

**Cape Breton University**  
**Non-consolidated Financial Statements**  
*March 31, 2025*

**Cape Breton University**  
**Non-consolidated Financial Statements**  
*For the year ended March 31, 2025*

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To the Board of Governors of Cape Breton University:

### Opinion

We have audited the non-consolidated financial statements of Cape Breton University (the "University"), which comprise the non-consolidated statement of financial position as at March 31, 2025, and the non-consolidated statements of operations, changes in fund balances and cash flows for the year then ended, and notes to the non-consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying non-consolidated financial statements present fairly, in all material respects, the non-consolidated financial position of the University as at March 31, 2025, and the results of its non-consolidated operations and its non-consolidated 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 Non-Consolidated Financial Statements section of our report. We are independent of the University in accordance with the ethical requirements that are relevant to our audit of the non-consolidated 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 Non-consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the non-consolidated 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 non-consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

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

## Auditor's Responsibilities for the Audit of the Non-Consolidated Financial Statements

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

Sydney, Nova Scotia  
June 26, 2025

**MNP LLP**  
Chartered Professional Accountants

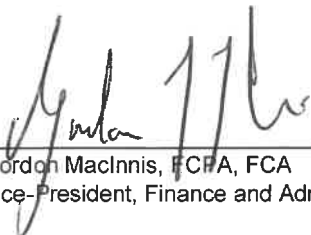
## **Management's Responsibility for the Non-Consolidated Financial Statements**

The accompanying non-consolidated financial statements of Cape Breton University (the "University") are the responsibility of the University's management and have been prepared in accordance with Canadian accounting standards for not-for-profit organizations. These standards are included in the CPA Canada Handbook - Part III, and accounting standards for private enterprises included Part II is used for items are not addressed in Part III. A summary of the significant accounting policies are described in Note 1 to the non-consolidated financial statements. The preparation of non-consolidated financial statements necessarily involves the use of estimates based on management's judgment. Estimates and judgments have been determined on a reasonable and consistent basis to ensure that the non-consolidated financial statements are presented fairly, in all material respects.

The University's management maintains a system of internal controls designed to provide reasonable assurance that assets are safeguarded and reliable financial information is available on a timely basis for preparation of non-consolidated financial statements. These systems are regularly monitored and evaluated by management.

The audit committee meets with management and the external auditors to review the non-consolidated financial statements and discuss any significant financial reporting or internal control matters prior to their approval of the non-consolidated financial statements.

The non-consolidated financial statements have been audited by MNP LLP, independent external auditors appointed by the University. The accompanying Independent Auditors' Report outlines their responsibilities, the scope of their examination and their opinion on the University's non-consolidated financial statements.



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Gordon MacInnis, FCPA, FCA  
Vice-President, Finance and Administration

**Cape Breton University**  
**Non-consolidated Statement of Financial Position**  
*As at March 31, 2025*

	2025					2024
	Operating Fund	Special Purpose and Research Fund	Capital Fund	Endowment Fund	Total	Total
<b>ASSETS</b>						
Current assets						
Cash (Note 2)	\$ 257,389,046	\$ —	\$ —	\$ —	\$ 257,389,046	\$ 285,862,902
Accounts receivable (Note 3)	26,065,552	—	—	—	26,065,552	20,536,693
Prepaid expenses	1,317,465	—	—	—	1,317,465	1,260,289
	284,772,063	—	—	—	284,772,063	307,659,884
Investments						
Investments held for scholarship and special purposes (Note 4)	—	18,579,966	—	43,790,290	62,370,256	57,313,792
Investment in CBU Developments Inc. (Note 5)	—	100	—	—	100	100
	—	18,580,066	—	43,790,290	62,370,356	57,313,892
Interfund balances	(207,959,755)	139,372,828	63,984,074	4,602,853	—	—
Capital assets (Note 6)	—	—	75,216,421	—	75,216,421	71,496,514
Work in progress (Note 7)	—	—	78,142,027	—	78,142,027	29,024,442
Due from LearnCorp International Inc. and CBU Foundation (Note 8)	2,229	—	—	—	2,229	138,018
	\$ 76,814,537	\$ 157,952,894	\$ 217,342,522	\$ 48,393,143	\$ 500,503,096	\$ 465,632,750

**LIABILITIES**

Current liabilities						
Accounts payable and accrued liabilities	\$ 48,389,114	\$ —	\$ —	\$ —	\$ 48,389,114	\$ 52,001,200
Current portion of accrued employee benefits (Note 9)	545,395	—	—	—	545,395	614,019
Deferred revenue (Note 10)	26,230,286	—	—	—	26,230,286	32,280,155
Deferred special purpose and research funds (Note 11)	—	26,782,420	—	—	26,782,420	17,886,642
Current portion of long-term debt (Note 12)	—	—	664,000	—	664,000	633,000
	75,164,795	26,782,420	664,000	—	102,611,215	103,415,016
Long-term liabilities						
Accrued employee benefits (Note 9)	680,924	—	—	—	680,924	659,458
Long-term debt (Note 12)	—	—	5,219,000	—	5,219,000	5,883,000
Deferred capital contributions (Note 14)	—	—	143,637,857	—	143,637,857	139,308,280
	680,924	—	148,856,857	—	149,537,781	145,850,738
	75,845,719	26,782,420	149,520,857	—	252,148,996	249,265,754

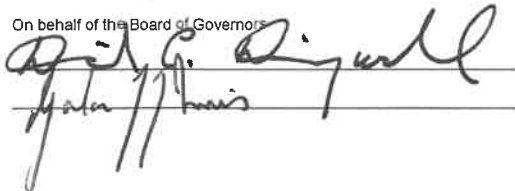
Commitments and contingencies (Note 19)

**FUND BALANCES**

Fund balances	968,818	131,170,474	67,821,665	48,393,143	248,354,100	216,366,996
	\$ 76,814,537	\$ 157,952,894	\$ 217,342,522	\$ 48,393,143	\$ 500,503,096	\$ 465,632,750

See accompanying notes to non-consolidated financial statements.

