Financial Statements of

NIPISSING UNIVERSITY

Year ended April 30, 2015

NIPISSING UNIVERSITY

Index to Financial Statements

Year ended April 30, 2015

BDO

Tel: 705 495 2000
Fax: 705 495 2001
Toll-Free: 800 461 6324
www.bdo.ca

BDO Canada LLP
101 McIntyre Street W, Suite 301
North Bay ON P1B 2Y5 Canada

Independent Auditor's Report

To the Board of Governors of Nipissing University

We have audited the accompanying financial statements of Nipissing University, which comprise the statement of financial position as at April 30, 2015 and the statements of operations, changes in net assets and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Nipissing University as at April 30, 2015 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.

BDO Canada LLP

Chartered Professional Accountants, Licensed Public Accountants

North Bay, Ontario
October 1, 2015

NIPISSING UNIVERSITY

Statement of Financial Position

April 30, 2015, with comparative information for 2014
(thousands of dollars)

		2015	2014
Assets			
Current assets:			
Cash and cash equivalents	$	10,992	14,871
Accounts receivable (note 3)		5,161	6,188
Investments – short-term (note 4)		3,758	6,905
Other		638	818
		20,549	28,782
Investments – long-term (note 4)		23,111	23,782
Capital assets (note 5)		104,651	108,410
	$	148,311	160,974
Liabilities and Net Assets			
Current liabilities:			
Accounts payable and accrued liabilities (note 6)		5,977	7,325
Deferred revenue		3,078	3,937
Current portion of long-term debt (note 7)		2,827	1,820
		11,882	13,082
Long-term:			
Long-term debt (note 7)		32,291	35,117
Interest rate swap payable (note 7)		6,069	5,094
Deferred contributions (note 8)		12,391	14,565
Deferred capital contributions (note 9)		52,960	55,305
Employee future benefits (note 10)		5,512	4,779
		109,223	114,860
		121,105	127,942
Net assets:			
Unrestricted		(6,577)	(1,228)
Internally restricted (note 11)		28,256	27,840
Interest rate swaps		(6,069)	(5,094)
Endowments (note 12)		11,596	11,514
		27,206	33,032
Commitments and contingencies (note 14)			
	$	148,311	160,974

See accompanying notes to financial statements.

On behalf of the Board of Governors:

_______________ Governor _______________ Governor

NIPISSING UNIVERSITY

Statement of Operations

Year ended April 30, 2015, with comparative information for 2014
(thousands of dollars)

		2015	2014
Revenue:			
Government grants	$	38,510	38,073
Student fees		29,783	29,658
Sales and services		5,845	6,347
Other		3,410	3,673
Amortization of deferred capital contributions		2,378	2,634
Investment		1,226	1,109
Donations		135	105
		81,287	81,599
Expenses:			
Salaries and benefits (note 10)		56,452	54,283
Operating and research		13,350	15,100
Occupancy		5,637	5,905
Amortization of capital assets		4,747	4,916
Scholarships and bursaries		3,888	4,042
Interest on long-term debt		2,146	2,237
		86,220	86,483
Deficiency of revenue over expenses before the undernoted		(4,933)	(4,884)
Change in fair value of interest rate swaps		(975)	2,207
Deficiency of revenue over expenses for the year	$	(5,908)	(2,677)

See accompanying notes to financial statements.

NIPISSING UNIVERSITY

Statement of Changes in Net Assets

Year ended April 30, 2015, with comparative information for 2014
(thousands of dollars)

	Unrestricted	Internally Restricted (note 11)	Interest Rate Swaps	Endowments	2015	2014
Net assets, beginning of year	$ (1,228)	27,840	(5,094)	11,514	33,032	35,644
Deficiency of revenue over expenses	(2,564)	(2,369)	(975)	–	(5,908)	(2,677)
Transfer of internally restricted funds	(2,785)	2,785	–	–	–	–
Endowment contributions	–	–	–	82	82	65
Net assets, end of year	$ (6,577)	28,256	(6,069)	11,596	27,206	33,032

See accompanying notes to financial statements.

