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# Financial statements of NSCAD University

March 31, 2025

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## Independent Auditor's Report

To the Board of Governors of  
NSCAD University

### Opinion

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

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

### Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards ("Canadian GAAS"). 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.

### Responsibilities of Management and the Audit and Risk Committee for the Financial Statements

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

In preparing the financial statements, management is responsible for assessing the 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.

The Audit and Risk Committee is 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 GAAS 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 GAAS, 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 the Audit and Risk Committee 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.

*Deloitte LLP*

Chartered Professional Accountants  
September 19, 2025

**NSCAD University**  
**Statement of financial position**  
As at March 31, 2025

	Notes	Unrestricted			Restricted	Total 2025 \$	Total 2024 \$
		Operating fund 2025 \$	Endowment Fund 2025 \$	Capital Fund 2025 \$	Research and Special Purpose Fund 2025 \$		
<b>Assets</b>							
Cash		432,846	—	—	—	432,846	548,667
Investments	3	7,284,186	12,121,234	3,310,540	—	22,715,960	24,991,357
Accounts receivable	4	600,425	—	—	—	600,425	286,827
Prepaid expenses	9	1,825,907	—	—	—	1,825,907	1,762,848
Inventory		156,990	—	—	—	156,990	168,240
Due from Operating Fund		—	—	—	10,256,760	10,256,760	7,680,431
Due from Endowment Fund		548,630	—	—	—	548,630	528,034
Due from Capital Fund		22,955,401	—	—	—	22,955,401	21,856,627
		<b>33,804,385</b>	<b>12,121,234</b>	<b>3,310,540</b>	<b>10,256,760</b>	<b>59,492,919</b>	<b>57,823,031</b>
<b>Property and equipment</b>							
Land	5	—	—	4,402,490	—	4,402,490	4,402,490
Building		—	—	19,411,628	—	19,411,628	19,296,928
Work in progress		—	—	—	—	—	3,209,856
Equipment		—	—	5,404,586	—	5,404,586	5,087,650
Computer hardware		—	—	1,512,709	—	1,512,709	1,473,699
Computer software		—	—	805,220	—	805,220	805,220
Leasehold improvements		—	—	16,720,720	—	16,720,720	13,189,538
		—	—	48,257,353	—	48,257,353	47,465,381
Less: Accumulated amortization	5	—	—	20,877,147	—	20,877,147	19,952,922
		—	—	27,380,206	—	27,380,206	27,512,459
		<b>33,804,385</b>	<b>12,121,234</b>	<b>30,690,746</b>	<b>10,256,760</b>	<b>86,873,125</b>	<b>85,335,490</b>
<b>Commitments</b>							
<b>Liabilities and fund balances</b>							
<b>Current liabilities</b>							
Accounts payable and accrued liabilities		2,236,709	—	—	—	2,236,709	2,138,596
Deferred revenue		1,476,742	776,679	2,430,446	3,422,007	8,105,874	7,673,611
Deferred capital contribution	7	—	—	7,019,037	—	7,019,037	7,444,816
Due to Operating Fund		—	548,630	22,955,400	—	23,504,030	22,384,661
Due to Research and Special Purpose Fund		10,256,761	—	—	—	10,256,761	7,680,431
		<b>13,970,212</b>	<b>1,325,309</b>	<b>32,404,883</b>	<b>3,422,007</b>	<b>51,122,411</b>	<b>47,322,115</b>
Fund surplus (deficiency)		<b>19,834,173</b>	<b>10,795,925</b>	<b>(1,714,137)</b>	<b>6,834,753</b>	<b>35,750,714</b>	<b>38,013,375</b>
		<b>33,804,385</b>	<b>12,121,234</b>	<b>30,690,746</b>	<b>10,256,760</b>	<b>86,873,125</b>	<b>85,335,490</b>

The accompanying notes are an integral part of the financial statements.