On behalf of the Board of Governors



**Cape Breton University**  
**Non-consolidated Statement of Operations**  
*For the year ended March 31, 2025*

					2025	2024
	Operating Fund	Special Purpose and Research Fund	Capital Fund	Endowment Fund	Total	Total
<b>REVENUES</b>						
Government grants and contracts	\$ 31,526,618	\$ —	\$ —	\$ —	\$ 31,526,618	\$ 29,757,687
Tuition and related fees	100,276,737	—	—	—	100,276,737	118,811,226
Scholarship revenue	—	—	—	—	—	720,000
Investment income	13,930,986	2,231,893	—	—	16,162,879	16,883,470
Other income	4,725,154	—	—	—	4,725,154	4,121,261
Ancillary enterprises	3,026,152	100,778	—	—	3,126,930	3,254,849
Special purpose and research revenue	—	9,658,827	—	—	9,658,827	8,751,163
Contributions to internally restricted investments	—	2,652,085	—	—	2,652,085	2,441,766
Amortization of deferred capital contributions (Note 14)	—	—	2,763,957	—	2,763,957	2,322,699
Change in fair value of investments	—	—	—	—	—	476,611
	153,485,647	14,643,583	2,763,957	—	170,893,187	187,540,732
<b>EXPENSES</b>						
Instruction and non-sponsored research	59,136,413	—	—	—	59,136,413	54,423,184
Library	2,918,838	—	—	—	2,918,838	2,497,827
Student services	25,397,188	—	—	—	25,397,188	27,423,789
Administration and general	11,665,593	—	—	—	11,665,593	14,069,773
Development and recruiting	7,464,328	—	—	—	7,464,328	7,182,386
Facilities management	8,031,020	—	—	—	8,031,020	7,567,777
Computing	4,868,752	—	—	—	4,868,752	3,985,496
Ancillary enterprises	2,681,102	7,259	—	—	2,688,361	2,417,471
Special purpose and research expenses (Note 11)	—	11,126,290	—	—	11,126,290	11,119,367
Amortization of capital assets	—	—	9,534,009	—	9,534,009	8,898,001
Change in fair value of investments	—	725,411	—	—	725,411	—
Retirement incentive, vacation and service award costs (Note 9)	(21,143)	—	—	—	(21,143)	150,316
	122,142,091	11,858,960	9,534,009	—	143,535,060	139,735,387
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES</b>						
	\$ 31,343,556	\$ 2,784,623	\$ (6,770,052)	\$ —	\$ 27,358,127	\$ 47,805,345

See accompanying notes to non-consolidated financial statements.

**Cape Breton University**  
**Non-consolidated Statement of Changes in Fund Balances**  
*For the year ended March 31, 2025*

	2025					2024
	Operating Fund	Special Purpose and Research Fund	Capital Fund (Note 15)	Endowment Fund	Total	Total
<b>BALANCE, BEGINNING OF YEAR</b>	\$ 690,991	\$ 123,128,376	\$ 48,803,182	\$ 43,744,447	\$ 216,366,996	\$ 163,733,622
Transactions during the year						
Excess (deficiency) of revenues over expenses	31,343,556	2,784,623	(6,770,052)	—	27,358,127	47,805,345
Supplementary Pension Plan remeasurement	(19,719)	—	—	—	(19,719)	—
Endowment contributions	—	—	—	1,098,716	1,098,716	2,263,404
Investment income on scholarship endowments in excess of scholarships awarded	—	—	—	5,263,687	5,263,687	1,491,600
Change in fair value of investments	—	—	—	(1,713,707)	(1,713,707)	1,073,025
Net change in investment in capital assets (Note 15)	(23,973,932)	—	23,973,932	—	—	—
Capital assets funded from future operations						
Verschuren Centre (Note 15)	(1,814,603)	—	1,814,603	—	—	—
Interfund transfers (Note 16)	(5,257,475)	5,257,475	—	—	—	—
	277,827	8,042,098	19,018,483	4,648,696	31,987,104	52,633,374
<b>BALANCE, END OF YEAR</b>	\$ 968,818	\$ 131,170,474	\$ 67,821,665	\$ 48,393,143	\$ 248,354,100	\$ 216,366,996
Fund balances are comprised of						
Investment in capital assets (Note 15)	\$ —	\$ —	\$ 67,821,665	\$ —	\$ 67,821,665	\$ 48,803,182
Internally restricted funds (Note 17)	—	106,532,972	—	—	106,532,972	102,649,441
Endowment funds	—	24,637,402	—	48,393,143	73,030,545	64,223,282
Equity in CBU Developments Inc.	—	100	—	—	100	100
Unrestricted	968,818	—	—	—	968,818	690,991
	\$ 968,818	\$ 131,170,474	\$ 67,821,665	\$ 48,393,143	\$ 248,354,100	\$ 216,366,996

See accompanying notes to non-consolidated financial statements.



