



**Saint Mary's
University**

Annual Financial Report

March 31, 2026

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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 2026 fiscal year.

Having completed my first full year at Saint Mary's, I am inspired by the people who make this university such a special place. Over the past year, I have visited every academic department and many units across campus, while meeting with students, faculty, staff, alumni, donors and community partners. Those conversations have reinforced my confidence in the strength of our community and our ability to meet the opportunities and challenges ahead.

Saint Mary's continues to be recognized for its outstanding student experience, academic excellence and research impact. This past fiscal year, our students achieved remarkable success on national and international stages in entrepreneurship, sustainability, business, research and athletics. Our researchers secured more than \$10 million in external funding, and we launched new academic programs and partnerships that position the university for continued growth.

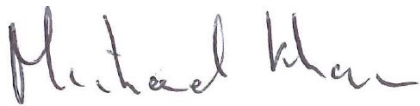
The annual financial report reflects our commitment to accountability, transparency and responsible stewardship. It also reflects the realities facing the post-secondary education sector. Like many universities across Canada, Saint Mary's continues to experience enrolment pressures, particularly among international students, alongside changing government policies and increasing operational demands.

We are responding with focus and determination. Rather than compromising the quality of the Saint Mary's experience, we are pursuing growth through enrolment, innovation and strategic partnerships. Initiatives such as the launch of the Bachelor of Engineering degree, new pathways with community and industry partners, and a strong focus on student recruitment and retention are helping us build for the future. We will continue to be ambitious, nimble and focused on opportunities that strengthen the university by harnessing the collective strength of our people.

The Board of Governors provides oversight of the university's financial, physical and human resources, ensuring that the annual financial statements are prepared in accordance with established accounting standards and independently audited by Doane Grant Thornton LLP.

This discussion and analysis should be read in conjunction with the audited financial statements. Prepared using fund accounting principles and the restricted fund method of accounting for contributions, the financial statements present the university's financial position as at March 31, 2026, and the results of operations for the fiscal year.

At Saint Mary's, we are proud of what we have accomplished, realistic about the challenges before us, and optimistic about what comes next. We will continue to tell our story, strengthen our partnerships and build on our successes. Thank you for your interest in and continued support of Saint Mary's University.

A handwritten signature in dark ink, reading "Michael Khan". The signature is written in a cursive, flowing style.

Michael Khan PhD
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.



Our Vision

Saint Mary's, building on our strong tradition of scholarly excellence, accessibility and community engagement, will be the university of choice for aspiring citizens of the world.

We will achieve this by:

- creating a space for possibility through inspiration, innovation, inclusion, investment and action;
- nurturing a culture of care and community.



Our Mission

Saint Mary's University pursues excellence in research, teaching and learning, while fostering an inclusive and diverse community dedicated to local and global engagement, collaboration and service.



Our Values

Our university values guide our daily commitment to our distinctive contribution to society, locally and globally. These values are expressed through everything we do, as we pursue:

- Intellectual Transformation,
- Individual and Collective Resilience,
- Intercultural Engagement,
- Alumni and Community Connection, and
- 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

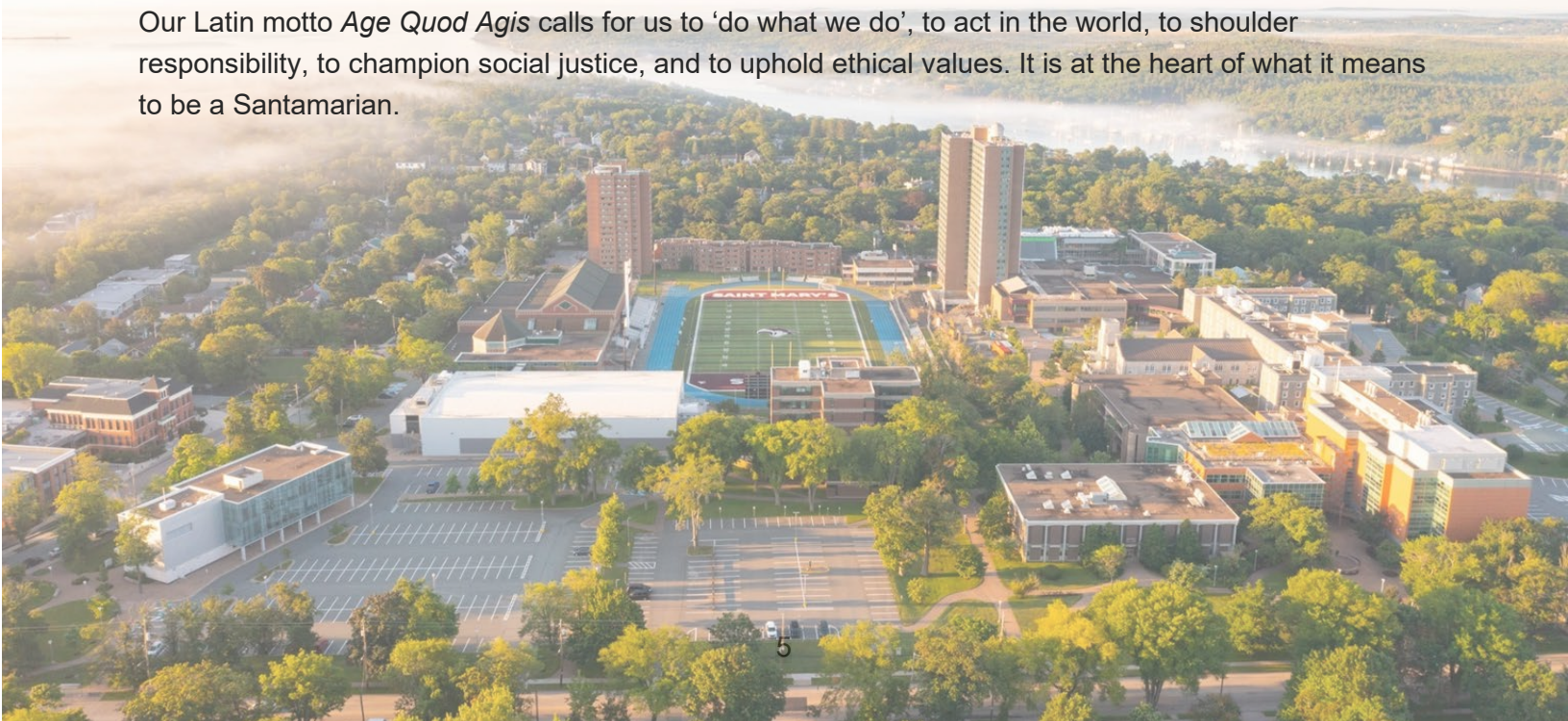
Saint Mary's University, founded in 1802 in Halifax, Nova Scotia, is the second-largest educational institution in the province. The campus is home to over 5,500 students from over 113 countries who are enrolled during the academic year and summer sessions, attending classes on the 42-acre campus in 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 over 60,000 alumni is strong and engaged; Saint Mary's is recognized for its high 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 explanatory notes, and believes that the financial statements present fairly the university's financial position as at March 31, 2026, and the results of its operations for the year then ended. Administration has also prepared the unaudited financial information presented elsewhere in this financial report and 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 as set out in Part III of the CPA Canada Handbook, together with the standards for private enterprise in Part II of the Handbook for matters not addressed in Part III. Where alternative accounting methods are available, those considered most appropriate in the circumstances have been chosen. The preparation of financial statements by nature requires the use of estimates and judgments, which are based on information available at the reporting date and are determined on a reasonable and consistent basis.

In carrying out its responsibilities and recognizing the limits inherent in all systems, administration maintains a system of internal control designed to provide reasonable assurance that university assets are safeguarded and that reliable financial information is available for the preparation of financial statements.

The Board of Governors fulfils its oversight responsibilities primarily through its Audit and Risk Committee, whose members are independent. The Audit and Risk Committee meets regularly with administration and with the external auditors, Doane Grant Thornton LLP, to discuss the planning and results of audit examinations and financial reporting matters. The external auditors have unrestricted access to the Audit and Risk Committee with and without the presence of administration.

