

A photograph of Acadia University's main building, a large white neoclassical structure with a central clock tower and a portico with columns. The building is set on a green lawn with several trees in the foreground, including some with red autumn foliage. The sky is clear blue. The text is overlaid in the bottom left corner.

# Acadia University

Annual Financial Statements  
March 31, 2025

**Acadia University  
Annual Financial Statements  
Year Ended March 31, 2025**

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# Independent auditor's report

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To the Board of Governors of  
**Acadia University**

## Opinion

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

In our opinion, the accompanying financial statements present fairly in all material respects, the financial position of Acadia University as at March 31, 2025, and its results of operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

## Basis for opinion

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

## Other matter – supplementary information

Our audit was conducted for the purpose of forming an opinion on the financial statements of Acadia University taken as a whole. The supplementary information included in schedules A and B is presented for purposes of additional detail and is not a required part of the financial statements. Such information has been subjected to the auditing procedures applied, only to the extent necessary to express an opinion, in the audit of the financial statements taken as a whole.

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

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

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

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

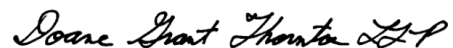
### Auditor's responsibilities for the audit of the financial statements

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

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

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

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



Halifax, Canada  
August 14, 2025

Chartered Professional Accountants

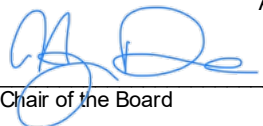
**Acadia University**  
**Statement of Financial Position**  
**As at March 31, 2025**  
**With Comparative Figures for March 31, 2024**  
(thousands of dollars)

<b>Assets</b>	<b>2025</b>	<b>2024</b>
Currents assets:		
Cash and short term investments	\$72,787	\$62,379
Accounts receivable (Note 3)	9,312	11,239
Prepaid expenses	2,189	2,156
	<u>84,288</u>	<u>75,774</u>
Investments	152,166	135,496
Other assets (Note 4)	200	200
Capital assets (Note 5)	91,805	95,299
Intangible assets (Note 5)	758	1,263
	<u>329,217</u>	<u>\$308,032</u>
<b>Liabilities, Deferred Contributions and Net Assets</b>		
Current liabilities:		
Demand loans payable (Note 6a)	\$370	\$443
Accounts payable and accrued liabilities	10,676	7,844
Amounts due to governments	1,800	1,694
Retirement incentives	4	16
Deferred revenue	26,488	30,396
Current portion of loans payable (Note 6b)	3,067	2,976
	<u>42,405</u>	<u>43,369</u>
Retirement incentives	-	4
Employee future benefits (Note 13)	328	557
Deferred capital and other contributions (Note 7)	100,482	83,164
Loans payable (Note 6b)	40,192	43,282
Total liabilities and deferred contributions	<u>183,407</u>	<u>170,376</u>
Net assets: (Note 8)		
Accumulated operating deficit	(16,257)	(17,012)
Internally restricted	6,303	10,958
Restricted for endowments	146,296	133,599
Equity in capital assets	9,468	10,111
	<u>145,810</u>	<u>137,656</u>
Total liabilities, deferred contributions and net assets	<u>\$329,217</u>	<u>\$308,032</u>

Commitments (Note 10)

Contingent liabilities (Note 11)

Approved by the Board of Governors

  
Chair of the Board

  
President and Vice-Chancellor

**Acadia University**  
**Statement of Operations**  
**Year Ended March 31, 2025**  
**With Comparative Figures for March 31, 2024**  
(thousands of dollars)

	<b>2025</b>	<b>2024</b>
<b>Revenues:</b>		
Student academic fees	\$50,740	\$48,116
Government grants	35,717	36,272
Other grants	7,538	7,064
Ancillary sales and services	15,144	15,006
Donations and gifts	1,825	1,078
Investment income	9,707	10,112
General	3,685	2,824
Amortization of deferred capital contributions	4,342	4,352
<b>Total revenues</b>	<b>128,698</b>	<b>124,824</b>
<b>Expenses:</b>		
Salaries and wages	65,004	59,924
Fringe benefits	10,228	9,365
Pension special payments (Note 13)	177	247
Supplies and materials	11,357	9,691
Externally contracted services	11,687	11,254
Amortization of capital and intangible assets	8,875	8,809
Ancillary cost of goods sold	530	515
Utilities	6,349	6,384
Long term debt interest and other bank charges	1,315	1,623
Travel	2,921	2,868
Scholarships and bursaries	7,343	7,297
Deferred maintenance and renovations	3,485	3,574
Library acquisitions	1,241	1,236
Professional fees	1,419	1,311
Other	1,310	1,202
<b>Total expenses</b>	<b>133,241</b>	<b>125,300</b>
<b>Excess of expenses over revenues</b>	<b>\$(4,543)</b>	<b>\$(476)</b>