**Cape Breton University**  
**Non-consolidated Statement of Cash Flows**  
*For the year ended March 31, 2025*

	2025	2024
<b>CASH FLOWS FROM OPERATIONS</b>		
Excess of revenues over expenses	\$ 27,358,127	\$ 47,805,345
Items not involving cash		
Amortization of capital assets	9,534,009	8,898,001
Amortization of deferred capital contributions	(2,763,957)	(2,322,699)
Change in fair value of investments	725,411	(476,611)
Decrease in accrued employee benefits costs	(66,877)	152,614
Change in non-cash working capital (Note 18)	(6,352,212)	(13,850,400)
	28,434,501	40,206,250
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Increase in investments	(7,495,582)	(3,130,666)
Acquisition of capital assets and work in progress	(62,371,501)	(34,329,950)
Endowment contributions	1,098,716	2,263,404
Investment income on scholarship endowments in excess of scholarships awarded	5,263,687	1,491,600
Decrease (increase) in due from LearnCorp International Inc. and CBU Foundation	135,789	(126,286)
	(63,368,891)	(33,831,898)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Contributions received for capital assets	7,093,534	3,873,422
Repayment of long-term debt	(633,000)	(604,000)
	6,460,534	3,269,422
<b>INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	(28,473,856)	9,643,774
<b>CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR</b>	285,862,902	276,219,128
<b>CASH AND CASH EQUIVALENTS, END OF YEAR</b>	\$ 257,389,046	\$ 285,862,902

See accompanying notes to non-consolidated financial statements.

**Cape Breton University**  
**Notes to Non-consolidated Financial Statements**  
*For the year ended March 31, 2025*

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The College of Cape Breton was established on June 28, 1974, combining the Sydney Campus of Saint Francis Xavier University and the Nova Scotia Eastern Institute of Technology into a single post-secondary institution under an autonomous Board of Governors by an Act of the Nova Scotia legislature. In June, 1982, the College was granted university status by an amendment to the College of Cape Breton Act.

The Cape Breton University is a registered charity under the Income Tax Act and is therefore, exempt from payment of income taxes.

## **1. ACCOUNTING POLICIES**

These non-consolidated financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations ("ASNPO") in Part III of the CPA Handbook:

### **a) Basis of presentation**

The University follows the deferral method using fund accounting. The following is a description of the nature and purpose of each of the funds.

#### **Endowment fund**

The Endowment Fund reports the net assets available for scholarship purposes. The University regards scholarship funds as being of an endowment nature.

Contributions to the fund are accounted for as a direct increase in the Endowment fund balance. Pledges to the Endowment fund are recognized when the pledged assets are received. Investment income earned on Endowment funds is:

- recognized as scholarship revenue in the operating fund to the extent utilized to pay scholarships included in student services, and
- the remaining balance of investment income is added directly to the Endowment fund balance.

#### **Capital fund**

The capital fund reports the assets, liabilities, revenues and expenses related to the University's capital assets.

#### **Special purpose and research fund**

The special purpose and research fund principally reports the revenues and expenses related to sponsored research and special projects along with the ancillary operation of the parking lot.

**Cape Breton University**  
**Notes to Non-consolidated Financial Statements**  
*For the year ended March 31, 2025*

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**1. ACCOUNTING POLICIES (CONTINUED)**

a) Basis of presentation (continued)

In addition, the fund reports the continuity of Endowment funds (other than scholarships) and other special funds which have been established by internal restrictions to meet designated priorities of the University.

Operating fund

The operating fund reports all the remaining residual activities of the University and consists principally of the assets, liabilities, revenues and expenses associated with the core operations of the University.

b) Cash and cash equivalents

The University considers cash on hand, deposits held in banks net of outstanding cheques and deposits and guaranteed investment certificates as cash and cash equivalents.

c) Revenue recognition

Revenues, including government grants and contributions, are recorded using the deferral method of accounting. Major revenues, including tuition and residence fees, ancillary and other income are recognized when the services are provided or the goods are sold. Investment income is recorded as earned.

Operating grants are recorded as revenue in the period to which it relates. Capital grants are recorded as deferred capital contributions and are amortized to revenue at a rate corresponding with the amortization of the related capital asset.

Unrestricted contributions are recognized as revenue when the amount can be reasonably estimated and collections are reasonably assured.

Externally restricted contributions are recognized as revenue in the same accounting period as the related expense.

d) Investments

Investments in pooled funds, equities and long-term bonds are recorded at fair value. Changes in fair market value of investments are recorded in the non-consolidated statement of operations, except for investments held for scholarships which are recorded directly to the fund balance on the non-consolidated statement of changes in fund balances.

The investment in CBU Developments Inc. is accounted for using the equity method. Under the equity method, the original cost of the shares is adjusted for the University's share of post-acquisition earnings or losses less dividends.

**Cape Breton University**  
**Notes to Non-consolidated Financial Statements**  
*For the year ended March 31, 2025*

**1. ACCOUNTING POLICIES (CONTINUED)**

e) Capital assets

Capital assets are reported in the statement of financial position at cost net of accumulated amortization. They are amortized on a straight-line basis over their estimated useful lives at the following rates:

Asset	Basis	Rate
Buildings	Straight-line	40 years
Capital improvements	Straight-line	15 years
Computer and information systems	Straight-line	5 years
Equipment		
Computers and peripherals	Straight-line	3 years
Other equipment	Straight-line	5 years
Library collection	Straight-line	10 years
Vehicles	Straight-line	3 years
Equipment acquired under capital lease	Straight-line	3-5 years
Leasehold improvements	Straight-line	Lease term

A full year's amortization is taken in the year of acquisition and no amortization in the year of disposal. Equipment under capital lease is amortized over the term of the lease.

