



ANNUAL REPORT
2025/26



**MOUNT
ROYAL
UNIVERSITY**

TABLE OF CONTENTS

Accountability statement	1
Management's responsibility for reporting	1
Land acknowledgement	2
Members of the Board of Governors	3
Public Interest Disclosure (Whistleblower Protection) Act	5
Goals and performance measures	6
Capital report	20
Financial information	22
Mandatory non-instructional fees	33
Free speech reporting	34
Board of Governors training on for-profit ventures	34
Appendix A: Consolidated financial statements	35
Appendix B: Supplemental financial information	73

ACCOUNTABILITY STATEMENT

Mount Royal University's *Annual Report* for the year ended March 31, 2026 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 Blackfoot, the Tsuut'ina, the Îethka Stoney Nakoda and the Métis.

During the verbal negotiations for Treaty 7, the Nations understood that the land would be shared and that a cooperative relationship would be built to last "as long as the grass grows, the sun shines, and the rivers flow." The Nations of the Treaty were the Siksika Nation, Piikani Nation and Kainai Nation of the Blackfoot Confederacy, as well as the Tsuut'ina Nation and the Chiniki, Bearspaw and Goodstoney Nations of the Îethka Stoney Nakoda. However, verbal promises made to these First Nations by the Crown and the Canadian government were not reflected in the written version of Treaty 7, and 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 Blackfoot as *Moh'kinstis*, the Tsuut'ina as *Guts'ists'i* and the Îethka Stoney Nakoda as *Wicîspa*. 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 August 15, 2026)



Chris Lee
Board Chair



Rob Schaefer
Board Vice-Chair



Arlene Strom
Chancellor



Dr. Timothy Rahilly
President and Vice-Chancellor



Tracey Bodnarchuk
Public Member



Cyndi Cave
Non-Academic Staff Member



Dr. Christian Cook
Academic Staff Member



Laura Daniels
Public Member



Denise Hughes
Public Member



Brenden Hunter
Public Member



Liv Lopez
Student Member



Steve McLeod
Public Member



Dexter Nelson
Public Member



Noel Ormita
Student Member



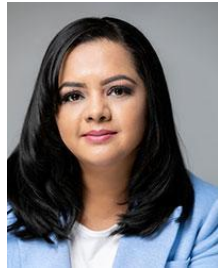
Dustin Paisley
Alumni Member



Stefan Radeta
Alumni Member



Dr. Kari Roberts
Academic Staff Member



Sheba Singh
Public Member



Reynold Tetzlaff
Public Member



Aarn Wennekers
Public Member

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*.

The disclosures received and acted on from April 1, 2025 to March 31, 2026, are outlined below.

Of the 15 disclosures received, three were acted on under the University's disclosure processes, including one formal investigation. No wrongdoing was found in the investigation conducted. Where appropriate, other disclosures were addressed through other institutional processes.

Disclosure type	Number of instances
Disclosures received	15
Disclosures acted on	3
Disclosures not acted on	12
Investigations commenced	1
Investigations still underway	0

GOALS AND PERFORMANCE MEASURES

In 2025/26, Mount Royal University (MRU) 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 selected initiatives from among the many undertaken in 2025/26 that advanced Mount Royal toward its goals and impacted communities both on and off campus. Where relevant, performance measures provide data-informed insight into Mount Royal's progress.

Direction: Provide a transformative education

Mount Royal pursued institutional initiatives in 2025/26 to support the delivery of a transformative education. Through efforts to strengthen the delivery of experiential learning and liberal education, cultivate intercultural understanding and support career readiness, the University worked to equip students with the skills, perspectives and experiences needed to succeed in a changing world.

Transversal skills

- » Building on previous consultation work, the Experiential Learning Steering Committee identified key operational considerations and developed draft implementation recommendations for a University-wide experiential learning framework.
- » Mount Royal's General Education Steering Committee developed a proposed liberal education model. The proposed model, informed by previously established values and learning outcomes, was shared for broad consultation in Spring 2026.
- » On October 28 and 29, 2025, the Faculty of Health, Community and Education hosted the Interdisciplinary Symposium: Introducing the Resilience Scale in partnership with the Palix Foundation. More than 500 members of the Mount Royal community, primarily students, participated. The Resilience Scale is an evidence-informed tool that helps individuals and organizations understand how adversity, support and skill-building shape lifelong well-being.
- » On March 6, 2026, the Department of Mathematics and Computing hosted Diversity in Tech 2026: Interdisciplinary Thinking, bringing together students, industry professionals and community members to explore how interdisciplinary approaches are shaping technology and creating career pathways.
- » The Faculty of Science and Technology partnered with Career Services to develop a co-operative education stream for geology students. The work-integrated learning initiative will begin with a preparatory course in Fall 2026.
- » Career Services launched the Career Accelerator Program, an eight-week program that helps graduating students and recent graduates sharpen their career focus and strengthen their career readiness through industry workshops, coaching, and interview and job-search support.

Global learning

- » The Office of Community and Belonging launched Beyond Borders, a program that introduces participants to cultures from around the world through monthly sessions focused on language, communication, traditions and cultural practices. From October 2025 to March 2026, the program engaged 196 participants across six sessions exploring different cultures while supporting the development of intercultural awareness and empathy.

- » In 2025/26, Mount Royal secured \$61,400 in international education funding through the Scholarships and Educational Exchanges for Development program and the Emerging Leaders in the Americas Program, expanding opportunities for students to participate in international learning experiences.
- » Exchange experiences help students develop global perspectives and engage in intercultural learning. In 2025/26, 131 domestic students participated in outbound global learning experiences, a 16 per cent increase over the previous year. Mount Royal also welcomed 81 international exchange students in 2025/26.
- » Exchange agreements were renewed or expanded with institutions across Australia, Austria, Brazil, China, England, Finland, France, Germany, Ireland, Japan, Lithuania, Mexico, the Netherlands, New Zealand, Norway, Peru, Scotland, South Korea, Spain, Sweden and the United States. Overall, students had access to diverse academic and cultural experiences across 38 countries.
- » In 2025/26, the Learn English for Academic Purposes (LEAP) program supported Mount Royal's internationalization efforts by helping students develop the academic English skills needed for post-secondary study. The program served approximately 151 students across academic English, customized and partnership-based programming. In Fall 2025, 42 students transitioned into degree and diploma programs after completing the program.
- » The Global Student Lounge supported more than 2,000 students through onboarding, presentations, community-building initiatives and peer support programming. Programming was delivered by two student leads and 30 trained volunteers, creating opportunities for international and domestic students to connect and build community.
- » From November 17 to 19, 2025, Mount Royal celebrated International Education Week by promoting global learning and intercultural exchange through study abroad information sessions and cultural programming. More than 160 students participated in events throughout the week, with broader campus engagement through the Festival on Main Street and the International Photo Contest.
- » While changes to federal international student policy continued to affect the post-secondary sector, Mount Royal's sustainable approach to international enrolment helped minimize disruption. In 2025/26, the international student full-load equivalent (FLE) was 384.1, based on preliminary results.
- » In the most recent Canadian Undergraduate Student Consortium (CUSC) Graduating Student Survey (2024), 18 per cent of graduating students reported participating in a local or international global learning experience.

Direction: Innovate to meet the evolving needs of learners

Mount Royal is committed to meeting the evolving needs of Alberta learners by providing access to high-quality, student-focused education. In 2025/26, the University advanced sustainable enrolment growth and strengthened educational pathways that support learners at different stages of their academic and professional journeys.

Enrolment growth

- » In Winter 2026, Mount Royal established a Strategic Enrolment Management Council to guide the development of a Strategic Enrolment Management Plan, supporting coordinated planning for sustainable enrolment growth across the University.
- » Based on preliminary results, total FLE increased to 12,422 in 2025/26, up four per cent from the previous year. While increases in the number of active students at Mount Royal factor into the change, higher average course-taking loads – particularly among degree-seeking students – were a notable contributor to the overall increase.

- » Supported by the Government of Alberta's targeted enrolment expansion funding, Mount Royal continued to advance enrolment growth in several high-demand programs in 2025/26, including Nursing, Psychology, Data Science, Business Administration, Computer Information Systems and Computer Science.
- » On October 3, 2025, the Faculty of Business, Communication Studies and Aviation opened its new aviation campus at Springbank Airport. The facility expands the University's capacity to educate and train the next generation of aviation professionals while reinforcing its position as a long-standing leader in aviation education.
- » Announced on September 10, 2025, Mount Royal joined the Government of Alberta, WestJet, CAE and Calgary Economic Development in a 15-year partnership to establish the Alberta Training Centre of Excellence. The partnership will create new training, learning and research opportunities for students and faculty in the Faculty of Business, Communication Studies and Aviation.
- » In 2025/26, Continuing Education provided professional development and lifelong learning opportunities to the broader community, with 12,102 registrations recorded in non-ministry-approved programs using MRU's established measure.

Program delivery options and pathways

- » In Fall 2025, the Faculty of Continuing Education launched a new Product Management program in partnership with York University's School of Continuing Studies, building on previous collaborative delivery of cyber security and UX design programs.
- » In collaboration with the Faculty of Health, Community and Education, and in partnership with the College of Midwives of Alberta, the Faculty of Continuing Education secured funding through the provincial Midwifery Strategy Grant Program to launch the Internationally Educated Midwives Bridging Program, a two-year pilot. The initiative builds on Mount Royal's leadership in midwifery education and supports Alberta's efforts to strengthen and grow the provincial midwifery workforce.
- » The Faculty of Continuing Education launched a new fully online Extension Certificate and digital badges in Adult Education and Learning Development. The 100-hour program helps professionals develop the skills to design and deliver effective adult learning experiences as educators, trainers and program leaders.
- » Mount Royal launched the Framework for Responsible Artificial Intelligence to support the responsible use of AI across teaching, learning, research and operations. Through Google Workspace, students and employees gained access to institutionally approved AI tools, including Gemini and NotebookLM.
- » In Fall 2025, the Iniskim Centre and Cougars Athletics and Recreation continued their partnership with Métis Calgary Family Services by delivering the Aboriginal Student Program. Welcoming Indigenous youth to campus for weekly programming, the initiative created opportunities for high school students to gain familiarity with the University and consider Mount Royal as part of their future educational journey.
- » From August 25 to 28, 2025, Mount Royal hosted the Teaching and Learning Expo, bringing approximately 140 registrants from across the University together to share teaching practices that respond to evolving learner needs. Sessions explored topics including student-faculty partnerships, assessment design, experiential learning, accessibility and technology-informed pedagogy.

Direction: Foster a culture of inquiry

Mount Royal strengthened research and scholarly activity across the University in 2025/26. Through opportunities for students to engage in research and scholarship, initiatives that support research-informed teaching and learning, and efforts to share research with broader audiences, the University continued to advance a culture of inquiry that informs practice and contributes to community well-being.

- » From March 30 to April 2, 2026, Mount Royal celebrated Research and Scholarship Days (RSD). In addition to faculty and student presentations, the event included Pathway to Research and Scholarship Days, a low-stakes conference designed to help first- and second-year students gain confidence by sharing class projects and early-stage research. RSD 2026 saw record participation, with more than 400 students presenting 224 posters under the supervision of 64 faculty members.
- » Mount Royal hired 218 research assistants in 2025/26, including 186 MRU undergraduate students. These positions provided students with opportunities to participate in faculty-led research and gain research experience across a range of disciplines.
- » In Winter 2026, the Conversations About Teaching pilot paired students with faculty to observe classes, ask questions and reflect on teaching practices in real time. Drawing on more than 15 years of research, the initiative positions students as partners in understanding and enhancing teaching and learning while contributing to research in these areas.
- » In January 2026, the Faculty of Science and Technology launched the inaugural issue of *Science Sphere*, a publication that highlights research and innovation across the faculty. The publication provides students with opportunities to develop science communication skills while showcasing research and scholarly activity in their own voices.
- » In 2025/26, the Library strengthened support for research through new tools, agreements and services. Initiatives included the launch of an Academic Research Guide for students, support for research data management and data deposit through the institutional Data Repository, and a new agreement with the Association for Computing Machinery that increases open-access publishing opportunities for Mount Royal researchers.
- » Through the Catamount Fellowship, students worked alongside community partners to explore complex social and environmental issues while developing skills in research, collaboration and community engagement. In 2025/26, a gift from Mount Royal Chancellor Arlene Strom and Colin Jackson supported the program's long-term sustainability, providing future opportunities for student learning and community-based inquiry.
- » In 2025/26, Mount Royal launched Research with Impact. Through research stories, faculty profiles and multimedia content, the initiative helps connect Mount Royal research with broader public audiences while showcasing the impact of research and scholarship on communities, professions and society.
- » In May 2025, Mount Royal's Institute for Community Prosperity and ATCO launched *The 55 Minutes*, a publication that helps readers understand complex systems and social challenges. Co-authored by MRU alumna Anna Johnson, the publication reached readers in more than 300 cities across 50 countries and has been adopted as course material at several post-secondary institutions.
- » In 2026, 27 per cent of fourth-year students reported working with a faculty member on a research project, compared with 20 per cent in 2023.
- » Faculty participation in externally funded research advances knowledge while creating opportunities for student involvement in research and scholarly activity. In 2025/26, 20 per cent of faculty actively pursued external research funding. Overall, 30 per cent of faculty either pursued or held external research funding.
- » In 2025/26, there were 924 verified media hits, stories and profiles related to Mount Royal research and scholarship, compared with 1,026 the previous year.