**Acadia University**  
**Statement of Changes in Net Assets**  
**Year Ended March 31, 2025**  
(thousands of dollars)

	Accumulated Operating Deficit	Internally Restricted	Restricted for Endowments	Equity in Capital Assets	2025 Total	2024 Total
Balance, March 31, 2024	\$(17,012)	\$10,958	\$133,599	\$10,111	\$137,656	\$124,663
Excess of revenue over expenses (expenses over revenue)	1,008	(1,018)	-	(4,533)	(4,543)	(476)
Gifts of endowment principal	-	-	2,492	-	2,492	3,144
Increase in value of investments	-	-	15,273	-	15,273	15,064
Transfer to operating fund and internally restricted fund	-	-	(5,068)	-	(5,068)	(4,739)
Interfund transfers in (out)	(253)	(3,637)	-	3,890	-	-
Balance, March 31, 2025	\$(16,257)	\$6,303	\$146,296	\$9,468	\$145,810	\$137,656

**Acadia University**  
**Statement of Cash Flows**  
**Year Ended March 31, 2025**  
**With Comparative Figures for March 31, 2024**  
(thousands of dollars)

	<b>2025</b>	<b>2024</b>
Cash provided by (used for):		
Operating activities:		
Excess of expenses over revenues	\$(4,543)	\$(476)
Items not involving cash:		
Amortization of capital and intangibles assets	8,875	8,809
Amortization of deferred capital contributions	(4,342)	(4,352)
Retirement incentive	(4)	(15)
Employee future benefits	(229)	(386)
Change in non-cash working capital	839	(10,423)
	596	(6,843)
Investing activities:		
Deferred capital and other contributions	21,660	4,244
Purchase of capital assets	(4,876)	(4,512)
Net purchase of investments	(6,465)	(317)
	10,319	(585)
Financing activities:		
Endowment contributions	2,492	3,144
Principal payments on long term debt	(2,999)	(2,880)
	(507)	264
Net change in cash	10,408	(7,164)
Cash, beginning of year	62,379	69,543
Cash, end of year	\$72,787	\$62,379



**Acadia University**  
**Notes to the Financial Statements**  
**Year Ended March 31, 2025**  
(thousands of dollars)

**1. Authority and purpose**

Acadia University operates under the authority of *An Act Respecting Acadia University*, passed May 19, 1891. It is primarily an undergraduate, liberal arts institution providing a range of undergraduate, graduate and continuing education programs. The academic governance of the University is vested in the Senate. The University is a not-for-profit entity, governed by a Board of Governors, whose members are appointed from a variety of backgrounds, including business, alumni, government and the Convention of Canadian Baptists of Atlantic Canada. The University is a registered charity under the Income Tax Act and accordingly is exempt from income taxes, provided certain requirements of the Income Tax Act are met.

**2. Significant accounting policies**

a) Basis of accounting:

These financial statements have been prepared in accordance with Canadian generally accepted accounting principles using Canadian accounting standards for not-for-profit organizations in Part III of the CPA Handbook.

b) Fund accounting:

The University maintains its accounting records using fund accounting. Under this method, resources are classified for accounting and reporting purposes into funds in accordance with specific activities or objectives. Restricted funds carry restrictions on the use of the resources for particular defined purposes.

The University has classified accounts with similar characteristics into major funds as follows:

The Operating/Ancillary Operations Fund, an unrestricted fund, accounts for the University's primary function of instruction, including academic, support services, administrative services, facilities management and other operating activities. It also accounts for ancillary operations that provide goods and services to the University community, which are supplementary to the functions of instruction, research and services.

The University's restricted funds, consisting of the Capital Fund, Research Fund, Endowment Fund and Special Reserve Fund, account for resources made available to the University by third parties, by way of grants, service contracts or gifts. These resources are restricted as to their use by third parties.

The Capital Fund, a restricted fund, accounts for the acquisition of capital assets, the amortization of capital assets and the amortization of any externally restricted contributions received to fund these assets.

The Research Fund, a restricted fund, accounts for the activities that support research.

The Endowment Fund accounts for investment income earned on the endowment principal and related expenditures such as investment management fees.

The Special Reserves Fund accounts for the expenditure of externally restricted contributions which are not research, endowment, capital or operating in nature. Expenditures within this fund are typically project related.

**Acadia University**  
**Notes to the Financial Statements** (*continued*)  
**Year Ended March 31, 2025**  
(thousands of dollars)

c) Revenue recognition:

The University follows the deferral method of accounting for contributions. The University receives grants and donations from a number of different sources to cover operating, research, capital and other special purpose expenditures. Using this method, restricted grants and contributions are deferred to future periods with the related expenses regardless of when the funds are received. Restricted contributions are recognized as revenue in the same accounting period as the related expense. Restricted contributions for which the related expenses have not been incurred are reported in deferred capital and other contributions.