Capital assets acquired through external funding are not capitalized until project completion.

Work in progress is reported in the non-consolidated statement of financial position at cost.

f) Deferred revenue and deferred special purpose and research funds

Deferrals within these categories relate to funds received for goods or services to be provided subsequent to the non-consolidated statement of financial position date and unspent grants and contributions for which there is a specified use.

g) Interfund transfers

The University follows a policy of appropriating funds on a discretionary basis for special items including debt repayment and capital asset replacement. Interfund transfers are recorded to maintain the fund balances at their designated levels.

h) Contributed goods and services

Various organizations and individuals make voluntary contributions of goods and services to Cape Breton University in carrying out its service delivery activities. Because of the difficulty of determining their value, contributed goods and services are not recognized in the financial statements.

**Cape Breton University**  
**Notes to Non-consolidated Financial Statements**  
*For the year ended March 31, 2025*

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**1. ACCOUNTING POLICIES (CONTINUED)**

i) Artwork and collections

Cape Breton University has been entrusted with the care and preservation of certain collections of art, rare books and manuscripts and historical artifacts. The University's stewardship policies include proper security measures, insurance coverage and qualified caretakers. Certain acquisitions may require a cash outlay by Cape Breton University.

As at March 31, 2025, the estimated fair market value of the artwork and collections was \$8,500,000. The fair market value is not reflected in the financial statements.

j) Service awards

The University pays a service award to certain permanent full-time employees who accumulate a minimum of ten years service with the University and is employed by the University immediately prior to retirement. The amount of the award is based on years of service up to a maximum payment equal to four months salary.

The projected benefit method prorated on services is used to determine the accrued benefit obligation and current service cost.

Actuarial gains and losses are immediately recognized in the non-consolidated statement of changes in fund balances.

k) Pensions

The University has established a defined benefit Supplementary Pension Plan for Designated Employees. The defined benefit obligation and current service cost has been determined from an actuarial valuation using the projected benefit method prorated on services. Actuarial gains and losses are immediately recognized in the non-consolidated statement of changes in fund balances.

l) Derivative financial instruments

Derivative financial instruments are utilized to reduce interest rate risk on the University's debt. The University enters into interest rate swaps to reduce the impact of fluctuating interest rates on its long-term debt. The University designates its interest rate swap agreement as a hedge of the underlying debt. The University does not enter into financial instruments for trading or speculative purposes.

The University formally documents all relationships between hedging instruments and hedged items, as well as its risk management objective and strategy for undertaking various interest rate hedge transactions. This process includes linking the derivative to specific assets and liabilities on the statement of financial position or to specific firm commitments or anticipated transactions. The University also formally assesses, both at the hedge's inception and on an ongoing basis, whether the derivatives that are used in hedging transactions are highly effective in offsetting changes in fair values or cash flows of hedged items.

**Cape Breton University**  
**Notes to Non-consolidated Financial Statements**  
*For the year ended March 31, 2025*

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**1. ACCOUNTING POLICIES (CONTINUED)**

m) Use of estimates

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 revenues and expenses during the reporting period.

Accounts receivables are stated after evaluation as to their collectability and an appropriate allowance for doubtful accounts is provided where considered necessary. Amortization is based on the estimated useful lives of capital assets. Legal liabilities are recorded as a liability if expected outflows can be reasonably determined, if not an accrual will not be made. Fair market value of artwork and collections is based on the insurance policy assessed value. The supplementary pension plan obligation and service award accrual are estimated using management's best estimate of inputs to determine the present value of future obligations.

By their nature, these judgments are subject to measurement uncertainty, and the effect on the financial statements of changes in such estimates and assumptions in future years could be material. These estimates and assumptions are reviewed periodically and, as adjustments become necessary, they are reported in excess of revenues over expenses in the years in which they become known.

n) Financial instruments

**Measurement of non-arm's length financial instruments**

The University initially measures financial instruments originated in a related party transaction ("related party financial instruments") at cost and subsequently measured at cost less any reduction for impairment.

**Measurement of arm's length financial instruments**

The University initially measures its financial assets and financial liabilities at fair value and subsequently measures its financial assets and financial liabilities as follows:

Financial instrument	Measurement basis
Cash	Fair value
Accounts receivable	Amortized cost
Investments	Fair value
Accounts payable	Amortized cost
Accrued liabilities	Amortized cost
Long-term debt	Amortized cost

Transaction costs related to financial assets subsequently measured at fair value are expensed as incurred. Financing fees related to financial assets and financial liabilities subsequently measured at amortized cost are deferred and amortized over the period of the related liability.

**Cape Breton University**  
**Notes to Non-consolidated Financial Statements**

*For the year ended March 31, 2025*

**1. ACCOUNTING POLICIES (CONTINUED)**

**Impairment**

Financial assets measured at cost or amortized cost are tested for impairment when there are indicators of impairment. The amount of the write-down is recognized in income. A previously recognized impairment loss may be reversed to the extent of the improvement, directly or by adjusting the allowance account, provided it is not greater than the amount that would have been reported at the date of the reversal had the impairment not been recognized previously. The amount of the reversal is recognized in income.

