the date of the swap contract is earlier than the start date of the specified debt instrument, the University recognizes the fair market value of the interest rate swap on the Statement of Financial Position and recognizes changes in the fair market value as an unrealized gain or loss in the Statement of Operations. The fair value of interest rate swaps qualifying for hedge accounting are not recognized in the Statement of Financial Position.

In the event that the interest rate swap agreements are terminated or cease to be effective in part or in whole prior to maturity any associated realized or unrealized gains or losses are recognized in income. In the event a designated hedged debt instrument is extinguished or matures prior to the termination of the related interest rate swap agreement, any realized or unrealized gain or loss is recognized in income.

### i) Revenue recognition

Revenue from tuition fees, residence fees, contracts, and sales are recognized when the services are provided or goods are sold. Unearned revenue from these sources is deferred. For academic year credit course tuition, residence fees and dining services the amounts deferred are calculated on the basis of the portion of the service estimated to be provided after the fiscal year-end.

Unrestricted contributions are recognized as revenue of the General Fund in the year received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Restricted contributions related to general operations are recognized as revenue of the General Fund in the year in which the related expenses are incurred. All other restricted contributions are recognized as revenue of the appropriate restricted fund when received or receivable.

Contributions for endowment are recognized as revenue in the Endowment Fund in the year received. Investment income earned on Endowment Fund resources that must be spent on restricted activities is recognized as revenue of the appropriate restricted fund. Investment income earned on restricted funds is recorded as revenue of the appropriate restricted fund. Other investment income is recognized as revenue of the General Fund when earned.

### j) Donations and pledges

Donations are recorded as revenue in the fiscal period in which they are received. Gifts-in-kind, including works of art, equipment, investments and library holdings are recorded at fair market value on the date of their donation.

Pledges of donations to be received in future years are not recorded in the financial statements.

### k) Administrative leave, retirement incentives and allowances

The University accrues the liability for the full cost of retirement incentives in the year in which the event that creates the obligation occurs. It accrues, on a yearly basis, accumulated administrative leave and retiring allowance obligations. The estimated amounts are recorded at their net present values and are reviewed annually and adjusted as circumstances or assumptions change.

### l) Fundraising costs

The University expenses fundraising costs in the year in which they are incurred.

### m) Foreign currency translation

Foreign currency transactions are recorded at the exchange rate in effect at the time of the transaction except when the transaction is hedged in which case the terms of the hedge are used. Monetary assets and liabilities denominated in foreign currency reported on the Statement of Financial Position are recorded at the exchange rate in effect on the financial statement date. Non-monetary assets and liabilities denominated in foreign currency are recorded at the exchange rate in effect on the transaction date.

## Notes to the Financial Statements

For the year ended March 31, 2024

(\$ thousands)

### 3. Cash and short-term investments

Cash and short-term investments include cash on hand, balances with banks net of overdrafts, and highly liquid temporary money market instruments.

### 4. Accounts receivable

The University is exposed to credit risk through payment default on its accounts receivable. Exposure to credit risk on accounts receivable is managed through active monitoring and collection practices. A provision for uncollectible accounts has been determined in the amount of \$2,325 (2023 \$2,734) based on respective aging of accounts, risk profile of certain accounts and collections subsequent to year end. Receivables written off during the year and adjustments to the allowance for doubtful receivables amounted to \$832 (2023 \$827).

### 5. Long-term Investments

Long-term investments are recorded at fair value. The change in fair value created an unrealized loss of \$447 (2023 loss \$6,036).

	2024		2023	
	Cost	Fair Value	Cost	Fair Value
Canadian equities	5,955	11,912	6,348	13,042
U.S. Equities	142	152	29	21
Pooled investment funds	77,304	78,521	77,796	77,915
Total investments	83,401	90,585	84,173	90,978

### 6. Pension plans

The University maintains a defined contribution pension plan for the benefit of its employees. Employer contributions for the year ended March 31, 2024 totalled \$5,833 (2023 \$5,358).