Direction: Strengthen the Mount Royal community

Mount Royal strives to create a campus where all members of its community feel valued, respected and able to succeed. In 2025/26, the University strengthened its community through initiatives that promoted a sense of

belonging, advanced indigenization and decolonization, and supported employee learning, well-being and engagement.

Campus community and belonging

- » Guided by the theme Conversations That Connect, from January 26 to 30, 2026, Inclusion Week featured 29 sessions led by students, employees, alumni and community members. Across the week, the sessions recorded more than 1,260 registrations among 415 unique participants, reflecting broad community participation and engagement.
- » Through the EDI Opportunity Fund, Mount Royal supported student- and employee-led initiatives that advance equity, diversity, inclusion and accessibility across campus. In 2025/26, the fund supported 14 projects, including five led or co-led by students.
- » Mount Royal launched the Community Snapshot, a multi-phase initiative to collect, analyze and maintain demographic data to better understand the campus community and support the University's strategic goals. The initiative began with an employee survey in Fall 2025 and will provide data to support evidence-informed policies, programs and decision-making.
- » The Office of Community and Belonging launched the Days and Months of Significance calendar, a living resource that highlights important cultural, religious and commemorative dates in Canada and around the world to support planning for University activities.
- » On March 19, 2026, Career Services and the Office of Community and Belonging co-hosted Fostering Change on Campus and Our Community, a symposium recognizing the International Day for the Elimination of Racial Discrimination. Through dialogue, creative expression and collaborative learning, the symposium brought students, faculty and staff together to explore the Scarborough Charter and advance conversations about inclusion and belonging at Mount Royal.
- » On March 10, 2026, Muslim faculty and staff organized Mount Royal's second employee Ramadan Dinner. Open to those observing Ramadan as well as those interested in learning more, the event created an opportunity to build understanding and strengthen relationships across the University.
- » On March 10, 2026, Mount Royal's International Women's Day celebration brought the campus community together under the theme Strength in Community. Through panels, discussions and mentoring conversations, the event celebrated the contributions of women while creating opportunities for learning, connection and dialogue.
- » On March 6, 2026, the Faculty of Business, Communication Studies and Aviation hosted Women in Aviation Day, bringing together aviation students, staff, aspiring pilots and industry professionals for an open house and networking event. Through aircraft displays, conversations with aviation leaders and opportunities to learn more about Mount Royal's aviation programs, the event celebrated women in aviation while helping participants see pathways into the field.
- » On March 27, 2026, QriTical hosted the third annual Get QriTical! Student Colloquium as part of Mount Royal's Research and Scholarship Days. The event provided a platform for 2SLGBTQIA+ students to share research, writing, creative work and community-based projects.

Indigenization and decolonization

- » In 2025/26, the Faculty of Health, Community and Education supported faculty and student learning through three programs developed in partnership with Indigenous communities and Elders. Faculty participated in In Treaty Relationship and the Wâhkôtowin Faculty Field School, learning with Tsuut'ina and Métis partners, while the O'to po'pa Field School provided students with an opportunity to learn with Blackfoot partners. Together, these programs deepened understanding of Indigenous ways of knowing through reciprocity and land-based learning.

- » In Winter 2026, Mount Royal released *Inii Awatoo* (Buffalo on the Move), its Indigenization and Decolonization Strategic Framework, alongside the implementation guide *Feeding the Fire*. Developed through consultation with the campus community, the framework provides a guide for indigenization and decolonization across the University.
- » From September 20 to October 4, 2025, Journey to Indigenization brought the Mount Royal community together through shared learning, ceremony and reflection, with many sessions reaching capacity. During Journey, the University introduced the Eagle Staff and Coup Stick at the Raising of the Treaty 7 Flag ceremony. Transferred to Mount Royal by Elder Calvin Williams, these items represent Mount Royal's relationship with Treaty 7 and its peoples, and reflect the University's ongoing commitment to indigenization and decolonization.
- » In 2025/26, students in the Bachelor of Child Studies capstone class led the Ani to pisi (Human Spider Web) enactment at Mount Royal during Journey to Indigenization and supported an additional six enactments at community schools and one at The Confluence Historic Site & Parkland. The initiative reached thousands of students and hundreds of community members.
- » From November 16 to 22, 2025, the Iniskim Centre partnered with faculty and staff across the University to host Métis Week, offering 11 events and activities celebrating Métis history, culture and knowledge. Together, these events and activities enhanced Métis representation and validated Métis knowledge within the campus community.
- » On October 2, 2025, Mount Royal celebrated its 54-year partnership with Old Sun Community College. This longstanding relationship supports educational reconciliation through collaborative learning.
- » From August 14 to 17, 2025, the Faculty of Business, Communication Studies and Aviation hosted a Treaty Law School that brought together treaty leaders, partners, advocates, students, academics and legal professionals from across Canada. The event provided a forum to explore treaty history, treaty-making, governance and sovereignty while initiating research and preservation work related to Treaty Leadership and governance archives.
- » In Winter 2026, the Iniskim Centre and the Institute for Community Prosperity resumed the Ani to pisi Learning Circles. Named by Dr. Roy Bear Chief, the monthly series creates opportunities for dialogue, learning and growth by bringing diverse Indigenous perspectives to the Mount Royal community.
- » On March 3, 2026, the Iniskim Centre collaborated with the Anthropology Affiliation of Mount Royal University to host a performance of *New Blood* by students from Strathmore High School. Telling the story of Chief Vincent Yellow Old Woman of Siksika Nation and his experiences in residential school, the performance invited learning, reflection and dialogue about the lasting impacts of the residential school system.
- » On March 3, 2026, the Earth and Environmental Science Students' Affiliation partnered with the Iniskim Centre and the Office of Community and Belonging to host The Plants Teach Us: Indigenous Ecological Perspectives. The event explored Indigenous traditional land stewardship practices and relationships with the land, featuring keynote speaker William Singer III – Api'soomaahka (Running Coyote) and opening protocol led by Elder Jackie Bromley.
- » For the second year in a row, TC Energy funded a back-to-the-land retreat for students participating in Mount Royal's Indigenous Career Mentorship Program. Serving as the annual kickoff to the mentorship program, the retreat brought students together to connect and prepare for the year ahead.
- » Through the Indigenization Access Fund, Mount Royal provided funding to support Indigenous faculty undertaking work related to indigenization and decolonization. In 2025/26, the fund's full \$30,000 allocation supported projects led by Indigenous faculty members.

- » Philanthropic donations from David and Leslie Bissett supported Indigenous students through the Indigenous University Bridging Program and Career Services' Indigenous Career Mentorship Program. Together, the bursary gifts will provide support for 16 Indigenous students ranging from \$2,500 to \$12,500.
- » For the 2025/26 academic year, Mount Royal introduced two dedicated Circle Settings classrooms to support Indigenous-informed teaching and learning. The initiative reflects how physical learning spaces can support Indigenous-informed approaches to education.
- » In the most recent CUSC Graduating Student Survey (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 2026, 88 per cent of fourth-year Indigenous students reported that MRU provides a supportive environment for different racial and ethnic identities. Additionally, 85 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

- » In 2025/26, Human Resources introduced new digital resources to support employees and prospective applicants, including a centralized Employee Learning System and a refreshed web presence. Together, these initiatives improved access to learning opportunities, employment information and workplace resources.
- » In Winter 2026, the Office of Faculty Relations and Human Resources jointly offered MRULeads, supporting current and aspiring leaders through a structured leadership development program. The Winter cohort included 73 registrants across three streams: individual contributors, managers and senior leaders. Programming focused on five leadership pillars to strengthen skills for current roles and future leadership opportunities.
- » Employee Wellness hosted 33 health promotion events in 2025/26, attracting 2,134 registrants. Programming was organized around monthly wellness themes, with Wellness Wednesday and complementary events supporting employees' physical, mental and financial well-being. The team also continued to support workplace accessibility by managing a growing number of accommodation requests from employees across the University.
- » In Fall 2025, Mount Royal conducted an Employee Engagement Survey to better understand the employee experience across the University. A strong response rate established a reliable baseline for future surveys, with results informing priorities and actions at both the University and divisional levels.
- » In Fall 2025, Mount Royal held its inaugural Celebrate U Awards, recognizing outstanding contributions from employees, students and community members.
- » Twelve faculty members were recognized through the 2026 Faculty Excellence Awards for their contributions to teaching, research and scholarship.
- » Throughout 2025/26, employees participated in employee-engaged giving and wellness initiatives, including a toy drive for Calgary children and families, Feed It Forward meal preparation for the Radiance Centre and group blood donations with Canadian Blood Services.
- » The Faculty of Continuing Education offered free professional and personal development courses to employees, with 347 employees enrolling in a total of 143 courses.
- » In 2025/26, the percentage of employees who voluntarily left Mount Royal decreased to 5.0 per cent, compared with 6.9 per cent in 2024/25 and 9.2 per cent in 2023/24, reflecting an increased employee retention trend over the past three years.

Direction: Enhance impact through meaningful connections

Mount Royal strengthened its connections with its broader communities in 2025/26 by sharing expertise, expanding partnerships and creating opportunities for engagement. Across the University, people, programs and partnerships contributed to the economic, cultural and social well-being of communities locally, provincially and beyond.

- » The Institute for Community Prosperity partnered with the Government of Alberta and Northpine Foundation to deliver StartWork. This program supports refugees in securing meaningful employment and building connections within their communities. Following strong demand in its inaugural year, the program secured additional funding in 2025/26 to serve up to 300 participants, up from 40 the previous year.
- » As part of a capstone course in the Bachelor of Child Studies program, 13 students designed and launched a new evening program for youth in Calgary. Students gained hands-on experience in program development, community engagement and non-profit operations while creating a safe and supportive space for local youth.
- » The Institute for Innovation and Entrepreneurship expanded ScaleUP Week beyond Alberta in 2025, offering 30 events across Calgary, Edmonton, Vancouver and Winnipeg. The initiative brought together entrepreneurs, business leaders and industry experts from across Western Canada, strengthening connections within the region's entrepreneurial ecosystem.
- » Mount Royal engaged the broader community through public Star Parties hosted by Dr. Stephen Jeans. In response to growing public interest, Mount Royal joined the University of Calgary, Calgary Parks and Recreation and the RASC Calgary Centre in planning a new public observing site at Ralph Klein Park, expanding public access to astronomy programming.
- » The Faculty of Arts partnered with the Calgary Public Library to deliver Phoenix Rising: Ideas in the City. Across four events, the series brought faculty expertise into public spaces, engaging the broader community in discussions about contemporary social, cultural and philosophical issues.
- » Mount Royal engaged the broader community on contemporary issues through two public lectures hosted by its faculties. On January 15, 2026, more than 300 people attended a Faculty of Arts lecture by Timothy Caulfield exploring misinformation and the knowledge crisis. On March 11, 2026, the Faculty of Business, Communication Studies and Aviation welcomed investigative journalist Justin Ling for a public discussion on journalism and information warfare, attended by more than 150 people in person and online.
- » The 2026 Crowchild Classic continued to bring the Calgary community together through sport, drawing a record 13,324 fans to the Scotiabank Saddledome. The annual doubleheader rivalry between Mount Royal and the University of Calgary set a new U SPORTS regular-season hockey attendance record for the second consecutive year.
- » Through a partnership between Immigrant Services Calgary, Mount Royal University and the Community Initiatives for Immigrant Seniors Program, a collection of anthologies was created to share the stories of immigrant seniors. Mount Royal faculty and creative writing students supported the development of the anthologies, which were made openly available through the Mount Royal Library.
- » From May 20 to 23, 2025, Mount Royal hosted the Alberta Services for Students Conference, bringing together student services professionals from across the province to share knowledge and strengthen approaches to supporting post-secondary students.
- » The Taylor Centre for the Performing Arts hosted 160 performances in 2025/26, ranging from Mount Royal Conservatory showcases to the annual Concert Season, welcoming more than 58,905 attendees.

