

Mount Royal Faculty Association
Financial Statements
March 31, 2026

To the Members of Mount Royal Faculty Association:

Opinion

We have audited the accompanying financial statements of Mount Royal Faculty Association (the "Association"), which comprise the statement of financial position as at March 31, 2026, and the statements of operations, changes in fund balances and cash flows for the year then ended, and a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Association as at March 31, 2026, and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Basis for Opinion

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

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

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Calgary, Alberta
June 9, 2026

MNP LLP

Chartered Professional Accountants

Mount Royal Faculty Association

Statement of Financial Position

As at March 31, 2026

	Operating fund	Professional fees fund	Grants fund	Building fund	2026	2025
Assets						
Current						
Cash (Note 3)	452,113	125,824	20,003	-	597,940	524,125
Prepaid expenses	13,500	-	-	-	13,500	5,900
Inventory	2,849	-	-	-	2,849	6,464
	468,462	125,824	20,003	-	614,289	536,489
Investments (Note 4)	-	1,225,613	-	-	1,225,613	1,152,657
Capital assets (Note 5)	4,945	-	-	33,244	38,189	35,398
	473,407	1,351,437	20,003	33,244	1,878,091	1,724,544
Liabilities						
Current						
Accounts payable and accruals	34,975	-	-	-	34,975	41,107
Deferred contributions (Note 6)	12,590	-	-	-	12,590	9,779
	47,565				47,565	50,886
Commitments (Note 9)						
Fund Balances						
Internally restricted	-	1,351,437	-	33,244	1,384,681	1,280,784
Externally restricted (Note 7)	-	-	20,003	-	20,003	20,081
Unrestricted	425,842	-	-	-	425,842	372,793
	425,842	1,351,437	20,003	33,244	1,830,526	1,673,658
	473,407	1,351,437	20,003	33,244	1,878,091	1,724,544

Approved on behalf of the Executive Board


Director


Director

Mount Royal Faculty Association

Statement of Operations

For the year ended March 31, 2026

	Operating fund	Professional fees fund	Grants fund	Building fund	2026	2025
Revenue						
Cleaning allowance	-	-	-	-	-	3,160
Education grants	-	-	64,000	-	64,000	64,000
Food and beverage sales	16,967	-	-	-	16,967	25,294
Interest and investment income	-	72,955	-	-	72,955	69,016
Membership dues	1,202,535	-	-	-	1,202,535	1,036,730
Part-time grants	-	-	20,000	-	20,000	20,000
President retreat	30,000	-	-	-	30,000	32,054
Professional development fund	10,000	-	-	-	10,000	10,000
Retreat Room subsidies	15,074	-	-	-	15,074	13,587
Total revenue	1,274,576	72,955	84,000	-	1,431,531	1,273,841
Expenses						
Committee	70,138	-	-	-	70,138	73,380
Compensation	627,790	-	-	-	627,790	613,436
Faculty centre	401,771	-	-	2,194	403,965	341,699
General	20,413	-	-	-	20,413	27,683
Office	33,883	-	-	-	33,883	37,754
Professional development	15,158	-	84,078	-	99,236	102,430
Scholarships and gifts	19,238	-	-	-	19,238	29,123
Total expenses	1,188,391	-	84,078	2,194	1,274,663	1,225,505
Excess (deficiency) of revenue over expenses	86,185	72,955	(78)	(2,194)	156,868	48,336

The accompanying notes are an integral part of these financial statements

Mount Royal Faculty Association **Statement of Changes in Fund Balances**

For the year ended March 31, 2026

	<i>Operating fund</i>	<i>Professional fees fund</i>	<i>Grants fund</i>	<i>Building fund</i>	<i>2026</i>	<i>2025</i>
Fund balance, beginning of year	372,793	1,247,056	20,081	33,728	1,673,658	1,625,322
Excess (deficiency) of revenue over expenses	86,185	72,955	(78)	(2,194)	156,868	48,336
Interfund transfers (Note 8)	(33,136)	31,426	-	1,710	-	-
Fund balance, end of year	425,842	1,351,437	20,003	33,244	1,830,526	1,673,658

The accompanying notes are an integral part of these financial statements

Mount Royal Faculty Association

Statement of Cash Flows

For the year ended March 31, 2026

	2026	2025
Cash provided by (used for) the following activities		
Operating		
Excess of revenue over expenses	156,868	48,336
Gain on sale of investments	(23,774)	-
Unrealized gain on investments	(13,895)	(38,412)
Amortization	4,114	3,295
	123,313	13,219
Changes in working capital accounts		
Term deposits	-	916,947
Prepaid expenses	(7,600)	5,100
Inventory	3,615	(1,005)
Accounts payable and accruals	(6,132)	22,139
Deferred contributions	2,811	(2,933)
Net cash provided by operating activities	116,007	953,467
Investing		
Purchase of investments	(255,567)	(1,114,246)
Proceeds on disposal of investments	220,280	-
Purchase of capital assets	(6,905)	(8,903)
	(42,192)	(1,123,149)
Increase (decrease) in cash resources	73,815	(169,682)
Cash resources, beginning of year	524,125	693,807
Cash resources, end of year	597,940	524,125

