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ANNUAL REPORT
2024/25



MOUNT
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UNIVERSITY

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ACCOUNTABILITY STATEMENT

Mount Royal University's *Annual Report* for the year ended March 31, 2025 was prepared under the Board's direction in accordance with the *Sustainable Fiscal Planning and Reporting Act* and ministerial guidelines established pursuant to the *Post-secondary Learning Act*. All material economic, environmental or fiscal implications of which we are aware have been considered in the preparation of this report.

MANAGEMENT'S RESPONSIBILITY FOR REPORTING

Mount Royal University's management is responsible for the preparation, accuracy, objectivity and integrity of the information contained in the *Annual Report*. Systems of internal control are designed and maintained by management to produce reliable information to meet reporting requirements. The system is designed to provide management with reasonable assurance that transactions are properly authorized, are executed in accordance with all relevant legislation, regulations and policies, reliable financial records are maintained and assets are properly accounted for and safeguarded.

The *Annual Report* has been developed under the oversight of the institution's audit committee, as well as approved by the Board of Governors and is prepared in accordance with the *Sustainable Fiscal Planning and Reporting Act* and the *Post-secondary Learning Act*.

The Auditor General of Alberta, the institution's external auditor appointed under the *Post-secondary Learning Act*, performs an annual independent audit of the consolidated financial statements which are prepared in accordance with Canadian public sector accounting standards.

[Original signed by]

Chris Lee

Chair, Board of Governors,
Mount Royal University

[Original signed by]

Tim Rahilly, PhD

President and Vice-Chancellor,
Mount Royal University





LAND ACKNOWLEDGEMENT

Mount Royal University is situated on an ancient and storied land steeped in ceremony and history that, until recently, was occupied exclusively by people indigenous to this place. With gratitude and reciprocity, Mount Royal acknowledges the relationships to the land and all beings, and the songs, stories and teachings of the Siksika Nation, the Piikani Nation, the Kainai Nation, the Îethka Stoney Nakoda Nation (consisting of the Chiniki, Bearspaw and Goodstoney Nations), the people of the Tsuut'ina Nation, and the Métis.

At the verbal negotiations held to discuss Treaty 7 between the nations and the Crown and Canadian government, Indigenous peoples assumed hereditary lands would be shared and a cooperative future would be built together that was to last as long as the grass grows, the sun shines and the rivers flow. However, many of the verbal promises made to these nations were not reflected in the written version of Treaty 7, created by the Crown and Canadian government. Even then, many promises that were included in the written version have been broken.

What followed were policies of cultural genocide and assimilation that caused profound harm. The original people of these lands were confined to reserves, prohibited from pursuing traditional practices and forced to send their children to residential schools. Rather than building meaningful and mutually beneficial relationships, there was dispossession and exploitation in systems of economic and social marginalization.

As such, Mount Royal University is committed to advancing the success of Indigenous learners and respectfully supporting Indigenous cultural identities and integrity, leading to a good life in all its aspects. Mount Royal will challenge settler colonialism and systemic racism and discrimination by addressing the legacy of broken promises and rebuilding the relationships between Indigenous and non-Indigenous peoples. This includes those who now live at the confluence of the Elbow and Bow rivers, a place referred to by the Siksika Nation, the Piikani Nation and the Kainai Nation as Moh'kinstsis, by the Îethka Stoney Nakoda Nations as Wicîspa, and by the Tsuut'ina Nation as Guts'ists'i. Mount Royal will meet these goals by committing to the Truth and Reconciliation Commission's Calls to Action and adopting and applying the principles of the United Nations Declaration on the Rights of Indigenous Peoples.

MEMBERS OF THE BOARD OF GOVERNORS

(Current as of September 30, 2025)



Chris Lee, *Chair*



Cyndi Cave



Brenden Hunter



Kari Roberts



Rob Schaefer, *Vice-Chair*



Christian Cook



Dexter Nelson



Sheba Singh



Arlene Strom, *Chancellor*



Laura Daniels



Thomas P. O'Leary



Anita Surujbally



Tim Rahilly, *President and Vice-Chancellor*



Sherri Evers



Dustin Paisley



Reynold Tetzlaff



Tala Abu Hayyaneh



Denise Hughes



Stefan Radeta

PUBLIC INTEREST DISCLOSURE (WHISTLEBLOWER PROTECTION) ACT

Mount Royal University has a Protected Disclosure (Whistleblower) policy and procedures to guide employees who identify and seek to disclose potential wrongdoings as defined by the *Public Interest Disclosure (Whistleblower Protection) Act*.

Below outlines the disclosures received and acted on from April 1, 2024 to March 31, 2025.

None of the 14 disclosures met the threshold of Wrongdoing or Fraud under the *Public Disclosure (Whistleblower) Act*. Some of the disclosures were addressed through more appropriate policies and processes.

DISCLOSURE TYPE	NUMBER OF INSTANCES
Disclosures received	14
Disclosures acted on under the Act	0
Disclosures not acted on under the Act	0
Investigations commenced	0
Investigations still underway	0

GOALS AND PERFORMANCE MEASURES

In 2024/25, Mount Royal University continued to implement the goals of its strategic plan, *Vision 2030: Opening Minds and Changing Lives*. Organized by the university's strategic directions, this section highlights select initiatives that contributed to those goals. Where relevant, performance measures provide data-informed insight into Mount Royal's advancement of its strategic goals.

In addition to goal-specific initiatives, this section also includes updates on institutional progress related to student supports, research priorities and collaborations with other learning providers.

Direction: Provide a transformative education

In 2024/25, Mount Royal undertook a range of institutional initiatives to support the delivery of a transformative education. Efforts focused on strengthening academic programming, enhancing access to experiential and global learning opportunities, and ensuring students are equipped with the skills they need to succeed in dynamic environments and contribute meaningfully to their communities.

Transversal skills

- » The Office of the Provost launched the Teaching and Learning Enhancement Grants. Available to credit faculty, grants provide up to \$5,000 per project to support innovative approaches that strengthen teaching quality, learning outcomes and student engagement.
- » Development of an institutional framework to expand access to experiential learning advanced under the leadership of the Experiential Learning Steering Committee. Draft categories, criteria and definitions were shared for consultation in the winter and spring terms.
- » The General Education Steering Committee continued its review of General Education at MRU, and broadly shared draft definitions of liberal education, core values and thematic learning outcomes for feedback in the winter and spring.
- » Through a new experiential learning partnership with Alberta Ballet, the Massage Therapy Diploma program now offers students the opportunity to deliver massage therapy treatments to dancers and athletes in a professional setting.
- » As part of a Co-operative Education and Work-Integrated Learning (CEWIL) grant-funded pilot, students in a semester-long capstone course developed eCareer Portfolios as a tool to reflect on, track and communicate their academic and professional skills. Participants received a \$1,000 stipend upon meeting project requirements.
- » Career Services delivered the LinkedIn and Networking Career Building Workshops series to help students navigate employment readiness. A total of 230 students registered for the virtual sessions delivered throughout fall and winter.
- » Perceptions of skill development among graduating students remained stable across 14 of 16 domains between 2021 and 2024.



Global learning

- » Exchange experiences are a valued part of campus life, helping students develop global perspectives and engage in cross-cultural learning. In 2024/25, 113 domestic students participated in outbound global learning experiences, an increase of 16 from the previous year. MRU also welcomed 81 international exchange students.
- » Exchange agreements were renewed or expanded with institutions across Australia, Austria, Brazil, China, England, Finland, France, Ireland, Japan, Lithuania, Mexico, New Zealand, Scotland, South Korea, Spain, Türkiye and the United States. Overall, students have access to diverse cultural and academic experiences across 38 countries.
- » The International Student Support Centre supported more than 350 students since Spring 2024 through onboarding, presentations and community-building initiatives. Programming was delivered by two student leads and 28 trained volunteers.
- » From November 18 to 20, 2024, MRU celebrated International Education Week with a series of events, including an international festival, study abroad information sessions, research showcases and cultural workshops.
- » Through the Rideau Foundation, the Faculty of Health, Community and Education secured approximately \$150,000 through the Queen Elizabeth II Diamond Jubilee Scholarship program to promote international learning and leadership development through sport.
- » While changes to the federal International Student Program had sector-wide impacts, Mount Royal's intentional and sustainable approach to international enrolment helped minimize disruption. In 2024/25, international student full-load equivalent (FLE) was 387.1 – a 3.4 per cent decrease from the previous year. However, degree-seeking FLE rose by 5.9 per cent, from 249.3 to 264.1, reflecting growth in core academic programs.
- » In 2024, survey results showed that 18 per cent of graduating students reported participating in a local or international global learning experience.
- » In 2024, 43 per cent of graduating students reported adapting their behaviour when engaging with people from different backgrounds.

Direction: Innovate to meet the evolving needs of learners

In 2024/25, Mount Royal advanced efforts to meet the evolving needs of Alberta learners by expanding access to high-quality, student-focused education. This included advancing sustainable enrolment growth, diversifying program and delivery options, and strengthening pathways that promote student success and timely program completion.

Enrolment growth

- » In 2024/25, total FLE increased to 11,947.6, up 3.3 per cent from 11,560.5 the previous year. Since launching its planned growth strategy in 2014/15, MRU has recorded a 30.3 per cent increase in FLE – growth driven primarily by domestic students and reflecting the university's commitment to access for Alberta learners.
- » In 2024/25, there were 12,794 registrations in non-ministry-approved Continuing Education programs, compared with 13,337 in 2023/24.
- » A \$500,000 donation from CIBC to Mount Royal's Transitional Vocational Program will support students over the next five years through bursaries that help with tuition and other costs, as well as supporting program development.
- » The Bachelor of Arts in Psychology program received funding for 105 additional seats (an intake increase of 35 seats per year) as part of the Government of Alberta's \$10-million investment to expand mental health education.
- » Mount Royal took possession of a new facility at Springbank Airport to serve as the home base for the Aviation Program, strengthening MRU's position with students and employers.
- » The Government of Alberta approved a new Spatial Data Science post-baccalaureate certificate, which will launch July 2025, to meet growing demand for skills in data-driven spatial analysis.
- » In Fall 2024, Mount Royal welcomed the first cohort of students into its new Bachelor of Aviation Management program, with 48 students enrolled.
- » Mount Royal hired 38 new faculty members to support institutional growth and maintain high-quality education across academic programs.
- » The Faculty of Continuing Education introduced new programs aligned with workforce and learner needs, including three certificates of completion related to child and youth development and mental health. A new micro-credential in contraceptive care (IUDs and implants) was also added to support practitioners seeking to update their skills in current practices.



Program delivery options and pathways

- » Mount Royal and the University of Waterloo School of Optometry & Vision Science signed an MOU to explore the creation of a school of optometry in Alberta to expand access and address shortages in rural vision care.
- » Mount Royal and Royal Roads University signed an MOU to enhance academic and research opportunities, expand student pathways and support innovation through joint initiatives across complementary programs.
- » The University developed Guidelines for the Responsible Use of AI in Course Outlines and Assessments to help instructors articulate appropriate student use of artificial intelligence tools in course outlines or syllabi.
- » A new resource, Creating Accessible Learning, was introduced to help faculty adopt Universal Design principles and support more flexible, inclusive learning environments.
- » The Exam Centre enhanced its ability to support students requiring technology-based exam accommodations by adding seven new workstations equipped with flex screens to create a distraction-reduced environment. This 25 per cent increase in capacity allowed for up to 25 additional exam bookings per day for students with these accommodation needs.
- » In 2024, 37 per cent of graduating students in degree programs reported experiencing delays to program completion, comparable with the 2021 baseline of 34 per cent. This measure is tracked as part of MRU's commitment to improving program delivery and completion pathways.

Direction: Foster a culture of inquiry

Mount Royal strengthened research and scholarly activity across the institution in 2024/25. Notable developments included new funding opportunities, enhanced supports for faculty and student researchers, and expanded collaborative partnerships – all contributing to knowledge creation, teaching innovation and community impact.

- » Research and Scholarship Days showcased student and faculty research across campus, with 187 student posters, 420 student participants and more than 60 supervisors involved over two days.
- » The University introduced the Undergraduate Research Leadership Program and an associated flexible space for undergraduate research, collaboration and programming. The program encourages student participation in scholarly activity and fosters connections among undergraduate researchers. Leaders, one from each faculty, engaged in mentorship, public events, promotional activities and building relationships with students and instructors in their faculties.
- » Mount Royal renewed its designation as an Ashoka Changemaker Campus, one of only seven Canadian universities recognized for advancing campus-wide changemaking and social innovation.
- » The Undergraduate Research Dissemination Fund distributed \$22,500 to support 15 students presenting at global conferences. In addition, 10 students were supported by NSERC Undergraduate Student Research Awards (USRA) funding.
- » A new Research Chair in Aging was established with a \$600,000 gift from AgeCare to advance innovative research that improves quality of life and outcomes for aging adults in Canada.
- » Mount Royal hired 167 research assistants through the centralized Research Office in 2024/25, with 123 being MRU undergraduates.
- » Mount Royal supported 50 undergraduate students to attend the Energy Disruptors conference, providing experiential learning opportunities at a major industry event.



- » The Institute for Innovation and Entrepreneurship hosted its 13th Annual JMH LaunchPad Pitch Competition, awarding a record \$95,000 in donor-funded prizes to support eight student-led businesses.
- » The Institute for Community Prosperity hosted Map the System Canada 2025, with 543 teams registered nationally and MRU students contributing to this global competition in systems thinking and changemaking.
- » From May 27 to 29, 2024, the Institute for Community Prosperity co-hosted the Banff Systems Summit with ATCO. The event brought together more than 150 professionals, educators and students for workshops, land-based learning and community networking focused on systems thinking.
- » The inaugural ScaleUP Awards, hosted during MRU's first ScaleUP Week in June 2024, celebrated achievements in scaling companies and highlighted MRU's leadership in entrepreneurship and innovation.
- » In October 2024, the University's annual Sustainability Forum and Open Classroom Week promoted knowledge exchange and teaching innovation in sustainability, engaging faculty, students and community members across disciplines.
- » On January 16, 2025, the inaugural Cross-Faculty Coffee Collision brought together 21 researchers from four faculties to explore collaborative research opportunities related to environmental challenges and sustainability.
- » In 2023, 20 per cent of fourth-year students reported working with a faculty member on a research project.
- » In 2024/25, 24 per cent of faculty were engaged in externally funded research, compared with 20 per cent in 2023/24.
- » In 2024/25, there were 1,026 verified media hits, stories and profiles related to MRU research and scholarship, compared with 1,050 a year earlier.

Direction: Strengthen the Mount Royal community

Mount Royal implemented numerous initiatives in 2024/25 to advance a campus environment where all members of the community feel valued, respected and able to thrive. This work included efforts to create a welcoming and inclusive experience for students, employees and campus visitors, celebrate Indigenous knowledge and perspectives, and strengthen employee engagement and workplace culture.

Equity, diversity, inclusion and accessibility (EDIA)

- » The EDI Opportunity Fund continues to drive institutional progress, with 17 projects funded in 2024/25 aimed at identifying and removing systemic barriers on campus.
- » The EDIA Community of Practice met twice, providing a collaborative space for campus leaders advancing EDIA priorities, while the Conversations that Matter series delivered five sessions that promote dialogue and community learning on EDIA topics.
- » The Homosaurus Project at the University Library enhanced search inclusivity for 2SLGBTQIA+ resources, updating metadata for content to better reflect diverse identities. The Library continues to advocate for and support initiatives for open and equitable access to information.
- » From March 17 to 21, 2025, Inclusion Week engaged the campus community in meaningful dialogue and action towards building a more inclusive future, with 1,193 registrations across sessions – up from 594 registrations in 2024.
- » In February, Black History Month celebrated Black legacy and leadership through campus-wide events that engaged students, employees and alumni.
- » On March 10, 2025, Mount Royal hosted an International Women's Day event, highlighting the contributions of women employees across disciplines and roles, promoting professional development and community connection.
- » A new mentorship partnership between Career Services and the Calgary Black Chambers is broadening opportunities for Black students to connect with industry and community leaders.
- » The Aunties | Anti Art Exhibition, prominently featured on campus, showcased diverse cultural perspectives and contributed to campus-wide engagement with themes of wisdom, care and resistance.
- » In collaboration with Parking and Transportation, Access and Inclusion Services created a webpage that links to clear information about accessible parking options on campus.