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

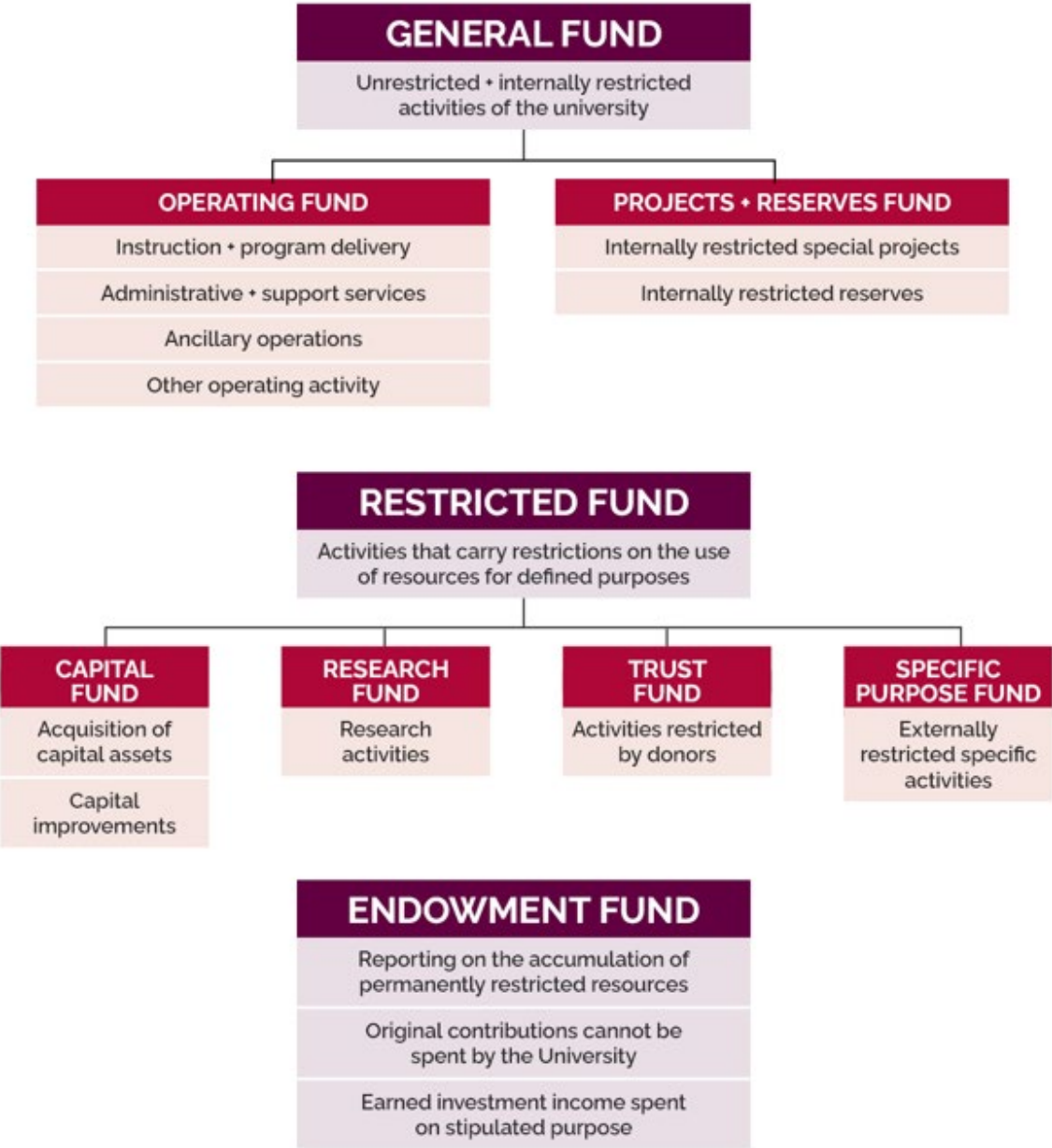


Susan MacDonald, CPA, CA, CPA (US)
Vice-President, Finance & Administration

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.

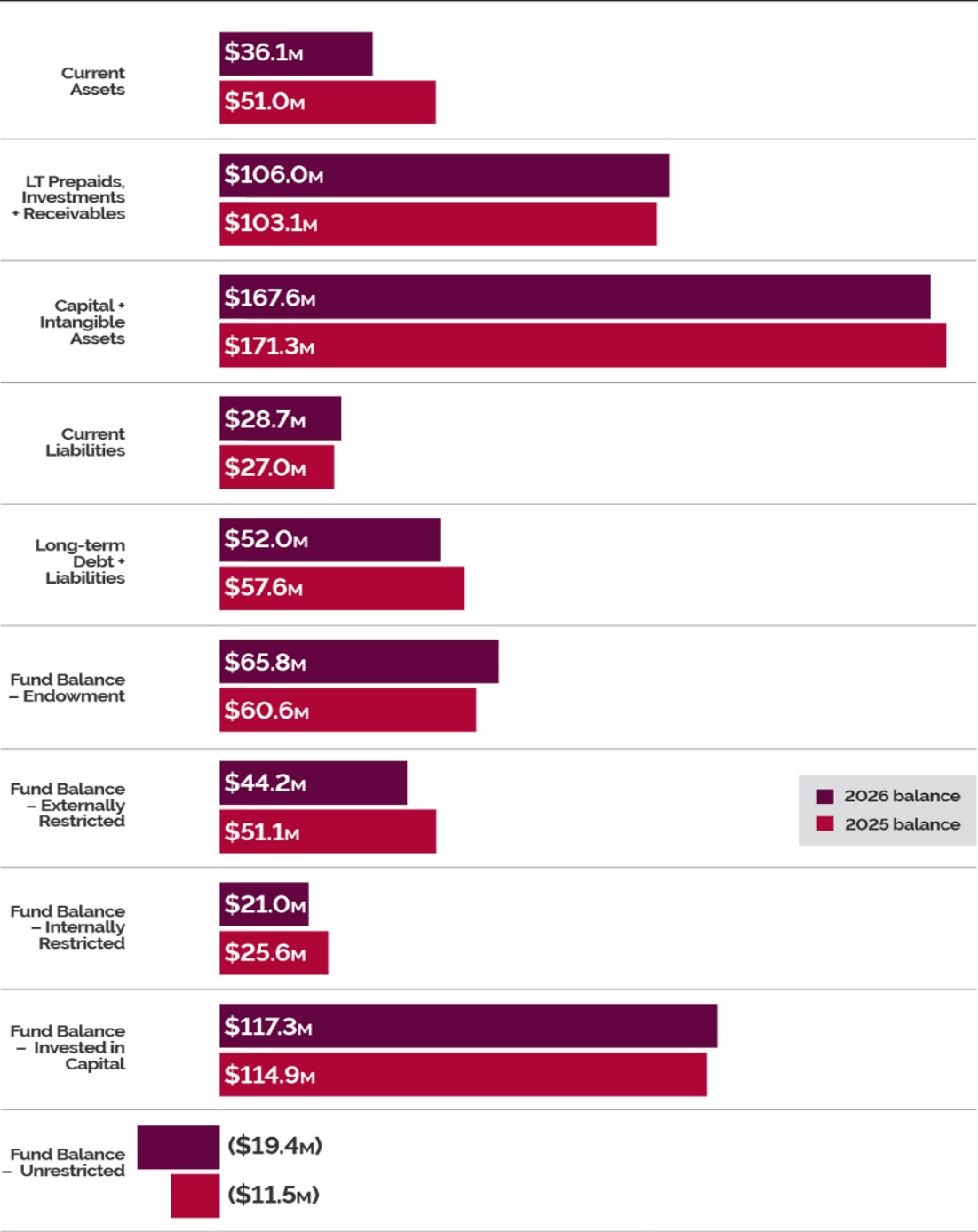
The financial statement structure for Saint Mary's University is comprised of:



Financial Position and Fund Balances

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) as at March 31, 2026.

Financial Position - March 31, 2026 (audited)



FY 2026 Actual vs Prior Year (\$ Millions)

University current assets amount to \$36.1 and are comprised of cash, short-term investments, accounts receivable, inventories and prepaid expenses. The year-end balance of current assets was \$14.9 lower than the previous year. Cash and short-term investments decreased by \$16.3. The decrease in cash is primarily due to the impact of enrolment decline on operating cash flow.

In total, long-term receivables and investments increased \$3.0 compared to the prior year. The long-term investments are recorded at fair value and the investment gain of \$16.1 included net unrealized gains of \$3.3 (2025, unrealized gain of \$5.5) from the change in the fair value. The university received \$3.8 in gifts and bequests, a decrease of \$0.2 from the previous year. The gifts include funds for endowments and program support. Capital and intangible assets, with a net book value of \$167.6, are a prominent component of the university's statement of financial position. The university's buildings comprise 80% of net capital assets.