The accompanying notes are an integral part of these financial statements

Mount Royal Faculty Association

Notes to the Financial Statements

For the year ended March 31, 2026

1. Purpose of the organization

Mount Royal Faculty Association (the "Association") is a not-for-profit organization, incorporated under the auspices of the Post Secondary Learning Act, which represents the faculty members of Mount Royal University (the "University"). The Association's purpose is to manage relations between the University and the members of the Association, act as the sole negotiating agent regarding the terms and conditions of employment of all members of the Association, to maintain and promote the professional and material status of members, to promote the welfare of the University, and to uphold the principles of academic freedom, tenure, equity and human rights within the University. The Association is exempt from income taxes under paragraph 149(1)(k) of the Income Tax Act (Canada). To maintain its status as a tax-exempt entity under the act, the Association must meet certain requirements within the Act. In the opinion of management, these requirements have been met.

2. Significant accounting policies

The financial statements of the Association have been prepared by management in accordance with Canadian accounting standards for not-for-profit organizations ("ASNPO"). The financial statements have, in management's opinion, been properly prepared within the framework of the significant accounting policies summarized below.

Fund accounting

The Association follows the restricted fund method of accounting for contributions, and maintains four funds: Operating Fund, Professional Fees Fund, Grants Fund and Building Fund.

The Operating Fund accounts for the Association's general operating and administrative activities. This fund reports unrestricted resources.

The Professional Fees Fund is an internally restricted fund that was established to pay professional fees resulting from costs associated with the maintenance of members' professional welfare.

The Grants Fund (formerly the Education Fund) includes funding that is collectively bargained for and externally restricted by the University. Interest income earned by the Grants Fund is internally restricted within the Grants Fund. Education grants are provided to assist members in improving their educational qualifications or developing their educational skills. Part-time grants are provided to encourage part-time staff members to attend faculty meetings through cash incentives.

The Building Fund includes capital expenditures of the University faculty centre and funds restricted to cover future costs of maintaining the faculty centre.

Cash and cash equivalents

Cash and cash equivalents are comprised of cash on hand and funds held on deposit with financial institutions.

Term deposits

Term deposits comprise of short-term investments which mature within one year and are redeemable at the holder's discretion. Term deposits are measured at cost with the associated interest recognized upon maturity.

Investments

Investments are portfolio investments recorded at fair value for those with prices quoted in an active market, and cost less impairment for those that are not quoted in an active market. They have been classified as long-term assets in concurrence with the nature of the investment.

Revenue recognition

Restricted contributions related to general operations are recognized as revenue of the Operating Fund in the year in which the related expenses are incurred. All other restricted contributions are recognized as revenue of the appropriate restricted fund in the year received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured. Restricted contributions include education grants, part-time grants, and restricted union dues.

Unrestricted contributions are recognized as revenue of the Operating Fund in the year received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured. Unrestricted contributions include unrestricted union dues, cleaning allowance and social committee revenues.

2. Significant accounting policies (continued)

Revenue from member dues are recognized as revenue when received or receivable if the amount to be received can be reasonable estimate and collection is reasonably assured.

Revenue from food and beverage sales is recognized as revenue of the Operating Fund at the point of sale.

Investment income on restricted resources is recognized as revenue in its respective fund upon maturity of the underlying investments and is internally restricted within the fund. Unrestricted investment income earned on Operating Fund resources is recognized as revenue of the Operating Fund upon maturity of the underlying investments.

Inventory

Inventory is valued at the lower of cost and net realizable value. Cost is determined by the first-in, first-out method. Net realizable value is the estimated selling price in the ordinary course of business less selling costs. Total inventory expensed during the year was \$20,747 (2025 - \$20,463).

Financial instruments

The Association recognizes financial instruments when the Association becomes party to the contractual provisions of the financial instrument.

Arm's length financial instruments

Financial instruments originated/acquired or issued/assumed in an arm's length transaction ("arm's length financial instruments") are initially recorded at their fair value.

At initial recognition, the Association may irrevocably elect to subsequently measure any arm's length financial instrument at fair value. The Association has not made such an election during the year.

The Association subsequently measures investments in equity instruments quoted in an active market at fair value. Financial assets measure at amortized cost include cash and accounts receivable. Financial assets measured at amortized cost include accounts payable and accrued liabilities, and wages payable. Financial assets measured at fair value include investments in mutual funds quoted in an active market.

Transaction costs and financing fees directly attributable to the origination, acquisition, issuance or assumption of financial instruments subsequently measured at fair value are immediately recognized in excess (deficiency) of revenue over expenses. Conversely, transaction costs and financing fees are added to the carrying amount for those financial instruments subsequently measured at cost or amortized cost.