### 7. Capital assets

	2024			2023		
	Cost	Accumulated Amortization	Net Book Value	Cost	Accumulated Amortization	Net Book Value
Land	13,809	-	13,809	13,809	-	13,809
Buildings	241,938	98,083	143,855	230,050	92,535	137,515
Site improvements	10,542	5,153	5,389	10,542	4,579	5,963
Library materials	2,338	1,286	1,052	2,591	1,359	1,232
Equipment, furnishings and interior improvements	23,194	13,274	9,920	23,947	13,461	10,486
Information technology	1,898	688	1,210	1,476	847	629
Art and antique collection	992	-	992	992	-	992
Motor vehicles	234	199	35	234	165	69
	294,945	118,683	176,262	283,641	112,946	170,695

Amortization expense for capital assets was \$10,449 (2023 \$9,296). Disposals of capital assets totalled \$649 (2023 \$432)

### 8. Intangible assets

	2024			2023		
	Cost	Accumulated Amortization	Net Book Value	Cost	Accumulated Amortization	Net Book Value
Enterprise Resource Planning System	1,241	513	728	4,391	3,567	824
Other software	663	104	559	1,058	885	173
	1,904	617	1,287	5,449	4,452	997

Amortization expense for intangible assets was \$200 (2023 \$347). Disposals of intangible assets totalled \$74 (2023 \$17).

## Notes to the Financial Statements

For the year ended March 31, 2024  
(\$ thousands)

### 9. Long-term debt

Debt	Principal and Interest Payments	Maturity Date	Debt Interest Rate	Hedged Interest Rate	2024	2023
					Total	Total
<b>Long-term loans (unsecured)</b>						
Residences Renovations	Monthly	Aug 2026	6.95%	-	2,367	3,205
Residences Renovations	Monthly	Sep 2026	CDOR +0.30%	5.97%	1,156	1,575
Residences Renovations	Monthly	Sep 2026	CDOR +0.30%	5.40%	538	734
Science Building Renewal Project	Monthly	Mar 2033	CDOR +0.20%	5.30%	10,891	11,811
Homburg Centre for Health & Wellness	Monthly	Jul 2037	CDOR +0.31	3.09%	1,419	1,502
960 Tower Road Building and Renewal of Athletic Facilities	Monthly	Jan 2039	4.64%	-	7,245	7,577
Loyola Precast Cladding Replacement	Monthly	Mar 2043	CDOR +0.29%	3.62%	8,202	8,500
Sobeys Inspiration Hub Building	Monthly	Dec 2050	CDOR +0.24%	3.07%	15,988	16,399
Dauphinee Arena and Inglis Street Land	Monthly	Apr 2051	CDOR +0.24%	2.76%	17,260	17,696
Subtotal - Long term loans					65,066	68,999
<b>Capital leases (secured)</b>						
Data projectors	Monthly	Jun 2029	6.55%	-	75	-
Subtotal - Long-term loans and capital leases					65,141	68,999
Less: current portion					(4,143)	(3,933)
Total long-term debt					60,998	65,066

Principal instalments payable in each of the next five years:

2025	4,143
2026	4,348
2027	3,678
2028	2,926
2029	3,051

Interest expense on long-term debt during the year totalled \$2,588 (2023 \$2,083).

### 10. Interest rate swap agreements

The University has entered into five interest rate swap agreements with two chartered banks to manage interest rate exposure with five specific long-term debt obligations. The University uses hedge accounting for these swaps. The notional underlying principal value of these five interest rate swaps related to debt outstanding at March 31, 2024 was \$14,004 (2023 \$15,622). The University has no plans to sell or terminate the interest rate swap agreements prior to maturity. If the University had terminated these swaps on March 31, 2024, it would have been obligated to pay the banks \$533 (2023 \$1,024), the fair value of the swaps as calculated by the banks.

On March 15, 2021, the University entered into two interest rate swaps to hedge the interest rates on two new long-term loans. The first swap hedges the interest rate at 2.52% on a 30 year floating rate loan for \$18,500 was received April 15, 2021. The second swap hedges the interest rate at 2.83% on a 28 year floating rate loan for \$16,500 received January 3, 2023. On March 24, 2022, the University entered into an interest rate swaps to hedge the interest rates on a new long-term loan. The swap hedges the interest rate at 3.33% on a 20 year floating rate loan for \$8,500 received March 15, 2023. These three swaps do not qualify for hedge accounting. The fair value of the three swaps is shown on the Statement of Financial Position.

### 11. Interest Income

Interest income earned on bank accounts, investments and long-term receivables, \$2,849 (2023 \$1,205), is reported as investment income and interest earned on student accounts, \$416 (2023 \$356), is reported as student fees in the Statement of Operations.