Approved by the Board

\_\_\_\_\_ Governor

\_\_\_\_\_ Governor

**NSCAD University**  
**Statement of operations**  
Year ended March 31, 2025

	Unrestricted			Restricted		Total 2025 \$	Total 2024 \$
	Operating Fund 2025 \$	Endowment Fund 2025 \$	Capital Fund 2025 \$	Research and Special Purpose Fund 2025 \$			
<b>Revenues</b>							
Government grants							
Unrestricted	9,447,120	—	—	—	9,447,120	9,268,941	
Restricted	—	—	108,313	—	108,313	109,117	
Student academic fees	7,916,532	—	—	—	7,916,532	8,105,202	
Other government grants	207,287	115,332	—	122,813	445,432	472,587	
Amortized contributions	—	—	879,665	—	879,665	204,581	
Contributions received	9,910	156,640	—	520,180	686,730	617,667	
Ancillary enterprises	738,175	—	—	—	738,175	838,074	
Rent	591,505	—	—	—	591,505	626,448	
Research grants	—	—	—	1,299,783	1,299,783	633,089	
Unrealized gain on investments	—	182,149	—	—	182,149	1,154,859	
Investment income	468,587	703,651	—	—	1,172,238	662,773	
Miscellaneous	296,382	—	—	46,236	342,618	312,106	
	<b>19,675,498</b>	<b>1,157,772</b>	<b>987,978</b>	<b>1,989,012</b>	<b>23,810,260</b>	<b>23,005,444</b>	
<b>Expenses</b>							
Academic							
Salaries	10,090,675	—	—	—	10,090,675	9,274,716	
Operating	566,035	—	—	561,419	1,127,454	1,017,350	
Facilities operation	3,300,812	—	—	1,454	3,302,266	2,773,380	
Administration	4,156,970	—	518,952	126,356	4,802,278	4,040,076	
Service departments	2,464,086	—	—	—	2,464,086	2,250,366	
Amortization of property and equipment	—	—	1,099,225	—	1,099,225	921,791	
Ancillary enterprises	948,356	—	—	—	948,356	861,872	
Interest	103,119	—	—	—	103,119	102,029	
Research expenditures	—	—	—	1,299,783	1,299,783	633,089	
Scholarships	—	675,515	—	—	675,515	629,624	
Rent	160,164	—	—	—	160,164	89,625	
	<b>21,790,217</b>	<b>675,515</b>	<b>1,618,177</b>	<b>1,989,012</b>	<b>26,072,921</b>	<b>22,593,918</b>	
<b>Excess (deficiency) of revenue over expenses</b>	<b>(2,114,719)</b>	<b>482,257</b>	<b>(630,199)</b>	<b>—</b>	<b>(2,262,661)</b>	<b>411,526</b>	

The accompanying notes are an integral part of the financial statements.

**NSCAD University**  
**Statement of changes in fund balances**  
Year ended March 31, 2025

	Unrestricted		Restricted		Total
	Operating	Endowment	Capital	Research and Special Purpose Fund	
	\$	\$	\$	\$	\$
<b>Fund balances, March 31, 2023</b>	21,672,393	9,395,777	(3,822,524)	10,356,203	37,601,849
Excess (deficiency) of revenue over expenses	(35,095)	917,891	(471,270)	—	411,526
Appropriations	311,594	—	3,209,856	(3,521,450)	—
<b>Fund balances, March 31, 2024</b>	21,948,892	10,313,668	(1,083,938)	6,834,753	38,013,375
Excess (deficiency) of revenue over expenses	(2,114,719)	482,257	(630,199)	—	(2,262,661)
<b>Fund balances, March 31, 2025</b>	<b>19,834,173</b>	<b>10,795,925</b>	<b>(1,714,137)</b>	<b>6,834,753</b>	<b>35,750,714</b>

The accompanying notes are an integral part of the financial statements.

**NSCAD University**  
**Statement of cash flows**  
Year ended March 31, 2025

	Notes	2025 \$	2024 \$
<b>Operating activities</b>			
Excess of revenue over expenses		<b>(2,262,661)</b>	411,526
Items not affecting cash			
Amortization of property and equipment		<b>1,099,225</b>	921,791
Amortization of deferred capital grants and deferred capital contributions		<b>(987,978)</b>	(313,698)
Unrealized (gain) loss on endowment investments		<b>(182,149)</b>	(1,030,989)
Changes in non-cash working capital items	11	<b>149,382</b>	654,757
		<b>(2,184,181)</b>	643,387
<b>Investing activities</b>			
Purchase of property and equipment		<b>(966,972)</b>	(1,733,988)
Net change in endowment investments		<b>(698,092)</b>	(219,391)
Capital grants and deferred capital contributions received		<b>577,786</b>	(90,866)
Net change in restricted capital investments		<b>(190,635)</b>	(13,020)
		<b>(1,277,913)</b>	(2,057,265)
Net decrease in cash		<b>(3,462,094)</b>	(1,413,878)
Cash, beginning of year		<b>11,179,126</b>	12,593,004
<b>Cash, end of year</b>		<b>7,717,032</b>	11,179,126
<b>Cash</b>			
Cash		<b>432,846</b>	548,667
Operating and research and special purpose fund investments		<b>7,284,186</b>	10,630,459
		<b>7,717,032</b>	11,179,126

The accompanying notes are an integral part of the financial statements.