Financial instruments impairment

The Association assesses impairment of all its financial assets measured at cost or amortized cost. When there is an indication of impairment, the Association determines whether it has resulted in a significant adverse change in the expected timing or amount of future cash flows during the year.

The Association reduces the carrying amount of any impaired financial assets to the highest of: the present value of cash flows expected to be generated by holding the assets; the amount that could be realized by selling the assets at the statement of financial position date; and the amount expected to be realized by exercising any rights to collateral held against those assets.

Any impairment, which is not considered temporary, is included in current year excess (deficiency) of revenue over expenses. The Association reverses impairment losses on financial assets when there is a decrease in impairment and the decrease can be objectively related to an event occurring after the impairment loss was recognized. The amount of the reversal is recognized in excess (deficiency) of revenue over expenses in the year the reversal occurs.

Mount Royal Faculty Association
Notes to the Financial Statements
For the year ended March 31, 2026

2. Significant accounting policies (continued)

Measurement uncertainty

The preparation of financial statements in conformity with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenses during the reporting period. Amortization of capital assets is based upon the estimated useful life of those assets.

These estimates and assumptions are reviewed periodically and, as adjustments become necessary, they are reported in excess (deficiency) of revenue over expenses in the periods in which they become known.

Capital assets

Purchased capital assets are recorded at cost. Contributed capital assets are recorded at fair value at the date of contribution if fair value can be reasonably determined.

Amortization is provided using methods and rates intended to amortize the cost of assets over their estimated useful lives.

	Method	Rate
Computer equipment	declining balance	45 %
Leasehold improvements	straight-line	20 years

Accounting for Cloud Computing Arrangements

The Association has applied the simplification approach to account for expenditures in cloud computing arrangements. Under the simplification approach, the Association recognizes expenditures related to the elements in cloud computing arrangements as an expense as incurred.

3. Cash

Included in the operating fund is a cash balance of \$316,697 (2025 - \$285,933) from collected union member dues. Proceeds from union member dues have been segregated for internal tracking purposes.

4. Investments

The Association holds the following investments with Aviso Wealth:

	2026	2025
GIC with an interest rate of 3.15% per annum maturing June 12, 2028	479,526	463,378
Canadian Money Market Funds (Book value of \$530,655)	530,655	518,623
Exchange Traded Funds (Book value of \$3,716)	3,843	3,238
Equities/Common Shares (Book value of \$174,482)	211,589	167,418
	1,225,613	1,152,657

Mount Royal Faculty Association

Notes to the Financial Statements

For the year ended March 31, 2026

5. Capital assets

	Cost	Accumulated amortization	2026 Net book value	2025 Net book value
Computer equipment	22,256	17,311	4,945	1,670
Leasehold improvements	418,906	385,662	33,244	33,728
	441,161	402,973	38,189	35,398

Included in faculty centre expenses for the year is \$4,114 (2025 – \$3,295) of amortization expense.

6. Deferred contributions

During the year, \$12,590 (2025 - \$9,779) was collected from members of the Association to subsidize costs of the Annual Member's Retreat. These amounts have been recorded as a deferred contribution liability and will be recognized in full within the subsequent year.

7. Externally restricted funds

Externally imposed restrictions on fund balances are as follows:

	2026	2025
Restricted for faculty professional development	20,003	20,081

8. Interfund transfers

During the year, \$31,426 (2025 - \$10) was transferred from the Operating Fund to the Professional Fees Fund to establish funding for any potential contingencies as per the Association's Bylaws.

\$nil (2025 - \$2,327) was transferred from the Operating Fund to the Grants Fund for Contract Service Honourarium payments.

\$1,710 (2024 - \$2,263) was transferred from the Operating Fund to the Building Fund for capital expenditures.

9. Commitments

The Association has signed a 20-year lease with the University for the sum of \$1 per annum expiring on June 30, 2034.

10. Economic dependence

The Association is dependent on the University and its faculty for its continued operation. Union dues are levied by the Association per the collective bargaining agreement on all full-time and part-time faculty members. The dues are collected by the University and distributed to the Association on a monthly basis.

11. Financial instruments

The Association is exposed to various risks through its financial instruments. The following analysis provides a measure of the entity's risk exposure at the balance sheet date.

Credit risk

The Association is exposed to credit risk resulting from the possibility that parties may default on their financial obligations. The Association's funding is primarily received from the University, however, due to the economically stable nature of the University, there are no undue credit risks.

The Association's credit risk exposure on cash, term deposits and investments is minimized substantially by ensuring that cash, term deposits and investments are held with credible financial institutions.

Financial risk

It is management's opinion that the Association is not exposed to significant interest rate, currency, price, market, or credit risks arising from these financial instruments except as otherwise disclosed.

Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. As at March 31, 2026, the following items are held in USD currency:

	2026	2025
Investments	-	54,972

12. Comparative figures

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