### 12. Gifts-in-kind and donation pledges

Gifts-in-kind received and recorded consist of the following:	2024	2023
Investments	1,861	1,063
Land, building & equipment	27	2
	1,888	1,065

## Notes to the Financial Statements

For the year ended March 31, 2024

(\$ thousands)

### 12. Gifts-in-kind and donation pledges (continued)

#### Donation pledges

Donations pledged but not received as at March 31, 2024, totalled \$4,745 (2023 \$12,092). These pledges are expected to be honoured during the subsequent ten-year period and will be recorded as revenue when received.

### 13. Interfund transfers and amounts due to and from funds

Amounts due to and from funds are non-interest bearing and have no set terms of repayment. The interfund transfers received or paid among the General, Restricted and Endowment Funds are described below.

	2024			2023		
	General	Restricted	Endowment	General	Restricted	Endowment
Transfers received (paid)						
Purchase capital and intangible assets	(1,200)	1,200	-	(1,966)	1,966	-
Maintenance and replacements	(912)	912	-	(1,164)	1,164	-
Debt reduction	(3,943)	3,943	-	(3,965)	3,965	-
Research and specific purposes	(511)	336	175	(393)	393	-
Program support	2,597	(462)	(2,135)	1,255	813	(2,068)
Total	<u>(3,969)</u>	<u>5,929</u>	<u>(1,960)</u>	<u>(6,233)</u>	<u>8,301</u>	<u>(2,068)</u>

### 14. Commitments

Encumbrances at March 31, 2024 were \$3,587. The University has entered into various agreements for capital expenditures in the upcoming fiscal year. The capital budget for the 2024 fiscal year was \$5,588.

A five-year \$17.8 technology evolution project to address IT infrastructure modernization began in March 2021. This project, which included migration of the University's Enterprise Resource Planning (ERP) system to cloud-based to create pathways to a more digitally connected presence. The cloud-based portion of the project for the ERP was completed in March 2022. The scope of the project was revised in 2023/2024 and the project is considered substantially complete.

The University also has operating leases with minimum lease payments for the next four years as follows:

2025	672
2026	417
2027	271
2028	91

## Notes to the Financial Statements

For the year ended March 31, 2024  
(*\$ thousands*)

### 15. Contingencies

The University participates in a reciprocal exchange of insurance risks in association with over 60 Canadian universities through the Canadian Universities Reciprocal Insurance Exchange (CURIE). This self-insurance co-operative involves a contractual agreement to share the insured property and liability risks of member institutions for a term of not less than five years.

The projected costs of claims will be funded through members' premiums based on actuarial projections. As at December 31, 2023, CURIE had an accumulated excess of income over expenses of \$107,548 of which the University's pro-rata share is approximately 0.84% on an ongoing basis. CURIE wrote property policies with a limit of \$10,000 per occurrence/\$20,000 aggregate and placed on behalf of subscribers an excess policy of \$1,240,000 above CURIE's limit. In respect of General Liability policies, CURIE's limit of liability per occurrence was \$5,000 and it purchased reinsurance above these limits on behalf of subscribers in the amount of \$45,000. In respect of Errors and Omissions Liability policies, CURIE's limit of liability per claim made was \$5,000 and it purchased excess policies on behalf of subscribers through a combined excess program with General Liability in the amount of \$45,000. CURIE wrote cyber policies with a \$1,000 per occurrence and in the aggregate. As the originating insurer CURIE has a contingent liability in the event the reinsurer is unable to meet its obligations.

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.

**Schedules to the Financial Statements**
**Schedule 1**
**General Fund - Statement of Operations and Changes in Fund Balances**  
 For the year ended March 31  
 (\$ thousands)