- » The Library continued to support community access through approximately 212 active community borrowers and provided planning, technology and event support for more than 500 campus and community events held in the Riddell Library Learning Centre during 2025/26.
- » The Mount Royal University Foundation continued to strengthen community support for the University, adding 550 new donors and increasing giving by 22 per cent over the previous year. Giving Day 2025 set a new record, raising \$464,886 to support student awards, programs and services across Mount Royal.
- » MRU Camps reached new highs in delivering 5,186 registrations across 186 camp sessions in 2025/26, serving 3,267 children from 2,418 families. Bursary support enabled 91 children from 52 families facing financial barriers to participate in 107 camp sessions.
- » The Office of Alumni Relations, with support from the Alumni Council, continued to strengthen alumni engagement through volunteer opportunities, events, affinity programs and classroom participation. In 2025/26, 240 alumni volunteered, 440 attended events and 11,085 participated in affinity programs.
- » In 2025/26, the alumni engagement score was four per cent, representing 4,721 engaged alumni. This metric reflects the number of unique alumni counted through multiple weighted engagement categories, including 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 2025/26, the University continued to enhance supports that address the diverse needs of learners and promote their success throughout their post-secondary journeys.

This section highlights examples of student supports and resources offered across the University. Many additional student-focused initiatives that directly advance the institutional goals outlined above are not repeated here.

- » In Winter 2026, New Student Registration was redesigned into MRU Prep. Through cross-departmental collaboration, the updated program will provide new students with virtual advising and registration supports before Welcome Day, allowing their on-campus experience to focus on building familiarity with the University, connecting with services and preparing for a successful transition to Mount Royal.
- » In 2025/26, Mount Royal's First-Year Mentorship program supported students' transition to university through peer mentoring, workshops and community-building opportunities. Offered in both the Fall and Winter semesters, the program helped first-year students build connections and a sense of belonging while promoting their overall well-being.
- » Through the Weeks of Welcome initiative, Mount Royal supported students as they started the Fall and Winter semesters, connecting them with campus resources, academic supports and opportunities to build community. Led by the Office of Student Experience in collaboration with campus partners, the initiative helped students feel welcomed and connected throughout key transition periods in the academic year.
- » In 2025/26, Mount Royal advanced its Integrated Services Delivery Program, a multi-year initiative designed to make student supports more visible and easier to navigate. This year, the implementation of several technology solutions supported improvements to admissions, onboarding and advising processes, and the creation of the Student Central department supports a more coordinated approach to connecting students with needed services throughout their academic journey.
- » Through the Program Integration Initiative, Student Learning Services partnered with multiple degree programs to embed tailored academic support within required coursework, rather than requiring students to seek support independently. In Fall 2025, the Child and Youth Care Counsellor and Early Learning and Child Care programs became the first to integrate Student Learning Services support across all four years of study.

- » In Fall 2025, Mount Royal launched the Finals Prep Plan, a coordinated initiative connecting students with academic and wellness supports during the final exam period. Building on the pilot, the initiative expanded in Winter 2026 to include additional campus partners and introduced the Fuel Up & Focus event, which distributed approximately 340 stress relief kits and generated more than 500 student engagements.
- » In 2025/26, Access and Inclusion Services established a partnership with the First-Year Mentorship Program to strengthen support for students navigating the accommodation process. Launching in Fall 2026, the partnership will help students understand accessibility supports, accommodation responsibilities and how to advocate for their needs.
- » As demand for accommodated exams continued to grow, Access and Inclusion Services expanded capacity to better meet students' accommodation needs. Updates to the Accommodated Exam Centre and satellite locations included eight isolation pods, 19 additional networked technology stations and extended hours, increasing capacity for students to write accommodated exams during their scheduled course exam times.
- » The BMO Indigenous Peer Mentorship program supported Indigenous students through peer-to-peer mentorship focused on academic success, cultural connection, community and wellness. In Winter 2026, the program grew to include 21 mentors and 21 mentees, creating opportunities for students to build relationships and strengthen their sense of belonging at Mount Royal.
- » The Library launched the *GenAI Applications Guide* to help students navigate the evolving role of generative artificial intelligence in academic work. The resource explains the features, ethical use and academic boundaries of generative AI tools while providing guidance on how, when and why to use them in coursework.
- » Student Learning Services provided students with access to asynchronous academic support through self-paced D2L APA and MLA referencing tutorials and other online academic resources. Together, these resources provide students with flexible access to academic support whenever it is needed.
- » Building on Mount Royal's commitment to creating a recovery-supportive environment, Wellness Services received a \$75,000 Recovery on Campus grant in 2025/26 to strengthen and expand the delivery of recovery-focused supports, including recovery meetings and stigma-reducing activities and events on campus.
- » In Fall 2025, Wellness Services launched the Supporting Students in Distress workshop to help employees recognize signs of distress, navigate sensitive conversations, maintain healthy boundaries and connect students with appropriate resources. Strong demand for the workshop led to additional sessions being offered, including a dedicated session for Library staff.
- » In 2025/26, the Office of Dating, Domestic and Sexualized Violence expanded training and resources to help members of the Mount Royal community recognize and respond to gender-based and sexualized violence. Supports included online learning opportunities and disclosure training for students and employees across campus.
- » The Office of Dating, Domestic and Sexualized Violence received an 18-month, \$172,000 Red Flag Awareness Initiative grant to develop awareness campaigns and workshops for the Mount Royal community. In partnership with the Iniskim Centre, the initiative will explore the intersections of gun violence and mental health while increasing awareness of Red Flag Laws and available supports.
- » Wellness Services expanded access to low-barrier mental health resources to help students strengthen well-being and manage stress. New supports included the Mini Mental Health Primer, a self-paced D2L module focused on practical strategies for everyday mental wellness, and Cozy Corner, which provided students with a supportive space to decompress and access wellness activities during the final exam period.
- » Mount Royal established the Edwin and Jeannette Dodd Scholarship, the largest student award in the University's history. Beginning in Fall 2026, the scholarship will provide \$25,000 each year to three students selected based on academic achievement and financial need, with recipients eligible to apply for renewed support in subsequent years.

- » On August 18, 2025, Mount Royal hosted the Cougar Classic Golf Tournament, raising approximately \$60,000 to support the nutritional needs of student-athletes throughout the year.
- » Residence Services continued to support students facing immediate housing challenges through the Emergency Housing Program. In 2025/26, the program provided 200 nights of emergency housing to 14 students, with an average stay of 14 nights. The most common outcome was that students moved into residence through a regular housing agreement. A new webpage was also launched to increase awareness and access to the service.
- » Residence Services supported students' transition to living on campus through Welcome Week. Led by the Residence Activities Council, events throughout the week provided opportunities for students to connect with peers and develop a sense of belonging within the residence community.

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

Through research activity spanning such areas as innovation, health, sustainability and emerging technologies, Mount Royal researchers contributed to Alberta's long-term priorities while advancing knowledge within and beyond their disciplines. Mount Royal continued to increase the scope and impact of research activity through both external funding success and internal supports.

In 2025/26, Mount Royal faculty secured \$1.5 million in external research funding, including more than \$825,000 in tri-agency funding. This included \$239,000 from NSERC and \$586,000 from SSHRC, with success rates of 13 and 39 per cent, respectively. Additionally, Mount Royal received more than \$676,000 through other external funders, which included support for a new Tier 2 Canada Research Chair in Integrative Physiology and the Biomechanics of Locomotion in the Faculty of Health, Community and Education. 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.

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 by providing learners with opportunities to develop skills and applied experience. Through its research experiences and partnerships, Mount Royal creates opportunities for students to connect learning, discovery and practice.

In 2025/26, 186 undergraduate students worked as research assistants across a range of disciplines, gaining hands-on research experience alongside faculty members.

Through its Institutes and Centres, Mount Royal connected research and teaching by creating opportunities for students and faculty to collaborate through research projects, experiential learning and innovation programs.

- » The Institute for Innovation and Entrepreneurship engaged 1,310 students through programs and events, including the JMH LaunchPad Pitch Competition, Ideas Lab and Innovation Sprint, providing opportunities for students to develop entrepreneurial skills and apply their learning through innovation-focused experiences. In total, the Institute provided \$191,662 to MRU students through paid work-integrated learning experiences.
- » The Institute for Community Prosperity provided students with opportunities to develop changemaking skills through research, systems thinking and community-focused learning. The Institute supported 14 Catamount Fellows across four faculties with guidance from 21 faculty mentors, while nine students participated in the Map the System challenge and 21 completed the Student Changemaker Certificate program.
- » The Miistakis Institute supported 10 students in applying their learning through work-integrated learning opportunities across disciplines, including data science, science and psychology.

- » Through the Centre for Health and Innovation in Aging, 19 undergraduate students and 18 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

Community-engaged research is a core institutional priority at Mount Royal. Through knowledge sharing, applied research and partnerships, Mount Royal's Institutes connect students and researchers with community organizations, industry partners and other collaborators to address social, economic and environmental challenges.

Institute for Innovation and Entrepreneurship

The Institute for Innovation and Entrepreneurship strengthened connections with Alberta's innovation ecosystem through growth programs, including ScaleUP Week and Growth Catalyst, which engaged 244 organizations in Western Canada and 1,061 members of the business community. The Institute also provided 1,177 hours of coaching to community members, professionals and students.

Additionally, the Institute secured \$5.65 million in provincial, federal and community funding to establish the Alberta Logistics Centre of Excellence. Building on Mount Royal's supply chain management expertise, the Centre strengthens collaboration with Alberta's transportation and logistics sector while expanding work-integrated learning and applied research opportunities for students.

Institute for Community Prosperity

In 2025/26, the Institute for Community Prosperity delivered events and programs that engaged more than 1,300 participants, including 1,175 external community members. Artists as Changemakers brought together eight artists and eight community groups, while the Early Childhood Literacy Lab engaged 158 participants across five workshops. The Institute also published six community reports, including an environmental scan with the Calgary Foundation.

Miistakis Institute

The Miistakis Institute connected research and conservation practice by collaborating with community and academic partners to support evidence-informed approaches to land-use planning and ecosystem health. In 2025/26, the Institute engaged with 35 community partners and nine academic partners through research projects and events.

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, 40 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 2025/26:

- » Building on its partnership with Royal Roads University (RRU), Mount Royal worked in 2025/26 to develop new opportunities for Alberta-based learners to access graduate education, including the potential for students in select RRU graduate certificate programs to complete in-person residencies at Mount Royal.
- » New block transfer agreements with Bow Valley College and College of the Rockies created additional learner pathways to Mount Royal. The agreements allow graduates of Bow Valley College's Social Work Diploma and College of the Rockies' Computer Information Systems Technology Diploma to apply their previous learning toward Mount Royal's Bachelor of Social Work and Bachelor of Computer Information Systems, respectively.

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

CAPITAL REPORT

Top three priority projects

Mount Royal University has identified the following three major capital projects as priorities for Government of Alberta support:

Project 1 – Health Science Innovation Centre

Anticipated planning cost: \$15.0 million requested from the Government of Alberta

Project planning dates: April 2027 – August 2028

Intended to support more than 1,000 students in high-demand health, science and technology programs, the Health Science Innovation Centre will accommodate enrolment growth and new program opportunities at Mount Royal. The project combines a new integrated teaching and learning facility with the modernization of existing infrastructure, including comprehensive renewal of the original science laboratories in B-Wing, aligning older facilities with contemporary program needs and modern educational standards.

The project is envisioned to serve as the potential future home of Western Canada's first optometry school, which is being explored in partnership with the University of Waterloo School of Optometry and Vision Science, as well as public-facing clinics, expanded simulation labs and increased educational programming in critical-need areas, including social work and critical care.

Project 2 – Main Building Modernization: E-Wing, I-Wing and the theatres

Anticipated project planning cost: \$4.0 million requested from the Government of Alberta

Project planning dates: April 2028 – August 2029

The Main Building Modernization project will renew key areas of the University's Main Building by replacing aging base-building systems that have exceeded their life expectancy.