Indigenization and decolonization

- » MRU launched a renewed Land Acknowledgement and accompanying website with usage guidelines, pronunciation guides, historical context and resources on Treaty 7.
- » Dr. Evelyn Poitras, PhD, was appointed as the Ptarmigan Charitable Foundation Chair in Indigenous Business and Economic Development – a collaboration between the Bissett School of Business and Siksika Nation's Old Sun Community College – strengthening Indigenous leadership and business education.
- » Mount Royal University demonstrated its institutional commitment to indigenization and decolonization by signing the Buffalo Treaty on September 25, 2024, supporting cultural restoration and relationships with First Nations partners, with a focus on education and research.
- » Development of the Indigenization and Decolonization Framework began to set broad institutional priorities that will be shared for feedback with the community in Fall 2025.
- » On June 11, 2024, the Iniskim Centre hosted the annual Indigenous Honouring Ceremony for graduates of the Indigenous University Bridging Program and degree and certificate programs, offering faculty, staff, families and communities a cultural way to celebrate Indigenous graduates. Elders held ceremonies for First Nations students, and Métis students received sashes. Sixty students were honoured before 400 community members and a live-stream audience.
- » Mount Royal received \$100,000 from the Future Generations Foundation and \$25,000 from Alberta Treasury Branch for the 2025/26 fiscal year. The former donation will allow for the creation of bursaries supporting students in the Indigenous University Bridging Program, while the latter will maintain bursaries for 28 students in the Indigenous Housing Program.
- » Scotiabank committed \$125,000 annually for two years to fund the Indigenous Work-Integrated Learning Coordinator position and bursaries for the Indigenous University Bridging Program, providing targeted support for Indigenous learners.
- » The Iniskim Centre and the MRU Foundation secured a matched-funding proposal through the Calgary Foundation to establish a new award for Indigenous students in the Bachelor of Business Administration. The award will provide up to \$616,000 over four years, supporting long-term financial access for Indigenous learners.
- » Hosted from September 20 to October 4, 2024, Journey to Indigenization engaged the campus community through ceremonies, teachings and cultural experiences. Notable events included a human spider web (Ani to pisi) ceremony with over 500 participants, raising the Survivors Flag as part of the commemoration of the Signing of Treaty 7, signing a Memorandum of Understanding (MOU) with Cougars Athletics and Recreation to expand Indigenous recreational programming, and hosting the Red Dress Exhibit.



- » Métis Week was introduced November 12 to 16, 2024, as a new campus tradition to honour and celebrate Métis people, culture and history, enhancing visibility and community engagement.
- » On March 1, 2025, 300 people attended “Marie Wilson: North of Nowhere,” sponsored by the Office of Indigenization and Decolonization and a local community group. The conversation between former Truth and Reconciliation Commission commissioner Marie Wilson and CBC Radio host Loren McGinnis reflected on the commission’s impact on survivors, its legacy to Canada and how the work changed Wilson’s life. Elder Roy Bear Chief opened the event.
- » On November 1, 2024, more than 200 people attended the Faculty of Arts Distinguished Speaker Series featuring Dr. Kisha Supernant. She shared her work with Métis and First Nations communities to locate and protect unmarked burials, and approaches to decolonizing science through heart-centred archeological practice.
- » On March 22, 2025, Elder Bruce Starlight, Traditional Thinkers Advisory Council member and MRU Honorary Doctor of Laws recipient, presented from his book *Isúh Ánii / As Grandmother Said: Dátł’ishí Ts’iká áa Guunijà / The Narratives of Bessie Meguinis*. It is the first book published in Dene by a Tsuut’ina speaker and the first in the language since 1935.
- » The Protocol and Engagement Initiative continues to provide faculty with funding and non-financial resources to engage Elders, knowledge-keepers, artists and guest speakers in their teaching and research.
- » The Traditional Thinkers Advisory Council, composed of Treaty 7 Elders, met three times to advise the Provost and Associate Vice-President Indigenization and Decolonization on various topics, including the development of the Indigenization and Decolonization Framework.
- » The 28th annual Pow Wow, hosted in partnership with the Students’ Association of Mount Royal University, brought together students, faculty, staff and community members on November 2, 2024, in a sacred social gathering honouring Indigenous traditions and culture through song and dance. It is the longest-running post-secondary Pow Wow in Canada.
- » The Office of the Registrar initiated the development of a dedicated classroom with standardized circle seating to support instructors using this Indigenous pedagogical practice, with plans to explore expansion based on need and feedback.
- » In 2024, 53 per cent of graduating students reported that their time at MRU significantly contributed to their understanding of Indigenous worldviews, experiences, issues and peoples of Canada.
- » In 2023, 75 per cent of fourth-year Indigenous students reported that MRU provides a supportive environment for different racial and ethnic identities. Additionally, 75 per cent of first-year Indigenous students agreed that MRU emphasizes efforts to ensure students are not stigmatized because of their identity.



Employer of choice

- » The new Human Resources Information Hub consolidated employee resources – including benefits, professional development and payroll – into a single, accessible online platform.
- » The Academic Professional Development Framework, including the inaugural MRU Leads cohort and additional leadership programming, provided training and development for faculty and academic leaders across the university.
- » Employee Wellness hosted 29 health promotion events, attracting more than 2,100 employee registrations. Regular offerings focused on physical and mental health, financial wellness and guided meditation. The team also continues to support a growing number of accommodation requests from employees across the university.
- » Human Resources-led professional development programs offered training on core skills such as crucial conversations and managing in a unionized workplace, with 179 enrolments across these opportunities.
- » The CelebrateU awards program was launched to recognize outstanding contributions from employees, students and community members, supporting a culture of appreciation and engagement. Ten new employee awards opened for nominations in Winter 2025.
- » Ten faculty members were recognized through the 2025 Faculty Excellence Awards for their contributions to teaching, research and scholarship.
- » The Faculty of Continuing Education offered free professional and personal development courses to employees, with 111 employees enrolling in a cumulative 419 courses.
- » In 2024/25, the percentage of employees who voluntarily left MRU dropped to 6.9 per cent, down from 9.2 per cent the previous year, indicating improved retention across the institution.

Direction: Enhance impact through meaningful connections

In 2024/25, Mount Royal advanced community-engaged initiatives and strategic partnerships that strengthened relationships and aligned resources to support the economic, cultural and social well-being of the communities it serves – locally, provincially and beyond.

- » The Mount Royal University Foundation generated \$12.1 million in new commitments in 2024/25 – an increase from \$8.2 million the previous year – through community engagement and philanthropy initiatives such as donor stewardship events, personalized impact communications and targeted fundraising campaigns.
- » The Office of Alumni Relations, with ongoing support from the Alumni Council, advanced its community engagement and relationship-building goals in 2024/25 through key initiatives such as the Crowchild Classic, convocation, International Women's Day, Giving Day and the JMH LaunchPad Pitch Competition. Overall, 246 alumni were engaged through volunteer opportunities, 628 through events and 7,250 through affinity programs. Of note, 87 alumni contributed to more than 60 classes, reaching approximately 1,800 students.
- » MRU Camps delivered its highest summer enrolment since 2000, with 3,801 registrations across 135 unique sessions, serving 2,452 children from 1,850 families. Bursary support was provided to 46 children from 28 families facing financial barriers, enabling participation in 69 camp sessions.
- » On January 31, 2025, the annual Crowchild Classic drew 13,139 attendees to the Scotiabank Saddledome, setting a U Sports hockey attendance record. The event featured a hockey doubleheader that saw the MRU men's and women's teams face off against their respective University of Calgary rivals. More than one-third of MRU's student body participated in the event, showcasing the university's strong school spirit.
- » Cougars Athletics and Recreation broadened its community-focused adaptive programming to include initiatives such as Children's Adaptive Physical Literacy (CAPA), H2Able, Inclusive Boccia, Inclusive Climbing, Learn to Ride Junior Adaptive Cycling, and Power Training for Youth with Cerebral Palsy.
- » The MRU Injury and Prevention Clinic continued its longstanding relationship with the Canadian Armed Forces and Veterans Affairs, providing accessible, high-quality care for military members and veterans.
- » StartWork: Jobs for Refugees, launched in 2024/25 through the Institute for Community Prosperity, provides employment training and wraparound supports to help refugees build careers in Canada through four distinct pathways. In its first year, the program served 41 participants.
- » The University Library supported broad community access, with approximately 1,310 active community borrowers holding MRU Library cards. The Library hosted and supported 540 campus and community events in 2024/25, including academic panels, industry nights, hackathons and student showcases.
- » Premiering February 28, 2025, *Boom Baby!* was a unique partnership between Sage Theatre and the Faculty of Arts that provided a platform for collaborative cultural production and community engagement.
- » MRU hosted *The End of CBC? A National Debate* in Ross Glen Hall, welcoming more than 160 in-person and online attendees to a public discussion on the future of Canada's national broadcaster.

- » An estimated 1,000 community members attended a stargazing event on MRU's soccer field on February 27, 2025, showcasing the University's role as a hub for public science education.
- » Event and Theatre Services supported cultural life and community connection by providing public access to campus facilities through 382 external venue rentals and public events.
- » The Taylor Centre for the Performing Arts hosted 209 performances in 2024/25, ranging from Mount Royal Conservatory showcases to the annual Concert Season, welcoming more than 80,000 attendees.
- » Through the Faculty of Continuing Education, MRU partnered with Right to Learn to provide the Editing for Business Professionals course to Afghan women and girls in English, Farsi and Pashto, increasing access to education and professional development.
- » In 2024/25, the alumni engagement score was 3.82 per cent, representing 4,612 alumni, compared with 2.24 per cent (2,646 alumni) in 2023/24. This metric reflects the number of unique alumni counted through multiple weighted engagement categories (e.g., volunteerism, program and event registration and giving).



Student supports and resources

Mount Royal University provides a range of supports and services that contribute to students' academic success, personal development, well-being and retention. In 2024/25, the University continued its efforts to address the diverse needs of learners and support their success throughout their post-secondary journeys.

While this section highlights many of the ways MRU holistically supports students, key initiatives from other student services are found throughout this report, as their work directly advances institutional goals such as indigenization, global learning, community engagement and transversal skills development.

- » The Excellence in Academic Advising Committee submitted its report and recommendations in January 2025, outlining a unified, student-centred advising framework. Implementation of recommendations began in Spring 2025.
- » In preparation for the opening of the renovated G-Wing in Fall 2026, consultations were held on the development of an Integrated Services Delivery Model, intended to enhance the student experience through the co-location of essential support services. In 2024/25, implementation of the model officially began through a centralized program governance structure, including service team development, role definition and customer management relationship (CRM) system integration.
- » The Office of Student Support's Early Support Program received 725 student referrals, resulting in 410 individual appointments (a 17 per cent increase over the previous year). The program expanded its scope to include case management and a comprehensive needs assessment process.
- » In 2024/25, Residence Services operated at full capacity. To help meet urgent needs, the Emergency Housing Program supported referred students. Across all stays, 103 nights of emergency housing were provided, with students staying an average of 11 nights before most secured off-campus accommodations.
- » The Program Integration Initiative embedded academic learning support directly into curriculum for key courses across multiple programs, including psychology, nursing, management and journalism, to support student success through contextualized strategies.
- » The Peer Learning Program delivered more than 120 weekly, peer-led sessions. In 2024/25, approximately 100 trained student volunteers delivered more than 3,000 hours of academic support to peers.
- » Academic strategists from Access and Inclusion Services supported 468 student meetings. Combined with support from peer groups, a total of 510 students accessed academic strategy services in 2024/25.
- » Between the fall and winter terms, the Exam Centre facilitated 12,735 midterm and final exams for students with disabilities requiring a range of assessment accommodations.
- » MRU signed the Recovery Friendly Campus Pledge in January 2025, becoming Alberta's third post-secondary institution to commit to creating recovery-supportive environments where individuals in recovery from substance abuse, addiction or mental health challenges can thrive.
- » MRU opened the After Hours Peer Support Centre in September 2024. The centre provides peer-based support during evenings for students in distress, and is staffed by trained peer volunteers and practicum students from the Social Work program.
- » Access and Inclusion Services collaborated with Counselling Services to launch the Tism Peer Group for autistic students. Co-facilitated by counsellors and strategists, the group nurtures connection and academic success through neurodivergent-affirming spaces.



- » All centrally reporting Academic Advisors completed Applied Suicide Intervention Skills Training (ASIST) in alignment with MRU's Suicide Prevention Framework.
- » MRU established the Academic Accommodations Working Group to assess and improve accessibility practices for students, staff and faculty. Recommendations will be brought forward beginning Fall 2025.
- » The NourishU program supported students struggling with food insecurity. Participants received free cooking classes and a \$100 grocery gift card, and were connected with campus resources for ongoing food support.
- » The Office of Dating, Domestic and Sexualized Violence (DDSV) launched the "Help at Every Stage" campaign to increase awareness and affirm that all experiences of sexual and gender-based violence are valid and deserving of support. DDSV also delivered training to 200 students and employees to strengthen their ability to support those who have experienced sexual and gender-based violence.
- » The Cougar Classic Golf Tournament raised more than \$50,000 in August 2024 to support the nutritional needs of student-athletes throughout the year.

Strategic research priorities

Grounded in a culture of inquiry, Mount Royal's research efforts are guided by three interrelated strategic priorities: advancing knowledge, informing teaching and engaging with community. These priorities align with the directions set out in *Alberta 2030: Building Skills for Jobs* and the *Alberta Technology and Innovation Strategy* by increasing research intensity, supporting skill development and strengthening the role of post-secondary institutions in driving innovation and community impact.

The sections that follow highlight key advancements in each strategic priority area, including core connections to provincial strategies.

Priority: Advance knowledge

Mount Royal is committed to a culture of inquiry that values innovation and the pursuit of knowledge. A key institutional focus has been increasing the scope and impact of research activity through both external funding success and internal supports.

In support of this priority, in 2024/25 MRU faculty secured \$2.7 million in external research funding, including nearly \$1.5 million in tri-agency funding. This included \$576,500 from NSERC and \$890,867 from SSHRC, with success rates of 31 and 33 per cent, respectively. Additionally, MRU received more than \$1.1 million through other external funders, including one renewal and one new Canada Research Chair. Internal support for research also continued to grow, with \$140,000 awarded through the Internal Research Grant Project Fund to support 20 faculty-led projects.

Mount Royal researchers are contributing to Alberta's long-term priorities in innovation, health, sustainability and emerging technologies through their work, including:

- » Discovering new antimicrobials using data-driven approaches to combat antimicrobial resistance.
- » Leveraging machine learning to transform febrile disease diagnosis in resource-limited and vulnerable African countries.
- » Creating immersive digital spaces for therapy and learning through virtual reality.
- » Characterizing wildfire smoke for source apportionment and human health risk assessment in urban environments.
- » Creating a land management strategy that helps ranchers, farmers and agricultural producers improve the soil health of their land.
- » Removing mineral footprints and restoring ecohydrologic functions of freshwater peatlands affected by in-situ oil and gas activities in northern Alberta.
- » Developing an evaluation and testing framework for cloud and edge computing applications.
- » Developing the *spatialEpisim* application to track the spread of infectious diseases using the R Shiny software package.

Priority: Inform teaching

As an undergraduate-focused institution, research is not treated as separate from teaching but rather as a way to enrich it, expanding students' knowledge, deepening their critical thinking and preparing them to navigate complex, real-world challenges.

These efforts support Alberta's goal of an agile, sustainable post-secondary system that equips learners with the skills, adaptability and applied experience needed for success in a rapidly changing world. Through investments in research capacity and partnerships, MRU is building the infrastructure that supports meaningful learning and career readiness, as illustrated in the following student research experiences and programs:

- » MRU hired 123 undergraduates as research assistants in 2024/25, providing students with hands-on research experiences across a range of disciplines. Additionally, Mount Royal institutes engaged nearly 1,000 MRU students in applied research and professional development opportunities.
- » MRU's institutes and centres served as vital spaces where students, faculty and nearly 300 community partners collaborated through research projects, events and innovation programs:
 - » The Institute for Innovation and Entrepreneurship delivered the Growth Catalyst Program, ScaleUP Week and the JMH LaunchPad Pitch Competition, offering students experiential learning through entrepreneurial research and mentorship.
 - » The Institute for Community Prosperity led initiatives such as StartWork: Jobs for Refugees and The Literacy Lab, connecting research with community-based learning and social innovation.
 - » Seventeen undergraduate students and 10 faculty members participated in the Alberta Innovates Summer Research Studentship program, advancing health-related research and strengthening connections between teaching and discovery.

Priority: Promote community engagement

As research and scholarship at Mount Royal are often connected to community, community-engaged research is a core institutional priority. Recent projects have involved partnerships with community organizations in areas such as public health, land management and education. These partnerships reflect Mount Royal's commitment to advancing knowledge that addresses complex societal, economic and environmental issues and leads to meaningful change.

To further strengthen this commitment, in 2024/25 MRU became a member of Research Impact Canada and signed the Declaration on Research Assessment (DORA), signalling institutional support for more inclusive, community-responsive measures of research excellence. These actions also align with provincial efforts to build vibrant communities, seed innovation and foster research that supports Alberta's social, environmental and economic well-being.

Collaborations with other learning providers

Mount Royal University strives to create and sustain meaningful partnerships with provincial, national and international institutions. While MRU primarily delivers its academic programs independently, the University engages in collaborations that support learner mobility, regional access and program development, as outlined below.

Collaborative delivery

Mount Royal partners with Medicine Hat College to offer a collaborative Bachelor of Education program. Students typically complete the first two years of study through University Studies at Medicine Hat College, then apply for admission into the third year of the program. Each year, 32 students are admitted into the program, which is delivered on-site in Medicine Hat for the final two years.

Learner pathways

As a leader in the Campus Alberta system, Mount Royal supports learner mobility through a broad network of transfer agreements available through the Alberta Council on Admissions and Transfer (ACAT). Internally, broad-based course transferability is a hallmark of MRU's undergraduate programs. Delivered across multiple faculties, General Education, elective and optional courses are applied toward students' graduation requirements.

Learner pathway initiatives in 2024/25 included:

- » A partnership with Old Sun Community College to deliver the Bachelor of Business Administration – General Management with a concentration in Indigenous Business and Economic Development. The program includes the development of new courses by both institutions and formalized transfer agreements to facilitate access for Old Sun students.
- » A memorandum of understanding (MOU) with the University of Waterloo to explore the potential delivery of optometry education at Mount Royal.

Mount Royal does not currently offer brokered programs or participate in institution-level research collaborations. However, the University remains open to future opportunities that align with its academic and strategic research priorities.