Current liabilities of \$28.7 include payables, accruals, student deposits, deferred revenue and the current portion of long-term debt. The year-end balance increased \$1.7 compared to the prior year primarily due to an increase in payables and accruals of \$3.2 and a reduction of \$1.0 in deferred revenue. The \$3.7 decrease in long-term debt was primarily attributable to scheduled principal repayments during the year with no new long-term debt issued to offset those reductions.

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 indicates the restrictions on the balances. \$110.0 relates to resources that are constrained by endowments and other external restrictions; \$21.0 is internally restricted by the university for projects and reserves; \$117.3 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 \$11.5 to an accumulated deficit of \$19.4.

Debt Analysis



Financial Condition

Debt Capacity Analysis, March 31, 2026 (\$ Millions)

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.

Ability to pay debt with medium term resources

	2025	2026
Expendable resources	\$9.0	(\$1.2)
Debt, incl. current portion of long-term debt	\$61.0	\$56.7
Ratio of expendable resources to debt	14.8%	-2.1%

- 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. No long term debt added since FY23.

- expendable resources decreased to -6.5% in 2026 primarily due to recurring deficits.

Ratio of Expendable Resources to Debt

Year	Ratio
2022	56.7%
2023	20.0%
2024	16.6%
2025	14.8%
2026	-2.1%

Critical Success Factor: Manageable debt load

Key Performance Indicator: University debt per student

Moody's Credit Research 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.

Manageable debt load

	2025	2026
Debt, incl. current portion of long-term debt	\$61.0	\$56.7
Number of students (full time equivalents)	5,991	5,407
University debt per student	\$10,182	\$10,486

- Debt per student has slightly increased from prior year due to the decline in enrolment offset by continued debt reduction.

- This may limit options to fund future capital projects through external borrowing.

University Debt per Student

Year	Debt per Student
2022	\$7,570
2023	\$11,494
2024	\$10,828
2025	\$10,182
2026	\$10,486

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.

Debt funding strength arising from operations

	2025	2026
Debt service cost: principal + interest	\$6.5	\$6.5
Total operating revenue	\$143.3	\$136.4
Ratio of debt service cost to operating revenue	4.5%	4.8%

- debt funding strength from operations remains within tolerable range.

- a ratio exceeding 10% of operating revenue may indicate elevated leverage and reduced financial flexibility (Moody's).

Ratio of Debt Service Cost to Operating Revenue

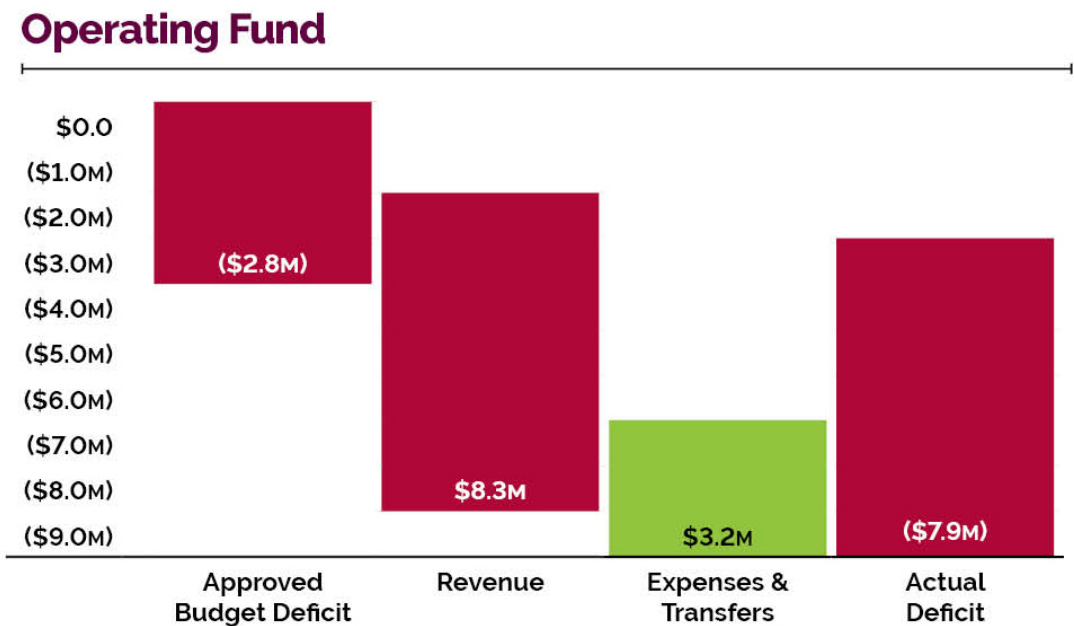
Year	Ratio
2022	3.9%
2023	3.6%
2024	4.4%
2025	4.5%
2026	4.8%

General Fund Analysis – Operating Fund Budget

FY 2026 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 2026 (see Appendix 2 - Statement of Operations – Actual versus Budget)



The Board of Governors approved a FY 2026 operating budget deficit of \$2.8, factoring in an expectation that enrolment levels would continue to decline compared to the prior year. The university incurred an actual deficit of \$7.9.

The university's revenues varied negatively \$8.2 from budget due to unfavourability in student fees and associated ancillary revenue of \$7.1 and unfavourability in investment income of \$1.2. This was partially offset by positive variances of \$0.1 in federal government grants.

Expenses & transfers were favourable to budget by \$3.1, primarily driven by a \$2.4 reduction in operating expenses across categories such as travel, interest and contracted services, as well as a \$2.8 increase in interfund transfers into the operating fund. These favourable variances were partially offset by a \$2.0 increase in salary expenses, primarily reflecting higher compensation costs resulting from the settlement of four collective agreements.

General Fund Analysis – Operating Fund Revenues

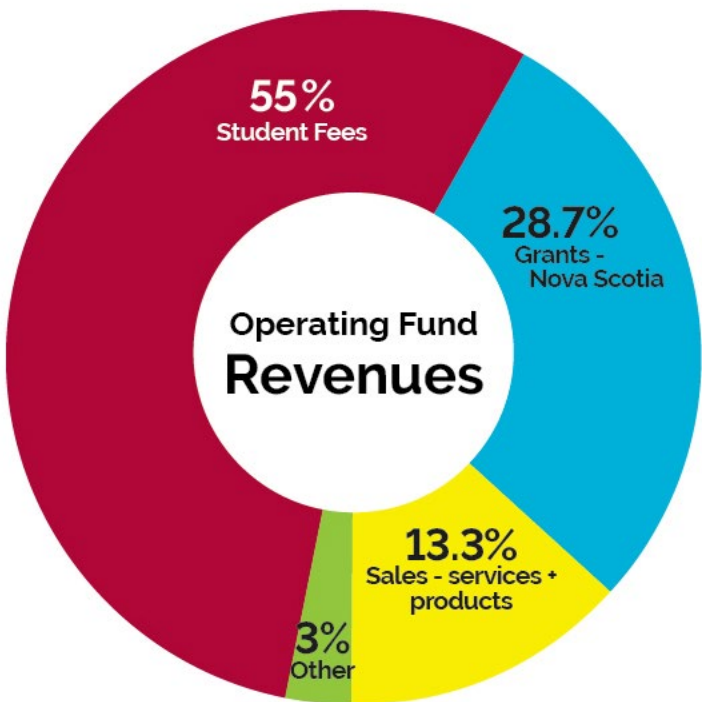
\$ Millions

The 2026 operations of Saint Mary's University produced revenues of \$136.4 (2025 - \$143.3). (see Page 32 – 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 decreased \$6.5 from the previous year, primarily driven by a decrease of \$2.4 due to reductions in international undergraduate enrolment and a \$2.8 reduction in Professional Masters program enrolment.

The Unrestricted Fund Balance at the end of the year is at an accumulated deficit position of \$19.4.