Revenue from tuition fees, residence fees, other academic fees, and sales are recognized in the operating fund when services are provided and goods are sold. Operating grants are recorded as revenue in the operating fund in the period to which they relate. Revenues from the sources above, including operating grants, received during the period related to future periods is included in deferred revenues. Unrestricted contributions are recognized as revenue in the operating fund when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

The capital portion of grants are recorded as deferred contributions and amortized into revenue at a rate corresponding with the amortization rate of the related assets in the capital fund. These are restricted contributions as they relate directly to the acquisition of capital assets.

Externally restricted contributions, related to research and special projects, are recorded as deferred contributions and are recognized as revenue in the applicable fund in the year in which the related expenses are recognized.

Endowment contributions are recognized as a direct increase in endowment net assets in the year the contribution is received. Investment income earned on restricted funds is recorded as revenue within the appropriate restricted fund and must be spent on the restricted activities. Other investment income is recognized as revenue in the operating fund when earned.

d) Contributed assets:

Contributed assets held for sale, including property and land, are recorded at the date of sale when an estimation of the fair value is uncertain.

e) Cash:

Cash includes petty cash, cash on deposit and bank indebtedness with financial institutions.

f) Financial instruments:

The University considers any contract creating a financial asset or liability as a financial instrument. Financial instruments consist of cash, investments, accounts receivables, accounts payable and accrued liabilities, and short and long-term debt.

The University initially measures its financial assets and liabilities at fair value or amortized cost. Cash is measured and reported at fair value. The University has chosen to measure and report investments at fair value using quoted market values based on actively traded markets. The University records the change in fair value as income from investments. All other financial assets are recorded at amortized cost. Financial transaction costs are expensed as incurred. Financial liabilities are recorded at amortized cost.

**Acadia University**  
**Notes to the Financial Statements** *(continued)*  
**Year Ended March 31, 2025**  
(thousands of dollars)

The University removes financial liabilities, or a portion thereof, when the obligation is discharged, cancelled or expires. When a financial liability is discharged, the associated gain or loss is recognized in the period on the statement of operations. A financial asset (or group of similar financial assets) measured at cost or amortized cost are tested for impairment when there are indicators of impairment. Impairment losses are recognized in the statement of operations. Previously recognized impairment losses are reversed to the extent of the improvement provided the asset is not carried at an amount, at the date of the reversal, greater than the amount that would have been the carrying amount had no impairment loss been recognized previously. The amounts of any write-downs or reversals are recognized in the statement of operations.

g) Interest rate swap agreements and hedge accounting:

The University enters into interest rate swaps in order to reduce the impact of fluctuating interest rates on portions of its long-term debt. It is not the University's policy to utilize derivative financial instruments for trading or speculative purposes. These swap agreements require the periodic exchange of payments without the exchange of the notional principal amount on which the payments are based. Interest expense on the debt is adjusted to include the payments made or received under the interest rate swaps.

The University documents all relationships between hedging instruments and hedged items, as well as its risk management objective and strategy for undertaking various hedge transactions. This process includes linking all derivatives to specific portions of long term debt on the statement of financial position. 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 cash flows of hedged items.

The University designates each interest rate swap agreement as a cash flow hedge of a specifically identified debt instrument. Swap agreements are recognized as effective hedges when the hedge matches all terms (term, notional principal amount, and date of maturity) with the debt instrument that is being hedged. The swap agreements involve periodic exchange of payments and are recorded as an adjustment of the interest expense on the hedged debt instrument. The fair value of derivative instruments eligible and qualifying for hedge accounting is not recognized in the Statement of Financial Position.

Realized and unrealized gains or losses associated with derivative instruments, which have been terminated or cease to be effective prior to maturity are recognized in income in the period in which the underlying hedged transaction is terminated. In the event a designated hedged item is sold, extinguished or matures prior to the termination of the related derivative instrument, any realized or unrealized gain or loss on such derivative instrument is recognized in income.

h) Investments and other assets:

Investments are composed of units in specific pooled funds and accordingly they are stated at fair value. These funds are focused on specific asset types and at year-end the composition of the underlying assets was as follows: domestic equities 15.38% (2024– 15.44%), international equities 47.45% (2024 – 47.12%), bonds / managed cash funds 17.97% (2024 – 18.99%), alternatives 19.11% (2024 – 19.82%), and cash 0.09% (2024 – (1.37)%). An asset mix guideline is monitored by the Investment Committee of the Board of Governors. Fair value is defined as the unit values supplied by the fund administrators, which represents the University's proportionate share of underlying net assets at fair values. Additional endowed assets related to an academic chair are invested in pooled funds with a specific fund manager and monitored by the Investment Committee of the Board. The asset allocation for this fund is fixed income 12.9% (2024 -12.3%), domestic equity 45.3% (2024 – 42.3%), and foreign equity 41.8% (2024 – 45.4%).