CAPITAL REPORT

Top three priority projects

Mount Royal University's top three capital requests are as follows:

Project 1: Healthcare and Science Innovation Centre

Anticipated planning cost: \$7.5 million for planning funds requested from the Government of Alberta

Project planning dates: September 2025 - August 2027

Mount Royal has a strong foundation in healthcare-related programs, including nursing, midwifery, and science and technology. To accommodate the growth of these programs – alongside new academic offerings such as the Spatial Data Science certificate launching in July 2025 – this two-phase project will combine new construction and renovation to create modern, flexible spaces that enhance student learning and community engagement.

Phase one involves construction of an integrated facility that supports healthcare education by combining health, science and technology for interdisciplinary learning. Phase two addresses the need to modernize the aging B-Wing of the Main Building, where key infrastructure systems have exceeded their life expectancy. Renovations would begin following the construction of a temporary facility for B-Wing occupants and users, and remove \$18.3 million in deferred maintenance costs.

Strategic partnerships, including those with Alberta Health Services, the University of Waterloo and industry partners, are also expected to support the project. These collaborations will strengthen healthcare programming and help prepare students to meet evolving sector needs.

Project 2: I-Wing Modernization

Anticipated project planning cost: \$2.75 million for planning funds requested from the Government of Alberta

Project planning dates: September 2026 - August 2028

Originally constructed in the 1970s, the Wright and Leacock Theatres have undergone minimal infrastructure upgrades since their opening. Mount Royal is seeking funding to plan and scope the revitalization of these facilities and neighbouring spaces on the main campus. The planning phase will include a facility assessment of aging infrastructure, conceptual design, programming review, test fits, feasibility and scoping analysis, cost estimating and design development documentation. This work will help determine the extent of renovations required to modernize the space and support future academic and non-academic uses.

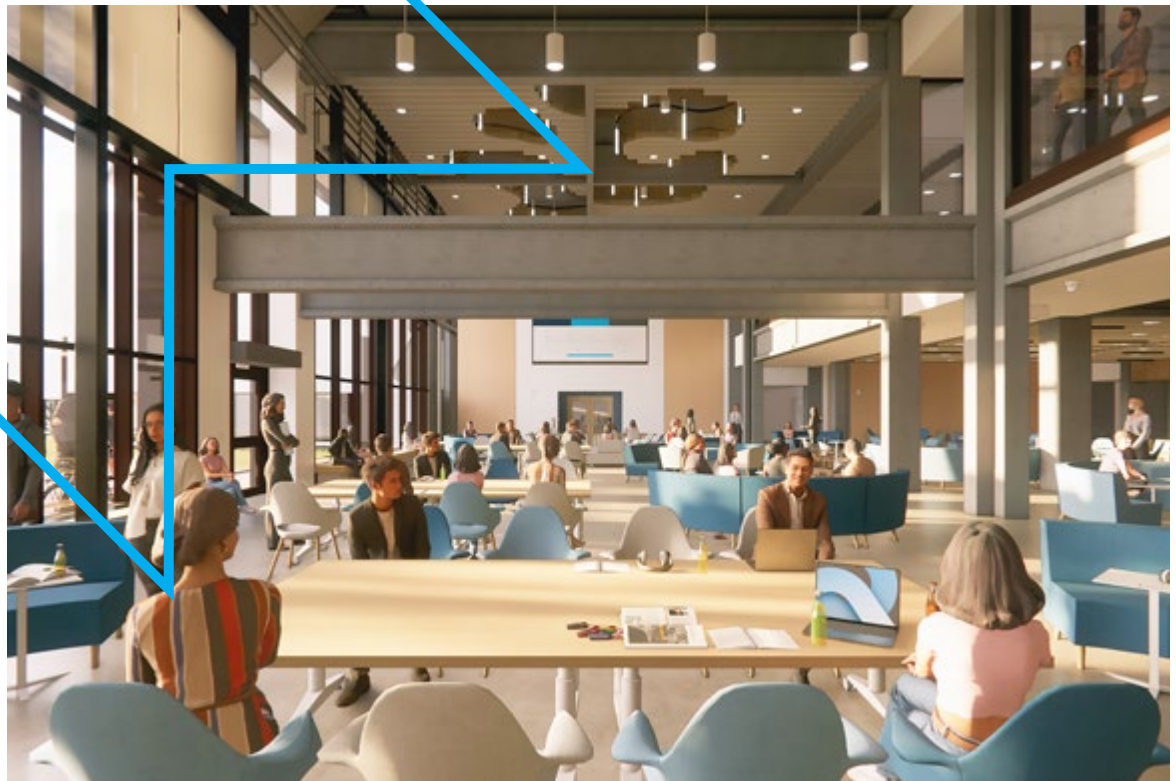
Project 3: E-Wing and Main Street Modernization

Anticipated project planning cost: \$5.0 million for planning funds requested from the Government of Alberta

Project planning dates: September 2027 - August 2029

Constructed in 1973, the E-Wing is part of the original Main Building and now has aging systems well beyond their life expectancy. Similar to the recent G-Wing upgrade, a full renovation is required to meet current standards and extend the building's lifespan for another 50 years or more. Once modernized, the space could accommodate 25 much-needed classrooms (40–60 seats each) and more than 1,250 square metres of student study space, enough to support 1,200 students. By relocating office functions elsewhere, the project would allow for comprehensive upgrades to architectural, mechanical and electrical systems. Renovations would also address more than \$12.4 million in deferred maintenance, including the removal of asbestos-containing materials throughout the space.

As part of the E-Wing renewal, Mount Royal is also planning to modernize Main Street – a wide interior corridor that connects all areas of the building and serves as a key pedestrian route. Spanning more than 12 metres in width, the space has remained largely unchanged since the early 1970s. Its low ceilings, dark brown quarry tiles and limited natural light create a dated ambiance reminiscent of a shopping mall or train station from that era. The planned transformation will create a bright, modern environment with natural light, contemporary finishes and upgraded furnishings – completing the central campus renewal initiated with the G-Wing project.



Overview of active and proposed capital projects

PROJECT NAME AND DESCRIPTION	PROJECT TYPE	TOTAL COST	CURRENT STATUS
<p>Repurposing existing spaces</p> <p>Mount Royal University is undertaking a \$65-million internal renovation of spaces vacated following the construction of the Taylor Centre for the Performing Arts and Riddell Library and Learning Centre. Funded by the Government of Alberta and the Taylor Family Foundation, the project includes two major renovation initiatives outlined below.</p> <p>W-Wing Renovations (former Conservatory space): This project added four new classrooms with capacities ranging from 56 to 78, group study rooms, a lactation room and building systems upgrades. All work is complete, and the classrooms have been in use since Fall 2022.</p> <p>G-Wing Renovations (former Library space): The G-Wing Renovation Project will upgrade major elements of the original Main Building (constructed in 1973) by repurposing the vacated library space, including the addition of a second storey in a portion of that space. The renovated area will include a student service centre, student plaza and multi-purpose spaces.</p>	Modernization	\$65M	<p>W-Wing Renovations: Completed</p> <p>G-Wing Renovations: In progress</p>
<p>Aviation hangar</p> <p>Mount Royal launched a new four-year Bachelor of Aviation Management program, with the first cohort beginning in Fall 2024. This new degree, together with the university's sought-after two-year Aviation diploma, necessitated the development of a new facility at the Springbank Airport to house aircraft and academic spaces. The project received funding from the Government of Alberta, Prairies Economic Development Canada and a private donor.</p>	Renovation	\$12M	In progress
<p>Deferred maintenance</p> <p>To help address deferred maintenance backlogs and to ensure the safety and functionality of supported facilities, Mount Royal receives an annual Capital Maintenance and Renewal (CMR) grant from the Government of Alberta (2024/2025 allocation = \$3.6M; 2023/2024 allocation = \$4.3M).</p> <p>The University's deferred maintenance backlog for all owned and supported buildings is estimated at \$86.4 million as of March 31, 2025.</p> <p>CMR-funded initiatives include fire alarm upgrades, automation and controls, electrical distribution improvements and lighting upgrades.</p>	Renewal	\$5.67M	In progress

FINANCIAL INFORMATION

This supplemental financial information should be read in conjunction with Mount Royal's consolidated financial statements and accompanying notes.

Financial health indicators

Mount Royal's long-term economic sustainability is critical to the continued delivery of the University's mandate and rich program mix of undergraduate studies. The University considers the following financial health metrics as indicators of its financial strength:

- » Net Asset position: The University's net assets performance measure provides important information regarding its financial health and sustainability. It measures the economic resources accumulated through operations since inception that either have exceeded the operating requirements from prior years or have been set aside to support future operations.

As of March 31, 2025, Mount Royal's total accumulated net asset balance was \$196.9 million (2024: \$177.4 million). The balance consisted of:

- » \$82.5 million (41.9 per cent) in endowments held in perpetuity;
- » \$42.3 million (21.5 per cent) related to the accumulated net investment in capital assets since the University's inception;
- » \$46.8 million (23.8 per cent) related to internally restricted funds and reserves, and
- » \$25.3 million (12.8 per cent) related to the University's accumulated operating surplus, including remeasurement gains and losses.

The accumulated operating surplus balance at March 31, 2025 was \$25.3 million (2024: \$20.2 million), comprising \$10.1 million (2024: \$7.5 million) in accumulated surplus and \$15.2 million (2024: \$12.7 million) in accumulated remeasurement gains. Note 13 to the consolidated financial statements contains a more comprehensive view of the University's accumulated operating surplus. Other financial health indicators are as follows:

- » Net Financial Assets is a measure of Mount Royal's capacity for its financial assets to cover liabilities and fund future operations. It reflects the University's financial health and sustainability at the end of March 2025. The University generated net financial assets of \$98.2 million at the end of 2025 and \$82.5 million at the end of 2024. It reflects the University's strong liquidity position as of March 31, 2025, with no borrowing on its \$40.0 million (2024: \$40.0 million) revolving demand operating credit.
- » The University's liquidity requirements are met mainly through operating cash flows, working capital balances and capital renewal funding from provincial grants. Included in the March 2025 net financial assets balance is \$91.7 million (2024: \$84.0 million) of portfolio investments restricted for endowments. The economic value of the endowments is required to be maintained in perpetuity and cannot be used to cover liabilities or future operating or capital purchases.
- » At the end of March 2025, the University's financial liabilities included an estimated value of \$27.2 million (2024: \$26.9 million) in recognition of the legal obligation associated with the retirement of tangible capital assets.

In addition, the University ended the fiscal year with an operating surplus of \$10.8 million (2024: \$14.8 million). After consideration for changes in net assets, the Board of Governors approved the appropriation of \$8.8 million (2024: \$10.0 million) from the 2024/25 accumulated operating surplus to internally restricted surplus to fund institutional strategic priorities.

Summary of financial results

Mount Royal ended the fiscal year March 31, 2025, with an operating surplus of \$10.8 million compared to \$14.8 million for the prior fiscal year ended March 31, 2024.

This fiscal year's operating surplus was driven by increased revenue from investment income mainly due to realized capital gains from Canadian and international equity portfolios. Student tuition and fees from credit tuition programs were also higher than budget due to stronger than anticipated summer, fall and winter enrolments. This tuition increase was offset by a decline in the University's flying school fees and continuing education tuition programs. Other revenue improvements included sales of services and products as well as provincial and federal government grants which generated higher revenues than originally budgeted.

Operating expenses were slightly higher than budget mainly in areas such as materials and supplies, professional services, maintenance and repairs related to non-capital costs for maintenance and renewal projects. The increase in operating expenses was offset by cost savings in the compensation and benefits expenditures, which came in under budget. The overall net result was an operating surplus of \$10.8 million.

Net assets increased by \$19.5 million from the previous year to \$196.9 million (\$177.4 million in 2024). The growth is mainly due to generating an operating surplus of \$10.8 million and an increase in the fair value of endowments by \$6.2 million, plus an increase in accumulated remeasurement gains by \$2.5 million.

Highlights of consolidated statement of financial position

Mount Royal University's consolidated statement of financial position provides financial information on the University's financial health and sustainability at the end of March 31, 2025.

Cash and portfolio investments

The University ended the fiscal year with a cash balance of \$66.0 million. This amount reflects an increase of \$3.8 million from the prior year's balance. This increment is a direct result of provincial funding received for various programs, including the vacated spaces capital infrastructure project, the targeted enrolment expansion program and the capital maintenance and renewal grant program. The year-end cash balance also includes deferred tuition and fees, deferred revenues for capital and non-capital grants, as well as funds for general operations.

Portfolio investments related to non-endowment funds and portfolio investments restricted for endowment purposes experienced increases of \$14.6 million and \$7.7 million respectively, a total increase of \$22.3 million from the prior year end. This was as a result of \$18.3 million in realized investment income consisting of interest, dividends and capital gains reinvested into Canadian and global equities, fixed income and alternative asset classes. In addition, the portfolio experienced an increase in unrealized gains by \$4.0 million. Further portfolio investment details are described in Note 3 to the University's consolidated financial statements.

Accounts receivable

The accounts receivable balance of \$13.5 million (2024: \$12.0 million) primarily consists of \$7.8 million (2024: \$8.2 million) owed to the University from the Students' Association of Mount Royal University (SAMRU). This is in reference to a mortgage held on behalf of SAMRU to finance the expansion of the Wyckham House Student Centre. The mortgage balance is reported in Note 7 to the University's consolidated financial statement.

The accounts receivable remaining balance totalling \$5.7 million (2024: \$3.8 million) includes amounts owing from students and commercial clients. The overall increase of \$1.9 million from prior year balance was as a result of increased business activity in commercial client accounts, and federal government grant claims.

Accounts payable and accrued liabilities

The University's accounts payable and accrued liabilities include outstanding vendor invoices, construction holdbacks, student deposits, payroll liabilities and vacation entitlements. There was an increase of \$5.5 million (2024: \$2.8 million) in accounts payable and accrued liabilities from the prior year which was largely attributable to vendors' invoices related to general operations as well as from payroll and accrued vacation liabilities.

Employee future benefit liabilities

Employee future benefit liabilities include long-term disability, supplemental retirement plans, employee-funded future leaves and administrative leave. The employee future benefit liabilities increased by a net of \$0.17 million primarily resulting from higher long-term disability premiums related to the Local Authorities Pension Plan.

Debt

At the end of the fiscal year, \$32.8 million (2024: \$37.2 million) was accumulated in debt for infrastructure-related projects. This balance includes \$8.2 million that is owed to the University by SAMRU. This is reported in the University's accounts receivable balance. The University's debt decreased by \$4.4 million from the prior year as a result of ongoing repayments on loans to the Ministry of Treasury Board and Finance. Details are in Note 7 to the University's consolidated financial statements.

Deferred revenue

The University records deferred revenue related to tuition and fee amounts collected in advance of future periods. It also records contributions received for targeted initiatives or intended for specific purposes that will be spent in the future. These contributions include endowment interest, conditional grants, tuition and fees, research grants and restricted donations. At the end of the fiscal year, \$101.3 million (2024: \$91.54 million) was recognized as deferred revenue. Further details about deferred revenue can be found in Note 8 to the University's consolidated financial statements.

Spent deferred capital contributions

This liability category represents grants and donations received for, and spent on, capital acquisitions where the conditions of the grant and the University's actions and commitments create a liability. The grants and donations are recognized as revenue on the same basis as the amortization expense related to the acquired capital asset. The spent deferred capital balance of \$243.6 million as of March 31, 2025 (2024: \$237.9 million) is related to grants and donations for the construction or renovation of campus buildings. Details are disclosed in Notes 8 and 9 to the University's consolidated financial statements.

Tangible capital assets and purchased intangibles

The overall increase of \$9.2 million (2024: decrease of \$3.1 million) in the net book value of tangible capital assets and purchased intangibles is primarily due to this year's higher levels of work-in-progress capitalization related to building renovations as compared to prior fiscal years. The capitalization includes projects such as the vacated spaces capital infrastructure, the Springbank Hangar building and other infrastructure projects. Further information is available in Notes 10 and 11 to the consolidated financial statements.

Asset retirement obligations

Accounting standard PS 3280 Asset Retirement Obligations addresses the accounting and reporting of legal obligations associated with the retirement of tangible capital assets. Since its implementation in 2023, the University has introduced processes, accounting and oversight in compliance with this standard. At the end of March 31, 2025, the estimated value of the obligation was \$27.2 million (2024: \$26.9 million). During the course of the fiscal year, \$1.0 million in remediation of asbestos-containing space and an inflationary increase of \$1.3 million was applied to the initial estimate from 2024.

Net assets

Net assets are the University's accumulated operating surplus, internally restricted surplus, investment in capital assets, endowments and accumulated remeasurement gains. The value of net assets provides the economic position of the University from all years of operations. Net assets increased by \$19.5 million (11.0%) from the prior year-end balances. The year-over-year net assets balances are further disclosed in the following table:

	AS OF MARCH 31, 2025 (MILLIONS)	AS OF MARCH 31, 2024 (MILLIONS)	INCREASE (MILLIONS)	% CHANGE
Accumulated operating surplus	\$10.1	\$7.5	\$2.6	34.7%
Internally restricted surplus	\$46.8	\$45.8	\$1.0	2.2%
Investment in capital assets	\$42.3	\$35.1	\$7.2	20.5%
Endowments	\$82.5	\$76.3	\$6.2	8.1%
Accumulated remeasurement gains	\$15.2	\$12.7	\$2.5	19.7%
Total	\$196.9	\$177.4	\$19.5	11.0%

Accumulated operating surplus

The accumulated operating surplus is the net result of the University's operating surpluses or deficits since inception. They are amounts which have not been designated for specific purposes through internally restricted appropriations or invested in capital assets.