Current planning work, funded through \$250,000 from Mount Royal's reserve funds, includes the development of a functional program to guide future classroom renewal and theatre revitalization. Planning also includes collaboration with the Classroom Renewal Committee to assess instructional space needs in support of increased flexibility for students in program delivery as well as future enrolment growth.

Project 3 – Indigenous House of Learning

Anticipated project planning cost: \$2.0 million requested from the Government of Alberta

Project planning dates: April 2029 – August 2030

The proposed Indigenous House of Learning is a dedicated facility designed to support Indigenous learners by providing for culturally informed services and space for ceremony. Co-designed with Indigenous communities, the project advances Mount Royal's reconciliation commitments and supports the integration of Indigenous knowledge into everyday campus life.

Overview of active and proposed capital projects

Project name and description	Project type	Total cost	Current status
Repurposing existing spaces Mount Royal University is undertaking a \$65M renovation of spaces vacated following the construction of the Taylor Centre for the Performing Arts and the Riddell Library and Learning Centre. The project is funded by the Government of Alberta and the Taylor Family Foundation. The renovation will create new learning, student services and gathering spaces within the former library area in the G-Wing. The project also includes updated classrooms, two new laboratories for the Faculty of Science and Technology and flexible multi-use spaces. The project will also create a student services hub designed around Mount Royal's integrated service delivery model, making it easier for students to navigate and access services. Additionally, dedicated space for international student services, direct access to the Iniskim Centre and a new student plaza will strengthen students' sense of belonging while supporting learning, collaboration and community.	Modernization	\$65M	W-Wing Renovations: Completed G-Wing Renovations: In progress
Deferred maintenance Deferred maintenance work in 2025/26 focused on renewing critical building infrastructure, including fire alarm, automation and controls, electrical distribution and lighting upgrades. Funding for deferred maintenance projects included carryover funding, interest and the 2025/26 Capital Maintenance and Renewal allocation.	Renewal	\$3.6M	In progress

FINANCIAL INFORMATION

This supplemental financial information should be read in conjunction with Mount Royal's consolidated financial statements and accompanying notes, provided in Appendix A. Additional supplemental financial information prepared in accordance with the Ministry of Advanced Education's annual reporting requirements is provided in Appendix B.

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 Assets 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, 2026, Mount Royal's total accumulated net assets balance was \$226.5 million (2025: \$196.9 million). The balance consisted of:

- » \$90.9 million (40.1 per cent) in endowments held in perpetuity;
- » \$55.4 million (24.5 per cent) related to the accumulated net investment in capital assets since the University's inception;
- » \$49.7 million (21.9 per cent) related to internally restricted funds and reserves, and
- » \$30.5 million (13.5 per cent) related to the University's accumulated operating surplus, including \$17.8 million in remeasurement gains.

The accumulated operating surplus balance at March 31, 2026 was \$30.5 million (2025: \$25.3 million), comprising \$12.7 million (2025: \$10.1 million) in accumulated surplus and \$17.8 million (2025: \$15.2 million) in accumulated remeasurement gains. Note 13 to the consolidated financial statements contains a more comprehensive view of the University's accumulated net assets. 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 2026. The University's accumulated net financial assets balance was \$114.3 million at the end of 2026 and \$98.2 million at the end of 2025. It highlights the University's strong liquidity position as at March 31, 2026 with no borrowing on its \$40.0 million (2025: \$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 2026 net financial assets balance is \$101.5 million (2025: \$91.7 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, future operating expenditures or capital purchases.
- » At the end of March 2026, the University's financial liabilities included an estimated value of \$30.8 million in recognition of the obligation associated with the retirement of tangible capital assets (2025: \$27.2 million).

In addition, the University ended the fiscal year with an operating surplus of \$18.6 million (2025: \$10.8 million). After consideration for changes in net assets, the Board of Governors approved the appropriation of \$18.6 million (2025: \$8.8 million) from the 2025/26 accumulated operating surplus to internally restricted surplus for the funding of institutional capital and strategic priorities.

Summary of financial results

Mount Royal ended the fiscal year March 31, 2026 with an operating surplus of \$18.6 million compared to \$10.8 million for the prior fiscal year ended March 31, 2025.

This fiscal year's operating surplus was driven by increased revenue from investment income mainly due to realized investment gains from distribution by Canadian and global equity holdings, and commercial mortgage funds. 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 as compared to budget. Other revenue improvements included sales of services and products as well as provincial government grants which generated higher revenues than originally budgeted.

Operating expenses were higher than budget in areas such as materials, supplies and services, professional services, scholarships and bursaries, and maintenance and repairs. The increase in operating expenses was offset by cost savings in the compensation and benefits expenditures as well as in utilities, which came in under budget. The overall net result was an operating surplus of \$18.6 million.

Net assets increased by \$29.6 million from the previous year to \$226.5 million (\$196.9 million in 2025). The growth was mainly due to generating an operating surplus of \$18.6 million and an increase in the fair value of endowments by \$8.4 million, plus an increase in accumulated remeasurement gains of \$2.6 million.

Highlights of consolidated statement of financial position

Mount Royal University's consolidated statement of financial position provides information on the University's financial health and sustainability at the end of March 31, 2026.

Cash and portfolio investments

The University ended the fiscal year with a cash balance of \$49.0 million. This amount reflected a decrease of \$17.0 million from the prior year's balance. This decrease was mainly as a direct result of large cash outlays disbursed for renovations of the Sam Taylor Student Commons, as well as for capital infrastructure projects. The year-end cash balance included 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 \$22.1 million and \$9.8 million respectively, a total increase of \$31.9 million from the prior year end. This was as a result of \$27.7 million in realized investment income and an increase in the unrealized gains by \$4.2 million. Further portfolio investment details are described in Note 3 to the University's consolidated financial statements.

Accounts receivable

The accounts receivable balance of \$13.8 million (2025: \$13.5 million) primarily consisted of \$7.3 million (2025: \$7.8 million) due 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 \$6.5 million (2025: \$5.7 million) included amounts owing from students and commercial clients. The overall increase of \$0.8 million from prior year balance was 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 balance of \$37.9 million (2025: \$39.5 million) included outstanding vendor invoices, construction holdbacks, student deposits, payroll liabilities and vacation entitlements. There was a decrease of \$1.6 million (2025: \$5.5 million increase) in accounts payable and accrued liabilities from the prior year which was largely attributable to lower vendor invoices related to general operations as well as from payroll and accrued vacation liabilities.

Employee future benefit liabilities

Employee future benefit liabilities include disability leave benefits, administrative leave and supplemental retirement plans. The employee future benefit liabilities increased by \$0.28 million primarily resulting from an increase in the administrative leave liability resulting from current service costs and no offsetting benefits paid.

Debt

At the end of the fiscal year, \$29.1 million (2025: \$32.8 million) was accumulated in debt for infrastructure-related projects. This balance includes \$7.3 million that is owed to the University by the Students' Association of Mount Royal University. This is reported in the University's accounts receivable balance. The University's debt decreased by \$3.7 million from the prior year as a result of ongoing repayments on loans to the Ministry of Treasury Board and Finance, offset by new debt financing related to capital leases. 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, \$101.8 million (2025: \$101.3 million) was recognized as deferred revenue. Further details about deferred revenue can be found in Note 8 to the University's consolidated financial statements.

Tangible capital assets and purchased intangibles

At the end of March 2026, tangible capital assets and purchased intangibles net book value balances were \$365.9 million (2025: \$338.1 million). The overall increase of \$27.8 million (2025: \$9.2 million) was 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 included projects such as the Sam Taylor Student Commons, capital infrastructure, running track, soccer field turf and bleacher replacements, 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 obligations associated with the retirement of tangible capital assets. At the end of March 31, 2026, the estimated value of the obligation was \$30.8 million (2025: \$27.2 million). During the course of the fiscal year, an inflationary increase of \$4.3 million (2025: \$1.3 million) was applied to the ending estimate from 2025, and the liability was partially settled with \$0.7 million (2025: \$1.0 million) in remediation of asbestos-containing space.

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. Grants and donations are recognized as revenue over the same period and on the same basis as the amortization of the related capital assets. The spent deferred capital balance of \$257.9 million as of March 31, 2026 (2025: \$243.6 million) was related to grants and donations committed for the construction or renovation of campus buildings, offset by amortization expense from externally funded deferred capital contributions. Details are disclosed in Notes 8 and 9 to the University's consolidated financial statements.

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 \$29.6 million (15.0 per cent) from the prior year end balances. The year-over-year net assets balances are further disclosed in the following table:

	As of March 31, 2026 (millions)	As of March 31, 2025 (millions)	Increase (millions)	% Change
Accumulated operating surplus	\$12.7	\$10.1	\$2.6	25.7%
Internally restricted surplus	\$49.7	\$46.8	\$2.9	6.2%
Investment in capital assets	\$55.4	\$42.3	\$13.1	31.0%
Endowments	\$90.9	\$82.5	\$8.4	10.2%
Accumulated remeasurement gains	\$17.8	\$15.2	\$2.6	17.1%
Total	\$226.5	\$196.9	\$29.6	15.0%

Accumulated operating surplus

The accumulated operating surplus is the net result of the University's operating surpluses or deficits since inception 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 was primarily driven by the fiscal year operating surplus, most of which was transferred to the internally restricted surplus to fund institutional capital and strategic priorities.

Internally restricted surplus

The total internally restricted surplus increased by \$2.9 million, consisting of an allocation to the capital renewal fund of \$18.6 million, partially offset by current year disbursements of \$15.7 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, 2026, the University's net book values of tangible capital assets and purchased intangibles were \$364.6 million and \$1.3 million respectively. The University has invested in these non-financial assets by utilizing the following funding sources:

	As of March 31, 2026 (millions)	As of March 31, 2025 (millions)
Internally funded from accumulated operating surplus	\$55.4	\$42.3
Externally financed (through debt)	\$21.8	\$25.1
Externally funded (spent deferred capital contributions)	\$257.9	\$243.5
Asset retirement obligations	\$30.8	\$27.2
Net book value of capital assets	\$365.9	\$338.1

The internally funded portion of \$55.4 million as of March 31, 2026 represents the University's contribution from its accumulated operating surplus invested in capital assets. The increase of \$13.1 million from March 31, 2025 is the result of new investment in capital assets through the University's internal funding, as well as from debt repayments. Note 10 and 11 to the University's consolidated financial statement provides 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.

Endowments have increased by \$9.8 million to \$101.5 million from the prior fiscal year. This 10.7 per cent increase is due to new contributions from donors and additional investment income earned from the endowments, which are held to offset the impacts of inflation. 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 reflect an adjustment to the investment portfolio to fair market value. As of March 31, 2026, the investment portfolio had a net remeasurement gain of \$17.8 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, 2026 operating revenue and expense activities.

Revenue

Total revenue for the year ended March 31, 2026 was \$303.1 million compared to budget of \$281.8 million. This represented a total revenue variance of \$21.3 million (8 per cent).

Grant funding streams

Government of Alberta grants represented the second largest source of funding to support University operations at 37 per cent of total revenues. Provincial grant revenue totalled \$112.2 million which was \$4.0 million greater than budget due to a one-time increase in base operating grant funding of \$2.3 million and increases in research and other conditional funding of \$1.7 million.

Student tuition and fees

Student tuition and fees represented the largest source of funding at 40 per cent. Student tuition and fees were \$0.3 million under budget due to lower than budgeted flying fees and non-credit tuition. Partially offsetting the declines was an increase in credit tuition, mandatory non-instructional fees and other fees resulting from stronger than anticipated summer, fall and winter enrolments, both for domestic and international students.

Sales of services and products

Ancillary operations revenue was higher than budget by \$7.1 million primarily due to parking revenues exceeding budget, strong sales in recreation, increased revenues in the University's Institutes, increased activity in Wellness Services, and higher than anticipated youth camps revenues.