	<b>General Fund</b>					
	<b>2024</b>			<b>2023</b>		
	<b>Operating</b>	<b>Projects and Reserves</b>	<b>Total</b>	<b>Operating</b>	<b>Projects and Reserves</b>	<b>Total</b>
<b>Revenues</b>						
Government grants and contributions						
Government of Canada	1,804	15	1,819	1,654	2	1,656
Government of Nova Scotia	37,456	8	37,464	37,824	-	37,824
Other grants	24	15	39	5	-	5
Student fees	84,897	-	84,897	82,278	-	82,278
Gifts and bequests	11	69	80	41	64	105
Sales of services and products	17,912	-	17,912	15,681	55	15,736
Income from investments	3,965	750	4,715	1,711	(348)	1,363
Miscellaneous income	828	273	1,101	822	419	1,241
	<u>146,897</u>	<u>1,130</u>	<u>148,027</u>	<u>140,016</u>	<u>192</u>	<u>140,208</u>
<b>Expenses</b>						
Salaries	88,093	659	88,752	86,288	1,143	87,431
Employee benefits	13,910	(29)	13,881	13,924	219	14,143
Equipment rental	1,063	-	1,063	1,086	-	1,086
Materials and supplies	2,584	256	2,840	2,968	218	3,186
Communications	488	-	488	471	-	471
Travel	3,053	498	3,551	2,755	388	3,143
Utilities	3,562	-	3,562	3,439	-	3,439
Printing and duplicating	678	3	681	555	2	557
Library acquisitions	1,774	-	1,774	1,841	-	1,841
Hospitality	634	19	653	510	48	558
Repairs and maintenance	5,015	94	5,109	4,443	162	4,605
Promotion and student recruitment	3,278	-	3,278	3,577	50	3,627
Professional fees	1,842	240	2,082	1,895	426	2,321
Rent	16	-	16	54	(17)	37
Other operational expenses	4,125	(26)	4,099	3,996	311	4,307
Cost of goods sold	4,860	-	4,860	4,629	-	4,629
Student financial aid	10,053	154	10,207	10,754	240	10,994
Interest	2,588	-	2,588	2,083	-	2,083
Internal cost recoveries	(1,899)	(36)	(1,935)	(1,125)	(213)	(1,338)
	<u>145,717</u>	<u>1,832</u>	<u>147,549</u>	<u>144,143</u>	<u>2,977</u>	<u>147,120</u>
Revenues less expenses before transfers	1,180	(702)	478	(4,127)	(2,785)	(6,912)
Interfund transfers	(4,494)	525	(3,969)	(5,647)	(583)	(6,230)
Net increase in fund balances	<u>(3,314)</u>	<u>(177)</u>	<u>(3,491)</u>	<u>(9,774)</u>	<u>(3,368)</u>	<u>(13,142)</u>
Fund balances, beginning of year						
Internally restricted	-	23,576	23,576	-	26,944	26,944
Unrestricted	(7,274)	-	(7,274)	2,500	-	2,500
Fund balances, beginning of year, total	<u>(7,274)</u>	<u>23,576</u>	<u>16,302</u>	<u>2,500</u>	<u>26,944</u>	<u>29,444</u>
Fund balances, end of year						
Internally restricted	-	23,399	23,399	-	23,576	23,576
Unrestricted	(10,588)	-	(10,588)	(7,274)	-	(7,274)
Fund balances, end of year, total	<u>(10,588)</u>	<u>23,399</u>	<u>12,811</u>	<u>(7,274)</u>	<u>23,576</u>	<u>16,302</u>

See accompanying notes to the financial statements.



**Schedules to the Financial Statements**

Schedule 2

**Restricted Fund - Statement of Operations and Changes in Fund Balances**  
 For the year ended March 31  
 (\$ thousands)