The net increase in accumulated operating surplus of \$2.6 million is mainly due to the fiscal year operating surplus of \$10.8 million, followed by the recovery of operating expenses funded from internally restricted surplus of \$1.5 million, less investments in capital assets of \$0.9 million, and partially offset by a transfer to the internally restricted surplus of \$8.8 million to fund institutional strategic priorities.

Internally restricted surplus

The total internally restricted surplus increased by \$1.0 million, comprising an allocation to the capital renewal fund of \$8.8 million, partially offset by current year disbursements of \$7.8 million in capital and operating activities. The details of the changes in reserves can be found in Note 13 to the University's consolidated financial statements.

Investment in tangible capital assets and purchased intangibles

As of March 31, 2025, the University's net book values of tangible capital assets and purchased intangibles were \$337.1 million and \$1.0 million respectively. The University has invested in these non-financial assets by utilizing the following funding sources:

	AS OF MARCH 31, 2025 (MILLIONS)	AS OF MARCH 31, 2024 (MILLIONS)
Internally funded from accumulated operating surplus	\$42.3	\$35.1
Externally financed (through debt)	\$25.1	\$29.0
Externally funded (spent deferred capital contributions)	\$243.5	\$237.9
Asset retirement obligations	\$27.2	\$26.9
Net book value of capital assets	\$338.1	\$328.9

The internally funded portion of \$42.3 million as of March 31, 2025, represents the University's contribution from its accumulated operating surplus invested in capital assets. The increase of \$7.2 million from March 31, 2024, is the result of new investment in capital assets through debt and other internal funding. Notes 10 and 11 to the University's consolidated financial statement provide additional information on tangible capital assets.

Endowments

Endowments are funds that are subject to restrictions relating to capital and to investment earnings. The investment income earned on endowments are subject to the University's preservation of capital policy and must be used in accordance with purposes jointly agreed upon by the University and its donors.

The University's endowments consist of contributions held in perpetuity which have been invested to generate investment returns to support annual scholarships and program spending. Endowments are a significant component of the University's net assets. Even though endowment contributions and capitalized investment income flows through the Statement of Operations into accumulated surplus, the capital must be held in perpetuity and is not available for spending on university operations. When the restricted nature of a financial instrument and any related changes in fair value create a liability, unrealized gains and losses are recognized as deferred revenue.

Portfolio investments restricted for endowments have increased by \$7.7 million to \$91.7 million from the prior fiscal year. This increase is due to new contributions from donors and additional investment income earned from the endowments, which are held to support inflation-proofing the endowments for future spending. The details of changes to endowments can be found in Note 13 to the University's consolidated financial statements.

Accumulated remeasurement gains

Remeasurement gains and losses are an instrument to adjust the investment portfolio to fair market value. As of March 31, 2025, the investment portfolio had a net remeasurement gain of \$15.2 million. The effect of the remeasurement gains is disclosed in the statement of remeasurement gains and losses of the consolidated financial statements.

Highlights of consolidated statement of operations

Mount Royal University's consolidated statement of operations presents the University's operating surplus, resulting from the year ended March 31, 2025 operating revenue and expense activities.

Revenue

Total revenue for the year ended March 31, 2025 was \$281.4 million compared to budget of \$269.1 million. This represents a total revenue increase of \$12.3 million (5 per cent).

Grant funding streams

Government of Alberta grants represent the second-largest source of funding to support the University operations at 38 per cent of total revenues. Provincial grant revenue totalled \$108.1 million which was anticipated during budget development.

Student tuition and fees

Student tuition and fees represent the largest source of funding at 41 per cent. Student tuition and fees were \$0.2 million over budget due to better than budget credit tuition of \$3.8 million resulting from strong summer, fall and winter enrolments. The overall figure is inclusive of a decline in flying fees of \$3.1 million, and lower other credit-free tuition of \$0.5 million.

Sales of services and products

Ancillary operations revenue increased by \$4.1 million from budget primarily due to parking exceeding budget, strong sales in recreation, increased revenues in the institutes, and higher than anticipated youth camps revenues.

Donations and other grants

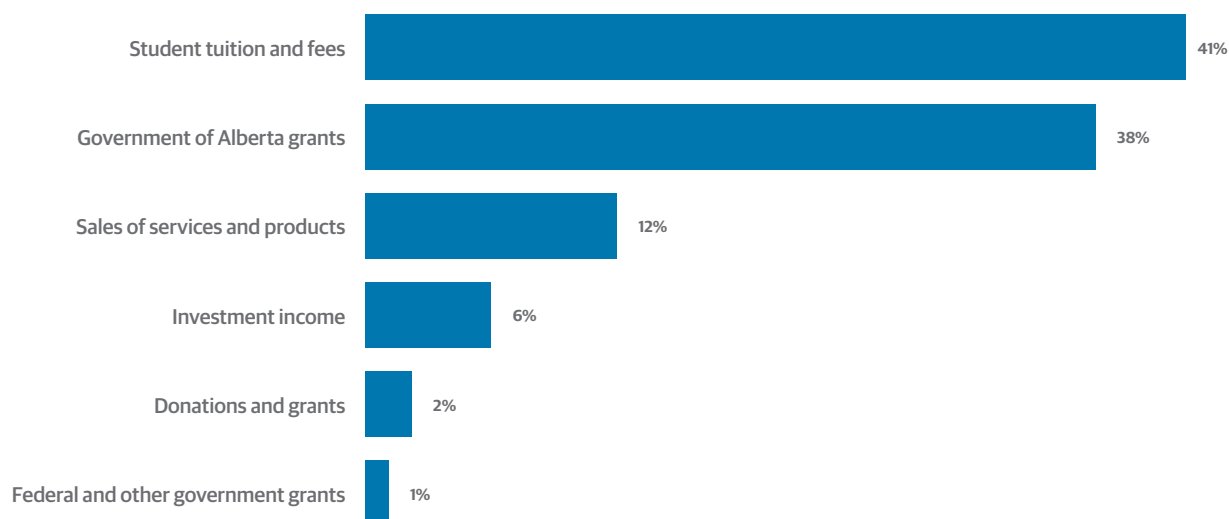
Donations and other grants increased by \$1.6 million as compared to budget resulting from increased donation-funded activities which are offset by increased expenses.

Investment income

The University's investment portfolios generated an additional \$4.7 million in investment income compared to budget. The increase was a result of realized investment income consisting of interest, dividends and capital gains.

Revenues by Source 2024/25

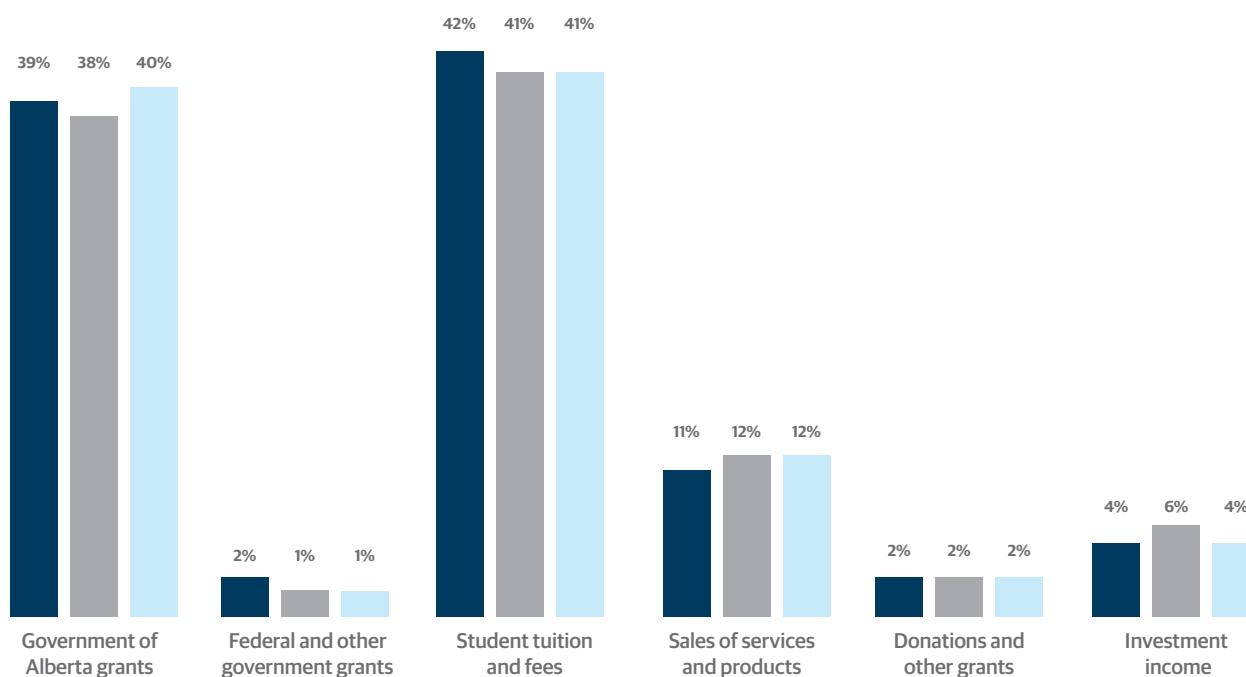
Total revenue allocation between revenue sources for the year ended March 31, 2025 is illustrated in the chart below:



Revenue Comparison

A comparison of the total revenue generated by source for 2024/25 budget, 2024/25 actuals and 2023/24 actuals is illustrated in the graph below:

■ 2024/25 Budget ■ 2024/25 ■ 2023/24



Expenses

Total expenses for the year ended March 31, 2025 were \$270.5 million, compared to budgeted expenses of \$269.0 million. This represents an increase of \$1.5 million versus budget.

Expenses by function

Instruction and non-sponsored research

Instruction and non-sponsored research expenses were \$5.5 million less than budget. The decrease was attributed to cost savings resulting from vacant full-time and contract faculty positions, and lower activity in the flight school.

Academic and student support

Academic and student support expenses were \$1.2 million over budget as a result of increased grant funding for the accommodated exam centre.

Facility operations and maintenance

Facility operations and maintenance were under budget by \$0.4 million due to lower than anticipated utilities expenses.

Institutional support

Institutional support expenses were an immaterial \$0.2 million over budget.

Ancillary services

Ancillary expenditures were \$4.7 million over budget due to increased overhead allocations to ancillary enterprises from institutional support as compared to budget due to increased demand for residence, events and theatre services, and recreation programming.

Sponsored research

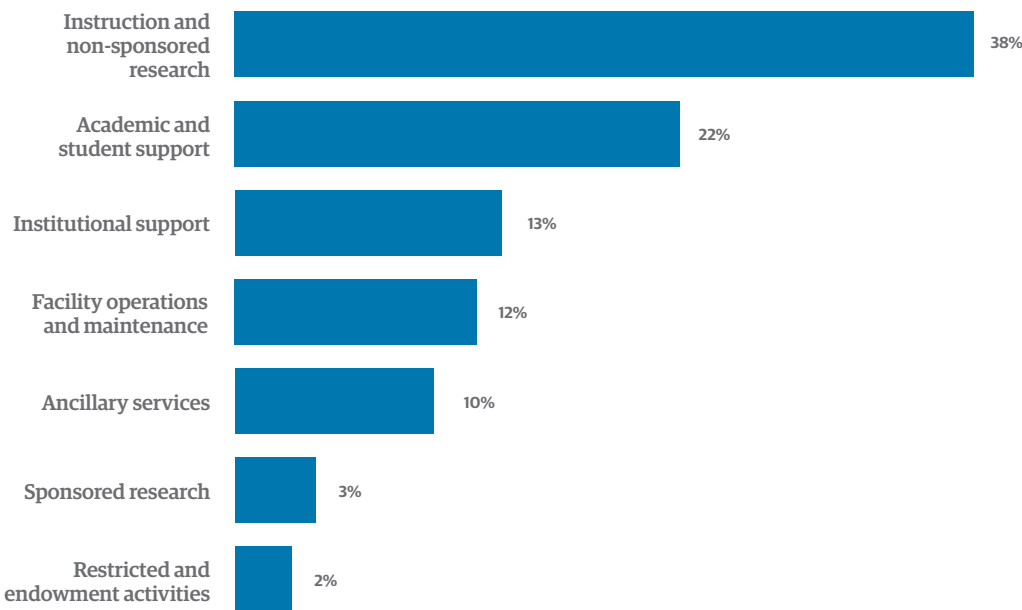
Sponsored research exceeded budget by \$2.1 million due to unanticipated research-related activities. However, the increased expenses were fully offset by associated grant revenue.

Restricted and endowment activities

Restricted and endowment activities were below budget by \$0.7 million due to vacant positions in the Community Engagement division.

Expenses by Function 2024/25

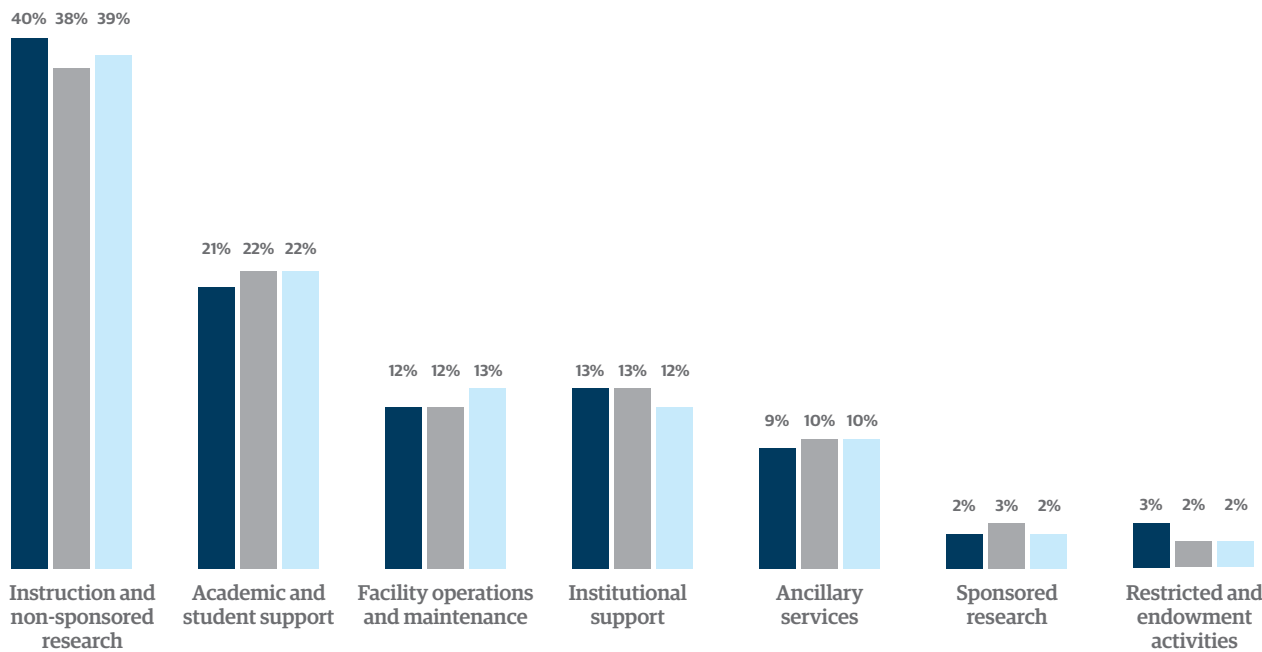
Total expense allocation by function for the year ended March 31, 2025 is illustrated in the chart below:



Expense Comparison by Function

A comparison of the total expense by function for 2024/25 budget, 2024/25 actuals and 2023/24 actuals is illustrated in the graph below:

2024/25 Budget 2024/25 2023/24



Expense by object

Salaries and benefits

Compensation expenses totalled \$188.4 million or 70 per cent of the University's operating expenses in 2024/25. These expenses, which include employee benefits, were \$2.6 million under budget due to the timing of faculty hiring and lower casual labour expenses. Partially offsetting the decreases were increased expenses for management salaries as a result of post-budget development ministry approvals for cost-of-living adjustments and increased credit-free instruction.

Materials, supplies and services

There was a negative variance of \$3.7 million as compared to budget in materials, supplies and services. The increase is due to increased conditional grant and sales and services contracts mentioned above, increased Cougars Athletics and Recreation activities, and unbudgeted bad debt expenses for parking fines, all totaling \$4.8 million. Partially offsetting the increases are savings of \$1.1 million resulting from lower flying fees.

Cost of goods sold

There was a positive variance of \$0.1 million as compared to budget in cost of goods sold resulting from lower than anticipated campus store textbook and general merchandise sales.

Maintenance and repairs

An unfavourable variance as compared to budget of \$1.3 million in maintenance and repairs was due to increased non-capital spend for capital maintenance and renewal.

Utilities

A favourable variance as compared to budget of \$0.3 million in utilities resulted from lower transportation and usage rates.