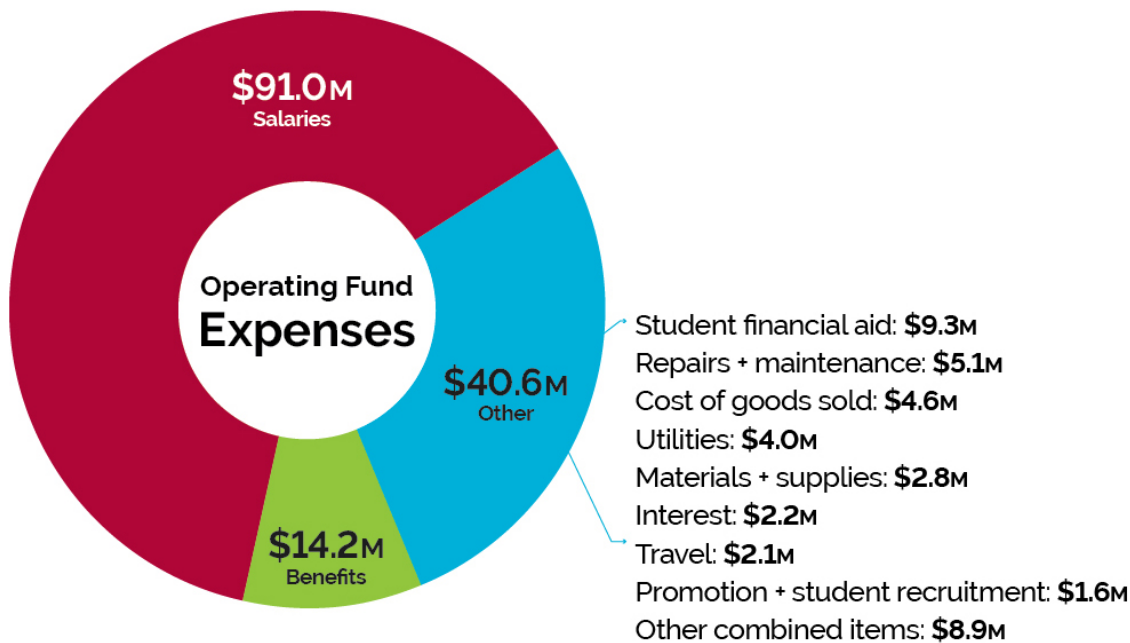


General Fund Analysis – Operating Fund Expenses

\$ Millions

The 2026 operations of Saint Mary's incurred expenses of \$145.8 (2025 - \$140.6) 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 32 – Operating Fund)

The largest component of the university's investment in its educational mission is salaries and benefits (72%). The repairs & maintenance expense of \$5.1 is up slightly from \$4.9 in 2025 due to increased repair costs and inflationary pressures. Interest expense of \$2.2 is down slightly from \$2.4 in 2025 due to the continued paydown of debt with no additional debt being incurred.



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.

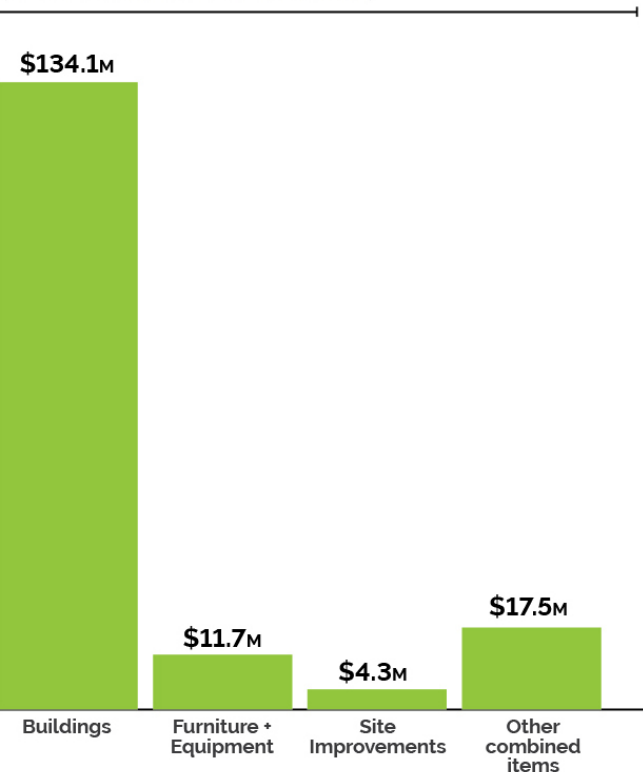
With a fund balance of \$117.3, the Capital Fund makes up the largest portion of the Restricted Fund. It accounts for all the capital and intangible assets of the university and the related debt. Capital and intangible assets are purchased by transfers from other funds, borrowing, or by contributions 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 2026, the university acquired capital and intangible assets of \$6.4. Funding for these acquisitions included transfers from externally restricted funds of \$0.4, transfers from internally restricted funds of \$4.5, transfers from the Research Fund of \$1.4 and transfers from the Operating Fund of \$0.1.

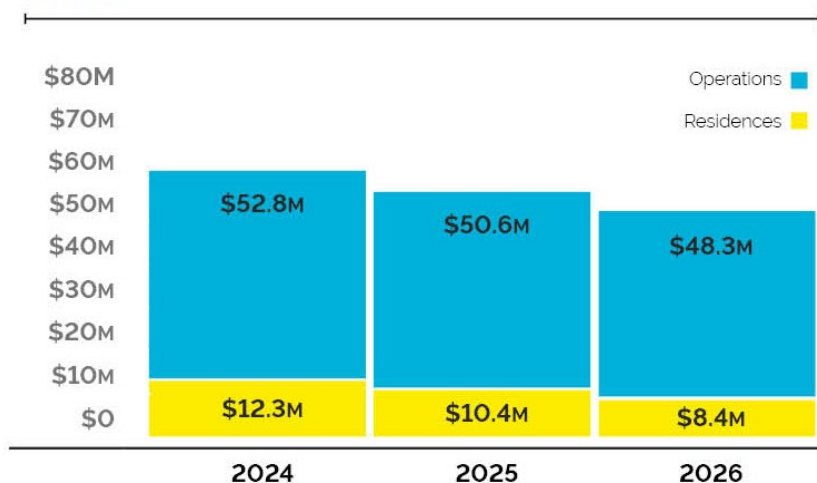
Included in the \$6.4 acquisitions of capital and intangible assets was \$5.8 for furniture, equipment & campus improvements, \$0.5 for computer and intangibles and \$0.1 for library books.

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 Sobeys 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. The university did not secure any additional debt in 2026.

Capital and intangible assets (net of accumulated amortization)



Debt



By the end of 2026 the university's debt has decreased to \$56.7 from \$61.0 in 2025. The portion of debt related to academic and administration buildings at the end of 2026 was 85%. The remainder of the debt relates to the student residence buildings.

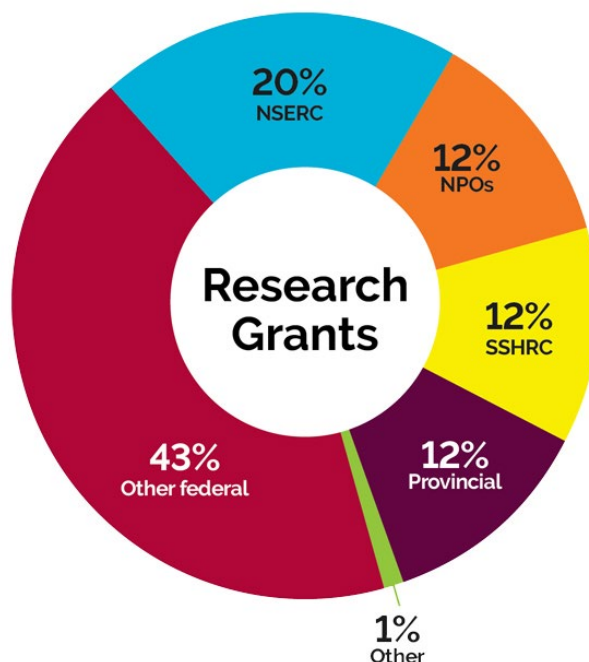
Restricted Fund Analysis – Research and Other

Millions \$

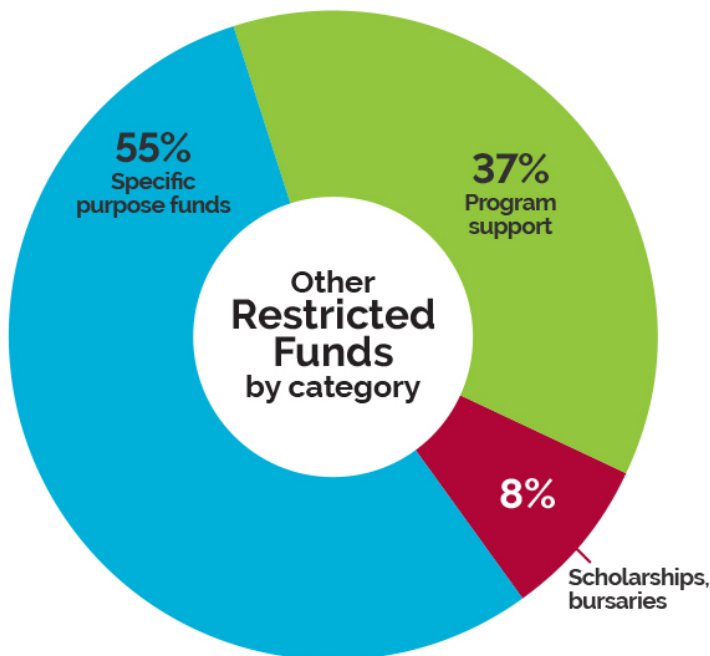
Research Fund

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). 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, \$7.8, consists of contributions available to be carried forward to the following year.