	Restricted Fund									
	2024					2023				
	Capital	Research	Trust	Specific Purpose	Total	Capital	Research	Trust	Specific Purpose	Total
<b>Revenues</b>										
Government grants and contributions										
Government of Canada	814	10,316	-	1,011	12,141	-	10,085	-	966	11,051
Government of Nova Scotia	-	622	4	344	970	-	2,850	-	25,792	28,642
Other grants	-	1,994	200	117	2,311	-	2,111	-	375	2,486
Student fees	-	-	-	276	276	-	-	-	175	175
Gifts and bequests	27	-	6,595	358	6,980	2	-	11,547	307	11,856
Sales of services and products	-	15	-	330	345	-	-	-	275	275
Income from investments	-	81	895	82	1,058	-	-	(265)	(22)	(287)
Miscellaneous income	-	13	279	542	834	6	44	579	338	967
	841	13,041	7,973	3,060	24,915	8	15,090	11,861	28,206	55,165
<b>Expenses</b>										
Salaries	1	3,576	545	1,325	5,447	675	3,459	310	822	5,266
Employee benefits	-	339	40	135	514	101	316	22	67	506
Equipment rental	-	-	-	-	-	-	1	1	-	2
Materials and supplies	298	571	80	131	1,080	375	662	66	118	1,221
Communications	18	6	-	6	30	-	5	-	-	9
Travel	9	1,051	76	386	1,522	-	918	82	298	1,298
Printing and duplicating	-	9	1	11	21	-	12	-	7	19
Hospitality	-	20	51	182	253	-	19	38	191	248
Repairs and maintenance	295	33	-	13	341	476	1	-	-	477
Promotion and student recruitment	9	2	54	107	172	10	10	8	58	86
Professional fees	701	2,733	95	600	4,129	1,549	2,488	110	386	4,533
Rent	-	5	3	34	42	-	1	2	29	32
Other operational expenses	1	635	63	751	1,450	(23)	546	99	739	1,361
Student financial aid	-	3,065	2,092	518	5,675	-	3,102	1,752	409	5,263
Amortization of capital and intangible assets	10,449	-	-	-	10,449	9,647	-	-	-	9,647
Internal cost recoveries	-	501	70	1,162	1,733	43	363	88	634	1,128
	11,781	12,546	3,170	5,361	32,858	12,853	11,903	2,578	3,762	31,096
Revenues less expenses before transfers	(10,940)	495	4,803	(2,301)	(7,943)	(12,845)	3,187	9,283	24,444	24,069
Interest rate swap unrealized gains (losses)	1,452	-	-	-	1,452	2,244	-	-	-	2,244
Interfund transfers	8,365	(911)	(681)	(844)	5,929	23,495	(1,255)	(15,118)	1,176	8,298
Net increase (decrease) in fund balances	(1,123)	(416)	4,122	(3,145)	(562)	12,894	1,932	(5,835)	25,620	34,611
Fund balances, beginning of year										
Externally restricted	5	11,154	14,394	30,732	56,285	5	9,222	20,229	5,112	34,568
Invested in capital assets	123,052	-	-	-	123,052	110,158	-	-	-	110,158
Fund balances, beginning of year, total	123,057	11,154	14,394	30,732	179,337	110,163	9,222	20,229	5,112	144,726
Fund balances, end of year										
Externally restricted	5	10,738	18,516	27,587	56,846	5	11,154	14,394	30,732	56,285
Invested in capital assets	121,929	-	-	-	121,929	123,052	-	-	-	123,052
Fund balances, end of year, total	121,934	10,738	18,516	27,587	178,775	123,057	11,154	14,394	30,732	179,337

See accompanying notes to the financial statements.

# Appendices



# Appendix 1: University and Financial Governance

## Board of Governors

<b>Ex Officio</b>	<b>Academic Staff</b>
DR. MICHAEL DURLAND Chancellor	DR. RITUPARNA KANUNGO
THE MOST REVEREND BRIAN DUNN Visitor	DR. LUCIE KOCUM
DR. ROBERT SUMMERBY-MURRAY President and Vice-Chancellor Honorary Degrees Committee Chair*	DR. ATHER AKBARI
	DR. TONY CHARLES*
	DR. JASON RHINELANDER
	DR. MOHAMED DRIRA
<b>Elected by the Board</b>	<b>Alumni Association</b>
MARK GOSINE, KC Board Vice-Chair, Finance Committee Chair*	BAFANA MASHINGAIDZE*
JILLIAN D'ALESSIO	KELLIE SAURIOL
PHILLIP FRASER Advancement Committee Chair*	MIKE MERCER
SIAN WREN	VIVEK SOOD
FLOYD KANE	BEN GAUNCE
RODDY MACDONALD Governance Committee Chair*	Vacant
SARAH MCLEAN	
LOUIE VELOCCI Audit & Risk Committee Chair*	<b>Student Association</b>
	SHIRAY TAN*
<b>Roman Catholic Episcopal Corporation</b>	ANUBHAV GUPTA
ALAN ABRAHAM, JR. Board Chair, Executive Committee Chair	THOMAS WAITHE
ANNA MARENICK Human Resources Committee Chair*	ASHISH GANAPATHY
KIMBERLY DOANE Property & Campus Planning Committee Chair*	<b>Lieutenant-Governor In-Council</b>
	BRUCE HOLLAND
	CHRISTINE BONNELL-EISNOR

Appointments by groups indicated above as of March 31, 2024  
\*Members also on the Executive Committee

# University Governance

Saint Mary’s University operates under a shared governance structure. The Board of Governors has the overall conduct, management, and control of the University, and oversees all administration of the University, including property, revenues, expenditures, and business. The Senate oversees the academic and research activities of the university, subject to the powers of the Board of Governors.