Amortization of capital assets

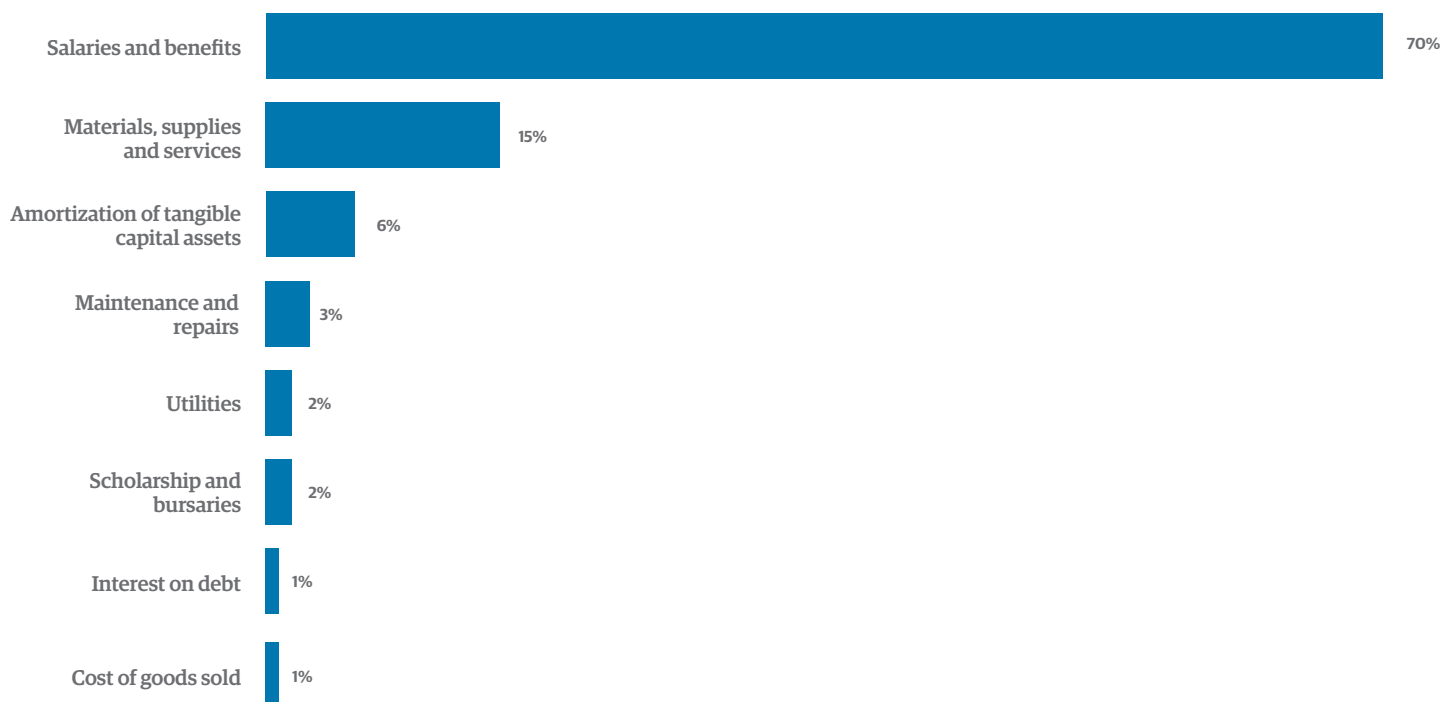
Amortization was under budget \$0.7 million due to the timing of the purchase of capital assets. The budget assumes purchases are made at the beginning of the year.

Interest on debt

A positive variance of \$0.1 million in interest on debt due to more favourable cash flow than anticipated resulted in less reliance on the demand operating credit as compared to budget.

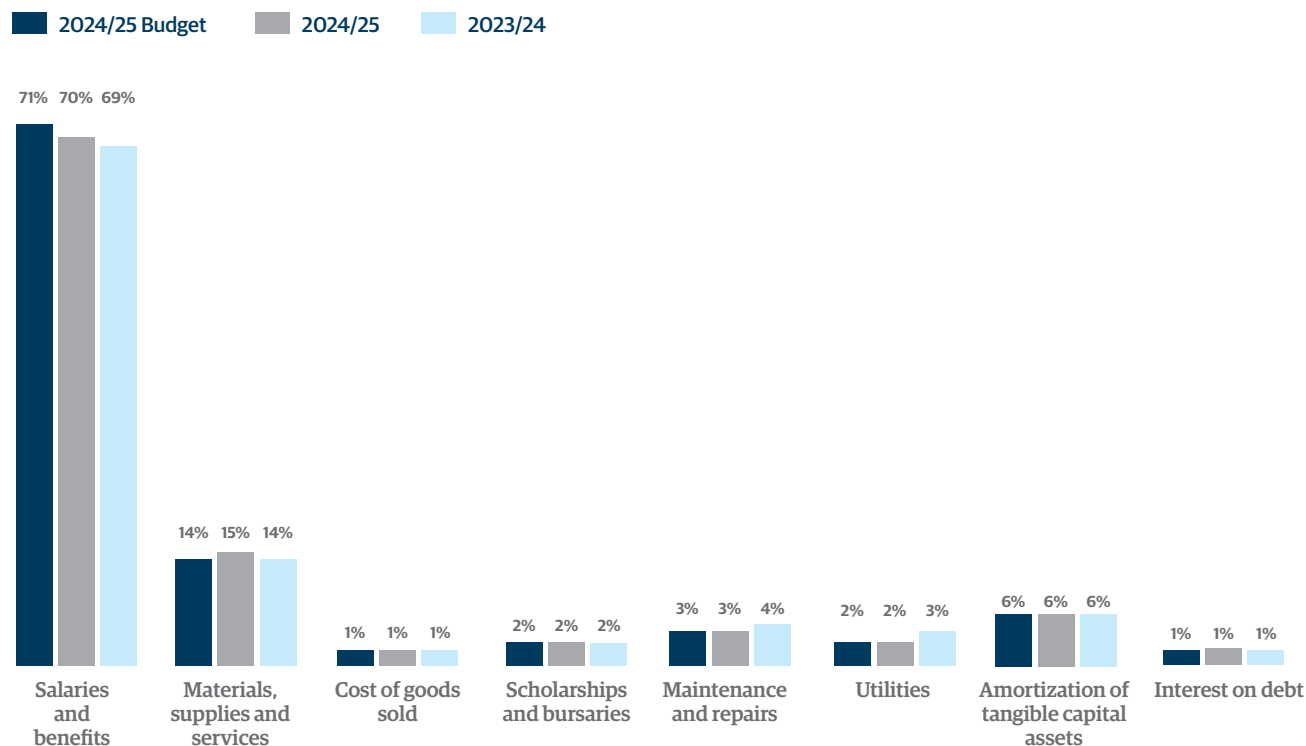
Expenses by Object 2024/25

Total expense allocation by object for the year ended March 31, 2025 is illustrated in the chart below:



Expenses Comparison by Object

A comparison of the total expense by object for 2024/25 budget, 2024/25 actuals and 2023/24 actuals is illustrated in the graph below:



FREE SPEECH REPORTING

Free speech policy information

Please [click here](#) to access Mount Royal University's Expression and Free Speech Policy, posted on the website. The University did not amend this policy between April 1, 2024 and March 31, 2025.

Cancelled events

Between April 1, 2024 and March 31, 2025 no events were cancelled by the University for reasons related to free speech.

Free speech-related complaints

Between April 1, 2024 and March 31, 2025 Mount Royal University did not receive any complaints related to free speech issues.

BOARD OF GOVERNORS TRAINING ON FOR-PROFIT VENTURES

Ongoing Board education is considered by the Board through its Governance and Nominating Committee in accordance with the University's strategic priorities and identified risks.

To date, Mount Royal University has not facilitated training opportunities for Board of Governors' members specific to for-profit ventures, as the composition of the Board includes individuals with substantial private sector experience. These Board members have extensive expertise in business, governance and leadership, which equips them to ensure that strong oversight and strategic guidance is provided to the University.

Board member experience is reflected in the bios available here: <http://mru.ca/boardmembers>

Have all current board members completed for-profit ventures training?

Specific training focused on for-profit ventures has not been identified or provided.

When did current board members last complete for-profit ventures training?

Please see above.

APPENDIX

Consolidated financial statements

The audited financial statements of Mount Royal University for the 2024/25 fiscal year are provided as an appendix to this Annual Report and include the independent auditor's report, statement of management's responsibility, consolidated financial statements and notes to the consolidated financial statements.



**MOUNT
ROYAL
UNIVERSITY**

**CONSOLIDATED
FINANCIAL STATEMENTS**

YEAR ENDED

MARCH 31, 2025

Mount Royal University
CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED MARCH 31, 2025

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STATEMENT OF MANAGEMENT RESPONSIBILITY

The consolidated financial statements of Mount Royal University ("the University") have been prepared by management in accordance with Canadian public sector accounting standards as described in note 2 to the consolidated financial statements. The consolidated financial statements present fairly the financial position of the University as at March 31, 2025 and the results of its operations, change in net financial assets, remeasurement gains and losses and cash flows for the year then ended.

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 the University's assets are safeguarded from loss and that the accounting records are a reliable basis for the preparation of the consolidated financial statements.

The Board of Governors is responsible for reviewing and approving the consolidated financial statements, and overseeing management's performance of its financial reporting responsibilities.

The Board of Governors carries out its responsibility for review of the consolidated financial statements principally through its Audit and Risk Committee. With the exception of the President and Vice-Chancellor, all members of the Audit and Risk Committee are not employees of the University. The Audit and Risk Committee meets with management and the external auditors and internal auditors to discuss the results of audit examinations and financial reporting matters. The external and internal auditors have full access to the Audit and Risk Committee, with and without the presence of management.

These consolidated financial statements have been reported on by the Auditor General of Alberta, the auditor appointed under the *Post-secondary Learning Act*. The Independent Auditor's Report outlines the scope of the audit and provides the audit opinion on the fairness of presentation of the information in the consolidated financial statements.

[Original signed by]

President and Vice-Chancellor

[Original signed by]

Director of Finance

Independent Auditor's Report



To the Board of Governors of Mount Royal University

Report on the Consolidated Financial Statements

Opinion

I have audited the consolidated financial statements of Mount Royal University (the Group), which comprise the consolidated statement of financial position as at March 31, 2025, and the consolidated statements of operations, remeasurement gains and losses, change in net financial assets, and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In my opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at March 31, 2025, and the results of its operations, its remeasurement gains and losses, its changes in net financial assets, and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for opinion

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

Other information

Management is responsible for the other information. The other information comprises the information included in the *Annual Report*, but does not include the consolidated financial statements and my auditor's report thereon. The *Annual Report* is expected to be made available to me after the date of this auditor's report.

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

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

If, based on the work I will perform on this other information, I conclude that there is a material misstatement of this other information, I am required to communicate the matter to those charged with governance.

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

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of the consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group'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 an intention exists to liquidate or to cease operations, or there is no realistic alternative but to do so.

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

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

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my 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 Group'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 Group's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the group financial statements. I am responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. I remain solely responsible for my audit opinion.

I 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 I identify during my audit.

[Original signed by W. Doug Wylie FCPA, FCMA, ICD.D]
Auditor General

May 29, 2025
Edmonton, Alberta



Mount Royal University

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT MARCH 31, 2025

(thousands of dollars)

	2025	2024
Financial assets excluding portfolio investments restricted for endowments		
Cash	\$ 66,025	\$ 62,228
Portfolio investments - non-endowment (note 3)	130,862	116,289
Accounts receivable (note 5)	13,451	12,025
Inventories held for sale	1,077	1,403
	211,415	191,945
Liabilities		
Accounts payable and accrued liabilities	39,491	33,989
Employee future benefit liabilities (note 6)	4,065	3,891
Debt (note 7)	32,831	37,172
Deferred revenue (note 8)	101,323	91,481
Asset retirement obligations (note 12)	27,205	26,898
	204,915	193,431
Net financial assets (debt) excluding portfolio investments restricted for endowments	6,500	(1,486)
Portfolio investments - restricted for endowments (note 3)	91,700	83,965
Net financial assets	98,200	82,479
Non-financial assets		
Tangible capital assets (note 10)	337,133	328,354
Purchased intangibles (note 11)	978	517
Inventories of supplies	57	58
Prepaid expenses	4,110	3,915
	342,278	332,844
Net assets before spent deferred capital contributions	\$ 440,478	\$ 415,323
Spent deferred capital contributions (note 9)	243,552	237,915
Net assets (note 13)	\$ 196,926	\$ 177,408
Net assets are comprised of:		
Accumulated surplus	\$ 181,776	\$ 164,715
Accumulated remeasurement gains	15,150	12,693
	\$ 196,926	\$ 177,408

Contingent assets and contractual rights (notes 14 and 16)

Contingent liabilities and contractual obligations (notes 15 and 17)

The accompanying notes are an integral part of these consolidated financial statements.

Mount Royal University

CONSOLIDATED STATEMENT OF OPERATIONS

YEAR ENDED MARCH 31, 2025

(thousands of dollars)

	Budget (note 23)	2025	2024
Revenues			
Government of Alberta grants (note 21)	\$ 103,463	\$ 108,051	\$ 104,921
Federal and other government grants (note 21)	5,810	2,853	2,698
Sales of services and products	30,751	34,857	32,395
Student tuition and fees	114,158	114,399	110,057
Donations and other grants	4,094	5,656	5,000
Investment income	10,817	15,539	11,363
	<u>269,093</u>	<u>281,355</u>	<u>266,434</u>
Expenses (note 18)			
Instruction and non-sponsored research	108,721	103,253	96,699
Academic and student support	56,138	57,298	53,176
Facility operations and maintenance	32,227	31,815	32,802
Institutional support	35,736	35,892	31,118
Ancillary services	23,655	28,321	25,929
Sponsored research	5,767	7,830	6,003
Restricted and endowment activities	6,776	6,099	5,881
	<u>269,020</u>	<u>270,508</u>	<u>251,608</u>
Annual operating surplus	<u>73</u>	<u>10,847</u>	<u>14,826</u>
Endowment contributions and capitalized investment income			
Endowment contributions (note 13)		2,952	886
Endowment capitalized investment income (note 13)		3,262	1,607
		<u>6,214</u>	<u>2,493</u>
Annual surplus	73	17,061	17,319
Accumulated surplus, beginning of year	164,715	164,715	147,396
Accumulated surplus, end of year (note 13)	<u>\$ 164,788</u>	<u>\$ 181,776</u>	<u>\$ 164,715</u>

The accompanying notes are an integral part of these consolidated financial statements.

Mount Royal University

CONSOLIDATED STATEMENT OF CHANGE IN NET FINANCIAL ASSETS

YEAR ENDED MARCH 31, 2025

(thousands of dollars)

	Budget (note 23)	2025	2024
Annual surplus	\$ 73	\$ 17,061	\$ 17,319
Acquisition of tangible capital assets	(24,836)	(25,131)	(12,019)
Proceeds from sale of tangible capital assets		6	-
Amortization of tangible capital assets	17,163	16,349	15,691
(Gain) loss on disposal of tangible capital assets		(3)	1
Purchase of intangible assets		(599)	(549)
Amortization of purchased intangibles		138	32
Decrease (increase) in inventories of supplies		1	(2)
Increase in prepaid expenses		(195)	(3,542)
Increase (decrease) in spent deferred capital contributions	7,887	5,637	(2,031)
Increase in accumulated remeasurement gains		2,457	4,898
Increase in net financial assets	287	15,721	19,798
Net financial assets, beginning of year	82,479	82,479	62,681
Net financial assets, end of year	\$ 82,766	\$ 98,200	\$ 82,479

The accompanying notes are an integral part of these consolidated financial statements.

Mount Royal University

CONSOLIDATED STATEMENT OF REMEASUREMENT GAINS AND LOSSES

YEAR ENDED MARCH 31, 2025

(thousands of dollars)

	2025	2024
Accumulated remeasurement gains, beginning of year	\$ 12,693	\$ 7,795
Unrealized gains attributable to:		
Portfolio investments - non-endowment	2,840	6,004
Amounts reclassified to the consolidated statement of operations:		
Portfolio investments - non-endowment	(383)	(1,106)
Accumulated remeasurement gains, end of year	\$ 15,150	\$ 12,693



Mount Royal University

CONSOLIDATED STATEMENT OF CASH FLOWS

YEAR ENDED MARCH 31, 2025

(thousands of dollars)

	2025	2024
OPERATING TRANSACTIONS		
Annual surplus	\$ 17,061	\$ 17,319
Add (deduct) non-cash items:		
Amortization of tangible capital assets	16,349	15,691
Amortization of purchased intangibles	138	32
Gain on sale of portfolio investments	(660)	(1,934)
(Gain) loss on disposal of tangible capital assets	(3)	1
Expended capital contributions recognized as revenue	(9,272)	(8,589)
Change in employee future benefit liabilities	174	756
Annual surplus net of non-cash items	23,787	23,296
(Increase) decrease in accounts receivable	(1,426)	731
Decrease (increase) in inventories held for sale	326	(458)
Increase in accounts payable and accrued liabilities	5,502	2,750
Increase in deferred revenue, excluding change in restricted unrealized gain	8,321	19,650
Decrease in asset retirement obligations	(991)	(15)
Decrease (increase) in inventories of supplies	1	(2)
Increase in prepaid expenses	(195)	(3,542)
Cash provided by operating transactions	35,325	42,410
INVESTING TRANSACTIONS		
Purchases of portfolio investments	(20,661)	(16,291)
Proceeds on sale of portfolio investments	2,991	6,367
Cash applied to investing transactions	(17,670)	(9,924)
FINANCING TRANSACTIONS		
Debt - repayment	(5,633)	(5,317)
Debt - new financing	1,292	1,330
Increase in spent deferred capital contributions, less expended capital recognized as revenue, less in-kind donations	14,879	6,511
Cash provided by financing transactions	10,538	2,524
CAPITAL TRANSACTIONS		
Acquisition of tangible capital assets, less in-kind donations and asset retirement additions	(23,803)	(11,479)
Purchase of intangible assets	(599)	(549)
Proceeds on disposal of tangible capital assets	6	-
Cash applied to capital transactions	(24,396)	(12,028)
Increase in cash	3,797	22,982
Cash, beginning of year	62,228	39,246
Cash, end of year	\$ 66,025	\$ 62,228

The accompanying notes are an integral part of these consolidated financial statements.