**2. CASH**

Included in cash are contributions from external funders restricted for capital use of \$63,984,074 (2024 - \$95,921,109) and cash with internal restrictions of \$106,532,972 (2024 - \$102,649,441).

**3. ACCOUNTS RECEIVABLE**

	2025	2024
Student accounts	\$ 16,487,388	\$ 15,211,561
Less allowance for doubtful student accounts	(7,729,406)	(7,021,265)
	8,757,982	8,190,296
Government allotments and grants	15,277,218	10,875,998
Other	2,030,352	1,470,399
	\$ 26,065,552	\$ 20,536,693

**4. INVESTMENTS HELD FOR SCHOLARSHIP AND SPECIAL PURPOSES**

		2025		2024	
		Cost	Fair Market Value	Cost	Fair Market Value
Special Purpose and Research Fund					
Special purpose	\$ 9,801,984		\$ 9,352,564	\$ 8,481,568	\$ 8,399,209
Victor Harriss					
Endowment	9,670,809		9,227,402	8,759,330	8,674,273
	19,472,793		18,579,966	17,240,898	17,073,482
Endowment Fund	45,199,921		43,790,290	39,936,234	40,240,310
	\$ 64,672,714		\$ 62,370,256	\$ 57,177,132	\$ 57,313,792

**Cape Breton University**  
**Notes to Non-consolidated Financial Statements**  
*For the year ended March 31, 2025*

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**5. INVESTMENT IN CBU DEVELOPMENTS INC.**

The University is the sole shareholder of CBU Developments Inc. ("Developments"), a company that acts as the corporate trustee of CBU 2015 Business Trust (the "Trust"). In its role as corporate trustee, Developments is responsible for the execution of the trust indenture. It is expected there will be few transactions within Developments and no significant equity accumulated, with exception of the initial share capital issued.

The Trust was created to invest in Gardiner Mines Wind Farm Limited Partnership whose principal business activity is the construction and operation of three wind turbines in Sydney, Nova Scotia. The Trust owns 89% of the partnership units of the Limited Partnership and has incurred the debt financing for the construction of the wind turbines. This debt has been guaranteed by the University.

It is expected the partnership income earned by the Trust will be distributed, in accordance with the trust indenture, to the named beneficiaries, Cape Breton University and Cape Breton University Foundation and no significant equity will be accumulated by the Trust.

The summary of the audited financial statements of CBU 2015 Business Trust for the year ending December 31, 2024 is as follows:

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**BALANCE SHEET**

Assets	\$ 11,971,528
Liabilities	12,400,277
Capital	(428,749)

**STATEMENT OF EARNINGS**

Revenues	511,565
Expenses	354,510
Net earnings	157,055

**STATEMENT OF CASH FLOWS**

Operating	433,877
Financing	(821,000)
Investing	660,776

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**Cape Breton University**  
**Notes to Non-consolidated Financial Statements**  
*For the year ended March 31, 2025*

**5. INVESTMENT IN CBU DEVELOPMENTS INC. (CONTINUED)**

The summary of the audited financial statements of Gardiner Mines Wind Farm Limited Partnership for the year ending March 31, 2025 follows:

**BALANCE SHEET**

Assets	\$ 10,591,517
Liabilities	604,148
Partners' Capital	9,987,369

**STATEMENT OF EARNINGS**

Revenues	2,198,128
Expenses	1,561,162
Net earnings	636,966

**STATEMENT OF CASH FLOWS**

Operating	1,579,669
Financing	(1,980,018)
Investing	-

**6. CAPITAL ASSETS**

			2025
	Cost	Accumulated amortization	Net book value
Land	\$ 1,474,316	\$ -	\$ 1,474,316
Buildings	92,833,362	57,247,104	35,586,258
Capital improvements	63,132,122	33,607,766	29,524,356
Computer and information systems	12,701,830	9,298,642	3,403,188
Equipment	22,513,848	17,497,479	5,016,369
Library collection	2,359,345	2,359,345	-
Vehicles	753,172	617,654	135,518
Equipment acquired under capital lease	2,048,151	2,048,151	-
Leasehold improvements	1,039,483	963,067	-
	\$ 198,855,629	\$ 123,639,208	\$ 75,216,421

**Cape Breton University**  
**Notes to Non-consolidated Financial Statements**  
*For the year ended March 31, 2025*

**6. CAPITAL ASSETS (continued)**

			2024
	Cost	Accumulated amortization	Net book value
Land	\$ 1,474,316	\$ —	\$ 1,474,316
Buildings	89,689,247	55,371,573	34,317,674
Capital improvements	58,432,118	30,206,893	28,225,225
Computer and information systems	9,861,886	7,374,897	2,486,989
Equipment	20,143,757	15,498,038	4,645,719
Library collection	2,359,345	2,359,345	—
Vehicles	690,849	630,145	60,704
Equipment acquired under capital lease	2,048,151	2,048,151	—
Leasehold improvements	992,408	706,521	285,887
	\$ 185,692,077	\$ 114,195,563	\$ 71,496,514

**7. WORK IN PROGRESS**

	2025	2024
Centre for Discovery/Innovation	\$ 11,805,815	\$ 4,763,113
Canada Games Complex refit	36,864,499	14,838,642
Information technology infrastructure	—	1,762,675
Server room	—	494,852
Energy efficient lighting	—	737,659
CE roof replacement	—	1,146,127
Verschuren Centre roof replacement	—	578,312
Medical campus	24,559,420	4,543,442
Collaborative clinic	2,925,324	66,004
Marconi renovations	1,875,489	93,616
Nova Scotia Power Lines Relocation	111,480	—
	\$ 78,142,027	\$ 29,024,442

**Cape Breton University**  
**Notes to Non-consolidated Financial Statements**  
*For the year ended March 31, 2025*

**8. DUE FROM LEARNCORP INTERNATIONAL INC. AND CBU FOUNDATION**

During the year, the University provided administrative and processing support to the CBU Foundation and certain of its subsidiaries for no consideration.