**Acadia University**  
**Notes to the Financial Statements** *(continued)*  
**Year Ended March 31, 2025**  
(thousands of dollars)

Interest and dividends earned on investments are reported as investment income. Investment income on endowments, which is comprised of gains (net of any losses) realized on the disposition of units in the invested funds and unrealized appreciation (depreciation) in the market value of the units is recorded in the statement of operations and accumulated operating deficit when this income is available for spending. In any particular year, net investment income (loss) may be insufficient to fund the amount made available for spending. In this circumstance, current spending is funded by income accumulated from prior years where earnings exceeded the amount required for spending in those years. In 2025, \$5,068 (2024 - \$4,713) was transferred from endowment's invested assets to meet spending requirements.

The University has an investment in the Valley Community Fibre Network and this investment has been recorded at cost within other assets.

i) Capital assets:

Purchased capital assets are recorded at cost. Interest on financing during construction is added to the capitalized costs. Donated capital assets, other than donated works of art which are not capitalized, are recorded at fair value at the date of acquisition. Repairs and maintenance costs are charged to expense. Betterments which extend the estimated life of an asset are capitalized. Management reviews estimates of useful lives of capital assets and adjusts the estimates as required. Management regularly reviews assets for impairment and adjusts as required.

Capital assets are amortized on a straight-line basis over the following useful lives of the respective assets. The range of estimated useful lives for each of the capital asset categories is shown below and expressed in number of years.

Buildings	40
Land improvements	20
Facility improvements	15
Equipment and equipment under capital lease	5
Library holdings	10
Roadways	15
Computer equipment	3
Vehicles	3

Amortization of assets under development will commence once the asset is considered operational.

j) Intangible assets:

Intangible assets are an identifiable non-monetary asset without physical substance. The University has a number of computer software programs that meet the definition of an intangible asset.

Intangible assets are recorded at cost. Intangible assets are amortized on a straight-line basis over the useful life of 5 years. Management reviews estimates of useful lives of intangible assets and adjusts the estimates as required. Management regularly reviews assets for impairment and adjusts as required.

k) Impairment of long-lived assets:

Long-lived assets are tested for recoverability whenever events or changes in circumstances indicate that their carrying amount may not be recoverable. The amount of impairment loss is determined as the excess of the carrying value of the asset over its fair value, determined as the undiscounted cash flow expected from use or eventual disposition.

**Acadia University**  
**Notes to the Financial Statements** *(continued)*  
**Year Ended March 31, 2025**  
(thousands of dollars)

l) Employee benefit plans:

Employees of the University participate in the Public Service Superannuation Plan ("PSSP"), a contributory pension plan administered by the Pension Services 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. Employer contributions are recognized as an expense in the period. The University has recognized a transfer payment liability reflecting the funding valuation difference at the date of the transfer to the PSSP that will be funded over ten years.

The University measures the estimated liabilities associated with the transfer payments and the supplemental pension benefits by present valuing the estimated future cash flows.

m) Retirement incentive:

The University accrues the full cost of the early retirement obligations in the year in which the event that creates the obligation occurs. The University has determined the outstanding retirement incentive based on each retiree. As the incentive is paid to retirees over a number of years, the obligation is amortized into income based on the payment schedule. The outstanding obligation has been recorded at its present value.

n) Use of estimates and judgements:

The preparation of the financial statements in accordance with Canadian generally accepted accounting principles requires management to make a number of estimates and assumptions relating to the reported amounts of assets and liabilities and the disclosure of contingent liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting periods. Estimates are involved in the calculation of the collectible amount of accounts receivable, measurement of deferred revenue, the useful lives of capital and intangible assets and their amortization, impairment of capital and intangible assets, accrued liabilities for payroll and employee future benefits, the fair value of investments and financial instruments. Actual results could differ from those estimates. Estimates are regularly reviewed by management and adjusted as required.

<b>3. Accounts receivable</b>	<b>2025</b>	<b>2024</b>
Student accounts	\$6,465	\$4,270
<u>Less: allowance for doubtful accounts</u>	<u>(3,416)</u>	<u>(2,500)</u>
	3,049	1,770
Special accounts	3,257	2,197
Special grants	2,538	7,108
<u>Other</u>	<u>468</u>	<u>164</u>
<u>Total</u>	<u>\$9,312</u>	<u>\$11,239</u>

<b>4. Other assets</b>	<b>2025</b>	<b>2024</b>
<u>Investment in Valley Community Fibre Network, at cost</u>	<u>\$200</u>	<u>\$200</u>
<u>Total</u>	<u>\$200</u>	<u>\$200</u>



**Acadia University**  
**Notes to the Financial Statements** *(continued)*  
**Year Ended March 31, 2025**  
(thousands of dollars)