Mount Royal University

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED MARCH 31, 2025

(thousands of dollars)

1. Authority and purpose

The Board of Governors of Mount Royal University is a corporation that manages and operates Mount Royal University ("the University") under the *Post-secondary Learning Act* (Alberta). All members of the Board of Governors are appointed by either the Lieutenant Governor in Council or the Minister of Advanced Education, with the exception of the President and Vice-Chancellor ("President"), who is an ex officio member.

The University is an undergraduate university under the *Post-secondary Learning Act*. The roles of an undergraduate university are as follows:

- a) provide undergraduate degree programs;
- b) collaborate with other post-secondary institutions to support regional access to undergraduate degree programs;
- c) provide approved foundational learning, diploma or certificate programs; and
- d) undertake research and scholarly activities that enrich undergraduate education.

The University and its consolidated entities are registered charities, and under section 149 of the *Income Tax Act* (Canada), are exempt from the payment of income tax.

2. Summary of significant accounting policies and reporting practices

These consolidated financial statements have been prepared in accordance with Canadian public sector accounting standards (PSAS) as recommended by the Chartered Professional Accountants of Canada (CPA Canada). Significant aspects of the accounting policies adopted by the University are as follows:

a. Basis of consolidation

The consolidated financial statements use the line-by-line method to record entities controlled by the University.

- The Mount Royal University Foundation is a wholly owned non-profit organization that receives donations and endowments on behalf of the University. The Mount Royal University Foundation is incorporated under the *Companies Act of Alberta*.
- Mount Royal Early Learning Centre is a non-profit organization that is incorporated under the *Societies Act of Alberta*.

These entities are not material to the University's consolidated financial statements, and therefore, separate condensed financial information is not presented.

b. Use of estimates

The measurement of certain assets, liabilities, revenues and expenses is contingent upon future events; therefore, the preparation of these consolidated financial statements requires the use of estimates, which may vary from actual results. The University's management uses judgment to determine such estimates. Employee future benefit liabilities, amortization of tangible capital assets, amortization of purchased intangibles, revenue recognition for expended capital, payroll accruals and liabilities and asset retirement obligations are the most significant items based on estimates. In management's opinion, the resulting estimates are within reasonable limits of materiality and are in accordance with the significant accounting policies summarized below. These significant accounting policies are presented to assist the reader in evaluating these financial statements and, together with the following notes, should be considered an integral part of the consolidated financial statements.

Mount Royal University

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS YEAR ENDED MARCH 31, 2025 (thousands of dollars)

2. Summary of significant accounting policies and reporting practices (continued)

c. Valuation of financial assets and liabilities

The University's financial assets and liabilities are generally measured as follows:

Financial statement component	Measurement
Cash	Cost
Portfolio investments	Fair value
Accounts receivable	Lower of cost or net recoverable value
Inventories held for sale	Lower of cost or net realizable value
Accounts payable and accrued liabilities	Cost
Asset retirement obligations	Cost
Debt	Amortized cost

Unrealized gains and losses from changes in the fair value of financial assets and liabilities are recognized in the consolidated statement of remeasurement gains and losses. When the restricted nature of a financial instrument and any related changes in fair value create a liability, unrealized gains and losses are recognized as deferred revenue.

All financial assets are tested annually for impairment. When financial assets are impaired, impairment losses are recognized in the consolidated statement of operations. A write-down of a portfolio investment to reflect a loss in value that is other than temporary is not reversed for a subsequent increase in value.

For financial assets and liabilities measured using amortized cost, the effective interest rate method is used to determine interest revenue or expense. Transaction costs are a component of cost for financial instruments measured using cost or amortized cost. Transaction costs are expensed for financial instruments measured at fair value. Investment management fees are expensed as incurred.

The purchase and sale of portfolio investments are accounted for using trade date accounting.

The University does not use foreign currency contracts or any other type of derivative financial instruments for trading or speculative purposes.

Management evaluates contractual obligations for the existence of embedded derivatives and elects to either designate the entire contract for fair value measurement or separately measure the value of the derivative component when characteristics of the derivative are not closely related to the economic characteristics and risks of the contract itself. Contracts to buy or sell non-financial items for the University's normal purchase, sale or usage requirements are not recognized as financial assets or liabilities. The University does not have any embedded derivatives.

d. Revenue recognition

All revenues are reported on the accrual basis of accounting. Cash received for which goods or services have not been provided by year end is recognized as deferred revenue.

Government grants, non-government grants and donations

Government transfers are referred to as government grants.

Restricted grants and donations are recognized as deferred revenue if the terms for the use, or the terms along with the University's actions and communications as to the use, create a liability. These grants and donations are recognized as revenue as the terms are met. If the grants and donations are used to acquire or construct tangible capital assets, revenue will be recognized over the useful life of the tangible capital assets.

Government grants without terms for the use of the grant are recognized as revenue when the University is eligible to receive the funds. Unrestricted non-government grants and donations are recognized as revenue in the year received or in the year the funds are committed to the University if the amount can be reasonably estimated and collection is reasonably assured.

In-kind donations of services, materials and tangible capital assets are recognized at fair value when such value can reasonably be determined. Transfers of tangible capital assets from related parties are recognized at the carrying value.

Mount Royal University

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED MARCH 31, 2025

(thousands of dollars)

2. Summary of significant accounting policies and reporting practices (continued)

d. Revenue recognition (continued)

Grants and donations related to land

Grants and donations for the purchase of land are recognized as deferred revenue when received and recognized as revenue when the land is purchased.

The University recognizes in-kind contributions of land as revenue at the fair value of the land when a fair value can be reasonably determined. When the University cannot determine the fair value, it recognizes such in-kind contributions at nominal value. The University has not received grants or donations for the purchase of land.

Sales of services and products

Sales of services and products represent revenues from non-tuition related services and/or products such as parking fees, locker rental fees, workshops, conferences, public recreation program fees, membership fees, food services and related commissions, book sales, rental income, theatre ticket sales, fines and surcharges, non-refundable deposits, sponsorship revenue, and other administrative charges.

These revenues, with the exception of parking fines, non-refundable deposits and some administrative fees, are considered revenues arising from exchange transactions. Revenue from these transactions is recognized when or as the University fulfils its performance obligations and transfers control of the promised goods and services to the payor. If the performance obligation is outstanding at year end, the remaining revenue is deferred.

Revenue without performance obligations is a non-exchange transaction with a payor and is recognized when the University has the authority to claim or retain an inflow of economic resources and identifies a past transaction or event that gives rise to an asset.

Student tuition and fees

Student tuition and fees are charged for the programs offered by the University such as program registration and application fees, course delivery fees, student services fees, flying fees, and athletics and recreation fees.

These fees are considered revenue arising from exchange transactions with performance obligations. The University recognizes revenue from program registration and application fees when received as the performance obligations of registering the student are met when paid. Revenue from course delivery and laboratory fees are recognized over the course of each academic period/semester as the University fulfils its performance obligations by delivering the courses. If the performance obligation is outstanding at year end, the remaining revenue is deferred.

Endowment contributions

Endowment contributions are recognized as revenue in the consolidated statement of operations in the year in which they are received, and are required by donors to be maintained intact in perpetuity.

Investment income

Investment income includes dividends, interest income and realized gains or losses on the sale of portfolio investments. Investment income from restricted grants and donations is recognized as deferred revenue when the terms for use create a liability, and is recognized as investment income when the terms of the grant or donation are met.

The endowment spending allocation portion of investment income earned by endowments is recognized as deferred revenue when the terms for the use by the endowment create a liability. Realized investment income allocated to endowment balances for the preservation of endowment capital purchasing power is recognized in the consolidated statement of operations.

e. Endowments

Endowments consist of:

- Externally restricted donations received by the University, the principal of which is required to be maintained intact in perpetuity.
- Investment income earned (excluding unrealized income) by the endowments in excess of the amount required for spending allocation, which is capitalized to maintain and grow the real value of the endowments. Benefactors as well as University policy stipulate that the economic value of the endowments must be protected by limiting the amount of income that may be

Mount Royal University

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED MARCH 31, 2025

(thousands of dollars)

2. Summary of significant accounting policies and reporting practices (continued)

e. Endowments (continued)

expended and by reinvesting unexpended income.

Under the *Post-secondary Learning Act*, the University has the authority to alter the terms and conditions of endowments to enable:

- Income earned by the endowments to be withheld from distribution to avoid fluctuations in the amounts distributed, generally to regulate the distribution of income earned by the endowments.
- Encroachment on the capital of the endowments to avoid fluctuations in the amounts distributed and generally to regulate the distribution of investment income earned by the endowments if, in the opinion of the Board of Governors, the encroachment benefits the University and does not impair the long-term value of the fund.

In any year, if the investment income earned on endowments is insufficient to fund the spending allocation, the spending allocation is funded from the accumulated capitalized investment income. However, for individual endowments without sufficient accumulated capitalized investment income, endowment principal is used in that year and is expected to be recovered by future investment income.

f. Inventories held for sale

Inventories held for sale are valued at the lower of cost and expected net realizable value and are determined using the first in, first out (FIFO) method.

g. Tangible capital assets

Tangible capital assets are recognized at cost, which includes amounts that are directly related to the acquisition, design, construction, development, improvement or betterment of the assets, and costs associated with asset retirement obligations. Cost includes overhead directly attributable to construction and development, as well as interest costs that are directly attributable to the construction of new buildings. Work in progress, which includes facilities and improvement projects and development of information systems, is not amortized until after the project is complete and the asset is in service.

All leases are recorded in the financial statements as either a capital or operating lease. Any lease which transfers substantially all the benefits and risk of ownership associated with the leased asset are accounted for as leased tangible capital assets. Capital lease assets and liabilities are recognized at the lesser of the present value of future minimum lease payments and the asset's fair market value at the inception of the lease, excluding executor costs (e.g. insurance, maintenance costs, etc.). The discount rate used to determine the present value of the lease payments is the lower of the University's rate for incremental borrowing or the interest rate implicit in the lease.

The cost, less residual value, of the tangible capital assets, excluding land, is amortized on a straight-line basis over the estimated useful lives as follows:

Asset category	Useful Life
Buildings	25 - 50 years
Learning resources	10 years
Furnishings, equipment and systems	3 - 20 years

Tangible capital asset write-downs are recognized when conditions indicate they no longer contribute to the University's ability to provide services, or when the value of future economic benefits associated with the tangible capital assets are less than their net book value. Net write-downs are recognized as expenses.

Works of art, historical treasures and collections are expensed when acquired and not recognized as tangible capital assets because a reasonable estimate of the future benefits associated with such property cannot be made.

h. Purchased intangibles

Purchased intangibles are non-monetary economic resources without fiscal substance and recorded at cost less accumulated amortization. The cost, less any residual value, of purchased intangibles with a finite life is amortized on a straight-line basis over its useful life in a manner appropriate to its nature and use, which is normally the shortest of the technological, commercial, and legal life. Purchased intangibles with an indefinite life are not amortized.

Mount Royal University

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED MARCH 31, 2025

(thousands of dollars)

2. Summary of significant accounting policies and reporting practices (continued)

h. Purchased intangibles (continued)

The University purchased intangibles that have estimated finite useful lives as follows:

<u>Asset category</u>	<u>Useful Life</u>
Learning resources	10 years
Licensing agreements	2 - 10 years

Write-downs are recognized for finite and indefinite life intangibles when conditions indicate they no longer contribute to the University's ability to provide services, or when the value of future economic benefits associated with the purchased intangibles are less than their net book value. Net write-downs are recognized as expenses.

i. Foreign currency translation

Transaction amounts denominated in foreign currencies are translated into their Canadian dollar equivalents at exchange rates prevailing at the transaction dates. Carrying values of monetary assets and liabilities and non-monetary items included in the fair value category reflect the exchange rates at the consolidated statement of financial position date. Unrealized foreign exchange gains and losses are recognized in the consolidated statement of remeasurement gains and losses.

In the period of settlement, foreign exchange gains and losses are reclassified to the consolidated statement of operations, and the cumulative amount of remeasurement gains and losses is reversed in the consolidated statement of remeasurement gains and losses.

Foreign exchange gains and losses are not significant and are therefore not disclosed separately in the consolidated statement of remeasurement gains and losses.

j. Employee future benefits

Pension

The University participates with other employers in the Local Authorities Pension Plan (LAPP). This pension plan is a multi-employer defined benefit pension plan that provides pensions for the University's participating employees based on years of service and earnings.

The University does not have sufficient plan information on the LAPP to follow the standards for defined benefit accounting, and therefore follows the standards for defined contribution accounting. Accordingly, pension expense recognized for the LAPP is comprised of employer contributions to the plan that are required for its employees during the year, which are calculated based on actuarially pre-determined amounts that are expected to provide the plan's future benefits.

Disability leave benefit

The University contributes the employer and employee portion of the LAPP premiums for all employees on long term disability for the duration of their leave, until retirement age, or until the termination of the benefit, whichever is longer. The benefit cost is charged to expense in full when the event occurs which obligates the University to provide the benefits. The cost of these benefits is actuarially determined using the projected benefit method, a market interest rate and management's best estimate of the retirement ages of employees, expected health care costs and the period of employee disability. Actuarial gains or losses on the accrued benefit obligation are recognized immediately.

Administrative leave and deferred salary plans

The University provides for certain executives to accrue a paid leave of absence at the end of their administrative appointment. The expense for these plans is estimated using the projected benefit method prorated on service. Gains and losses on the accrued benefit obligation are recognized immediately.

The University provided compensated absences for its employees under deferred salary plans. The deferred salary plan for management and support staff is wholly self-funded by participating employees who contributed between 15% and 20% of their pre-tax annual salary for four years and then draw on the accumulated sum during their year of leave. This benefit has been discontinued as of July 1, 2018. Amounts owing to previously eligible employees in 2024 were paid out in 2025 and are included in these financial statements.

Supplementary executive retirement plan (SERP) - defined benefit

The University provides a non-contributory supplementary defined retirement pension for a former executive member and designated Executive and Senior Leaders. The pension expense for these plans is actuarially determined using the projected benefit method prorated over the expected remaining service life. Actuarial gains or losses on the accrued benefit obligation are amortized over the remaining expected average service life of the plan.

Mount Royal University

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED MARCH 31, 2025

(thousands of dollars)

2. Summary of significant accounting policies and reporting practices (continued)

k. Liabilities for contaminated sites

Contaminated sites are a result of contamination of a chemical, organic or radioactive material or live organism that exceeds an environmental standard, being introduced into soil, water or sediment. The liability is recognized net of any expected recoveries. A liability for remediation of contaminated sites is recognized when all of the following criteria are met:

- an environmental standard exists;
- there is evidence that contamination exceeds the environmental standard;
- the University is directly responsible or accepts responsibility for the contamination;
- it is expected that future economic benefits will be given up; and
- a reasonable estimate of the amount can be made.

A liability for a contaminated site may arise from operations that are either considered in productive use or no longer in productive use when environmental standards are exceeded. It will also arise when an unexpected event occurs resulting in contamination that exceeds an environmental standard.

Where an environmental standard does not exist or contamination does not exceed an environmental standard, a liability for remediation of a site is recognized by the University when the following criteria have been met:

- the University has a duty or responsibility to others, leaving little or no discretion to avoid the obligation;
- the duty or responsibility to others entails settlement by future transfer or use of assets, or a provision of services at a specified or determinable date, or on demand; and
- the transaction or events obligating the University have already occurred.

As at March 31, 2025 and March 31, 2024, there were no liabilities for remediation of contaminated sites.

l. Asset Retirement Obligations (ARO)

Asset retirement obligations are legal obligations associated with the retirement of tangible capital assets. The tangible capital assets include but are not limited to assets in productive use, assets no longer in productive use, and leased tangible capital assets. Asset retirement activities include all activities relating to an asset retirement obligation. These may include, but are not limited to:

- decommissioning or dismantling a tangible capital asset that was acquired, constructed or developed;
- remediation of contamination of a tangible capital asset created by its normal use;
- post-retirement activities such as monitoring; and
- constructing other tangible capital assets to perform post-retirement activities.

A liability for an asset retirement obligation is recognized when, as at the financial reporting date, all of the following criteria are met:

- there is a legal obligation to incur retirement costs in relation to a tangible capital asset;
- the past transaction or event giving rise to the liability has occurred;
- it is expected that future economic benefits will be given up; and
- a reasonable estimate of the amount can be made.

When a liability for asset retirement obligation is recognized, asset retirement costs related to recognized tangible capital assets in productive use are capitalized by increasing the carrying amount of the related asset and are amortized over estimated useful life of the underlying tangible capital asset. Asset retirement costs related to unrecognized tangible capital assets and those not in productive use are expensed. The asset retirement obligation is measured at the current estimated cost to settle or otherwise extinguish the liability.

Mount Royal University

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED MARCH 31, 2025

(thousands of dollars)

2. Summary of significant accounting policies and reporting practices (continued)

m. Expense by function

The University uses the following categories of functions on its consolidated statement of operations:

Instruction and non-sponsored research

Expenses relating to the University's instruction and non-sponsored research and scholarly activity undertaken by faculty and within academic departments that contribute jointly to instruction and research functions. Non-credit instruction expenses related to the activities that are part of the non-credit programming are also included.