At March 31, 2025, LearnCorp International Inc., a subsidiary of the CBU Foundation owed the University \$2,229 (2024 - \$138,018) for amounts paid on its behalf.

During the year, the University received a \$750,000 donation (2024 - \$500,000) from the CBU Foundation.

**9. ACCRUED EMPLOYEE BENEFITS**

	2025	2024
Vacation entitlements	\$ 545,395	\$ 614,019
Service awards, accrued benefit liability	72,270	114,868
Supplementary pension plan (Note 20)	608,654	544,590
	1,226,319	1,273,477
Current portion		
Vacation entitlements	545,395	614,019
	545,395	614,019
	\$ 680,924	\$ 659,458
Expensed in the year		
Vacation entitlements	\$ (68,624)	\$ 74,045
Service awards, accrued benefit liability	11,181	11,252
Supplementary pension plan	36,300	65,019
	\$ (21,143)	\$ 150,316

**10. DEFERRED REVENUE**

	2025	2024
Province of Nova Scotia (DAE) Medical Campus operational funding	\$ 10,025,574	\$ 11,600,000
Student tuition	15,609,063	20,135,711
General	595,649	544,444
	\$ 26,230,286	\$ 32,280,155

**Cape Breton University**  
**Notes to Non-consolidated Financial Statements**  
*For the year ended March 31, 2025*

**11. DEFERRED SPECIAL PURPOSE AND RESEARCH FUNDS**

The deferrals are comprised of net revenues received in advance for projects of an ongoing nature. The changes in deferred funding are as follows:

	2025	2024
Balance, beginning of year	\$ 17,886,642	\$ 17,322,461
Add external contributions:		
Atlantic Canada Opportunities Agency	2,997,433	2,226,734
CFI and Province of Nova Scotia	439,565	381,867
Federal Tri-Agency	1,938,821	1,731,116
Other federal government agencies	1,070,770	1,256,589
Other grants and revenue	11,720,933	3,214,379
Province of Nova Scotia	3,657,413	2,800,417
Add:		
Transfers from special purpose reserves	1,467,463	2,368,204
Less:		
Transfers to capital fund	(3,270,330)	(2,295,758)
Expenditures recognized for the year	(11,126,290)	(11,119,367)
Balance, end of year	\$ 26,782,420	\$ 17,886,642

**12. LONG-TERM DEBT**

	2025	2024
Royal Bank of Canada, 4.61% due August 1, 2035, repayable in fluctuating blended instalments averaging \$42,000 per month	\$ 4,075,000	\$ 4,381,000
Royal Bank of Canada, 5.40% due December 20, 2029, repayable in fluctuating blended instalments averaging \$36,000 per month	1,808,000	2,135,000
	5,883,000	6,516,000
Current portion of long-term debt	664,000	633,000
	\$ 5,219,000	\$ 5,883,000

**Cape Breton University**  
**Notes to Non-consolidated Financial Statements**  
*For the year ended March 31, 2025*

**12. LONG-TERM DEBT (CONTINUED)**

Estimated principal repayments over the next five years are as follows:

2026	\$ 664,000
2027	695,000
2028	729,000
2029	765,000
2030	693,000

Interest of \$272,761 (2024 - \$337,690) relating to long-term debt is reported as a component of ancillary enterprises expenses in the operating fund.

**13. INTEREST RATE SWAP AGREEMENTS**

The University has entered into interest rate swap agreements with the Royal Bank of Canada to manage interest rate exposure associated with certain long-term debt obligations.

The swap transaction agreements are a variable interest rate to fixed interest rate instrument. The underlying debt agreement between the University and the Royal Bank of Canada has an interest rate equal to the term CORRA rate plus 0.61% (2024 - CDOR rate plus 0.65%) and 0.75% (2024 - CDOR rate plus 0.65%). The swaps carry fixed interest rates of 3.86% (2024 - 4.15%) and 4.79% (2024 - 5.08%).

The notional underlying principal value of the interest rate swaps related to debt outstanding at March 31, 2025 was \$5,833,000 (2024 - \$6,516,000). The University has no plans to sell or terminate the interest rate swap agreements prior to maturity. If the University had terminated these swaps on March 31, 2025, it would have been obligated to pay the bank \$386,070 (2024 - \$146,286), which is the fair value of the swaps as calculated by the bank.

**14. DEFERRED CAPITAL CONTRIBUTIONS**

	2025	2024
Balance, beginning of year	\$ 139,308,280	\$ 137,757,557
Additions		
Province of Nova Scotia – Advanced education	679,090	1,027,663
Atlantic Canada Opportunities Agency	2,850,677	2,499,324
CFI and Province of NS matching	342,653	196,435
Other	3,221,114	150,000
	7,093,534	3,873,422
Amortized to revenue	2,763,957	2,322,699
Balance, end of year	\$ 143,637,857	\$ 139,308,280

**Cape Breton University**  
**Notes to Non-consolidated Financial Statements**  
*For the year ended March 31, 2025*

**14. DEFERRED CAPITAL CONTRIBUTIONS (CONTINUED)**

As of March 31, 2025, \$63,984,074 (2024 - \$95,921,109) remains unspent and held for capital use.