During 2026, Saint Mary's University received \$14.0 in contributions and funding for research, representing a 14% increase from 2025. 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 \$2.1 into the Trust Fund. The Trust Fund balance of \$19.7 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 \$2.2 and donations of \$0.6 for specific purposes. As of March 31, 2026, the Specific Purpose Fund balance was \$16.8 compared to \$22.8

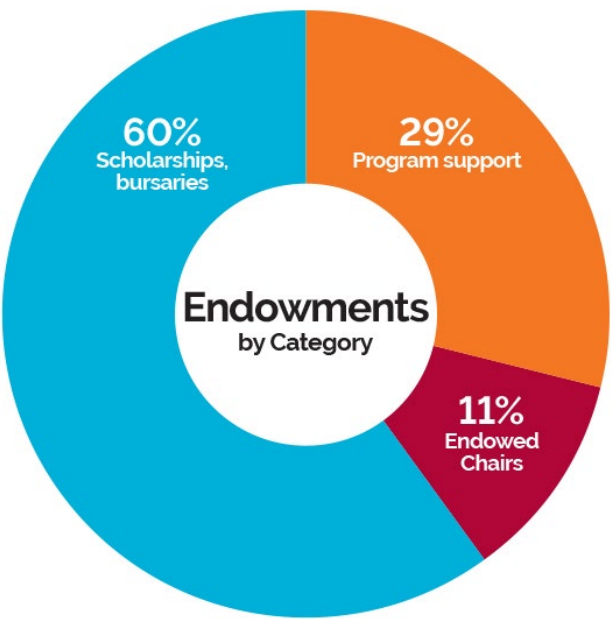
at the end of the prior year. During the year, the Other Restricted Funds provided scholarships and bursaries totaling \$2.7.

Endowment Funds Analysis

Millions \$

The \$65.8 in the Endowment Fund (2025 - \$60.5) 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, 2026.

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 \$4.3. This included net unrealized gains of \$3.3.

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 2026, Saint Mary's University received \$1.1 in endowed donations.

Audited Financial Statements & Accompanying Notes



Independent auditor's report

To the Board of Governors of
Saint Mary's University

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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, 2026, 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, 2026, 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.

Information Other than the Financial Statements and Auditor's Report Thereon

Management is responsible for the other information. The other information comprises the information, other than the financial statements and our auditor's report thereon, in the Annual Financial Report.

Our opinion on the 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 financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

We obtained the Annual Financial Report prior to the date of this auditor's report. If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact in this auditor's report. We have nothing to report in this regard.

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.

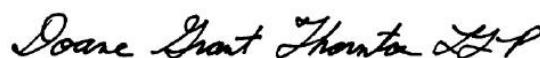
Auditor's Responsibilities for the Audit of the Financial Statements

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 23, 2026

Chartered Professional Accountants

Statement of Financial Position

As at March 31
(\$ thousands)

	2026				2025			
	General	Restricted	Endowment	Total	General	Restricted	Endowment	Total
Current Assets								
Cash and short-term investments (Note 3)	19,050	2,324	100	21,474	35,245	2,308	193	37,746
Accounts receivable (Note 4)	10,605	431	-	11,036	9,396	312	-	9,708
Inventories	637	-	-	637	683	-	-	683
Prepaid expenses	2,919	-	-	2,919	2,820	-	-	2,820
	33,211	2,755	100	36,066	48,144	2,620	193	50,957
Long-term Assets								
Long-term investments (Note 5)	-	40,018	65,265	105,283	-	41,234	60,917	102,151
Long-term receivable	614	116	-	730	839	109	-	948
Capital assets (Note 7)	-	166,689	-	166,689	-	170,227	-	170,227
Intangible assets (Note 8)	-	868	-	868	-	1,065	-	1,065
	614	207,691	65,265	273,570	839	212,635	60,917	274,391
	33,825	210,446	65,365	309,636	48,983	215,255	61,110	325,348
Current Liabilities								
Amounts due to governments	1,222	-	-	1,222	1,090	-	-	1,090
Accounts payable and accrued liabilities	13,375	1,296	11	14,682	9,406	2,021	9	11,436
Unearned fees and other deferred revenue	8,869	261	-	9,130	9,908	261	-	10,169
Current portion of long-term debt (Note 9)	-	3,678	-	3,678	-	4,348	-	4,348
	23,466	5,235	11	28,712	20,404	6,630	9	27,043
Long-term Liabilities								
Long-term accrued liabilities	2,515	-	-	2,515	2,754	-	-	2,754
Long-term debt (Note 9)	-	52,973	-	52,973	-	56,651	-	56,651
Interest Rate Swaps (Note 10)	-	(3,519)	-	(3,519)	-	(1,760)	-	(1,760)
Due to (from) other funds (Note 13)	6,201	(5,761)	(440)	-	11,701	(12,287)	586	-
	8,716	43,693	(440)	51,969	14,455	42,604	586	57,645
	32,182	48,928	(429)	80,681	34,859	49,234	595	84,688
Fund Balances								
Endowment	-	-	65,794	65,794	-	-	60,515	60,515
Externally restricted	-	44,228	-	44,228	-	51,083	-	51,083
Internally restricted	21,025	-	-	21,025	25,595	-	-	25,595
Invested in capital assets	-	117,290	-	117,290	-	114,938	-	114,938
Unrestricted	(19,382)	-	-	(19,382)	(11,471)	-	-	(11,471)
	1,643	161,518	65,794	228,955	14,124	166,021	60,515	240,660
	33,825	210,446	65,365	309,636	48,983	215,255	61,110	325,348

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)