Donations and other grants

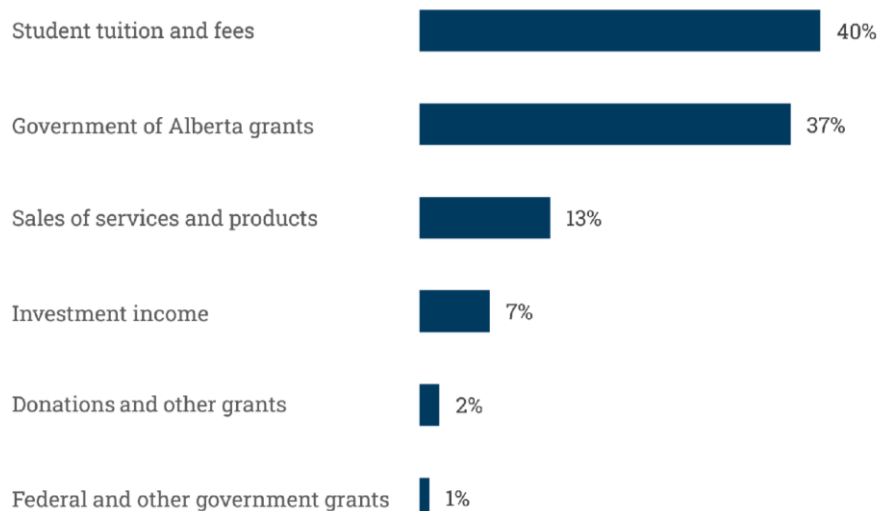
Donations and other grants were higher than budget by \$1.3 million. Unbudgeted donations and contributions received during the fiscal year were utilized to fund the Spatial Data Science Certificate program, the AgeCare Research Chair in Aging, and to support programming activities in the University's Institutes.

Investment income

Investment income realized a positive variance of \$10.6 million as compared to budget as a result of realized investment gains from distribution by Canadian and global equity holdings, and commercial mortgage funds.

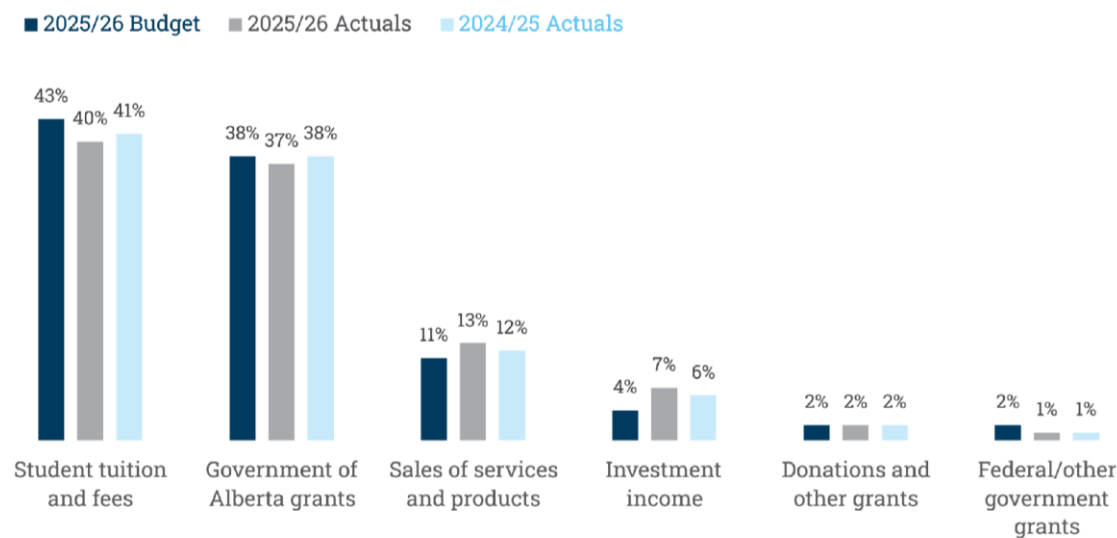
Revenues by source 2025/26

Total revenue allocation between revenue sources for the year ended March 31, 2026 is illustrated in the chart below:



Revenue comparison

A comparison of the total revenue generated by source 2025/26 budget, 2025/26 actuals and 2024/25 actuals illustrated in the graph below:



Expenses

Total expenses for the year ended March 31, 2026 were \$284.6 million, compared to budgeted expenses of \$281.8 million. This represented a variance of \$2.8 million versus budget.

Expenses by function

Instruction and non-sponsored research

Instruction and non-sponsored research expenses were \$6.4 million lower than budget. The decrease was partially attributed to vacant full-time and contract faculty positions, and lower activity in the flight school as compared to budget.

Academic and student support

Academic and student support expenses were \$2.2 million higher than budget as a result of increased spending on salaries and professional fees and services. This was partially offset by revenues in those areas.

Facility operations and maintenance

Facility operations and maintenance were lower than budget by \$1.5 million due to a lower than anticipated utilities expense mostly attributable to the elimination of the carbon tax.

Institutional support

Institutional support expenses were \$1.5 million higher than budget due to higher maintenance agreements and labour costs.

Ancillary services

Ancillary services expenditures were \$6.3 million higher than budget due to increased activity in residence, events and theatre services, a higher than expected bad debts expense for parking, and increased recreation programming. The increased activity also attracted higher institutional overhead allocations relative to budget. These costs were offset by higher than expected ancillary revenue.

Sponsored research

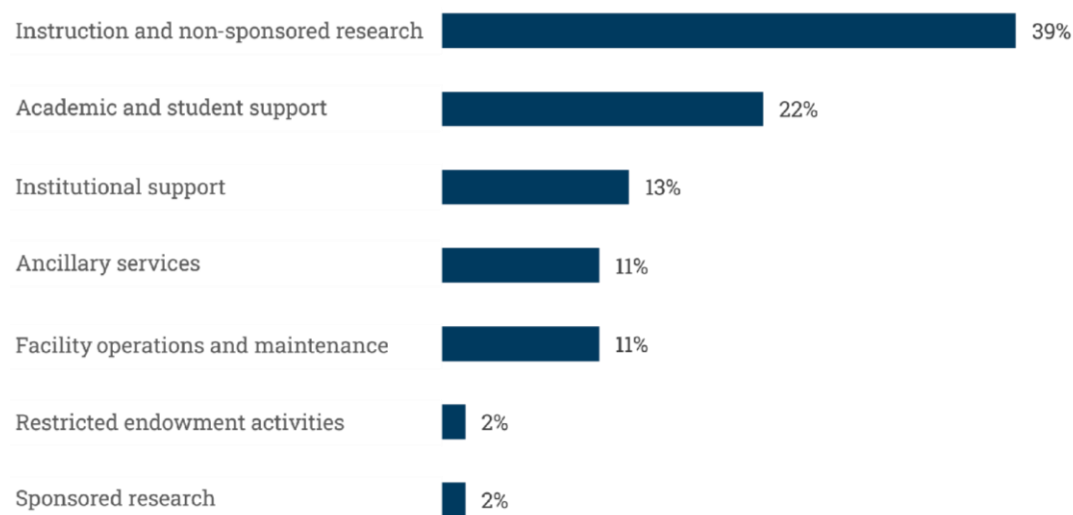
Sponsored research exceeded budget by \$1.0 million due to unanticipated research related activities. The increased expenses were fully offset by associated grant revenue.

Restricted and endowment activities

Restricted and endowment activities were lower than budget by \$0.2 million due to vacant positions.

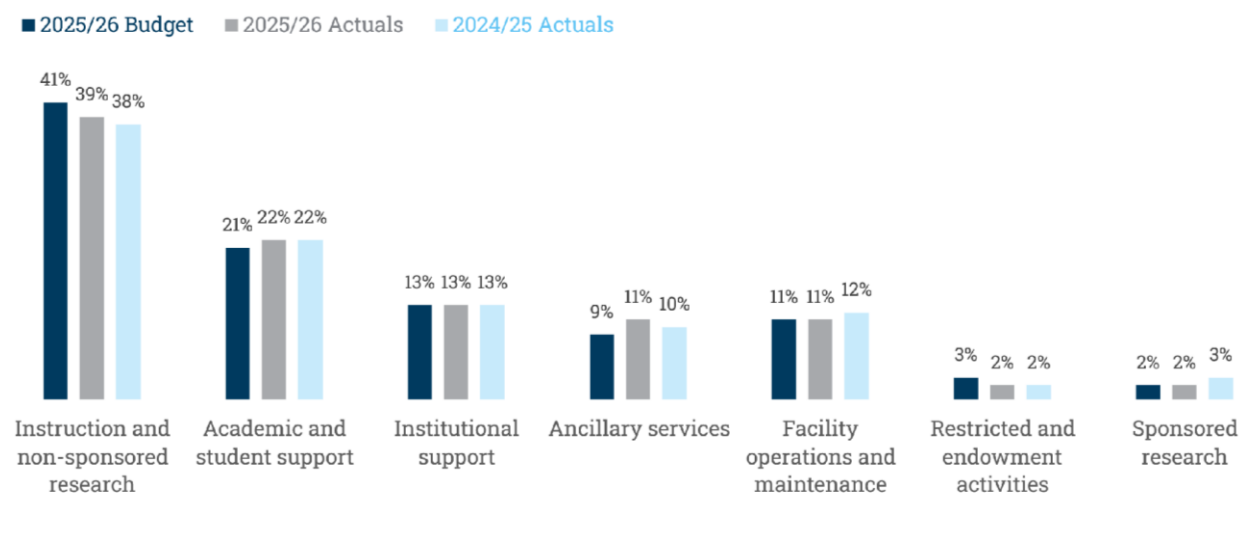
Expenses by function 2025/26

Total expense allocation by function for the year ended March 31, 2026 is illustrated in the chart below:



Expense comparison by function

A comparison of the total expense by function 2025/26 budget, 2025/26 actuals and 2024/25 actuals is illustrated in the graph below:



Expense by object

Salaries and benefits

Compensation expenses totalled \$198.8 million or 70 per cent of the University's operating expenses in 2025/26. These expenses, which include employee benefits, were \$2.1 million lower than budget mainly due to the timing of faculty and staff hiring, and lower costs in the flight school due to reduced flight training hours as compared to budget.

Materials, supplies and services

Materials, supplies and services were \$3.7 million higher than budgeted. This was due to increased conditional grants, sales and services contracts, increased Cougars Athletics and Recreation activities, and unbudgeted bad debt expense for parking fines. Partially offsetting the increase was lower flight training hours as compared to budget.

Cost of goods sold

Cost of goods sold exceeded budget by \$0.6 million primarily driven by higher than anticipated sales volumes in events and theatre services.

Scholarships and bursaries

Scholarship and bursaries were higher than budget by \$0.6 million. This variance was due to a number of student awards that were issued after the budget was approved. This increase was fully funded by additional donations and endowment revenue.

Maintenance and repairs

An unfavourable variance as compared to budget of \$1.4 million in maintenance and repairs was largely due to funding of energy management initiatives through savings in utilities.

Utilities

A favourable variance as compared to budget of \$1.6 million in utilities resulted from the elimination of the carbon tax post-budget development.

Amortization of capital assets

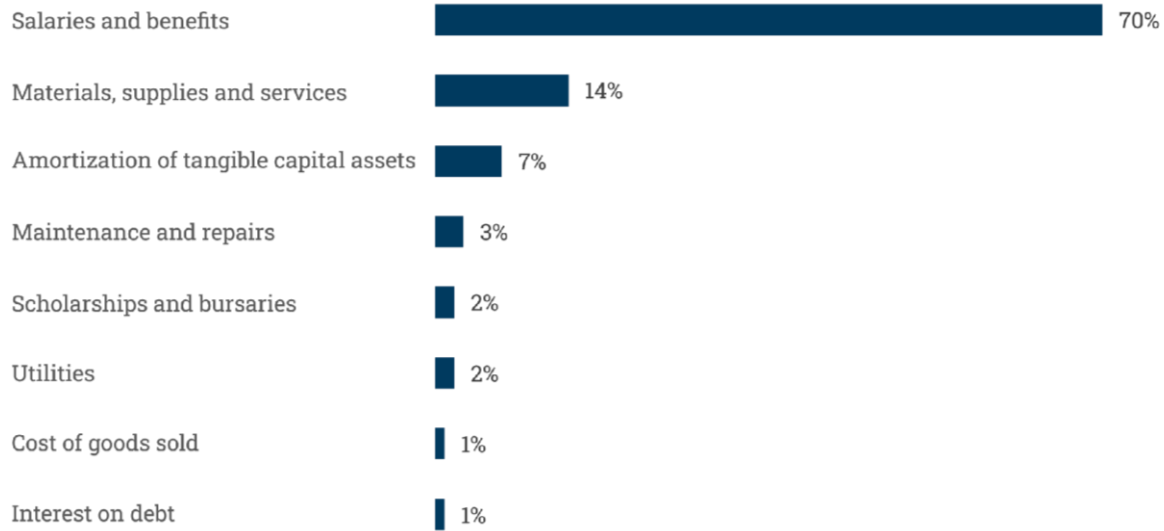
Amortization was higher than budget by \$0.4 million due to capital spending, including soccer field upgrades and investment in critical infrastructure in information technology services.

Interest on debt

Interest on capital leases were lower than budget by \$0.1 million due to savings compared to budget in the laptop refresh program.