**5. Capital assets and Intangible assets**

Capital assets	2025			2024		
	Cost	Accumulated amortization	Net book value	Cost	Accumulated amortization	Net book value
Buildings	\$198,020	\$137,431	\$60,589	\$198,020	\$133,673	\$64,347
Equipment	35,624	32,786	2,838	34,635	31,802	2,833
Library holdings	5,516	5,492	24	5,516	5,483	33
Land	952	-	952	952	-	952
Land improvements	19,231	19,121	110	19,231	19,094	137
Facility improvements	54,277	30,855	23,422	51,792	27,971	23,821
Roadways	357	308	49	357	302	55
Computer equipment	9,337	8,491	846	8,878	7,848	1,030
Vehicles	967	901	66	933	842	91
Equipment – capital lease	1,458	1,458	-	1,458	1,458	-
Assets under development	2,909	-	2,909	2,000	-	2,000
<b>Total</b>	<b>\$328,648</b>	<b>\$236,843</b>	<b>\$91,805</b>	<b>\$323,772</b>	<b>\$228,473</b>	<b>\$95,299</b>

Intangible assets	2025			2024		
	Cost	Accumulated amortization	Net book value	Cost	Accumulated amortization	Net book value
Software	\$4,193	\$3,435	\$758	\$4,193	\$2,930	\$1,263
<b>Total</b>	<b>\$4,193</b>	<b>\$3,435</b>	<b>\$758</b>	<b>\$4,193</b>	<b>\$2,930</b>	<b>\$1,263</b>

**6. Loans payable**

a) Demand loans:

Bank of Montreal – non-revolving and unsecured demand loans bearing interest at bank prime plus 0.75%.

b) Loans payable:

	<b>2025</b>	<b>2024</b>
Biology and Sustainability Initiative (i)	\$22,153	\$23,618
Residence Renovations (ii)	20,262	21,602
Cutten Renovation (iii)	844	1,038
	43,259	46,258
<u>Current portion</u>	<u>3,067</u>	<u>2,976</u>
<b>Total</b>	<b>\$40,192</b>	<b>\$43,282</b>

**Acadia University**  
**Notes to the Financial Statements** *(continued)*  
**Year Ended March 31, 2025**  
(thousands of dollars)

- i) Biology Building and Sustainability Initiative - Bank of Montreal term financing bearing interest at 2.64% plus a 50 basis point credit spread payment. The interest rate of 2.64% is fixed for a period of 20 years to October 1, 2037. The current credit spread payment is 50 basis points. The loan is being amortized over a period of 20 years with blended monthly payments of principal and interest of approximately \$183.
- ii) Residence Renovation - Bank of Montreal term financing bearing interest at 2.64% plus a 50 basis point credit spread payment. The interest rate of 2.64% is fixed for a period of 20 years to October 1, 2037. The current credit spread payment is 50 basis points. The loan is being amortized over a period of 20 years with blended monthly payments of principal and interest of approximately \$167.
- iii) Cutten Renovation - Bank of Montreal, prime plus 0.75% term loan, amortized over 25 years, maturing March 31, 2029. The loan is repayable in blended monthly payments of principal and interest of \$20.

The Bank of Montreal loans payable are unsecured, however, there is a restrictive covenant placed upon the ability of the University to pledge the assets as security for future indebtedness.

- c) The University has entered into interest rate swap agreements with the Bank of Montreal in order to reduce the impact of fluctuating interest rates on certain of its long-term debt obligations. These swap agreements require the periodic exchange of payments without the exchange of the notional principal amount on which the payments are based.

The University designates certain of its interest rate swap agreements as hedges of the underlying debt. In the hedges, swap payments are reflected as interest expense and accounted for on an accrual basis. The principal underlying the swap agreements, which have been designated as hedges, amounts to \$42,415 at March 31, 2025 (2024 - \$45,220). Although the University has no intention of settling these instruments at March 31, 2025, if the University had settled the interest rate swaps described, it would have received \$763 (2024 - \$3,304).

- d) The University is required to meet various financial and non-financial covenants of the lender. Financial covenants include, on a trailing twelve month basis, maintaining a ratio of EBITDA to principal and interest of at least 1.10:1.00. The University was in violation of this covenant at March 31, 2025. Subsequent to year end, the University was provided a waiver by the lender for the violation of the covenant. The waiver is in place until April 1, 2026. All other covenants were met for the year ending March 31, 2025.
- e) The principal due within each of the next five years on loans payable is approximately as follows:

2026	\$3,067
2027	3,155
2028	3,246
2029	3,339
2030	3,228

**Acadia University**  
**Notes to the Financial Statements (continued)**  
**Year Ended March 31, 2025**  
(thousands of dollars)

**7. Deferred capital and other contributions**

Deferred capital contributions related to capital assets represent the unamortized amount of grants and donations received for the purchase of capital assets. The amortization of capital contributions is recorded as revenue in the statement of operations. Deferred other contributions related to research and special reserves represent externally restricted grants, restricted research donations, and other restricted gifts or donations that have been received in the current period or a prior period which have not been spent.