	2026				2025			
	General	Restricted	Endowment	Total	General	Restricted	Endowment	Total
	(See Schedule 1)	(See Schedule 2)			(See Schedule 1)	(See Schedule 2)		
Revenues								
Government grants and contributions								
Government of Canada	3,661	11,608	-	15,269	1,991	11,281	-	13,272
Government of Nova Scotia	39,095	2,402	-	41,497	38,188	1,429	-	39,617
Other	-	66	-	66	-	-	-	-
Other grants	28	2,101	-	2,129	87	2,198	-	2,285
Student fees	74,985	374	-	75,359	81,521	238	-	81,759
Gifts and bequests	29	2,667	1,101	3,797	39	3,275	732	4,046
Sales of services and products	18,163	796	-	18,959	18,155	448	-	18,603
Income from investments	2,109	1,188	6,909	10,206	4,231	1,792	7,467	13,490
Miscellaneous income	1,132	807	-	1,939	1,088	1,662	-	2,750
	139,202	22,009	8,010	169,221	145,300	22,323	8,199	175,822
Expenses								
Salaries	91,504	6,453	-	97,957	88,074	5,820	-	93,894
Employee benefits	14,304	559	-	14,863	13,550	539	-	14,089
Equipment rental	899	-	-	899	1,021	1	-	1,022
Materials and supplies	3,018	1,024	-	4,042	2,692	863	-	3,555
Communications	434	7	-	441	442	12	-	454
Travel	2,663	1,784	-	4,447	3,146	1,794	-	4,940
Utilities	3,973	-	-	3,973	3,981	-	-	3,981
Printing and duplicating	312	22	-	334	300	13	-	313
Library acquisitions	1,877	-	-	1,877	2,024	-	-	2,024
Hospitality	565	450	-	1,015	469	298	-	767
Repairs and maintenance	5,078	700	-	5,778	5,586	875	-	6,461
Promotion and student recruitment	1,611	209	-	1,820	1,961	141	-	2,102
Professional fees	3,245	4,389	326	7,960	2,106	3,851	299	6,256
Rent	2	40	-	42	4	11	-	15
Other operational expenses	3,352	1,799	13	5,164	3,403	1,790	13	5,206
Cost of goods sold	4,584	41	-	4,625	4,865	-	-	4,865
Student financial aid	9,443	5,671	-	15,114	9,530	6,150	-	15,680
Amortization of capital and intangible assets	-	10,162	-	10,162	-	10,484	-	10,484
Interest	2,173	-	-	2,173	2,387	-	-	2,387
Internal cost recoveries	(1,492)	1,268	224	-	(5,042)	4,830	212	-
	147,545	34,578	563	182,686	140,499	37,472	524	178,495
Revenues less expenses before transfers	(8,343)	(12,569)	7,447	(13,465)	4,801	(15,149)	7,675	(2,673)
Interest rate swap unrealized gains (losses)	-	1,760	-	1,760	-	(2,764)	-	(2,764)
Interfund transfers (Note 13)	(4,138)	6,306	(2,168)	-	(3,488)	5,159	(1,671)	-
Net increase in fund balances	(12,481)	(4,503)	5,279	(11,705)	1,313	(12,754)	6,004	(5,437)
Fund balances, beginning of year								
Endowment	-	-	60,515	60,515	-	-	54,511	54,511
Externally restricted	-	51,083	-	51,083	-	56,846	-	56,846
Internally restricted	25,595	-	-	25,595	23,399	-	-	23,399
Invested in capital assets	-	114,938	-	114,938	-	121,929	-	121,929
Unrestricted	(11,471)	-	-	(11,471)	(10,588)	-	-	(10,588)
Fund balances, beginning of year, total	14,124	166,021	60,515	240,660	12,811	178,775	54,511	246,097
Fund balances, end of year								
Endowment	-	-	65,794	65,794	-	-	60,515	60,515
Externally restricted	-	44,228	-	44,228	-	51,083	-	51,083
Internally restricted	21,025	-	-	21,025	25,595	-	-	25,595
Invested in capital assets	-	117,290	-	117,290	-	114,938	-	114,938
Unrestricted	(19,382)	-	-	(19,382)	(11,471)	-	-	(11,471)
Fund balances, end of year, total	1,643	161,518	65,794	228,955	14,124	166,021	60,515	240,660

See accompanying notes to the financial statements.

Statement of Cash Flows

For the year ended March 31
(\$ thousands)

	2026				2025			
	General	Restricted	Endowment	Total	General	Restricted	Endowment	Total
Operating Activities								
Increase in fund balances from operations	(12,481)	(4,503)	5,279	(11,705)	1,313	(12,754)	6,004	(5,437)
Amortization of capital and intangible assets	-	10,162	-	10,162	-	10,484	-	10,484
Realized and unrealized investment losses (gains)	-	(51)	(4,691)	(4,742)	-	(1,654)	(4,928)	(6,582)
Interest rate swap unrealized (gains) losses	-	(1,760)	-	(1,760)	-	2,764	-	2,764
Gifts-in-kind	-	(1,025)	(149)	(1,174)	-	(1,058)	(94)	(1,152)
Change in non-cash working capital	(3,714)	5,675	(1,024)	937	(16,793)	13,352	295	(3,146)
Cash generated from operating activities	(16,195)	8,498	(585)	(8,282)	(15,480)	11,134	1,277	(3,069)
Investing Activities								
Purchase of investments	-	(4,122)	(4,709)	(8,831)	-	(7,146)	(12,881)	(20,027)
Disposal of investments	-	6,417	5,201	11,618	-	4,522	11,671	16,193
Purchase of capital assets	-	(6,429)	-	(6,429)	-	(4,224)	-	(4,224)
Cash used for investing activities	-	(4,134)	492	(3,642)	-	(6,848)	(1,210)	(8,058)
Financing Activities								
Debt repayments	-	(4,348)	-	(4,348)	-	(4,143)	-	(4,143)
Cash used for financing activities	-	(4,348)	-	(4,348)	-	(4,143)	-	(4,143)
Increase (decrease) in cash and short-term investments	(16,195)	16	(93)	(16,272)	(15,480)	143	67	(15,270)
Cash and short-term investments, beginning of year	35,245	2,308	193	37,746	50,725	2,165	126	53,016
Cash and short-term investments, end of year	19,050	2,324	100	21,474	35,245	2,308	193	37,746

See accompanying notes to the financial statements.

Notes to the Financial Statements

For the year ended March 31, 2026

(\$ 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 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, 2026

(\$ 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, 2026

(\$ 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 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, 2026

(\$ 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, 2026

(\$ 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 \$2,841 (2025 \$2,549) 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 \$476 (2025 \$461).

5. Long-term Investments

Long-term investments are recorded at fair value. The change in fair value created an unrealized gain of \$3,305 (2025 \$5,530).

	2026		2025	
	Cost	Fair Value	Cost	Fair Value
Canadian equities	5,082	15,772	5,784	15,324
U.S. Equities	188	199	201	198
Pooled investment funds	83,887	89,312	83,346	86,629
Total investments	89,157	105,283	89,331	102,151

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, 2026 totalled \$5,994 (2025 \$5,796).

7. Capital assets

	2026			2025		
	Cost	Accumulated Amortization	Net Book Value	Cost	Accumulated Amortization	Net Book Value
Land	13,809	-	13,809	13,809	-	13,809
Buildings	243,669	109,545	134,124	243,669	103,803	139,866
Site improvements	10,197	5,909	4,288	10,197	5,381	4,816
Library materials	1,890	1,141	749	2,164	1,277	887
Equipment, furnishings and interior improvements	19,562	7,898	11,664	20,337	11,442	8,895
Information technology	1,784	728	1,056	1,562	610	952
Art and antique collection	992	-	992	992	-	992
Motor vehicles	234	227	7	234	224	10
	292,137	125,448	166,689	292,964	122,737	170,227

Amortization expense for capital assets was \$9,966 (2025 \$10,261). Disposals of capital assets totalled \$987 (2025 \$871)

8. Intangible assets

	2026			2025		
	Cost	Accumulated Amortization	Net Book Value	Cost	Accumulated Amortization	Net Book Value
Enterprise Resource Planning System	997	427	570	1,054	411	643
Other software	518	220	298	602	180	422
	1,515	647	868	1,656	591	1,065

Amortization expense for intangible assets was \$196 (2025 \$223). Disposals of intangible assets totalled \$23 (2025 \$27).

Notes to the Financial Statements

For the year ended March 31, 2026

(\$ thousands)

9. Long-term debt

					2026	2025
Debt	Principal and Interest Payments	Maturity Date	Debt Interest Rate	Hedged Interest Rate	Total	Total
Long-term loans (unsecured)						
Residences Renovations	Monthly	Aug 2026	6.95%	-	507	1,469
Residences Renovations	Monthly	Sep 2026	CDOR + 0.30%	5.97%	245	713
Residences Renovations	Monthly	Sep 2026	CDOR + 0.30%	5.40%	113	331
Science Building Renewal Project	Monthly	Mar 2033	CDOR + 0.49%	5.30%	8,897	9,920
Homburg Centre for Health & Wellness	Monthly	Jul 2037	CDOR + 0.64%	3.13%	1,244	1,333
960 Tower Road Building and Renewal of Athletic Facilities	Monthly	Jan 2039	4.64%	-	6,533	6,898
Loyola Precast Cladding Replacement	Monthly	Mar 2043	CDOR + 0.59%	3.62%	7,574	7,893
Sobeys Inspiration Hub Building	Monthly	Dec 2050	CDOR + 0.53%	3.07%	15,134	15,566
Dauphinee Arena and Inglis Street Land	Monthly	Apr 2051	CDOR + 0.53%	2.76%	16,355	16,813
Subtotal - Long term loans					56,602	60,936
Capital leases (secured)						
Data projectors	Monthly	Jun 2029	6.55%	-	49	63
Subtotal - Long-term loans and capital leases					56,651	60,999
Less: current portion					(3,678)	(4,348)
Total long-term debt					52,973	56,651

Principal instalments payable in each of the next five years:

2027	3,678
2028	2,926
2029	3,051
2030	3,161
2031	3,290

Interest expense on long-term debt during the year totalled \$2,173 (2025 \$2,387).