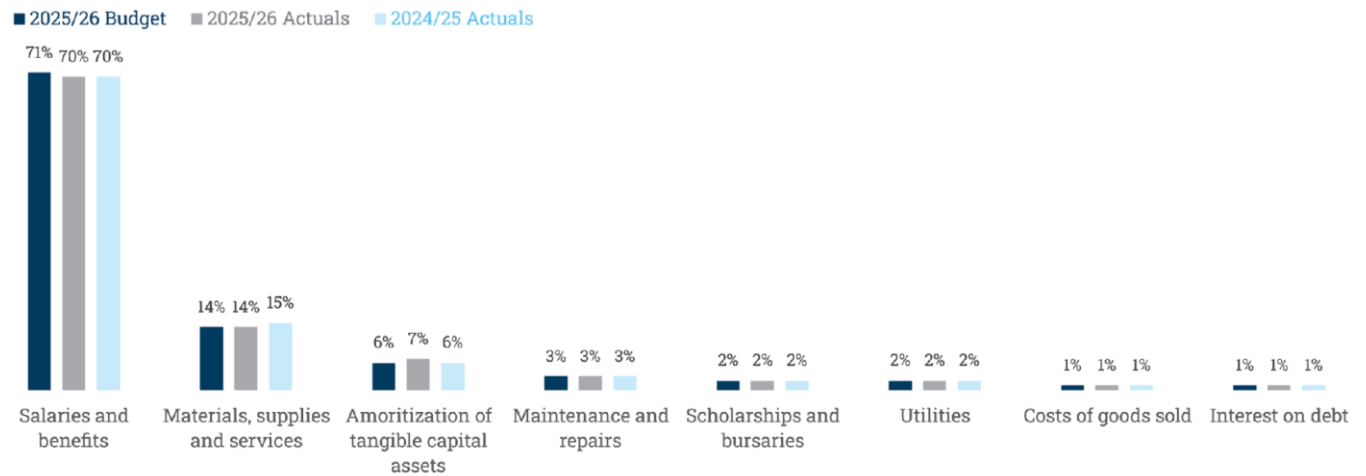
Expenses by object 2025/26

Total expense allocation by object for the year ended March 31, 2026 is illustrated in the chart below:



Expenses comparison by object

A comparison of the total expense by object for 2025/26 budget, 2025/26 actuals and 2024/25 actuals is illustrated in the graph below:



MANDATORY NON-INSTRUCTIONAL FEES

Mount Royal University collects mandatory non-instructional fees (MNIFs) to support specific goods and services that enhance the student experience. The following table provides a financial summary of the University's MNIFs in 2025/26. No new MNIFs were introduced and no existing MNIFs were substantively changed during the reporting period.

Note: Revenue for each fee in the table below is reported in thousands of dollars.

Fee name	Supported goods/services	Budgeted	Actual	Variance explanation
Student services fee	Related goods and services within the Students Division	\$12,650	\$13,200	Revenues: Favourable variance of \$550K resulting from higher total student headcount, including higher ratio of full-time vs. part-time students compared to budget, where full-time student service fee rates are higher than part-time student service fee rates. Net expenses* (Budget = \$21,592K; Actual = \$23,717K): Higher actual net expenses compared to budget mainly driven by higher costs related to access and inclusion services, including supports for students with disabilities, counselling, advising, student health services and enrolment services. <i>*expenses net of revenues other than student service fees</i>
Athletics/recreation fee	Direct support services for varsity sport and recreation programs and services	\$4,394	\$4,556	Revenues: Favourable variance of \$162K resulting from higher total student headcount numbers; including increased ratio of full-time vs. part-time students compared to budget, where full-time athletics and recreation fee rates are higher than part-time athletics and recreation fee rates. Net expenses* (Budget = \$7,069K; Actual = \$7,207K): Higher actual net expenses compared to budget mainly driven by higher material and supplies costs. <i>*expenses net of revenues other than athletics & recreation fees</i>
Total		\$17,044	\$17,756	

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, 2025 and March 31, 2026.

Cancelled events

Between April 1, 2025 and March 31, 2026 no events were cancelled by the University for reasons related to free speech.

Free speech-related complaints

Between April 1, 2025 and March 31, 2026 Mount Royal University did not receive any complaints related to free speech issues.

Complaints process and contact

Free speech-related concerns or complaints may be submitted to the University's dedicated email address (expression@mtroyal.ca), where they are received and directed for review as appropriate.

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 A: CONSOLIDATED FINANCIAL STATEMENTS

The audited financial statements of Mount Royal University for the 2025/26 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, 2026

Mount Royal University

CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED MARCH 31, 2026

STATEMENT OF MANAGEMENT RESPONSIBILITY	1
INDEPENDENT AUDITOR'S REPORT	2
CONSOLIDATED STATEMENT OF FINANCIAL POSITION	5
CONSOLIDATED STATEMENT OF OPERATIONS	6
CONSOLIDATED STATEMENT OF CHANGE IN NET FINANCIAL ASSETS	7
CONSOLIDATED STATEMENT OF REMEASUREMENT GAINS AND LOSSES	8
CONSOLIDATED STATEMENT OF CASH FLOWS	9
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS	10

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, 2026 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]

Tim Rahilly, PhD
President and Vice-Chancellor

[Original signed by]

Michael Lam, CPA, CA, CHE
Vice-President, Finance and Administration

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, 2026, 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, 2026, 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 Phillip D. Peters FCPA, FCA, KC]
Auditor General of Alberta

May 28, 2026
Edmonton, Alberta



Mount Royal University

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT MARCH 31, 2026

(thousands of dollars)

	2026	2025
Financial assets excluding portfolio investments restricted for endowments		
Cash	\$ 48,964	\$ 66,025
Portfolio investments - non-endowment (note 3)	152,925	130,862
Accounts receivable (note 5)	13,809	13,451
Inventories held for sale	977	1,077
	216,675	211,415
Liabilities		
Accounts payable and accrued liabilities	37,917	39,491
Employee future benefit liabilities (note 6)	4,347	4,065
Debt (note 7)	29,069	32,831
Deferred revenue (note 8)	101,762	101,323
Asset retirement obligations (note 12)	30,751	27,205
	203,846	204,915
Net financial assets excluding portfolio investments restricted for endowments	12,829	6,500
Portfolio investments - restricted for endowments (note 3)	101,488	91,700
Net financial assets	114,317	98,200
Non-financial assets		
Tangible capital assets (note 10)	364,616	337,133
Purchased intangibles (note 11)	1,330	978
Inventories of supplies	51	57
Prepaid expenses	4,138	4,110
	370,135	342,278
Net assets before spent deferred capital contributions	\$ 484,452	\$ 440,478
Spent deferred capital contributions (note 9)	257,989	243,552
Net assets (note 13)	\$ 226,463	\$ 196,926
Net assets are comprised of:		
Accumulated surplus	\$ 208,641	\$ 181,776
Accumulated remeasurement gains	17,822	15,150
	\$ 226,463	\$ 196,926

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, 2026

(thousands of dollars)

	Budget (note 23)	2026	2025
Revenues			
Government of Alberta grants (note 21)	\$ 108,223	\$ 112,167	\$ 108,051
Federal and other government grants (note 21)	4,332	3,000	2,853
Sales of services and products	31,443	38,564	34,857
Student tuition and fees	122,367	122,086	114,399
Donations and other grants	4,973	6,225	5,656
Investment income	10,501	21,088	15,539
	281,839	303,130	281,355
Expenses (note 18)			
Instruction and non-sponsored research	116,026	109,633	103,253
Academic and student support	57,826	60,015	57,298
Facility operations and maintenance	33,219	31,672	31,815
Institutional support	36,744	38,215	35,892
Ancillary services	25,283	31,567	28,321
Sponsored research	5,393	6,371	7,830
Restricted and endowment activities	7,280	7,095	6,099
	281,771	284,568	270,508
Annual operating surplus	68	18,562	10,847
Endowment contributions and capitalized investment income			
Endowment contributions (note 13)		2,154	2,952
Endowment capitalized investment income (note 13)		6,149	3,262
		8,303	6,214
Annual surplus	68	26,865	17,061
Accumulated surplus, beginning of year	181,776	181,776	164,715
Accumulated surplus, end of year (note 13)	\$ 181,844	\$ 208,641	\$ 181,776

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, 2026 (thousands of dollars)

	Budget (note 23)	2026	2025
Annual surplus	\$ 68	\$ 26,865	\$ 17,061
Acquisition of tangible capital assets	(57,682)	(45,820)	(25,131)
Proceeds from sale of tangible capital assets		-	6
Amortization of tangible capital assets	18,097	18,335	16,349
Loss (gain) on disposal of tangible capital assets		2	(3)
Purchase of intangible assets		(550)	(599)
Amortization of purchased intangibles	83	198	138
Decrease in inventories of supplies		6	1
Increase in prepaid expenses		(28)	(195)
Increase in spent deferred capital contributions	33,211	14,437	5,637
Increase in accumulated remeasurement gains		2,672	2,457
(Decrease) increase in net financial assets	(6,223)	16,117	15,721
Net financial assets, beginning of year	98,200	98,200	82,479
Net financial assets, end of year	\$ 91,977	\$ 114,317	\$ 98,200

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, 2026

(thousands of dollars)

	2026	2025
Accumulated remeasurement gains, beginning of year	\$ 15,150	\$ 12,693
Unrealized gains attributable to:		
Portfolio investments - non-endowment	2,687	2,840
Amounts reclassified to the consolidated statement of operations:		
Portfolio investments - non-endowment	(15)	(383)
Accumulated remeasurement gains, end of year	\$ 17,822	\$ 15,150

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



Mount Royal University

CONSOLIDATED STATEMENT OF CASH FLOWS

YEAR ENDED MARCH 31, 2026

(thousands of dollars)

	2026	2025
OPERATING TRANSACTIONS		
Annual surplus	\$ 26,865	\$ 17,061
Add (deduct) non-cash items:		
Amortization of tangible capital assets	18,335	16,349
Amortization of purchased intangibles	198	138
Gain on sale of portfolio investments	(27)	(660)
Loss (gain) on disposal of tangible capital assets	2	(3)
Expended capital contributions recognized as revenue	(9,596)	(9,272)
Change in employee future benefit liabilities	282	174
Annual surplus net of non-cash items	36,059	23,787
Increase in accounts receivable	(358)	(1,426)
Decrease in inventories held for sale	100	326
(Decrease) increase in accounts payable and accrued liabilities	(1,574)	5,502
(Decrease) increase in deferred revenue, excluding change in restricted unrealized gain	(1,046)	8,321
Decrease in asset retirement obligations	(752)	(991)
Decrease in inventories of supplies	6	1
Increase in prepaid expenses	(28)	(195)
Cash provided by operating transactions	32,407	35,325
INVESTING TRANSACTIONS		
Purchases of portfolio investments	(28,461)	(20,661)
Proceeds on sale of portfolio investments	794	2,991
Cash applied to investing transactions	(27,667)	(17,670)
FINANCING TRANSACTIONS		
Debt - repayment	(5,836)	(5,633)
Debt - new financing	2,074	1,292
Increase in spent deferred capital contributions, less expended capital recognized as revenue, less in-kind donations	24,002	14,879
Cash provided by financing transactions	20,240	10,538
CAPITAL TRANSACTIONS		
Acquisition of tangible capital assets, less in-kind donations and asset retirement additions	(41,491)	(23,803)
Purchase of intangible assets	(550)	(599)
Proceeds on disposal of tangible capital assets	-	6
Cash applied to capital transactions	(42,041)	(24,396)
(Decrease) increase in cash	(17,061)	3,797
Cash, beginning of year	66,025	62,228
Cash, end of year	\$ 48,964	\$ 66,025

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, 2026

(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, 2026 (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 or to purchase intangible assets, revenue will be recognized over the useful life of the tangible capital assets or the intangible 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, 2026

(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. Land transferred from related parties is recognized as revenue at the carrying value or nominal amount. The University has not received grants or donations for the purchase of land nor has any land been transferred from related parties.

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 expended and by reinvesting unexpended income.



Mount Royal University

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED MARCH 31, 2026

(thousands of dollars)

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

e. Endowments (continued)

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.



Mount Royal University

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED MARCH 31, 2026

(thousands of dollars)

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

h. Purchased intangibles

Purchased intangibles are non-monetary economic resources without physical 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.

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.



Mount Royal University

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED MARCH 31, 2026

(thousands of dollars)

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

j. Employee future benefits (continued)

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.