Academic and student support

Expenses relating to the support for the academic functions of the University. Admissions and registry functions and all other activities that support the student body are also included.

Facility operations and maintenance

Expenses relating to the maintenance and renewal of facilities that house all teaching, research and administrative activities within the University. These include utilities, facilities administration, building maintenance, custodial services, landscaping and groundskeeping, major repairs and renovations, and tangible capital asset amortization on all non-ancillary capital.

Institutional support

Expenses incurred in support of the computing, networking, data communications, and other information technology functions. University wide administrative services expenses are also included.

Ancillary services

Expenses relating to services and products provided to the University community and to external individuals and organizations. Services include the University bookstore, printing, student residences, events and conference services, and parking services.

Sponsored research

Expenses for all sponsored research activities specifically funded by restricted grants and donations.

Restricted and endowment activities

Expenses that support the growth of special purpose revenues. These expenses do not support the major activities of the University, such as research, instruction (approved and non-approved programming), and self-generated revenue. This includes all externally restricted funds that are intended for a specific purpose not related to research.

n. Funds and reserves

Certain amounts, as approved by the Board of Governors, are set aside in accumulated operating surplus for future operating and capital purposes. Transfers to or from funds and reserves are an adjustment to the respective fund when approved.

o. Future changes in Accounting Standards

The University will adopt the following new conceptual framework and accounting standard approved by the Public Sector Accounting Board:

- Effective April 1, 2026, *The Conceptual Framework for Financial Reporting in the Public Sector*. The Conceptual Framework is the foundation for public sector financial reporting standards. It replaces the conceptual aspects of Section PS 1000, *Financial Statement Concepts*, and Section PS 1100, *Financial Statement Objectives*. The conceptual framework highlights considerations fundamental for the consistent application of accounting issues in the absence of specific standards.
- Effective April 1, 2026, PS 1202 *Financial Statement Presentation*. Section PS 1202 sets out general and specific requirements for the presentation of information in general purpose financial statements. The financial statement presentation principles are based on the concepts within the Conceptual Framework.

The University is currently assessing the impact of the new conceptual framework and standard, and the extent of the impact of their adoption on the consolidated financial statements has not yet been determined.

Mount Royal University

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED MARCH 31, 2025

(thousands of dollars)

3. Portfolio investments

	2025	2024
Portfolio investments - non-endowment	\$ 130,862	\$ 116,289
Portfolio investments - restricted for endowments	91,700	83,965
	<u>\$ 222,562</u>	<u>\$ 200,254</u>

The composition of portfolio investments measured at fair value is as follows:

	2025				
	Annual return	Level 1	Level 2	Level 3	Total
Pooled investment in funds:					
Fixed income					
Canadian fixed income	7.65 %	\$ -	\$ 30,663	\$ -	\$ 30,663
Canadian commercial mortgages	8.55 %	-	-	21,768	21,768
Equities					
Canadian equities	15.78 %	-	44,106	-	44,106
Foreign equities	14.21 %	-	81,511	-	81,511
Real estate units	(0.79)%	-	-	22,220	22,220
Infrastructure	12.25 %	-	-	21,616	21,616
Other ^(a)		659	-	19	678
Total portfolio investments		\$ 659	\$ 156,280	\$ 65,623	\$ 222,562
		0.30 %	70.22 %	29.49 %	100 %

	2024				
	Annual return	Level 1	Level 2	Level 3	Total
Pooled investment in funds:					
Fixed income					
Canadian fixed income	2.09 %	\$ -	\$ 27,641	\$ -	\$ 27,641
Canadian commercial mortgages	6.95 %	-	-	20,054	20,054
Equities					
Canadian equities	13.94 %	-	37,092	-	37,092
Foreign equities	23.51 %	-	71,370	-	71,370
Real estate units	(1.91)%	-	-	24,291	24,291
Infrastructure	5.18 %	-	-	19,257	19,257
Other ^(a)		531	-	18	549
Total portfolio investments		\$ 531	\$ 136,103	\$ 63,620	\$ 200,254
		0.26 %	67.97 %	31.77 %	100 %

^(a) Other portfolio investments are composed of level 1 investments consisting of money market funds, listed common shares, cash pending investment by the University Student Investment Fund; units of exchange-traded fund and cash pending investment by the Supplementary Executive Retirement Plan, and a level 3 investment represented by a donated life insurance policy.

Mount Royal University

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS YEAR ENDED MARCH 31, 2025 (thousands of dollars)

3. Portfolio investments (continued)

The fair value measurements are those derived from:

Level 1 – Quoted prices in active markets for identical assets or liabilities;

Level 2 – Fair value measurements are those derived from inputs other than quoted prices included within level 1 that are observable for the assets, either directly (i.e. as prices) or indirectly (i.e. derived from prices);

Level 3 – Fair value measurements are those derived from valuation techniques that include inputs for the assets that are not based on observable market data (unobservable inputs).

The following table reconciles the changes in fair value of level 3 investments:

	2025	2024
Balance, beginning of year	\$ 63,620	\$ 67,601
Unrealized gains (losses)	2,026	(1,527)
Purchases	1,234	1,335
Proceeds on sale	(1,884)	(5,732)
Gains on sale	627	1,943
Balance, end of year	\$ 65,623	\$ 63,620

4. Financial risk management

The University is exposed to the following risks:

a. Market price risk

The University is exposed to market price risk - the risk that the value of a financial instrument will fluctuate as a result of changes in market prices, whether those changes are caused by factors specific to the individual security, its issuer or general market factors affecting all securities. To manage this risk, the University has established an investment policy with a target asset mix that is diversified by asset class with individual issuer limits and is designed to achieve a long-term rate of return that in real terms equals or exceeds total endowment expenditures with an acceptable level of risk.

At March 31, 2025, the impact of a change in the rate of return on the investment portfolio is as follows:

- Returns on the Canadian and global equity holdings in passively managed index pooled funds have a perfectly positive correlation with the respective equity market returns. A 2.5% increase or decrease in the Canadian and global equity market return rates will cause a 2.5% or a \$3,152 increase or decrease in the market value of University's equity holdings respectively (2024: \$2,723 increase or decrease);
- Returns on the Canadian fixed income holdings in passively managed index pooled funds also have a perfectly positive correlation with the fixed income market returns. A 2.5% increase or decrease in the Canadian fixed income market return rates will cause a 2.5% or a \$767 increase or decrease in the market value of the University's fixed income holdings (2024: \$692 increase or decrease);
- Returns on the actively managed real estate pooled fund holdings have a negative 0.12 correlation with the market rates of return. A 2.5% increase or decrease in the market returns will cause a \$67 decrease or increase in the University's real estate fund holdings respectively (2024: \$79 decrease or increase);
- Returns on the actively managed Canadian commercial mortgages fund holdings have a positive 0.09 correlation with the market rates of return. A 2.5% increase or decrease in the market returns will cause a \$47 increase or decrease in the market value of the University's Canadian commercial mortgages holdings (2024: \$34 decrease or increase).

Mount Royal University

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED MARCH 31, 2025

(thousands of dollars)

4. Financial risk management (continued)

b. Foreign currency risk

Foreign currency risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The University is exposed to foreign exchange risk on investments that are denominated in foreign currencies. The University is also exposed to foreign currency risk on a United States dollar operating bank account. The University does not use foreign currency forward contracts or any other type of derivative financial instruments for trading or speculative purposes. The University's exposure to foreign exchange risk is very low due to minimal business activities conducted in a foreign currency.

The impact of a change in the most material value of the portfolio investment denominated in foreign currency is shown below:

	Fair value	2.5% decrease	1.0% decrease	1.0% increase	2.5% increase
US dollar	\$ 55,737	\$ (1,393)	\$ (557)	\$ 557	\$ 1,393
Euro	6,097	(152)	(61)	61	152
Japanese Yen	3,823	(96)	(38)	38	96
British Pound	2,657	(66)	(27)	27	66
Chinese Yuan	2,519	(63)	(25)	25	63
Swiss Franc	1,769	(44)	(18)	18	44
Other currencies	8,909	(223)	(89)	89	223
	<u>\$ 81,511</u>	<u>\$ (2,037)</u>	<u>\$ (815)</u>	<u>\$ 815</u>	<u>\$ 2,037</u>

c. Credit risk

Counterparty credit risk is the risk of loss arising from the failure of a counterparty to fully honour its financial obligations with the University. The University is exposed to credit risk on investments and has established an investment policy with required minimum credit quality standards and issuer limits to manage this risk. The credit risk from non-tuition accounts receivable is low as the majority of balances are due from government agencies and corporate sponsors. Credit risk from tuition is managed through restricted enrolment activities for students with delinquent balances and maintaining standard collection procedures.

The credit risks on investments held are as follows:

	2025	2024
Money market funds		
R-1 (high)	100.00 %	100.00 %
Canadian fixed income		
AAA	42.61 %	41.72 %
AA	31.60	32.15
A	14.76	15.30
BBB	11.03	10.83
	<u>100.00 %</u>	<u>100.00 %</u>

Mount Royal University

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED MARCH 31, 2025

(thousands of dollars)

4. Financial risk management (continued)

d. Liquidity risk

Liquidity risk is the risk that the University will encounter difficulty in meeting obligations associated with its financial liabilities. The University maintains a pre-authorized demand operating credit of \$40,000 (2024 - \$40,000) that is designed to ensure that funds are available to meet current and forecasted financial requirements in the most cost-effective manner. At March 31, 2025, the University has not committed any borrowing facilities (2024 - \$nil).

e. Interest rate risk

Interest rate risk is the risk to the University's earnings that arise from the fluctuations in interest rates and the degree of volatility of these rates. This risk is managed by investment policies that limit the term to maturity of certain fixed income securities that the University holds. Interest risk on the University's debt is managed through fixed-rate agreements with the Department of Treasury Board and Finance (note 7).

The impact of a change in interest rates for various instruments is shown below:

	Fair value	2.5% decrease	1.0% decrease	1.0% increase	2.5% increase
Cash	\$ 66,025	\$ (1,651)	\$ (660)	\$ 660	\$ 1,651
Canadian fixed income	30,684	6,023	2,409	(2,077)	(5,195)
Real estate	22,220	555	222	(222)	(555)
Canadian commercial mortgages	21,768	1,269	507	(507)	(1,269)
Infrastructure	21,616	2,594	1,038	(1,211)	(3,026)
	162,313	8,790	3,516	(3,357)	(8,394)

The maturity and average effective market yield of interest bearing investments are as follows:

	<1 year	1-5 years	> 5 years	Average effective market yield
	%	%	%	%
Portfolio investment, fixed income	0.74	44.11	55.15	7.65
Canadian commercial mortgages	17.90	51.60	30.50	8.55

5. Accounts receivable

	2025	2024
Accounts receivable	\$ 5,700	\$ 3,837
Receivable from the Students Association of Mount Royal University (note 7)	7,751	8,188
	\$ 13,451	\$ 12,025

Accounts receivable are unsecured and non-interest bearing.

In 2007, the University and the Students Association of Mount Royal University (SAMRU) entered into an agreement to finance the expansion of SAMRU's Wyckham Student centre on campus. The University borrowed the sum of \$13,000 to fund the costs of construction for the expansion, and SAMRU is repaying the amount on the same terms and conditions as the borrowing outlined in note 7.

Mount Royal University

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS YEAR ENDED MARCH 31, 2025 (thousands of dollars)

6. Employee future benefit liabilities

Employee future benefit liabilities are comprised of the following:

	2025	2024
Disability leave benefit	\$ 1,760	\$ 2,245
Administrative leave and deferred salary plans	1,835	1,375
Supplementary executive retirement plans - defined benefit	470	271
	\$ 4,065	\$ 3,891

a. Disability leave benefit

The University contributes the employer and employee portions of LAPP pension premiums for all employees on long-term disability for the duration of their leave, until retirement age, or until the termination of the benefit, whichever is longer. The most recent actuarial valuation for this accrued obligation was completed on March 31, 2025 and incorporated the change to total pension coverage. The next actuarial valuation will be carried out on March 31, 2026.

b. Administrative leave and deferred salary plans

The University provides for certain executives to accrue a paid leave of absence at the end of their administrative appointment. The expense for these plans is estimated using the projected benefit method prorated on service. Gains and losses on the accrued benefit obligation are recognized immediately.

The University provides compensated absences for its employees under deferred salary plans. The deferred salary plan for management and support staff is wholly self-funded by participating employees who contributed between 15% and 20% of their pre-tax annual salary for four years and then draw on the accumulated sum during their year of leave. This benefit has been discontinued as of July 1, 2018. Amounts owing to previously eligible employees in 2024 were paid out in 2025 and are included in these financial statements.

c. Supplementary executive retirement plan (SERP) - defined benefit

The University provides a non-contributory supplementary defined retirement benefit to a former executive member and all the current executive members. An actuarial valuation of these benefits was carried out as at March 31, 2025. The next actuarial valuation will be carried out on March 31, 2026.

Mount Royal University

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS YEAR ENDED MARCH 31, 2025 (thousands of dollars)

6. Employee future benefit liabilities (continued)

The expense and financial position of these employee future benefit plans are as follows:

	2025			2024		
	Disability leave benefit	Administrative leave and deferred salary plans	Defined benefit	Disability leave benefit	Administrative leave and deferred salary plans	Defined benefit
Expense						
Current service cost	\$ 338	\$ 397	\$ 50	\$ 608	\$ 282	\$ 51
Interest cost	131	100	13	89	76	3
Amortization of net actuarial (gain) loss	(533)	105	31	212	230	22
Total expense	\$ (64)	\$ 602	\$ 94	\$ 909	\$ 588	\$ 76
Financial position						
Accrued benefit obligation:						
Balance, beginning of year	\$ 2,245	\$ 1,375	\$ 271	\$ 1,657	\$ 1,243	\$ 235
Current service cost	338	397	50	608	282	51
Interest cost	131	100	13	89	76	3
Transfers	-	-	105	-	-	-
Amortization of net actuarial (gain) loss	(533)	393	31	212	230	22
Benefits paid	(421)	(430)	-	(321)	(456)	(40)
Balance, end of year	\$ 1,760	\$ 1,835	\$ 470	\$ 2,245	\$ 1,375	\$ 271

The significant actuarial assumptions used to measure the accrued benefit obligation are as follows:

	2025		2024	
	Disability leave benefit	Defined benefit	Disability leave benefit	Defined benefit
Accrued benefit obligation:				
Discount rate	4.45 %	6.10 %	6.45 %	6.30 %
Benefit cost:				
Discount rate	2.50 %	6.10 %	2.50 %	6.30 %
Inflation (long-term)	- %	2.00 %	2.00 %	2.00 %
Estimated average remaining service life	n/a	13 years	n/a	11 years

Assets have been set aside to fulfill all commitments under the defined benefit plan. The University plans to use its working capital to fund all other liabilities.

d. Multi-employer pension plans

The Local Authority Pension Plan (LAPP) is a multi-employer contributory defined benefit pension plan for University members and is accounted for on a defined contribution basis. At December 31, 2024, the LAPP reported an actuarial surplus of \$19,557,148 (2023 - \$15,056,661). An actuarial valuation of the LAPP was carried out as at December 31, 2023 and was then extrapolated for December 31, 2024. The pension expense recorded in the consolidated financial statements is \$11,311 (2024 - \$10,935).

Mount Royal University

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS YEAR ENDED MARCH 31, 2025 (thousands of dollars)

7. Debt

Debt is measured at amortized cost and is comprised of the following:

				2025	2024
	Collateral ⁽¹⁾	Maturity	Interest rate %	Amortized cost	Amortized cost
Debentures payable to the Department of Treasury Board and Finance:					
West Student Residence	1	August 15, 2027	6.1250 %	\$ 6,988	\$ 9,053
Taylor Centre for the Performing Arts	1	March 17, 2029	3.1250 %	3,920	4,827
Mount Royal University Parkade	1	September 24, 2035	4.8675 %	11,903	12,754
MRU Student Association's Wyckham Student Centre (note 5)	1	June 15, 2037	5.0030 %	7,751	8,188
				30,562	34,822
Liabilities under capital leases			(1.8190)%	2,269	2,350
Balance, end of year				\$ 32,831	\$ 37,172

⁽¹⁾ Collateral consists of cash flows from activities carried out in the facilities.

Principal and interest repayments are as follows:

Year	Principal	Interest	Total
2026	\$ 5,523	\$ 1,485	\$ 7,008
2027	5,423	1,262	6,685
2028	5,386	1,020	6,406
2029	2,671	763	3,434
2030	1,642	661	2,303
Thereafter	12,186	2,162	14,348
	\$ 32,831	\$ 7,353	\$ 40,184

Interest expense on debt is \$1,203 (2024 - \$1,362) and is included in the consolidated statement of operations.

The University has a pre-authorized demand operating credit, unsecured, with a limit of \$40,000 (2024 - \$40,000). The interest rate is prime less 0.75% (2025 - 4.20%, 2024 - 6.45%), payable monthly. The principal is due on demand or at the borrower's discretion. As at March 31, 2025, no amounts have been drawn on this facility (2024 - \$nil).