10. Interest rate swap agreements

The University has four interest rate swap agreements with two chartered banks to manage interest rate exposure on four specific long-term debt obligations. The notional underlying principal value of these interest rate swaps related to debt outstanding at March 31, 2026 was \$10,499 (2025 \$12,297). The University has no plans to sell or terminate the interest rate swap arrangements prior to maturity. If the University terminated these swaps on March 31, 2026, it would have been obligated to pay the banks \$581 (2025 \$953), the fair value of the swaps as calculated by the banks. The University uses hedge accounting for these swaps.

In addition to the above, the University has three interest rate swaps to hedge interest rates on three long-term loans. The first swap pertains to a 30 year floating rate loan in the amount of \$18,500 received in April 2021 for which the interest rate at March 31, 2026 was 2.23%. The second swap pertains to a 28 year floating rate loan in the amount of \$16,500 received in January 2023 for which the interest rate on March 31, 2026 was 2.54%. Funding for a third 20 year floating rate loan in the amount of \$8.5 was received in March 2023 and the interest rate for this loan at March 31, 2026 was 3.03%. These swaps do not qualify for hedge accounting. The fair value of these swaps is shown on the Statement of Financial Position.

11. Interest Income

Interest income earned on bank accounts, investments and long-term receivables, \$701 (2025 \$1,777), is reported as investment income and interest earned on student accounts, \$328 (2025 \$481), is reported as student fees in the Statement of Operations.

12. Gifts-in-kind and donation pledges

	2026	2025
Gifts-in-kind received and recorded consist of the following:		
Investments	1,174	1,152
	1,174	1,152

Notes to the Financial Statements

For the year ended March 31, 2026

(\$ thousands)

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

Donation pledges

Donations pledged but not received as at March 31, 2026, totalled \$3,928 (2025 \$5,915). 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

	2026			2025		
	General	Restricted	Endowment	General	Restricted	Endowment
Transfers received (paid)						
Purchase capital and intangible assets	(4,663)	4,663	-	(1,200)	1,200	-
Maintenance and replacements	(111)	111	-	(912)	912	-
Debt reduction	(4,348)	4,348	-	(3,943)	3,943	-
Research and specific purposes	3,222	(3,222)	-	(511)	336	175
Program support	1,762	406	(2,168)	2,597	(462)	(2,135)
Total	(4,138)	6,306	(2,168)	(3,969)	5,929	(1,960)

14. Commitments

Encumbrances at March 31, 2026 were \$1,150. The University has entered into various agreements for capital expenditures in the upcoming fiscal year. The capital budget for the 2026 fiscal year was \$1,430.

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

2027	836
2028	620
2029	306
2030	148

Notes to the Financial Statements

For the year ended March 31, 2026

(\$ thousands)

15. Contingencies

The University participates in a reciprocal exchange of insurance risks in association with over 70 Canadian universities and colleges through the Canadian Universities Reciprocal Insurance Exchange (CURIE). This self-insurance co-operative involves a contractual agreement to share the insured property, liability and educator errors and omissions (including directors and officers), cyber and equipment breakdown insurance 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, 2025, CURIE had an accumulated excess of income over expenses of \$134,000 of which the University's pro-rata share is approximately 0.62% on an ongoing basis. CURIE wrote property policies with a limit of \$15,000 per occurrence/\$30,000 aggregate and placed on behalf of subscribers an excess policy of \$1,235,000 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 per occurrence, un-aggregated. 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 per claims made, un-aggregated. CURIE wrote cyber policies with a \$2,000 per occurrence and in the aggregate. CURIE wrote equipment breakdown insurance policies with a \$15,000 per occurrence/\$30,000 aggregate and placed on behalf of subscribers an excess reinsurance policy of \$185,000 above CURIE's limit.

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)

	General Fund					
	2026			2025		
	Operating	Projects and Reserves	Total	Operating	Projects and Reserves	Total
Revenues						
Government grants and contributions						
Government of Canada	1,870	1,791	3,661	1,801	190	1,991
Government of Nova Scotia	39,085	10	39,095	38,140	48	38,188
Other grants	-	28	28	87	-	87
Student fees	74,985	-	74,985	81,521	-	81,521
Gifts and bequests	29	-	29	19	20	39
Sales of services and products	18,148	15	18,163	18,143	12	18,155
Income from investments	1,362	747	2,109	2,739	1,492	4,231
Miscellaneous income	940	192	1,132	822	266	1,088
	136,419	2,783	139,202	143,272	2,028	145,300
Expenses						
Salaries	91,033	471	91,504	86,989	1,085	88,074
Employee benefits	14,171	133	14,304	13,433	117	13,550
Equipment rental	899	-	899	1,021	-	1,021
Materials and supplies	2,844	174	3,018	2,518	174	2,692
Communications	433	1	434	441	1	442
Travel	2,065	598	2,663	2,836	310	3,146
Utilities	3,973	-	3,973	3,981	-	3,981
Printing and duplicating	312	-	312	300	-	300
Library acquisitions	1,877	-	1,877	2,024	-	2,024
Hospitality	554	11	565	450	19	469
Repairs and maintenance	5,073	5	5,078	4,921	665	5,586
Promotion and student recruitment	1,609	2	1,611	1,938	23	1,961
Professional fees	2,982	263	3,245	1,623	483	2,106
Rent	2	-	2	4	-	4
Other operational expenses	3,335	17	3,352	3,392	11	3,403
Cost of goods sold	4,584	-	4,584	4,865	-	4,865
Student financial aid	9,294	149	9,443	9,402	128	9,530
Interest	2,173	-	2,173	2,387	-	2,387
Internal cost recoveries	(1,447)	(45)	(1,492)	(1,920)	(3,122)	(5,042)
	145,766	1,779	147,545	140,605	(106)	140,499
Revenues less expenses before transfers	(9,347)	1,004	(8,343)	2,667	2,134	4,801
Interfund transfers	1,436	(5,574)	(4,138)	(3,550)	62	(3,488)
Net increase in fund balances	(7,911)	(4,570)	(12,481)	(883)	2,196	1,313
Fund balances, beginning of year						
Internally restricted	-	25,595	25,595	-	23,399	23,399
Unrestricted	(11,471)	-	(11,471)	(10,588)	-	(10,588)
Fund balances, beginning of year, total	(11,471)	25,595	14,124	(10,588)	23,399	12,811
Fund balances, end of year						
Internally restricted	-	21,025	21,025	-	25,595	25,595
Unrestricted	(19,382)	-	(19,382)	(11,471)	-	(11,471)
Fund balances, end of year, total	(19,382)	21,025	1,643	(11,471)	25,595	14,124