	<u>Capital</u>	<u>Research</u>	<u>Special Reserves</u>	<u>2025 Total</u>	<u>2024 Total</u>
Balance, beginning of year	\$52,401	\$5,541	\$25,222	\$83,164	\$83,272
Contributions and grants received during the year	17,619	7,687	5,595	30,901	12,338
Amounts utilized during the year	-	(7,508)	(1,733)	(9,241)	(8,094)
Amounts amortized to revenue	(4,342)	-	-	(4,342)	(4,352)
Balance, end of year	\$65,678	\$5,720	\$29,084	\$100,482	\$83,164

**8. Net assets**

In order to ensure observance of limitations and restrictions placed on the use of the resources available to the University, such resources are classified for accounting purposes into funds according to the activities or objectives specified.

Accumulated operating deficit:

The accumulated operating deficit accounts for the academic, administrative, and other operational costs, which are financed by fees, grants, and other general income. For expenditures other than regular salaries, the University follows a policy of appropriating unexpended budget balances in departments.

Internally restricted:

Internally restricted funds relate to research and special projects for amounts set aside by the University for specific, as well as unspent, budget appropriations accumulated by academic and other budget units.

Restricted for endowments:

Endowment principal consists of restricted donations to the University, the original investment of which is required to be maintained in perpetuity. The investment income generated from endowments must be used in accordance with the various purposes established by the donor.

To meet the foregoing requirements, the University has established an Investment Policy with the following goals:

- to protect the original donation to the University and its earning potential;
- to balance the current operational expenditure requirement with the expected future requirements; and
- to establish a framework that provides transparency related to the management and activities related to endowed funds.

**Acadia University**  
**Notes to the Financial Statements (continued)**  
**Year Ended March 31, 2025**  
(thousands of dollars)

Equity in capital assets:

Equity in capital assets represents the unamortized cost of capital assets acquired through the expenditure of unrestricted and operating resources.

**9. Interfund transfers**

	2025				2024			
	General	Restricted	Endowment	Capital	General	Restricted	Endowment	Capital
Interfund transfers in (out)								
Research	\$(475)	\$475	\$ -	\$ -	\$(272)	\$272	\$ -	\$ -
Program support	(3,776)	(1,042)	4,818	-	(3,056)	(1,325)	4,381	-
Purchase capital	336	479	-	(815)	(5)	377	-	(372)
Debt reduction	3,073	-	-	(3,073)	2,934	-	-	(2,934)
Total	\$(842)	\$(88)	\$4,818	\$(3,888)	\$(399)	\$(676)	\$4,381	\$(3,306)

Interfund transfers are the result of transferring funding or spending to the appropriate fund for matching purposes.

As of March 31, 2025, the following interfund due to/due from balances were outstanding. These balances are a result of revenue and expenses being recognized in different funds. These outstanding balances do not incur interest and do not have associated payment terms.

	2025				2024			
	Operating	Capital	Endowment	Restricted	Operating	Capital	Endowment	Restricted
Interfund due to (from) balances								
Operating Fund	\$ -	\$(433)	\$ -	\$ -	\$ -	\$(433)	\$ -	\$ -
Capital Fund	-	-	-	-	-	-	-	-
Endowment Fund	-	-	-	-	-	-	-	-
Restricted Fund	433	-	-	-	433	-	-	-
Total	\$433	\$(433)	\$ -	\$ -	\$433	\$(433)	\$ -	\$ -

**10. Commitments**

As at March 31, 2025, the University had outstanding commitments for physical plant services for approximately \$18,281 (2024 - \$8,315).

**11. Contingent liabilities**

- a) The University participates in a reciprocal exchange of insurance risks in association with over fifty Canadian universities. This self-insurance cooperative (CURIE) 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 projected cost of claims will be funded through members' premiums based on actuarial projections. As of December 31, 2024, CURIE had a surplus of \$130.3 million of which the University's prorata share is approximately 1.07% on an ongoing basis.

**Acadia University**  
**Notes to the Financial Statements** *(continued)*  
**Year Ended March 31, 2025**  
(thousands of dollars)

In respect of General Liability, the limit is \$5 million per occurrence and on behalf of subscribers, an excess policy for \$45 million above CURIE's \$5 million limit is in place.

In respect of Errors and Omissions, the limit is \$5 million per occurrence and on behalf of subscribers, an excess policy combined with General Liability for \$45 million above CURIE's \$5 million limit is in place.

In the event premiums are not sufficient to cover claim settlements, the member universities would be subject to an assessment in proportion to their participation.