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, 2026 and March 31, 2025, there were no liabilities for remediation of contaminated sites.



Mount Royal University

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED MARCH 31, 2026

(thousands of dollars)

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

I. 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.

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.



Mount Royal University

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED MARCH 31, 2026

(thousands of dollars)

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

m. Expense by function (continued)

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.

In March 2026, the Public Sector Accounting Standards Board issued PS 3251, Employee Benefits. This standard, which replaces Retirement Benefits (PS 3250) and Post-Employment Benefits, Compensated Absences and Termination Benefits (PS 3255), applies to fiscal years beginning on or after April 1, 2029. PS 3251 establishes requirements for the recognition, measurement, presentation and disclosure of employee benefits. The University is currently assessing the impact of PS 3251 on the consolidated financial statements.



Mount Royal University

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS YEAR ENDED MARCH 31, 2026 (thousands of dollars)

3. Portfolio investments

	2026	2025
Portfolio investments - non-endowment	\$ 152,925	\$ 130,862
Portfolio investments - restricted for endowments	101,488	91,700
	\$ 254,413	\$ 222,562

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

	2026				
	Annual return	Level 1	Level 2	Level 3	Total
Pooled investment in funds:					
Fixed income					
Canadian fixed income	0.88 %	\$ -	\$ 30,931	\$ -	\$ 30,931
Canadian commercial mortgages	4.69 %	-	-	22,788	22,788
Equities					
Canadian equities	34.82 %	-	59,463	-	59,463
Foreign equities	16.24 %	-	94,750	-	94,750
Real estate units	1.84 %	-	-	22,628	22,628
Infrastructure	8.72 %	-	-	22,931	22,931
Other ^(a)		902	-	20	922
Total portfolio investments		\$ 902	\$ 185,144	\$ 68,367	\$ 254,413
	0.35 %		72.77 %	26.87 %	100 %

	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 %

^(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, and units of exchange-traded fund and cash pending investment by the Supplementary Executive Retirement Plan, and a level 3 investment consists of a donated life insurance policy.



Mount Royal University

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS YEAR ENDED MARCH 31, 2026 (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:

	2026	2025
Balance, beginning of year	\$ 65,623	\$ 63,620
Unrealized gains	1,511	2,026
Purchases	1,233	1,234
Proceeds on sale	-	(1,884)
Gains on sale	-	627
Balance, end of year	\$ 68,367	\$ 65,623

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, 2026, 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 \$3,866 increase or decrease in the market value of University's equity holdings respectively (2025: \$3,152 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 \$774 increase or decrease in the market value of the University's fixed income holdings (2025: \$767 increase or decrease);
- Returns on the actively managed real estate pooled fund holdings have a negative 0.15 correlation with the market rates of return. A 2.5% increase or decrease in the market returns will cause a \$84 decrease or increase in the University's real estate fund holdings respectively (2025: \$67 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 \$54 increase or decrease in the market value of the University's Canadian commercial mortgages holdings (2025: \$47 increase or decrease).



Mount Royal University

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS YEAR ENDED MARCH 31, 2026 (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	\$ 60,621	\$ (1,516)	\$ (606)	\$ 606	\$ 1,516
Euro	7,864	(197)	(79)	79	197
Japanese Yen	5,230	(131)	(52)	52	131
British Pound	3,335	(83)	(33)	33	83
Chinese Yuan	2,824	(71)	(28)	28	71
Taiwan Dollars	2,662	(67)	(27)	27	67
Other currencies	12,213	(305)	(122)	122	305
	<u>\$ 94,749</u>	<u>\$ (2,370)</u>	<u>\$ (947)</u>	<u>\$ 947</u>	<u>\$ 2,370</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:

	2026	2025
Money market funds		
R-1 (high)	100.00 %	100.00 %
Canadian fixed income		
AAA	43.51 %	42.61 %
AA	29.97	31.60
A	14.56	14.76
BBB	11.47	11.03
Not rated	0.49	-
	<u>100.00 %</u>	<u>100.00 %</u>



Mount Royal University

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED MARCH 31, 2026

(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 (2025 - \$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, 2026, the University has not committed any borrowing facilities (2025 - \$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	\$ 48,964	\$ (1,224)	\$ (490)	\$ 490	\$ 1,224
Canadian fixed income	30,941	5,770	2,308	(2,005)	(5,012)
Real estate	22,628	520	204	(204)	(520)
Canadian commercial mortgages	22,788	1,344	538	(538)	(1,344)
Infrastructure	22,931	2,660	1,055	(1,078)	(2,683)
	148,252	9,070	3,615	(3,335)	(8,335)

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	0.90	39.38	59.72	2.61
Canadian commercial mortgages	23.30	47.20	29.50	5.54

5. Accounts receivable

	2026	2025
Accounts receivable	\$ 6,518	\$ 5,700
Receivable from the Students Association of Mount Royal University (note 7)	7,291	7,751
	\$ 13,809	\$ 13,451

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, 2026 (thousands of dollars)

6. Employee future benefit liabilities

Employee future benefit liabilities are comprised of the following:

	2026	2025
Disability leave benefit	\$ 1,711	\$ 1,760
Administrative leave and deferred salary plans	2,065	1,835
Supplementary executive retirement plans - defined benefit	571	470
	<u>\$ 4,347</u>	<u>\$ 4,065</u>

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, 2026 and incorporated the change to total pension coverage. The next actuarial valuation will be carried out on March 31, 2027.

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. An actuarial valuation of these benefits was carried out as at March 31, 2026. The next actuarial valuation will be carried out on March 31, 2027.

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, 2026. The next actuarial valuation will be carried out on March 31, 2027.



Mount Royal University

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED MARCH 31, 2026

(thousands of dollars)

6. Employee future benefit liabilities (continued)

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

	2026			2025		
	Disability leave benefit	Administrative leave and deferred salary plans	SERP	Disability leave benefit	Administrative leave and deferred salary plans	SERP
Expense						
Current service cost	\$ 418	\$ 411	\$ 102	\$ 338	\$ 397	\$ 50
Interest cost	71	100	32	131	100	13
Amortization of net actuarial (gain) loss	(193)	(281)	(33)	(533)	105	31
Total expense	\$ 296	\$ 230	\$ 101	\$ (64)	\$ 602	\$ 94
Financial position						
Accrued benefit obligation:						
Balance, beginning of year	\$ 1,760	\$ 1,835	\$ 470	\$ 2,245	\$ 1,375	\$ 271
Current service cost	418	411	102	338	397	50
Interest cost	71	100	32	131	100	13
Transfers	-	-	-	-	-	105
Amortization of net actuarial (gain) loss	(193)	(281)	(33)	(533)	393	31
Benefits paid	(345)	-	-	(421)	(430)	-
Balance, end of year	\$ 1,711	\$ 2,065	\$ 571	\$ 1,760	\$ 1,835	\$ 470

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

	2026		2025	
	Disability leave benefit	SERP	Disability leave benefit	SERP
Accrued benefit obligation:				
Discount rate	3.70 %	6.20 %	4.45 %	6.10 %
Benefit cost:				
Discount rate	2.50 %	6.20 %	2.50 %	6.10 %
Inflation (long-term)	- %	2.00 %	- %	2.00 %
Estimated average remaining service life	n/a	13 years	n/a	13 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, 2025, the LAPP reported an actuarial surplus of \$22,561,246 (2024 - \$19,557,148). An actuarial valuation of the LAPP was carried out as at December 31, 2024 and was then extrapolated for December 31, 2025. The pension expense recorded in the consolidated financial statements is \$12,149 (2025 - \$11,311).



Mount Royal University

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS YEAR ENDED MARCH 31, 2026 (thousands of dollars)

7. Debt

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

				2026	2025
	Collateral	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 %	\$ 4,796	\$ 6,988
Taylor Centre for the Performing Arts	(1)	March 17, 2029	3.1250 %	2,985	3,920
Mount Royal University Parkade	(1)	September 24, 2035	4.8675 %	11,010	11,903
MRU Student Association's Wyckham Student Centre (note 5)	(1)	June 15, 2037	5.0030 %	7,291	7,751
				26,082	30,562
Liabilities under capital leases⁽²⁾			(1.5878)%	2,987	2,269
Balance, end of year				\$ 29,069	\$ 32,831

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

⁽²⁾ Weighted average effective rate based on prime rate less a vendor discount for the majority of leases.

Principal and interest repayments are as follows:

Year	Principal	Interest	Total
2027	\$ 5,880	\$ 1,249	\$ 7,129
2028	5,833	1,016	6,849
2029	3,108	769	3,877
2030	1,783	674	2,457
2031	1,766	591	2,357
Thereafter	10,699	1,611	12,310
	\$ 29,069	\$ 5,910	\$ 34,979

Interest expense on debt is \$1,003 (2025 - \$1,203) 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 (2025 - \$40,000). The interest rate is prime less 0.75% (2026 - 3.7%, 2025 - 4.20%), payable monthly. The principal is due on demand or at the borrower's discretion. As at March 31, 2026, no amounts have been drawn on this facility (2025 - \$nil).



Mount Royal University

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS YEAR ENDED MARCH 31, 2026 (thousands of dollars)

8. Deferred revenue

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

	2026			2025	
	Unspent externally restricted grants and donations	Unspent externally restricted capital contributions	Student tuition, fees and other revenue	Total	Total
Balance, beginning of year	\$ 34,787	\$ 49,498	\$ 17,038	\$101,323	\$ 91,481
Grants, tuition, donations received during the year	22,860	12,496	18,649	54,005	49,874
Investment income	11,460	1,056	-	12,516	9,023
Unrealized gains	1,485	-	-	1,485	1,521
Transfers to spent deferred capital contributions	(1,141)	(22,892)	-	(24,033)	(14,909)
Recognized as revenue	(26,496)	-	(17,038)	(43,534)	(35,667)
Balance, end of year	\$ 42,955	\$ 40,158	\$ 18,649	\$101,762	\$101,323

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).

	2026		2025	
Spent deferred capital contributions, beginning of year	\$	243,552	\$	237,915
Transfers from unspent externally restricted grants and donations		1,141		3,353
Transfers from unspent externally restricted capital contributions		22,892		11,556
Expended capital contributions recognized as revenue		(9,596)		(9,272)
Net change for the year		14,437		5,637
Balance, end of year	\$	257,989	\$	243,552



Mount Royal University

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS YEAR ENDED MARCH 31, 2026 (thousands of dollars)

10. Tangible capital assets

	2026				2025	
	Land	Buildings ⁽¹⁾	Learning resources	Furnishings, equipment and systems ⁽²⁾	Total	Total
Cost						
Balance, beginning of year	\$ 6,815	\$ 551,260	\$ 6,487	\$ 79,371	\$ 643,933	\$ 620,795
Acquisitions	-	36,506	168	9,146	45,820	25,131
Disposals, including write-downs	-	-	(611)	(12,435)	(13,046)	(1,993)
	6,815	587,766	6,044	76,082	676,707	643,933
Accumulated amortization						
Balance, beginning of year	\$ -	\$ 242,766	\$ 3,859	\$ 60,175	\$ 306,800	\$ 292,441
Amortization expense	-	10,867	618	6,850	18,335	16,349
Effects of disposals, including write-downs	-	-	(611)	(12,433)	(13,044)	(1,990)
	-	253,633	3,866	54,592	312,091	306,800
Net book value, March 31, 2026	6,815	334,133	2,178	21,490	364,616	
Net book value, March 31, 2025	\$ 6,815	\$ 308,494	\$ 2,628	\$ 19,196	\$	\$ 337,133

⁽¹⁾ No interest was capitalized by the University in 2026 or 2025.

⁽²⁾ Furnishings, equipment and systems include computer software, hardware, and all furniture and non-computing capital equipment including in-kind-donations at March 31, 2026 of \$31 (2025 - \$30).

Cost includes work-in-progress at March 31, 2026 totaling \$28,855 (2025 - \$20,670) related to buildings \$27,544 (2025 - buildings \$19,839) and equipment \$1,311 (2025 - equipment \$831).