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									
	2026					2025				
	Capital	Research	Trust	Specific Purpose	Total	Capital	Research	Trust	Specific Purpose	Total
Revenues										
Government grants and contributions										
Government of Canada	-	10,474	-	1,134	11,608	-	10,145	-	1,136	11,281
Government of Nova Scotia	-	1,622	-	780	2,402	-	462	-	967	1,429
Other	-	66	-	-	66	-	-	-	-	-
Other grants	-	1,828	-	273	2,101	-	1,637	-	561	2,198
Student fees	-	-	-	374	374	-	-	-	238	238
Gifts and bequests	-	-	2,116	551	2,667	1	-	2,959	315	3,275
Sales of services and products	-	-	-	796	796	-	-	-	448	448
Income from investments	-	5	1,102	81	1,188	-	42	1,610	140	1,792
Miscellaneous income	-	20	523	264	807	-	5	1,107	550	1,662
	-	14,015	3,741	4,253	22,009	1	12,291	5,676	4,355	22,323
Expenses										
Salaries	-	3,568	400	2,485	6,453	17	3,677	509	1,617	5,820
Employee benefits	-	319	35	205	559	3	334	38	164	539
Equipment rental	-	-	-	-	-	-	-	-	1	1
Materials and supplies	123	620	92	189	1,024	92	558	86	127	863
Communications	-	4	-	3	7	-	6	-	6	12
Travel	-	998	203	583	1,784	-	1,210	98	486	1,794
Printing and duplicating	-	4	2	16	22	-	3	2	8	13
Hospitality	-	27	45	378	450	-	20	66	212	298
Repairs and maintenance	695	-	-	5	700	866	-	9	-	875
Promotion and student recruitment	-	16	7	186	209	-	10	15	116	141
Professional fees	248	2,679	197	1,265	4,389	132	2,897	114	708	3,851
Rent	-	3	-	37	40	-	2	-	9	11
Other operational expenses	16	655	154	974	1,799	-	1,057	88	645	1,790
Cost of goods sold	-	-	-	41	41	-	-	-	-	-
Student financial aid	-	2,978	2,239	454	5,671	-	3,004	2,279	867	6,150
Amortization of capital and intangible assets	10,162	-	-	-	10,162	10,484	-	-	-	10,484
Internal cost recoveries	-	908	104	256	1,268	-	734	80	4,016	4,830
	11,244	12,779	3,478	7,077	34,578	11,594	13,512	3,384	8,982	37,472
Revenues less expenses before transfers	(11,244)	1,236	263	(2,824)	(12,569)	(11,593)	(1,221)	2,292	(4,627)	(15,149)
Interest rate swap unrealized gains (losses)	1,760	-	-	-	1,760	(2,764)	-	-	-	(2,764)
Interfund transfers	11,836	(1,732)	(621)	(3,177)	6,306	7,366	(1,255)	(773)	(179)	5,159
Net increase (decrease) in fund balances	2,352	(496)	(358)	(6,001)	(4,503)	(6,991)	(2,476)	1,519	(4,806)	(12,754)
Fund balances, beginning of year										
Externally restricted	5	8,262	20,035	22,781	51,083	5	10,738	18,516	27,587	56,846
Invested in capital assets	114,938	-	-	-	114,938	121,929	-	-	-	121,929
Fund balances, beginning of year, total	114,943	8,262	20,035	22,781	166,021	121,934	10,738	18,516	27,587	178,775
Fund balances, end of year										
Externally restricted	5	7,766	19,677	16,780	44,228	5	8,262	20,035	22,781	51,083
Invested in capital assets	117,290	-	-	-	117,290	114,938	-	-	-	114,938
Fund balances, end of year, total	117,295	7,766	19,677	16,780	161,518	114,943	8,262	20,035	22,781	166,021

See accompanying notes to the financial statements.

Appendix 1: University and Financial Governance

Board of Governors

Ex Officio	Academic Staff
DR. MICHAEL DURLAND Chancellor	DR. GUGU HLONGWANE
THE MOST REVEREND BRIAN DUNN Visitor	DR. ATHER AKBARI
DR. MICHAEL KHAN President and Vice-Chancellor Honorary Degrees Committee Chair*	DR. JASON RHINELANDER
	DR. RYLAN HIGGINS
	DR. BILL SEWELL
	DR. ERIN ADLAKHA
Elected by the Board	Alumni Association
MARK GOSINE, KC Board Vice-Chair, Finance Committee Chair*	BAFANA MASHINGAIDZE*
JILLIAN D'ALESSIO	KELLIE SAURIOL
SIAN WREN	MIKE MERCER
FLOYD KANE	VIVEK SOOD
RODDY MACDONALD Governance Committee Chair*	BEN GAUNCE
SARAH MCLEAN	
LOUIE VELOCCI Audit & Risk Committee Chair*	
Roman Catholic Episcopal Corporation	Student Association
ALAN ABRAHAM, JR. Board Chair, Executive Committee Chair	AUGUSTINA TUCKER
ANNA MARENICK Human Resources Committee Chair*	ANGELICA AMARA
KIMBERLY DOANE Property & Campus Planning Committee Chair*	D'ANDRE FARRELL
	ALEX MELENDY
	Lieutenant-Governor In-Council
	BRUCE HOLLAND
	CHRISTINE BONNELL-EISNOR

Appointments by groups indicated above as of March 31, 2026
*Members also on the Executive Committee

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, 2026. The financially oriented committees (Finance and Audit & Risk) are further discussed on page 36.

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 & Campus Planning 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 five 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.
- The university's risk management framework.

Finance Committee

Mark Gosine, Chair
Dr. Michael Khan
Dr. Bill Swell
Bafana Mashingaidze
Kellie Sauriol
Christine Bonnell-Eisnor
Prajwal Shetty
Bruce Holland

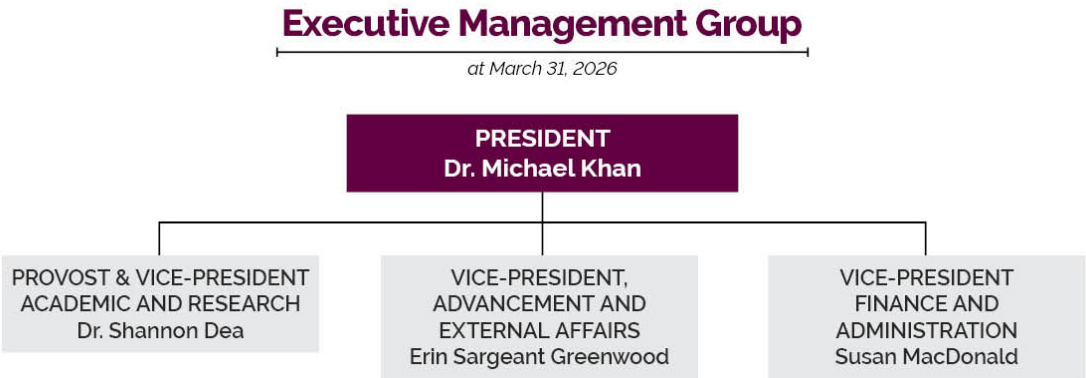
Audit and Risk Committee

Louie Velocci, Chair
Floyd Kane
Vivek Sood
Sarah McLean
Roddy Macdonald

The external auditor, Doane 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 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					
	2026			2025		
	Actual	Budget	Variance	Actual	Budget	Variance
Revenues						
Government grants and contributions						
Government of Canada	1,870	1,764	106	1,801	1,765	36
Government of Nova Scotia	39,085	39,079	6	38,140	38,132	8
Other grants	-	-	-	87	-	87
Student fees	74,985	80,645	(5,660)	81,521	74,155	7,366
Gifts and bequests	29	9	20	19	9	10
Sales of services and products	18,148	19,585	(1,437)	18,143	18,656	(513)
Income from investments	1,362	2,546	(1,184)	2,739	3,414	(675)
Miscellaneous income	940	971	(31)	822	950	(128)
	136,419	144,599	(8,180)	143,272	137,081	6,191
Expenses						
Salaries	91,033	89,692	1,341	86,989	86,306	683
Employee benefits	14,171	13,361	810	13,433	13,615	(182)
Equipment rental	899	1,066	(167)	1,021	1,063	(42)
Materials and supplies	2,844	2,967	(123)	2,518	2,574	(56)
Communications	433	492	(59)	441	481	(40)
Travel	2,065	3,098	(1,033)	2,836	2,924	(88)
Utilities	3,973	3,716	257	3,981	2,989	992
Printing and duplicating	312	344	(32)	300	678	(378)
Library acquisitions	1,877	1,833	44	2,024	1,775	249
Hospitality	554	680	(126)	450	620	(170)
Repairs and maintenance	5,073	5,235	(162)	4,921	4,995	(74)
Promotion and student recruitment	1,609	2,847	(1,238)	1,938	3,095	(1,157)
Professional fees	2,982	1,738	1,244	1,623	1,282	341
Rent	2	3	(1)	4	16	(12)
Other operational expenses	3,335	2,915	420	3,391	3,139	252
Cost of goods sold	4,584	5,107	(523)	4,865	4,860	5
Student financial aid	9,294	9,030	264	9,402	9,815	(413)
Interest	2,173	2,851	(678)	2,387	2,888	(501)
Internal cost recoveries	(1,447)	(992)	(455)	(1,920)	(1,604)	(316)
	145,766	145,983	(217)	140,604	141,511	(907)
Revenues less expenses before transfers	(9,347)	(1,384)	(7,963)	2,668	(4,430)	7,098
Interfund transfers	1,436	(1,446)	2,882	(3,549)	(932)	(2,617)
Net operations	(7,911)	(2,830)	(5,081)	(881)	(5,362)	4,481