**1. Description of business**

Nova Scotia College of Art and Design, operating as NSCAD University (the "University"), is located in Halifax and offers degrees in fine arts and design both at undergraduate and graduate levels. The University receives its principal funding from the Province of Nova Scotia through recommendations of the Nova Scotia Council on Higher Education. The University is a registered charity and, as such, is exempt from payment of income taxes.

**2. Significant accounting policies**

The financial statements are prepared in accordance with Canadian generally accepted accounting principles using Canadian accounting standards for not-for-profit organizations in Part III of the Chartered Professional Accountants of Canada Handbook.

*Fund accounting*

The University maintains its accounts in accordance with the fund accounting method in order to ensure observance of restrictions, if any, placed on the resources made available to it.

The unrestricted Operating Fund accounts for those resources over which the University's Board of Governors has sole authority and which are expendable for any purpose in the fulfillment of the University's objectives.

The restricted funds, consisting of the Endowment Fund, the Capital Fund and the Research and Special Purpose Fund, account for those resources made available to the University by outside organizations and individuals, by way of grants, service contracts or gifts. These resources, although expendable in the course of normal operations, are restricted as to use by the outside party. These restricted funds also include expendable amounts restricted as to use by action of the University's Board of Governors.

The financial statements of the University are prepared using the deferral method with the multi-column format. The deferral method, which introduces the concept of deferring restricted revenues to future accounting periods, is a process of matching the restricted revenues with the related expenses regardless of when the revenues are received. Restricted revenues are recognized as revenue in the same accounting period as related expenses. Those restricted revenues for which the related expenses have not been incurred are reported as deferred income on the University's statement of financial position.

*Financial instruments*

Financial assets and financial liabilities are initially recognized at fair value and subsequently measured at amortized cost, except for investments that are quoted in an active market, which are measured at fair value. Changes in fair value are recognized in the statement of operations.

Financial assets measured at amortized cost include cash, accounts receivable and due from capital/operating funds.

Financial liabilities measured at amortized cost include bank indebtedness, demand loan payable, accounts payable and accrued liabilities, long-term debt and due to operating/endowment/research and special purpose funds.

*Cash*

Cash is comprised of cash and deposits and overdraft positions with financial institutions.

## **2. Significant accounting policies (continued)**

### *Investments*

Investments include marketable securities, all of which are recorded at fair value, determined using closing price quotations in an active market. Settlement date accounting is used.

### *Inventory*

Inventory consists of merchandise and supplies held for resale and are valued at the lower of cost and net realizable value. Cost is determined on a first in first out basis. Administrative and program supplies and library periodicals are not inventoried.

### *Property and equipment*

Property and equipment are stated at cost in the Capital Fund.

Library book additions are not capitalized to the capital asset accounts.

Amortization is computed by the declining balance method over the estimated useful asset lives at the following rates:

Building	2%
Equipment	10%
Computer hardware	25%
Computer software	20%
Leasehold improvements	Term of lease

### *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. An impairment loss is recognized when their carrying value exceeds the total undiscounted cash flows expected from their use and eventual disposition. The amount of the impairment loss is determined as the excess of the carrying value of the asset over its fair value.

### *Collection*

The University's permanent collections of Historic Art (a portion of it is now on indefinite loan to the Art Gallery of Nova Scotia) and library books were not formed for commercial purposes and are not considered realizable assets. The value of these assets are not reflected in these financial statements.

### *Revenue recognition*

The University follows the deferral method of accounting for revenue. Student academic fees and ancillary revenue are recognized when the services are provided or the goods are sold and collectability is reasonably assured. Rent revenue is recognized over the term of the lease as it becomes due and investment income is recognized when the University's right to receive payment has been established. Funding for expenditures is deferred and recognized as revenue in the year in which the related expenditure is incurred. Funding received for property and equipment is deferred and recognized as revenue on the same basis as the acquired property and equipment are amortized.