Mount Royal University

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS YEAR ENDED MARCH 31, 2025 (thousands of dollars)

8. Deferred revenue

Deferred revenue is set aside for specific purposes as required either by legislation, regulation or agreement:

	2025			2024	
	Unspent externally restricted grants and donations	Unspent externally restricted capital contributions	Student tuition, fees and other revenue	Total	Total
Balance, beginning of year	\$ 30,217	\$ 47,169	\$ 14,095	\$ 91,481	\$ 68,401
Grants, tuition, donations received during the year	20,455	12,381	17,038	49,874	47,298
Investment income	7,519	1,504	-	9,023	6,096
Unrealized gains	1,521	-	-	1,521	3,430
Transfers to spent deferred capital contributions	(3,353)	(11,556)	-	(14,909)	(6,538)
Recognized as revenue	(21,572)	-	(14,095)	(35,667)	(27,206)
Balance, end of year	\$ 34,787	\$ 49,498	\$ 17,038	\$101,323	\$ 91,481

9. Spent deferred capital contributions

Spent deferred capital contributions are comprised of externally restricted grants and donations spent on tangible capital acquisitions (not yet recognized as revenue).

	2025		2024	
Spent deferred capital contributions, beginning of year	\$	237,915	\$	239,946
Transfers from unspent externally restricted grants and donations		3,353		2,832
Transfers from unspent externally restricted capital contributions		11,556		3,706
Expended capital contributions recognized as revenue		(9,272)		(8,569)
Net change for the year		5,637		(2,031)
Balance, end of year	\$	243,552	\$	237,915

Mount Royal University

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED MARCH 31, 2025

(thousands of dollars)

10. Tangible capital assets

	2025				2024	
	Land	Buildings ⁽¹⁾	Learning resources	Furnishings, equipment and systems ⁽²⁾	Total	Total
Cost						
Balance, beginning of year	\$ 6,815	\$ 533,378	\$ 7,042	\$ 73,560	\$ 620,795	\$ 612,664
Acquisitions	-	17,882	182	7,067	25,131	12,019
Disposals, including write-downs	-	-	(737)	(1,256)	(1,993)	(3,888)
	6,815	551,260	6,487	79,371	643,933	620,795
Accumulated amortization						
Balance, beginning of year	\$ -	\$ 232,944	\$ 3,929	\$ 55,568	\$ 292,441	\$ 280,637
Amortization expense	-	9,822	667	5,860	16,349	15,691
Effects of disposals, including write-downs	-	-	(737)	(1,253)	(1,990)	(3,887)
	-	242,766	3,859	60,175	306,800	292,441
Net book value, March 31, 2025	6,815	308,494	2,628	19,196	337,133	
Net book value, March 31, 2024	\$ 6,815	\$ 300,434	\$ 3,113	\$ 17,992		\$ 328,354

⁽¹⁾ No interest was capitalized by the University in 2025 or 2024.

⁽²⁾ Furnishings, equipment and systems include computer software, hardware, and all furniture and non-computing capital equipment including in-kind-donations at March 31, 2025 of \$30 (2024 - \$27).

Cost includes work-in-progress at March 31, 2025 totaling \$20,670 related to buildings \$19,839 (2024 - buildings \$4,545) and equipment \$831 (2024 - equipment \$4).

The University holds a collection of works of art including paintings, sculptures and photographs. Due to the subjective nature of these assets, the values are not reported in the consolidated financial statements.

Mount Royal University

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS YEAR ENDED MARCH 31, 2025 (thousands of dollars)

11. Purchased Intangibles

	2025		2024	
	Learing Resources	Licensing agreements	Total	Total
Cost				
Balance, beginning of year	\$ 272	\$ 277	\$ 549	\$ -
Acquisitions	564	35	599	549
	836	312	1,148	549
Accumulated amortization				
Balance, beginning of year	27	5	32	-
Amortization expense	81	57	138	32
	108	62	170	32
Net book value, March 31, 2025	728	250	978	
Net book value, March 31, 2024	\$ 245	\$ 272	\$ -	\$ 517



Mount Royal University

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED MARCH 31, 2025

(thousands of dollars)

12. Asset Retirement Obligations

	2025	2024
Balance, beginning of year	\$ 26,898	\$ 26,400
Liability incurred	1,298	513
Liability settled	(991)	(15)
Increase in asset retirement obligations	307	498
Balance, end of year	\$ 27,205	\$ 26,898

Tangible capital assets with associated retirement obligations include only buildings. Mount Royal University has asset retirement obligations to remove hazardous materials from various buildings under its control. Regulations require the University to handle and dispose of hazardous materials in a prescribed manner when it is disturbed, such as when the building undergoes renovations or is demolished. Although timing of the hazardous materials removal is conditional on the building undergoing renovations or being demolished, regulations create an existing obligation for the University to remove the hazardous materials when asset retirement activities occur.

Asset retirement obligations are initially measured as of the date the legal obligation was incurred, based on management's best estimate of the amount required to retire tangible capital assets and subsequently re-measured considering any new information and the appropriateness of the assumptions used. The estimate of the liability is based on current quotes from third party experts.

The extent of the liability is limited to costs directly attributable to the removal of hazardous materials from various buildings under the University's control in accordance with the legislation establishing the liability. The University estimated the nature and extent of hazardous materials in its buildings based on the potential square feet affected and the average costs per square feet to remove and dispose of the hazardous materials.

Asset retirement obligations are measured at their current estimated cost to settle or otherwise extinguish the liability. The University has measured asset retirement obligations related to hazardous materials at its current value due to the uncertainty about when the hazardous materials would be removed.

Mount Royal University

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS YEAR ENDED MARCH 31, 2025 (thousands of dollars)

13. Net assets

	Accumulated surplus from operations	Investment in capital assets ⁽¹⁾⁽²⁾	Internally restricted surplus	Endowments	Total
Net assets, as at March 31, 2023	\$ 9,820	\$ 33,126	\$ 38,399	\$ 73,846	\$ 155,191
Annual operating surplus	14,826	-	-	-	14,826
Endowments					
New donations	-	-	-	886	886
Capitalized investment income	-	-	-	1,607	1,607
Tangible capital assets					
Amortization of tangible capital assets	7,122	(7,122)	-	-	-
Acquisition of tangible capital assets	(3,863)	5,481	(1,618)	-	-
Amortization of purchased intangibles	32	(32)	-	-	-
Purchase of intangibles	(549)	549	-	-	-
Debt repayment	(4,901)	4,901	-	-	-
Debt - new financing	1,330	(1,330)	-	-	-
(Increase) in asset retirement obligations	498	(498)	-	-	-
Net book value of tangible capital asset disposal	1	(1)	-	-	-
Operating expenses funded from internally restricted surplus	979	-	(979)	-	-
Net Board appropriation to internally restricted surplus	(10,000)	-	10,000	-	-
Change in accumulated remeasurement gains	4,898	-	-	-	4,898
Net assets, beginning of year - April 1, 2024	20,193	35,074	45,802	76,339	177,408
Annual operating surplus	10,847	-	-	-	10,847
Endowments					
New donations	-	-	-	2,952	2,952
Capitalized investment income	-	-	-	3,262	3,262
Tangible capital assets					
Amortization of tangible capital assets	7,077	(7,077)	-	-	-
Acquisition of tangible capital assets	(3,977)	10,257	(6,280)	-	-
Amortization of purchased intangibles	138	(138)	-	-	-
Purchase of intangibles	(564)	564	-	-	-
Debt repayment	(5,196)	5,196	-	-	-
Debt - new financing	1,292	(1,292)	-	-	-
(Increase) in asset retirement obligations	307	(307)	-	-	-
Net book value of tangible capital asset disposals	1	(1)	-	-	-
Operating expenses funded from internally restricted surplus	1,471	-	(1,471)	-	-
Net Board appropriation to internally restricted surplus	(8,750)	-	8,750	-	-
Change in accumulated remeasurement gains	2,457	-	-	-	2,457
Net assets, end of year as at March 31, 2025	\$ 25,296	\$ 42,276	\$ 46,801	\$ 82,553	\$ 196,926

⁽¹⁾ Investment in capital assets represents the amount of the University's accumulated operating surplus that has been invested in the University's capital assets.

⁽²⁾ The University's closing net assets invested in capital assets have been reduced by the University's asset retirement obligation of \$27,205 (2024 \$26,898) A funding source for this obligation has not been determined.

Net assets are comprised of:

Accumulated surplus	\$ 10,146	\$ 42,276	\$ 46,801	\$ 82,553	\$ 181,776
Accumulated remeasurement gains	15,150	-	-	-	15,150
	\$ 25,296	\$ 42,276	\$ 46,801	\$ 82,553	\$ 196,926

Mount Royal University

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED MARCH 31, 2025

(thousands of dollars)

14. Contingent assets

As of March 31, 2025, the University initiated legal matters and insurance claims where possible assets are being sought. While the outcomes of these claims cannot be reasonably estimated at this time, the University believes that any settlement will not have a material effect on the financial position or the results of operations of the University. These contingent assets are not recognized in the consolidated financial statements.

15. Contingent liabilities

As of March 31, 2025, the University is a defendant in a number of legal proceedings arising in the normal course of business. While the ultimate outcome and liability of these proceedings cannot be reasonably estimated at this time, the University believes that any settlement will not have a material adverse effect on the financial position or the results of operations of the University. Management has concluded that none of the claims meets the criteria for recording a liability.

16. Contractual rights

Contractual rights are rights of the University to economic resources arising from contracts or agreements that will result in both assets and revenues in the future when the terms of those contracts or agreements are met.

Estimated amounts that will be received or receivable for each of the next five years are as follows:

	Operating leases	Other contracts	Total
2026	\$ 96	\$ 16,038	\$ 16,134
2027	83	4,154	4,237
2028	55	1,287	1,342
2029	58	662	720
2030	8	183	191
Total at March 31, 2025	\$ 300	\$ 22,324	\$ 22,624
 Total at March 31, 2024	 \$ 99	 \$ 25,326	 \$ 25,425

Mount Royal University

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS YEAR ENDED MARCH 31, 2025 (thousands of dollars)

17. Contractual obligations

The University has contractual obligations which are commitments that will become liabilities in the future when the terms of the contracts or agreements are met.

The estimated aggregate amount payable for the unexpired terms of these contractual obligations are as follows:

	Capital projects ⁽¹⁾	Service contracts ⁽²⁾	Total
2026	\$ 44,654	\$ 24,140	\$ 68,794
2027	17,065	23,560	40,625
2028	-	6,827	6,827
2029	-	6,203	6,203
2030	-	5,921	5,921
Total at March 31, 2025	\$ 61,719	\$ 66,651	\$ 128,370
Total at March 31, 2024	\$ 72,446	\$ 56,292	\$ 128,738

⁽¹⁾ Capital projects include obligations related to major capital and renovation projects.

⁽²⁾ Service contracts include contractual obligations the University entered into for services such as electricity, natural gas, information technology maintenance agreements, and other service obligations. The University has contracts to manage its exposure to volatility in the electrical and natural gas industries. Based on management's estimates, the annual costs for the utility contracts at the year ended March 31, 2026 are expected to be approximately \$5,089.

Mount Royal University

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS YEAR ENDED MARCH 31, 2025 (thousands of dollars)

18. Expense by object

The following is a summary of expense by object:

	2025		2024	
	Budget		Actuals	
	(note 23)	Actuals	Actuals	
Salaries	\$ 163,859	\$ 161,697	\$ 149,508	
Employee benefits	27,110	26,661	25,692	
Materials, supplies and services	37,912	41,592	35,472	
Cost of goods sold	2,471	2,607	2,639	
Scholarships and bursaries	5,689	5,840	5,523	
Maintenance and repairs	6,881	8,134	9,269	
Utilities	6,604	6,284	6,419	
Amortization of tangible capital assets	17,163	16,352	15,692	
Amortization of purchased intangibles		138	32	
Interest on debt	1,331	1,203	1,362	
	\$ 269,020	\$ 270,508	\$ 251,608	

19. Funds held on behalf of others

The University holds the following funds on behalf of others over which the Board has no power of appropriation. Accordingly, these funds are not included in the consolidated financial statements.

	2025	2024
Associations and others	\$ 68	\$ 41
Recreational clubs	15	32
Ministry funds	910	750
	\$ 993	\$ 823

20. Related parties

The University is a related party with organizations within the Government of Alberta reporting entity. Key management personnel of the University, their close family members and the Board of Governors are also considered related parties. Transactions with these entities and individuals are considered to be in the normal course of operations and are recorded at the exchange amount, which approximates fair value.

The University has debt with the Department of Treasury Board and Finance as described in Note 7.

Mount Royal University

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED MARCH 31, 2025

(thousands of dollars)

21. Government transfers

	2025	2024
Grants from Government of Alberta		
Advanced Education:		
Operating	\$ 91,052	\$ 91,708
Capital	12,381	17,322
Other	11,806	8,309
Total Advanced Education	115,239	117,339
Other Post-Secondary Institutions	58	71
Other Government of Alberta departments and agencies:		
Ministry of Arts, Culture and Status of Women	48	18
Ministry of Seniors, Community and Social Services ^(a)	(4)	363
Ministry of Children and Family Services	1,530	1,216
Ministry of Health	87	99
Ministry of Public Safety and Emergency Services	144	525
Ministry of Technology and Innovation	92	1,070
Total other Government of Alberta departments and agencies	1,897	3,291
Total contributions received	117,194	120,701
Expended capital contributions recognized as revenue	7,201	6,465
Deferred revenue	(16,344)	(22,245)
	<u>\$ 108,051</u>	<u>\$ 104,921</u>
Accounts receivable		
Advanced Education	\$ 2,381	\$ -
Other Government of Alberta departments and agencies	70	71
	<u>\$ 2,451</u>	<u>\$ 71</u>
Federal and other government grants		
Contributions received	\$ 2,082	\$ 1,553
Expended capital contributions recognized as revenue	847	847
Deferred revenue	(76)	298
	<u>\$ 2,853</u>	<u>\$ 2,698</u>

^(a) An unused portion of the \$4 grant received in 2024 was returned to the Ministry.

Mount Royal University

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED MARCH 31, 2025

(thousands of dollars)

22. Salary and employee benefits

	2025			2024	
	Base salary ⁽²⁾	Other cash benefits ⁽³⁾	Other non-cash benefits ⁽⁴⁾⁽⁵⁾	Total	Total
Governance⁽¹⁾					
Chair of the Board of Governors	\$ -	\$ -	\$ -	\$ -	-
Members of the Board of Governors	-	-	-	-	-
Executive					
President and Vice-Chancellor	356	14	158	528	576
Provost and Vice-President Academic	306	22	120	448	386
Vice-President Finance and Administration ⁽⁶⁾					
Current term ended March 17, 2025	263	121	35	419	293
Vice-President University Advancement					
Current term commenced June 3, 2024	216	5	38	259	-
Past term ended January 12, 2024	-	-	-	-	226
Total	216	5	38	259	226
General Counsel and University Secretary	249	-	37	286	267
Vice-President Students	247	-	33	280	261

⁽¹⁾ Effective July 1, 2015, all members of the Board of Governors elected to forego honoraria.

⁽²⁾ Base salary includes pensionable base pay.

⁽³⁾ Other cash benefits include housing allowances, vacation payout, car allowances, professional development, cash travel allowances and severance. No cash bonuses were paid in 2025 or 2024.

⁽⁴⁾ Other non-cash benefits include: the employer's share of all employee benefits and contributions or payments made on behalf of employees, including pension, health care, extended health care, health spending, dental care, long-term disability and group life insurance. The other non-cash benefits also include the employer's share of the cost of additional benefits, including administrative leaves or other special leaves with pay, club and professional memberships, and fair market value of parking.

⁽⁵⁾ Under the terms of the supplementary executive retirement plan (SERP), executive officers may receive supplemental payments. Retirement arrangement costs, as detailed below, are not cash payments in the period but are the period expense for rights to future compensation. Costs shown reflect the defined annual contributions to the plan on behalf of the plan member, including accrued interest on the accrued liability in the plan.

⁽⁶⁾ Other cash benefits for the Vice-President Finance and Administration includes severance of \$48.

Mount Royal University

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED MARCH 31, 2025

(thousands of dollars)

22. Salary and employee benefits (continued)

The supplementary retirement plan current service cost and accrued obligation for each executive in the above table are outlined in the following table:

	Accrued obligation March 31, 2024	In Year Obligation	Benefits Paid	Accrued obligation March 31, 2025
President and Vice-Chancellor	\$ 119	\$ 33	\$ -	\$ 152
Provost and Vice-President Academic	\$ 20	\$ 17	\$ -	\$ 37
Vice-President University Advancement	\$ -	\$ 3	\$ -	\$ 3
General Counsel and University Secretary	\$ -	\$ 3	\$ -	\$ 3
Vice-President Students	\$ -	\$ 2	\$ -	\$ 2

The significant actuarial assumptions used to measure the accrued benefit obligation are disclosed in note 6.

The current service cost and accrued obligation for each executive under the Administrative leave plans is outlined in the following table.

	Accrued obligation, March 31, 2024	In Year Obligation	Benefits Paid	Accrued obligation March 31, 2025
President and Vice-Chancellor	\$ 315	\$ 87	\$ (142)	\$ 260
Provost and Vice-President Academic	\$ 56	\$ 68	\$ -	\$ 124

23. Budget figures

The University's 2024-25 budget was approved by the Board of Governors and submitted to the Minister of Advanced Education.

24. Approval of consolidated financial statements

The consolidated financial statements were approved by the Board of Governors of Mount Royal University on May 29, 2025.

25. Comparative Figures

Certain comparative figures have been reclassified to conform to current year presentation.



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