**15. INVESTMENT IN CAPITAL ASSETS**

a) Investment in capital assets and work in progress are calculated as follows:

	2025	2024
Capital assets (Note 6)	\$ 75,216,421	\$ 71,496,514
Work in progress (Note 7)	78,142,027	29,024,442
Less		
Deferred capital contributions (Note 14)	(79,653,783)	(43,387,171)
Long-term debt (Note 12)	(5,883,000)	(6,516,000)
Capital assets to be funded from future operations Verschuren Centre	—	(1,814,603)
	\$ 67,821,665	\$ 48,803,182

b) Change in net assets invested in capital assets is calculated as follows:

	2025	2024
Deficiency of revenues over expenses		
Amortization of deferred contributions	\$ 2,763,957	\$ 2,322,699
Amortization of capital assets	(9,534,009)	(8,898,001)
	\$ (6,770,052)	\$ (6,575,302)
Net change in investment in capital assets		
Acquisition of capital assets	\$ 13,253,916	\$ 13,850,844
Less prior year work in progress	(29,024,442)	(8,545,336)
	(15,770,526)	5,305,508
Work in progress	78,142,027	29,024,442
Amount funded by deferred capital contributions – Additions	(7,093,534)	(3,873,422)
Amount funded by deferred capital contributions –		
Advanced Provincial Funds	(31,937,035)	(20,128,991)
Repayment of long-term debt	633,000	604,000
	\$ 23,973,932	\$ 10,931,637

**Cape Breton University**  
**Notes to Non-consolidated Financial Statements**  
*For the year ended March 31, 2025*

**16. INTERFUND TRANSFERS**

	Operating Fund	Special Purpose	Deferred Special Purpose
General capital reserve	\$ (2,298,721)	\$ 2,298,721	\$ –
Major capital reserve	7,994,122	(7,994,122)	–
Residence capital reserve	(1,262,239)	1,262,239	–
General operating reserve	(2,864,041)	2,864,041	–
Strategic priorities reserve	(8,821,009)	7,353,546	1,467,463
IT / ERP reserve	1,994,413	(1,994,413)	–
	<b>\$ (5,257,475)</b>	<b>\$ 3,790,012</b>	<b>\$ 1,467,463</b>

**17. INTERNALLY RESTRICTED FUNDS**

From time to time, the University internally restricts fund balances including, in certain cases, the interest earned thereon for designated purposes. Internally restricted funds are reflected in the statement of financial position as a component of the special purpose and research fund balance.

A summary of internally restricted funds follows:

	2025	2024
General capital reserve	\$ 4,121,121	\$ 1,728,881
Major capital reserve	65,039,019	73,033,141
Enrollment diversification reserve	214,927	214,927
Residence capital reserve	1,262,239	–
General operating reserve	21,518,707	18,654,666
Strategic priorities reserve	14,376,959	7,023,413
IT/ERP reserve	–	1,994,413
	<b>\$ 106,532,972</b>	<b>\$ 102,649,441</b>

**18. CHANGE IN NON-CASH WORKING CAPITAL**

	2025	2024
Accounts receivable	\$ (5,528,859)	\$ 697,197
Prepaid expenses	(57,176)	63,445
Accounts payable and accrued liabilities	(3,612,086)	(26,979,507)
Deferred revenue	(6,049,869)	11,804,284
Deferred special purpose and research funds	8,895,778	564,181
	<b>\$ (6,352,212)</b>	<b>\$ (13,850,400)</b>

**19. COMMITMENTS AND CONTINGENCIES**

a) Province of Nova Scotia

The University has leased from the Province of Nova Scotia the property known as the Cape Breton University for ninety-nine years, to expire in 2075, at an annual rental of \$1.

b) Early Retirement Program

The University has participated in several early retirement programs offered by the Province of Nova Scotia to employees previously employed at the Nova Scotia Institute of Technology, prior to its amalgamation.

The amount of \$186,406 (\$201,085 - 2024) recorded as an early retirement expense, represents the actual cash payments to the Province of Nova Scotia for the current year.

c) Reciprocal exchange of insurance risks

The University is a member of The Canadian Universities Reciprocal Insurance Exchange (CURIE) with 64 other Canadian Universities. This self-insurance cooperative involves a contractual agreement to share the insurance property and liability risks of member universities for a term of not less than five years.

The cost of claims is funded through members' premiums based on actuarial projections. In the event that premiums are not sufficient to cover claims, the member universities would be subject to an assessment in proportion to their participation.

During 2023 and 2024 CURIE wrote property policies with a limit of \$15,000,000 (2023 - \$10,000,000) per occurrence, \$30,000,000 (2023 - \$20,000,000) annual aggregate and placed on behalf of subscribers an excess policy for \$1,235,000,000 (2023 - \$1,240,000,000) above CURIE's \$15,000,000 (2023 - \$10,000,000) limit.

During 2024 CURIE wrote general liability policies with a limit of \$5,000,000 per occurrence (2023 - \$5,000,000).