**2. Significant accounting policies (continued)**

*Use of accounting estimates*

The preparation of the financial statements in accordance with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported assets and liabilities and disclosure of contingent assets and liabilities at the balance sheet date, as well as revenue and expenses for the period then ended. Actual results could differ from those estimates. Significant accounts most subject to judgement and estimation include the amortization periods for property and equipment, deferred revenue, deferred capital contributions and accrued liabilities.

**3. Investments**

The market value of all investments in the Endowment Fund at March 31, 2025 was \$12,121,234 (\$11,240,993 in 2024). The cost of all investments in the Endowment Fund at March 31, 2025 was \$11,738,717 (\$11,129,932 in 2024). The investments in the Endowment Fund are comprised of \$5,250,229 in fixed income investments, \$6,183,691 in equity investments and \$304,798, in other investments (\$4,389,937, \$6,604,491 and \$135,504, respectively in 2024). In the current year the equity investments had an unrealized gain of \$382,517 (unrealized gain of \$201,885 in 2024).

The market value of all investments in the Capital Fund approximate their book value as they are comprised of highly liquid short term investments and fixed income investments.

The market value of all investments in the Operating Fund approximate their book value as they are comprised of highly liquid short term investments with a maturity of 12 months or less.

**4. Accounts receivable**

	<b>2025</b>	2024
	<b>\$</b>	<b>\$</b>
Student tuition and fees	<b>297,542</b>	161,321
Student accounts deemed uncollectible	<b>237,111</b>	242,535
Trade and other receivables	<b>228,974</b>	18,930
Harmonized sales tax	<b>122,983</b>	144,859
	<b>886,610</b>	567,645
Less: allowance for doubtful accounts	<b>(286,185)</b>	(280,818)
	<b>600,425</b>	286,827

The allowance for doubtful accounts is made up of \$30,985 for student tuition and fees, \$215,727 for student accounts deemed uncollectible and \$39,473 for trade and other receivables (\$46,323, \$218,281 and \$16,214, respectively in 2024).

**5. Property and equipment**

	<b>Cost</b>	<b>Accumulated amortization</b>	<b>2025 Net book value</b>	<b>2024 Net book value</b>
	\$	\$	\$	\$
Land	<b>4,402,490</b>	—	<b>4,402,490</b>	4,402,490
Buildings	<b>19,411,628</b>	<b>7,924,801</b>	<b>11,486,827</b>	11,741,700
WIP	—	—	—	3,209,856
Equipment	<b>5,404,586</b>	<b>4,304,353</b>	<b>1,100,233</b>	809,893
Computer hardware	<b>1,512,709</b>	<b>1,326,396</b>	<b>186,313</b>	162,074
Computer software	<b>805,220</b>	<b>805,220</b>	—	—
Leasehold improvements	<b>16,720,720</b>	<b>6,516,377</b>	<b>10,204,343</b>	7,186,446
	<b>48,257,353</b>	<b>20,877,147</b>	<b>27,380,206</b>	27,512,459

Insurance on a replacement cost basis is carried on the building and contents of the University in the amount of \$111,854,499 (\$108,174,185 in 2024).

**6. Demand loan**

In 2015, the University renegotiated the terms of its non-revolving demand loan and converted it to a reducing revolving term credit facility with an opening authorized amount of \$7,875,000. The authorized amount was reduced by \$125,000 on June 30, 2015 and \$250,000 semi-annually thereafter. At the end of 2024 the University had available credit on this facility of \$3,500,000 (\$4,000,000 in 2024) of which there was nil outstanding (nil in 2024).

In 2023, the University entered into a \$300,000 standby letter of credit, bearing interest at 1% with an expiration date of July 1, 2030 in relation to the additional square footage of leased space secured with the Halifax Port Authority (note 10). At the end of 2025, the University had available credit on this facility of \$300,000 (\$300,000 in 2024) of which there was nil outstanding (nil in 2024).

**7 Deferred capital contribution**

Deferred capital contribution represents the unamortized amount of externally funded property and equipment, which will be recognized as income in the capital fund as those items of property and equipment are amortized.