- b) From time to time, the University is involved in litigation or proceedings relating to claims arising out of its operations in the ordinary course of business. It is the opinion of management that the aggregate amount of any potential liability is not expected to have a material adverse effect on the University's financial position or results and any claims arising out of the ordinary course of business are adequately provided for.

## **12. Pledges**

As at March 31, 2025, the University had outstanding campaign pledges of approximately \$7,424 (2024 - \$3,669) which have not been recorded in the accounts.

## **13. Employee future benefits**

On July 1, 2015, the University transitioned its pension plan to the Public Service Superannuation Plan ("PSSP"). Prior to this, the Acadia University Pension Plan was a defined benefit pension plan covering substantially all of its employees. Acadia University employees now participate in the PSSP, a contributory multi-employer defined benefit pension plan administered by the Pension Services Superannuation Plan Trustee Incorporated, which provides pension benefits based on length of service and earnings.

At the date of transition, based on the actuarial methodology and assumptions of the PSSP, the University's plan had assets available to transfer of \$127,836, actuarial liabilities of \$130,410, and residual deficiency of \$2,574. The deficiency is required to be paid in monthly instalments of principal and interest from the date of transition and is amortized over a 10-year period. The outstanding deficiency as of March 31, 2025 was \$67 (2024 - \$397).

The PSSP is accounted for as a defined contribution plan as the obligation to pay retirement obligations does not reside with the University. The funding surplus of the PSSP as at March 31, 2025 is \$524,375. Contributions to the Plan are required by both the employer, Acadia University, and its employees. Total employer contributions for 2025 were \$4,984 (2024 - \$4,891) and are recognized as an expense in the period.

Other employee future benefits include the present value of other long-term employee benefits including service awards and supplementary pension amounts.



**Acadia University**  
**Notes to the Financial Statements** *(continued)*  
**Year Ended March 31, 2025**  
(thousands of dollars)

**14. Financial instruments**

a) Fair values:

The fair value of investments is calculated as described in Note 2(h). The fair value of the long-term debt approximates their carrying value because the calculated contractual rates of interest approximate the current market rate available to the University. The fair values of the other financial assets and liabilities, being cash, short-term investments, accounts receivable, demand loans payable and accounts payable and accrued liabilities approximate their carrying values due to the short term nature of these instruments.

b) Credit risk:

Financial instruments which potentially subject the University to credit risk consist primarily of cash, short term investments and accounts receivable. The University limits the amount of credit exposure with its cash and short term investment balances by only maintaining deposits with major financial institutions. Accounts receivable consist mainly of student accounts and amounts owing from agencies of the Federal Government of Canada and the Provincial Government of Nova Scotia. To reduce credit risk with student accounts, the University places restrictions on the issuance of certain university privileges and the issuance of grades and degrees until payment on account is made but does not generally require collateral. All student accounts are reviewed throughout the year. At the end of each year, all delinquent accounts are written off.

The University is exposed to credit-related losses in the event of non-performance by counterparties to financial instruments. Credit exposure is minimized by dealing mostly with creditworthy counterparties such as highly rated financial institutions.

c) Interest rate risk:

Interest rate risk is minimized as the majority of the University's long term debt is fixed by the use of interest rate swaps. The only fluctuating debt is related to the demand loans payable.

d) Liquidity risk:

Liquidity risk management serves to ensure that the University maintains sufficient cash flow and utilizes bank loans to meet the operating requirements of the University. The University maintains detailed budgets and cash flow forecasts. The University maintains a short-term line of credit that is designed to ensure that funds are available to meet current and forecasted financial requirements in the most cost effective manner.

e) Market risk:

The University's investments are affected by market conditions. The University monitors its exposure and impact of changes to the market value.

**15. Supplemental cash flow information**

	<b>2025</b>	<b>2024</b>
Cash paid during the year for:		
Interest on long-term debt	\$1,240	\$1,581

**Acadia University**  
**Notes to the Financial Statements** *(continued)*  
**Year Ended March 31, 2025**  
(thousands of dollars)

**16. Collections**

The Art Gallery of Acadia University has a collection of donated paintings and other art works, which are not recorded in the financial statements, having an insured value of \$1,684. The insured value is based on an entire collection valuation carried out in 1993, adjusted for new acquisitions and subsequent piece valuation.

**17. Related entities**

The Acadia Divinity College is a Christian theological seminary located on the campus of Acadia University. Academically, the Acadia Divinity College is considered a Faculty of the University. Financially, it is incorporated as a separate legal entity under the laws of the Province of Nova Scotia. Many administrative services are provided by the University to the college under a service contract with terms similar to those that would be offered to the general public. At March 31, 2025, Acadia University has a receivable from the Acadia Divinity College of \$409 (2024 - payable of \$303).