Through its stewardship role, the Board oversees the conduct of the university’s affairs, ensuring through the President that a qualified and diligent team carries out the day-to-day activities with respect to the university’s financial and other resources, and together with the Senate, fulfills the mission of the university. The Board consists of members of the university community, including alumni, faculty, students, and committed volunteers from the community at large.

For greater clarity, the Board does not duplicate the role of the university’s administration, which is responsible for the day-to-day business of the university and for the implementation of policies adopted by the Board. The governance structure is established in the Saint Mary’s University Act, 1970.

## Board Committee Structure

The Board of Governors has delegated responsibility to several committees, comprised of Governors, to carry out work on behalf of the Board. The following is a list of Board Committees (with Chairs shown in brackets) as at March 31, 2024. The financially oriented committees (Finance and Audit & Risk) are further discussed on page 27.

Each committee is governed by Terms of Reference approved by the Board. The by-laws of the University require that a majority of each standing committee be Governors and that the Chair of each standing committee is a Governor. Unless the Board specifically grants decision-making authority to a committee, the committees are advisory to the Board and make recommendations for the consideration of the Board.

### Committees of the Board of Governors

ADVANCEMENT
AUDIT & RISK
EXECUTIVE
FINANCE
GOVERNANCE
HONORARY DEGREES
HUMAN RESOURCES
PROPERTY & CAMPUS PLANNING

## Financial Governance - Board Committees

The Finance Committee assists the Board of Governors in its oversight of university finances. The responsibilities of the committee include:

- Establishment, review and oversight of a Board of Governors policy framework concerning financial matters including those associated with the acquisition and disposition of capital assets (in collaboration with the Property Committee).
- Oversight and advice on the university’s long-term financial planning, including its activities directed to financial risk assessment and risk management.
- Oversight and advice on operating and capital budget planning and expenditures, including attention to both the university’s immediate and long-term financial health.
- Oversight and advice on operating and capital financing, including debt management.
- Oversight and advice on the establishment, operations and management of university investments, including oversight of the Investment Advisory Committee.

The Finance Committee met four times during the year.

The primary purpose of the Audit and Risk Committee is to assist the Board of Governors in its oversight of:

- The financial reporting process to ensure the transparency and integrity of financial reports;
- The effectiveness of the university’s internal control and risk management environment;
- The independent audit process, including recommending the appointment and assessing the performance of the external auditor; and
- The university’s risk management framework

## Finance Committee

<b>Mark Gosine, Chair</b>
Dr. Robert Summerby-Murray
Dr. Tony Charles
Anubhav Gupta
Bafana Mashingaidze
Alan Abraham, Jr.
Kellie Sauriol
Christine Bonnell-Eisnor