In respect of errors and omissions liability policies, CURIE's limit of liability per occurrence for the claim made coverage was \$5,000,000 in 2023 (\$5,000,000 - 2022). In 2023 and 2022, CURIE purchased combined reinsurance policies for general liability and errors and omissions liability above the \$5,000,000 limit on behalf of subscribers in the amount of \$45,000,000.

d) Legal matters

The University has been named a defendant in several grievances. The outcome of the matters is not determinable and settlement, if any, will be accounted for as a charge to operations in the period of settlement.



**Cape Breton University**  
**Notes to Non-consolidated Financial Statements**  
*For the year ended March 31, 2025*

**19. COMMITMENTS AND CONTINGENCIES (CONTINUED)**

e) Loan guarantee

Cape Breton University has guaranteed a loan to the Cape Breton Health Recreation Complex Society. The guarantee is limited to \$1,500,000 plus interest thereon at a rate of 3% plus prime and represents financing for the Cape Breton Health Recreation Complex. As at March 31, 2025, the outstanding loan balance is \$0 (2024 - \$49,278).

Cape Breton University has guaranteed a loan to CBU 2015 Business Trust, as executed by CBU Development Inc. in their capacity of corporate trustee, in the amount of \$17,620,000. As at March 31, 2025, the outstanding loan balance is \$11,042,000 (2024 - \$11,870,000).

f) Capital projects

Cape Breton University is committed to the following capital projects at March 31, 2025:

	Estimated Cost	Progress Billings Including Accrued Holdbacks
Medical Campus	\$ 74,200,000	\$ 24,559,420
Marconi Health Clinic	7,600,000	4,800,813
Centre for Discovery/Innovation	140,000,000	11,805,815
Kehoe Forum (Canada Games Complex) refit	38,588,000	36,864,499
Nova Scotia Power Lines Relocation	5,100,000	111,480
	<b>\$ 265,488,000</b>	<b>\$ 78,142,027</b>

g) Operating leases

The University has operating lease agreements for office and instruction space in Sydney, Nova Scotia. The minimum lease payments for the next five years are as follows:

2026	\$ 311,920
2027	68,480
2028	22,827
2029	—
2030	—
<b>Total</b>	<b>\$ 403,227</b>

**Cape Breton University**  
**Notes to Non-consolidated Financial Statements**  
*For the year ended March 31, 2025*

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**20. PENSIONS**

The University contributes to a defined contribution pension plan for its employees. The defined contribution plan requires a partial matching of contributions by the University, the cost of which is allocated to appropriate department expenses. Contributions made by the University to the defined contribution plan were \$49,934 (2024 - \$65,623) for the year ended March 31, 2025.

As of April 1, 2018, four employee groups of the University (non-union, management, CUPE, CBUFA) enrolled to participate in the Nova Scotia Public Service Superannuation Plan ("PSSP"), a defined benefit pension plan administered by the Public Service Superannuation Plan Trustee Incorporated, which provides pension benefits based on length of service and earnings. The University is not obligated for any unfunded liability, nor is the University entitled to any surplus that may arise in the PSSP. The PSSP is accounted for as a defined contribution plan as the obligation to pay retirement obligations does not reside with the University. The PSSP requires a partial matching of contributions by the University, the cost of which is allocated to appropriate department expenses. Contributions made by the University to the PSSP were \$5,252,612 (2024 - \$4,622,904) for the year ended March 31, 2025.

During the year ended March 31, 2021, the University established a defined benefit Supplementary Pension Plan for Designated Employees of Cape Breton University. Benefits payable from the plan are equal to the pension that would have been payable from the Public Service Superannuation Plan (PSSP) in excess of limits imposed by the Income Tax Act, less the actual benefits payable from the PSSP. Benefits begin to accrue on the date that the employee was appointed to the office of Vice President or President. The plan obligation as at March 31, 2025 is \$608,654 (2024 - \$544,590). In keeping with its practice to not follow a segregated cash policy, the University has not set aside specific plan assets to fund plan obligations as at March 31, 2025. Future payments for plan benefits will be provided from operational cash.

**21. RELATED PARTY TRANSACTIONS**

The University is related to the following entities:

CBU Developments Inc., a wholly-owned subsidiary,

CBU 2015 Business Trust, as a trust for which CBU Developments Inc. is corporate trustee, and

Gardiner Mines Wind Farm Limited Partnership, an 89% partnership holding by CBU 2015 Business Trust.

During the 2025 fiscal year, the University received a \$Nil (2024 - \$ Nil) distribution of income from the CBU 2015 Business Trust.

These transactions are in the normal course of operations and are measured at the exchange amount which approximates fair market value.

## **22. FINANCIAL INSTRUMENTS**

The University is exposed to various risks through its financial instruments and includes the following significant risks at March 31, 2025.

### **Credit risk**

The University provides credit to its students and other organizations in the normal course of operations. The University has established policies to limit registration only to students who have no outstanding balances and may withhold graduation certificates to students with an outstanding balance. The University performs regular evaluations of its accounts receivable and records an allowance for doubtful accounts when necessary.

### **Interest rate risk**

The University has entered into interest rate swap agreements on its Royal Bank debt to raise long-term borrowings at a floating rate and effectively swap to a fixed rate that was lower than those available if fixed rate borrowings were made directly.

### **Market risk**

The University's investments are affected by market conditions. The University has an established investment committee and investment manager to mitigate its market risk.

## **23. COMPARATIVE FIGURES**

The comparative information has been reclassified, where applicable, to conform with the presentation used in the current year.