**Schedule A**

**Acadia University  
Schedule of Operations by Fund  
Year Ended March 31, 2025  
(thousands of dollars)**

	<u>Operating/ Ancillary Operations</u>	<u>Special Reserves</u>	<u>Research</u>	<u>Endowment</u>	<u>Capital</u>	<u>2025 Total</u>	<u>2024 Total</u>
<b>Revenues:</b>							
Student academic fees	\$50,740	\$ -	\$ -	\$ -	\$ -	\$50,740	\$48,116
Government grants	35,717	-	-	-	-	35,717	36,272
Other grants	-	-	7,538	-	-	7,538	7,064
Ancillary sales and services	15,144	-	-	-	-	15,144	15,006
Donations and gifts	186	1,639	-	-	-	1,825	1,078
Investment income	3,877	297	-	5,533	-	9,707	10,112
General	2,948	486	251	-	-	3,685	2,824
Amortization of deferred capital contribution	-	-	-	-	4,342	4,342	4,352
<b>Total Revenue</b>	<b>108,612</b>	<b>2,422</b>	<b>7,789</b>	<b>5,533</b>	<b>4,342</b>	<b>128,698</b>	<b>124,824</b>
<b>Expenses:</b>							
Wages - academic	32,853	138	447	-	-	33,438	30,726
Wages - academic other	4,070	318	3,609	-	-	7,997	7,288
Wages - other	23,438	84	47	-	-	23,569	21,910
 Total salaries and wages	 60,361	 540	 4,103	 -	 -	 65,004	 59,924
Fringe benefits	9,818	59	351	-	-	10,228	9,365
Pension special payments	177	-	-	-	-	177	247
Supplies and materials	9,419	948	990	-	-	11,357	9,691
Externally contracted services	10,377	53	1,257	-	-	11,687	11,254
Amortization of capital and intangible assets	-	-	-	-	8,875	8,875	8,809
Ancillary cost of goods sold	530	-	-	-	-	530	515
Utilities	6,346	3	-	-	-	6,349	6,384
Long term debt interest and other bank charges	1,315	-	-	-	-	1,315	1,623
Travel	1,915	203	803	-	-	2,921	2,868
Scholarships and bursaries	6,005	1,338	-	-	-	7,343	7,297
Deferred maintenance and renovations	3,141	344	-	-	-	3,485	3,574
Library acquisitions	1,165	76	-	-	-	1,241	1,236
Professional fees	704	-	-	715	-	1,419	1,311
Other	1,062	-	248	-	-	1,310	1,202
<b>Total expenses</b>	<b>112,335</b>	<b>3,564</b>	<b>7,752</b>	<b>715</b>	<b>8,875</b>	<b>133,241</b>	<b>125,300</b>
 Excess of revenues over expenses (expenses over revenues)	 \$(3,723)	 \$(1,142)	 \$37	 \$4,818	 \$(4,533)	 \$(4,543)	 \$(476)

**Schedule B**

**Acadia University**  
**Statement of Expenses by Function - Operating and Ancillaries**  
**Year Ended March 31, 2025**  
(thousands of dollars)

	<u>Academic</u>	<u>Plant</u> <u>Maintenance</u>	<u>Administration</u>	<u>Library</u>	<u>Student</u> <u>Services</u>	<u>Other</u>	<u>Ancillary</u> <u>Operations</u>	<u>2025</u> <u>Total</u>	<u>2024</u> <u>Total</u>
Wages - academic	\$32,741	\$-	\$2	\$110	\$-	\$-	\$-	\$32,853	\$30,325
Wages - academic other	3,485	-	64	-	521	-	-	4,070	3,648
Wages - other	5,898	963	7,188	2,271	5,045	-	2,073	23,438	21,691
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Total salaries and wages	42,124	963	7,254	2,381	5,566	-	2,073	60,361	55,664
Fringe benefits	6,771	161	1,315	408	870	-	293	9,818	8,982
Pension special payments	132	2	18	6	14	-	5	177	247
Supplies and materials	2,852	455	2,135	81	2,179	-	1,717	9,419	7,869
Externally contracted services	1,405	8,477	228	99	44	-	124	10,377	9,612
Ancillary cost of goods sold	-	-	20	-	-	-	510	530	515
Utilities	-	6,346	-	-	-	-	-	6,346	6,381
Long term debt interest and other bank charges	-	-	-	-	-	690	625	1,315	1,623
Travel	618	7	474	25	787	-	4	1,915	1,941
Scholarships and bursaries	-	-	-	-	-	5,816	189	6,005	5,756
Deferred maintenance and renovations	-	-	-	-	-	2,954	187	3,141	3,441
Library acquisitions	-	-	-	1,165	-	-	-	1,165	1,230
Professional fees	25	-	675	-	4	-	-	704	596
Other	70	734	176	-	80	-	2	1,062	1,003
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Total expenses	\$53,997	\$17,145	\$12,295	\$4,165	\$9,544	\$9,460	\$5,729	\$112,335	\$104,860