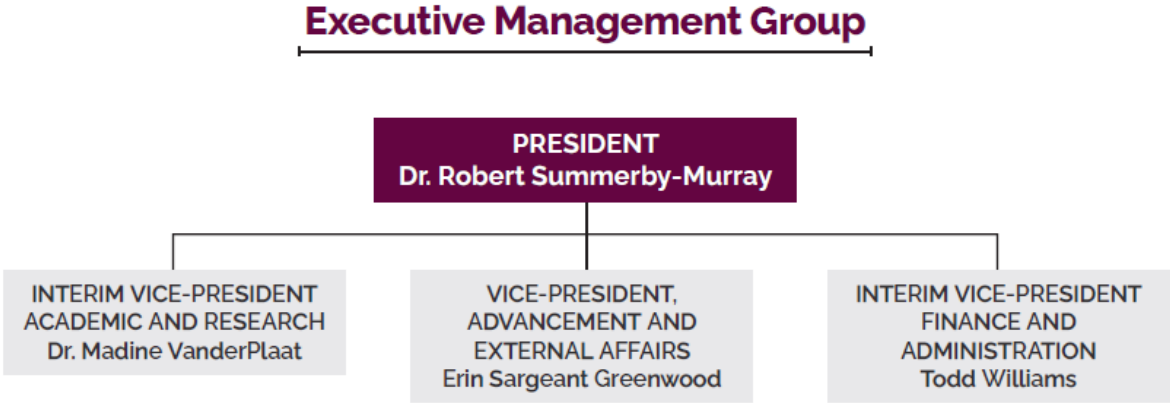
## Audit and Risk Committee

<b>Louie Velocci, Chair</b>
Floyd Kane
Vivek Sood
Sarah McLean
Roddy Macdonald

The external auditor, Grant Thornton LLP, reports to the Audit Committee independent of management. All members of the Audit and Risk Committee must be external Board members. A majority of the Committee members are required to be financially literate and ideally, and at least one member will have a professional accounting designation. The Chair of the Audit & Risk Committee is a chartered professional accountant.

The Audit and Risk Committee met three times during the year.

# Financial Leadership – Executive Management Group



## Saint Mary's University Act

The Act states: “The President of the University shall have general supervision of and direction over the academic and administrative work of the University and the teaching staff thereof and all officers and employees.”

## Executive Management Group (EMG)

The President and Vice-Presidents comprise the EMG, the leadership team at Saint Mary's with delegated decision-making authority over most day-to-day operational matters. The EMG advises the President on a wide range of issues, including such financial items as operating and capital budgets, tuition and student fees, financial reporting, funding, business planning, and risk management. The EMG's financial planning link to the Board of Governors is through the Finance Committee of the Board. All members of EMG regularly attend Board and Board committee meetings.

# Appendix 2: Statement of Operations

## Operating Fund - Statement of Operations - Actual versus Budget

For the year ended March 31 (\$ thousands)

	Operating Fund					
	2024			2023		
	Actual	Budget	Variance	Actual	Budget	Variance
<b>Revenues</b>						
Government grants and contributions						
Government of Canada	1,804	1,560	244	1,654	1,572	82
Government of Nova Scotia	37,456	37,418	38	37,824	37,147	677
Other grants	24	-	24	5	37	(32)
Student fees	84,897	85,770	(873)	82,278	92,424	(10,146)
Gifts and bequests	11	2	9	41	57	(16)
Sales of services and products	17,912	17,173	739	15,681	16,438	(757)
Income from investments	3,965	1,346	2,619	1,711	240	1,471
Miscellaneous income	828	622	206	822	613	209
	<b>146,897</b>	<b>143,891</b>	<b>3,006</b>	<b>140,016</b>	<b>148,528</b>	<b>(8,512)</b>
<b>Expenses</b>						
Salaries	88,093	90,182	(2,089)	86,288	84,139	2,149
Employee benefits	13,910	12,781	1,129	13,924	12,780	1,144
Equipment rental	1,063	1,158	(95)	1,086	1,256	(170)
Materials and supplies	2,584	3,170	(586)	2,968	3,486	(518)
Communications	488	523	(35)	471	492	(21)
Travel	3,053	3,171	(118)	2,755	2,145	610
Utilities	3,562	4,106	(544)	3,439	3,537	(98)
Printing and duplicating	678	710	(32)	555	886	(331)
Library acquisitions	1,774	1,686	88	1,841	1,785	56
Hospitality	634	446	188	510	466	44
Repairs and maintenance	5,015	4,857	158	4,443	4,869	(426)
Promotion and student recruitment	3,278	3,384	(106)	3,577	4,055	(478)
Professional fees	1,842	1,403	439	1,895	1,392	503
Rent	16	20	(4)	54	56	(2)
Other operational expenses	4,125	2,995	1,130	3,997	2,854	1,143
Cost of goods sold	4,860	4,759	101	4,629	4,622	7
Student financial aid	10,053	8,727	1,326	10,754	10,403	351
Interest	2,588	2,224	364	2,083	2,220	(137)
Internal cost recoveries	(1,899)	(976)	(923)	(1,125)	(619)	(506)
	<b>145,717</b>	<b>145,326</b>	<b>391</b>	<b>144,144</b>	<b>140,824</b>	<b>3,320</b>
Revenues less expenses before transfers	1,180	(1,435)	2,615	(4,128)	7,704	(11,832)
Interfund transfers	(4,494)	(5,565)	1,071	(5,647)	(8,699)	3,052
Net operations	<b>(3,314)</b>	<b>(7,000)</b>	<b>3,686</b>	<b>(9,775)</b>	<b>(995)</b>	<b>(8,780)</b>