	<b>2025</b>	<b>2024</b>
	\$	\$
Balance, beginning of year	<b>7,444,816</b>	7,644,799
Add: Donations and grants	<b>327,269</b>	3,651
	<b>7,772,085</b>	7,648,450
Less: Amortization	<b>753,048</b>	203,634
Balance, end of year	<b>7,019,037</b>	7,444,816

**8. Pension**

On June 1, 2024, the University transitioned its pension plan to the Public Service Superannuation Plan ("PSSP"). Prior to this, the NSCAD University Pension Plan was a defined contribution pension plan covering substantially all of its employees. The PSSP is 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. 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 employer's and employees' contributions for pension during the year were \$886,156 (\$684,442 in 2024) and \$1,047,740 (\$875,591 in 2024), respectively.

**9. Commitments**

The University has leased 70,000 square feet of space at the Halifax Seaport from Halifax Port Authority, for a 40 year period ending August 31, 2045. The total base rent for 40 years is \$2.5 million. This amount has been recorded as Prepaid expenses in the Statement of financial position. Amortization of the based rent commenced in September 2007 upon opening of the Port Campus and is amortized based on straight-line over 40 years. The unamortized balance is \$1,404,815 (\$1,473,626 in 2024).

An amendment to this lease was signed in September 2022, adding 4,200 square feet for a period of 23 years ending August 23, 2045. The total incremental base rent for 23 years is \$209,000 plus applicable taxes. This amount has been recorded as Prepaid expenses in the Statement of financial position. Amortization of the incremental base rent commenced in September 2022 and is amortized based on straight-line over 23 years.

The University has leased an adjacent space at the Halifax Seaport from Halifax Port Authority for a 20 year period commencing on January 1, 2027, with a further optional term of 20 years. The total base rent for the initial term of 5 years is \$5,106,605, payable in equal annual installments of \$1,021,301 plus applicable taxes. Once the base rent is paid in full, only additional rent and associated taxes will be payable over the remainder of the term and the optional term.

NSCAD) University is party to a lease agreement with the Halifax Port Authority (HPA) under Lease No. 474-H-665, effective for a term of five years commencing in 2024 and expiring in 2029. The lease is for Suites 150 and 151 located at 1099 Marginal Road, Halifax, Nova Scotia, comprising 897 square feet of rentable area and \$16.00 per square foot plus HST.

	<u>\$</u>
2026	14,352
2027	1,035,673
2028	1,035,673
2029	1,035,673
2030	1,021,321
Thereafter	<u>1,021,321</u>
	<u>5,164,013</u>

**10. Financial instruments**

Financial risk refers to the impact on the University's cash flows due to fluctuations in interest rates and the credit quality of student receivables. The University manages its financial risks as follows:

*Credit risk*

The University performs a continuous evaluation of its accounts receivable and records an allowance for doubtful accounts as required. Management considers there is no significant credit risk as at March 31, 2025.

*Fair value*

The fair value of cash, bank indebtedness, demand loan, accounts receivable, accounts payable and accrued liabilities and due to/from operating/capital/endowment/research and special purpose funds are approximately equal to their carrying values due to their short-term maturity. Investments are recorded at fair value.

*Liquidity risk*

The University's objective is to have sufficient liquidity to meet its liabilities when due. The University monitors its cash balances and cash flows generated from operations to meet its requirements. The revolving term credit facility has an authorized amount of \$4,000,000 as noted in Note 7.

*Market risk*

The University is subject to market risk with respect to its investments. The University manages this risk by maintaining a diversified portfolio.

**11. Change in non-cash working capital items**

	<b>2025</b>	2024
	\$	\$
Accounts receivable	<b>(313,598)</b>	46,602
Prepaid expenses	<b>(63,059)</b>	21,885
Inventory	<b>11,250</b>	(24,055)
Accounts payable and accrued liabilities	<b>98,113</b>	(776,888)
Deferred revenue (non-capital)	<b>416,676</b>	1,387,213
	<b>149,382</b>	654,757

**12. Nova Scotia Bursary Program**

For the year ended March 31, 2025, students of the University received \$313,295 (\$305,116 in 2024) through the Nova Scotia Bursary Program.

**13. Comparative figures**

Certain comparative figures for fiscal year 2024 have been reclassified to conform to the presentation adopted in fiscal year 2025.

**14. Subsequent events**

The University has leased an adjacent space at the Halifax Seaport from Halifax Port Authority for a 20 year period commencing on January 1, 2027, with a further optional term of 20 years. However, the lease was mutually terminated prior to commencement, and as such, no right-of-use asset or lease liability has been recognized in the financial statements. The termination had no financial impact on the Company's operations or position.