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, 2026 (thousands of dollars)

11. Purchased intangibles

	2026			2025
	Learning resources	Licensing agreements	Total	Total
Cost				
Balance, beginning of year	\$ 836	\$ 312	\$ 1,148	\$ 549
Acquisitions	550	-	550	599
	1,386	312	1,698	1,148
Accumulated amortization				
Balance, beginning of year	108	62	170	32
Amortization expense	135	63	198	138
	243	125	368	170
Net book value, March 31, 2026	1,143	187	1,330	
Net book value, March 31, 2025	\$ 728	\$ 250	\$ 978	



Mount Royal University

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED MARCH 31, 2026

(thousands of dollars)

12. Asset Retirement Obligations

	2026	2025
Balance, beginning of year	\$ 27,205	\$ 26,898
Liability incurred	4,298	1,298
Liability settled	(752)	(991)
Increase in asset retirement obligations	3,546	307
Balance, end of year	\$ 30,751	\$ 27,205

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, in addition to previous experience and professional judgment.

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, 2026

(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, 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 (note 12)	307	(307)	-	-	-
Net book value of tangible capital asset disposal	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, beginning of year - April 1, 2025	25,296	42,276	46,801	82,553	196,926
Annual operating surplus	18,562	-	-	-	18,562
Endowments					
New donations	-	-	-	2,154	2,154
Capitalized investment income	-	-	-	6,149	6,149
Tangible capital assets					
Amortization of tangible capital assets	8,748	(8,748)	-	-	-
Acquisition of tangible capital assets	(6,793)	21,796	(15,003)	-	-
Amortization of purchased intangibles	191	(191)	-	-	-
Purchase of intangibles	(541)	541	-	-	-
Debt repayment	(5,376)	5,376	-	-	-
Debt - new financing	2,074	(2,074)	-	-	-
Increase in asset retirement obligations (note 12)	3,546	(3,546)	-	-	-
Net book value of tangible capital asset disposals	2	(2)	-	-	-
Operating expenses funded from internally restricted surplus	652	-	(652)	-	-
Net Board appropriation to internally restricted surplus	(18,562)	-	18,562	-	-
Change in accumulated remeasurement gains	2,672	-	-	-	2,672
Net assets, end of year as at March 31, 2026	\$ 30,471	\$ 55,428	\$ 49,708	\$ 90,856	\$ 226,463

- (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 \$30,751 (2025 - \$27,205). A funding source for this obligation has not been determined.

Net assets are comprised of:

Accumulated surplus	\$ 12,649	\$ 55,428	\$ 49,708	\$ 90,856	\$ 208,641
Accumulated remeasurement gains	17,822	-	-	-	17,822
	\$ 30,471	\$ 55,428	\$ 49,708	\$ 90,856	\$ 226,463



Mount Royal University

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED MARCH 31, 2026

(thousands of dollars)

14. Contingent assets

As of March 31, 2026, 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, 2026, 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
2027	\$ 44	\$	8,236	\$	8,280
2028	23		4,101		4,124
2029	23		2,550		2,573
2030	10		1,936		1,946
2031	-		402		402
Total at March 31, 2026	\$ 100	\$	17,225	\$	17,325
Total at March 31, 2025	\$ 300	\$	22,324	\$	22,624



Mount Royal University

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED MARCH 31, 2026

(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
2027	\$ 35,104	\$ 24,804	\$ 59,908
2028	4,644	6,730	11,374
2029	-	6,429	6,429
2030	-	5,962	5,962
2031	-	5,766	5,766
Total at March 31, 2026	\$ 39,748	\$ 49,691	\$ 89,439
Total at March 31, 2025	\$ 61,719	\$ 66,651	\$ 128,370

⁽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.

18. Expense by object

The following is a summary of expense by object:

	Budget (note 23)	2026	2025
Salaries	\$ 172,478	\$ 169,780	\$ 161,697
Employee benefits	28,404	29,002	26,661
Materials, supplies and services	38,937	42,630	41,592
Cost of goods sold	2,568	3,163	2,607
Scholarships and bursaries	6,123	6,706	5,840
Maintenance and repairs	7,197	8,595	8,134
Utilities	6,755	5,154	6,284
Amortization of tangible capital assets	18,096	18,337	16,352
Amortization of purchased intangibles	83	198	138
Interest on debt	1,130	1,003	1,203
	\$ 281,771	\$ 284,568	\$ 270,508



Mount Royal University

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS YEAR ENDED MARCH 31, 2026 (thousands of dollars)

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.

	2026	2025
Associations and others	\$ 80	\$ 68
Recreational clubs	12	15
Ministry funds	-	910
	<u>\$ 92</u>	<u>\$ 993</u>

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, 2026

(thousands of dollars)

21. Government transfers

	2026	2025
Grants from Government of Alberta		
Advanced Education:		
Operating	\$ 93,319	\$ 91,052
Capital	10,000	12,381
Other	12,284	11,806
Total Advanced Education	115,603	115,239
Other Post-Secondary Institutions	213	58
Other Government of Alberta departments and agencies:		
Ministry of Arts, Culture and Status of Women ^(a)	(4)	48
Ministry of Assisted Living and Social Services ^(b)	-	(4)
Ministry of Children and Family Services ^(c)	(14)	1,530
Ministry of Jobs, Economy and Northern Development	1,579	-
Ministry of Primary and Preventive Health Services	959	87
Ministry of Public Safety and Emergency Services	524	144
Ministry of Education	117	-
Ministry of Technology and Innovation	349	92
Total other Government of Alberta departments and agencies	3,510	1,897
Total contributions received	119,326	117,194
Expended capital contributions recognized as revenue	7,521	7,201
Deferred revenue	(14,680)	(16,344)
	\$ 112,167	\$ 108,051
Accounts receivable		
Advanced Education	\$ 2,267	\$ 2,381
Other Government of Alberta departments and agencies	888	70
	\$ 3,155	\$ 2,451
Federal and other government grants		
Contributions received	\$ 2,516	\$ 2,082
Expended capital contributions recognized as revenue	881	847
Deferred revenue	(397)	(76)
	\$ 3,000	\$ 2,853

^(a) An unused portion of \$24 grant received was returned to the Ministry.

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

^(c) An unused portion of \$58 grant received was returned to the Ministry.



Mount Royal University

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED MARCH 31, 2026

(thousands of dollars)

22. Salary and employee benefits

	2026				2025
	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	\$ 367	\$ 43	\$ 140	\$ 550	\$ 528
Provost and Vice-President Academic	313	24	144	481	448
Vice-President Finance and Administration					
Current term commenced August 25, 2025	181	-	41	222	-
Past term ended March 17, 2025	-	-	-	-	419
Total Vice-President Finance and Administration	181	-	41	222	419
Vice-President Community Engagement	269	6	52	327	259
General Counsel and University Secretary	257	-	49	306	286
Vice-President Students	\$ 254	\$ -	\$ 44	\$ 298	\$ 280

⁽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 earnings such as vacation payouts, bonuses, honoraria, car allowances and other lump sum payments, including severance. No bonuses nor honoraria were paid in 2026 or 2025.

⁽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, 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.



Mount Royal University

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED MARCH 31, 2026

(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, 2025	In Year Obligation	Benefits Paid	Accrued obligation March 31, 2026
President and Vice-Chancellor	\$ 152	\$ 38	\$ -	\$ 190
Provost and Vice-President Academic	\$ 37	\$ 21	\$ -	\$ 58
Vice-President Finance and Administration	\$ -	\$ 10	\$ -	\$ 10
Vice-President Community Engagement	\$ 3	\$ 13	\$ -	\$ 16
General Counsel and University Secretary	\$ 3	\$ 10	\$ -	\$ 13
Vice-President Students	\$ 2	\$ 10	\$ -	\$ 12

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, 2025	In Year Obligation	Benefits Paid	Accrued obligation March 31, 2026
President and Vice-Chancellor	\$ 260	\$ 45	\$ -	\$ 305
Provost and Vice-President Academic	\$ 124	\$ 83	\$ -	\$ 207

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

23. Budget figures

The University's 2025-26 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 28, 2026.

APPENDIX B: SUPPLEMENTAL FINANCIAL INFORMATION

This appendix provides supplemental financial information prepared in accordance with the Ministry of Advanced Education's annual reporting requirements. Detailed discussion of Mount Royal University's financial performance is provided in the financial information section above (see pages 22–32).

Budget variances

The following table compares the budget submitted to the Ministry with Mount Royal University's audited financial results for 2025/26 and provides explanations for material variances. Amounts are reported in thousands of dollars.

Category	Budgeted	Actual	Variance	Variance explanation
Revenues				
Government of Alberta grant	\$108,223	\$112,167	\$3,944	Government of Alberta grants were higher than budget due to a one-time increase in base operating grant funding of \$2.3M and increases in research and other conditional funding of \$1.7M.
Federal and other government grants	\$4,332	\$3,000	-\$1,332	Federal and other government grants were lower than budget due to a delay in spending against these grants, resulting in lower revenue recognized.
Sales of services and products	\$31,443	\$38,564	\$7,121	Sales of services and products were higher than budget due to parking revenues exceeding budget, strong sales in recreation, increased revenues in the University's Institutes, increased wellness visits with the additions of a naturopath and sports medicine physician, and higher than anticipated youth camps revenues.
Student tuition and fees	\$122,367	\$122,086	-\$281	Student tuition and fees were lower than budget due to lower flying fees of \$5.8M as compared to budget and non-credit tuition of \$0.3M. Partially offsetting the declines was an increase in credit tuition, mandatory non instructional fees, and other fees of \$5.8M resulting from strong summer, fall and winter enrolments, both domestic and international.

Donations and other grants	\$4,973	\$6,225	\$1,252	Donations and other grants were higher than budget due to unanticipated donations and contributions received during the fiscal year that were utilized to fund the Spatial Data Science Certificate program, the AgeCare Research Chair in Aging, and to support programming activities in the University's Institutes.
Investment income	\$10,501	\$21,088	\$10,587	Investment income was higher than budget due to realized investment gains from distribution by Canadian and global equity holdings, and commercial mortgage funds.
Expenses				
Instruction and non-sponsored research	\$116,026	\$109,633	\$6,393	Instruction and non-sponsored research expenses were lower than budget due to cost savings resulting from vacant full-time and contract faculty positions, and lower activity in the flight school as compared to budget.
Academic and student support	\$57,826	\$60,015	-\$2,189	Academic and student support was higher than budget due to increased spending on salaries and professional fees and services. This was fully offset by revenues in those areas.
Facility operations and maintenance	\$33,219	\$31,672	\$1,547	Facility operations and maintenance expenses were lower than budget due to reduced utilities expense mostly attributable to the elimination of the carbon tax.
Institutional support	\$36,744	\$38,215	-\$1,471	Institutional support expenses were higher than budget due to higher maintenance agreements and labour costs.
Ancillary services	\$25,283	\$31,567	-\$6,284	Ancillary services expenses were higher than budget due to increased activity relative to budget in residence, events and theatre services, unbudgeted bad debts expense for parking, and increased recreation programming. These costs were offset by higher than expected ancillary revenue.
Sponsored research	\$5,393	\$6,371	-\$978	Sponsored research expenses were higher than budget due to unanticipated research related activities. However, the increased expenses were fully offset by associated grant revenue.
Restricted and endowment activities	\$7,280	\$7,095	\$185	Restricted and endowment activities were lower than budget due to vacant positions.

Self-generated revenue

The following tables summarize Mount Royal's self-generated revenue by category for 2025/26. Amounts are reported in thousands of dollars. Subtotals and the grand total may differ from the sum of the amounts shown due to rounding.

Tuition and mandatory fees

Revenue source	Description	Annual revenue
Domestic tuition		\$83,848
International student tuition		\$7,452
Continuing education fees		\$6,003
Other mandatory student fees	Excluding Recreation and Student Services fees	\$7,028
Subtotal		\$104,331

Donations and investment income

Revenue source	Description	Annual revenue
Cash donations		\$7,802
Donations in-kind		\$31
Interest earned		\$21,088
Interest on endowments		\$11,399
Realized gains/losses		\$27
Unrealized gains/losses		\$4,185
Subtotal		\$44,533

Research grants

Revenue source	Description	Annual revenue
Not-for-profit organizations		\$528
Federal government		\$1,936
Other	City of Calgary	\$57
Subtotal		\$2,521

Other grants

Revenue source	Description	Annual revenue
Not-for-profit organizations		\$159
Federal government		\$152
Subtotal		\$311

Auxiliary and ancillary services

Revenue source	Description	Annual revenue
Bookstore		\$2,860
Student residences		\$7,617
Parking services		\$8,907
Sports and recreational facilities		\$3,249
Rental services		\$2,386
Catering operations		\$2,203
Other	Youth programming, Daycare, Health Services, ONECard and ticket sales	\$4,901
Subtotal		\$32,122
Grand total		\$183,819



4825 Mount Royal Gate SW
Calgary, AB T3E 616

mtroyal.ca