NIPISSING UNIVERSITY
Statement of Cash Flows

Year ended April 30, 2015, with comparative information for 2014
(thousands of dollars)

		2015	2014
Cash flows from operating activities:			
(Deficiency) excess of revenue over expenses	$	(5,908)	(2,677)
Adjustments for:			
Amortization of capital assets		4,747	4,916
Amortization of deferred capital contributions		(2,378)	(2,634)
Change in value of interest rate swap		975	(2,207)
Net change in employee future benefits obligation		733	(49)
		(1,831)	(2,651)
Change in non-cash working capital:			
Accounts receivable		1,027	2,121
Other assets		180	(189)
Accounts payable and accrued liabilities		(1,348)	(2,428)
Deferred revenue		(859)	265
		(2,831)	(2,882)
Cash flows from financing activities:			
Endowment contributions and investment income capitalization		82	65
Repayment of long-term debt		(1,819)	(1,717)
Deferred contributions		(2,174)	3,688
Deferred capital contributions		33	616
		(3,878)	2,652
Cash flows from investing activities:			
Purchase of capital assets		(988)	(6,222)
Change in investments		3,818	14,338
		2,830	8,116
Net increase (decrease) in cash and cash equivalents		(3,879)	7,886
Cash and cash equivalents, beginning of year		14,871	6,985
Cash and cash equivalents, end of year	$	10,992	14,871

See accompanying notes to financial statements.

1. Objectives and purpose:

Nipissing University (the "University") was incorporated as a university in 1992 under the laws of the Province of Ontario. Its mission provides for undergraduate programming in Liberal Arts, Science, Business and Health Sciences and undergraduate and graduate programs in Education, History, Math, Environmental Studies and Environmental Science. The University aspires to fulfill the best traditions of scholarship and to provide an environment committed to the ideals of free inquiry and expression. As a university with predominantly undergraduate programming and roots in teacher education, the University places priority on the highest ideals of instructional excellence and student engagement.

The University is a registered charity and, as such, is exempt from income taxes under Section 149 (1) of the Income Tax Act (Canada).

2. Summary of significant accounting policies:

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

The significant accounting policies for the University are described below:

(a) Revenue recognition:

The University follows the deferral method of accounting for contributions, which include donations and government grants.

Unrestricted contributions and donations are recognized as revenue when received or receivable if the amount can be reasonably estimated and allocation is reasonably assured. Contributions pertaining to future periods are deferred and recognized as revenue in the year in which the related expenses are recognized.

Pledges are recorded as revenue in the period in which they are received.

Contributions externally restricted for purposes other than endowment are deferred and recognized as revenue in the year in which the related expenses are recognized.

Contributions restricted for capital asset purchases are deferred and amortized to operations on the same basis as the related asset is amortized.

Endowment contributions and investment income preserved as capital protection on externally restricted endowments are recognized as direct increases in net assets in the year in which they are received. Income preserved as capital protection on internally restricted endowments is recorded as unrestricted revenue and transferred to internal endowments.

Student fees are recognized as revenue when courses and seminars are held. Sales and services revenue is recognized at point of sale or when the service has been provided.

2. Summary of significant accounting policies (continued):

(b) Cash and cash equivalents:

Cash and cash equivalents consist of cash, money market funds and investments with maturities of three months or less from their date of acquisition. Cash and investments meeting the definition of cash and cash equivalents held for trading rather than liquidity purposes are classified as investments.

(c) Financial instruments:

Financial instruments are recorded at fair value upon initial recognition.

Investments are subsequently measured at fair value. Other financial instruments are subsequently measured at amortized cost.

Transaction costs incurred on the acquisition of financial instruments measured subsequently at fair value are expensed as incurred.

(d) Capital assets:

Purchased capital assets are recorded at cost. Contributed capital assets are capitalized at fair market value at the date of contribution. Capital assets are amortized on a straight-line basis over their estimated useful lives as follows:

Land	No amortization
Buildings	40 years
Equipment and furnishings	5 - 10 years
Library books	5 years

Costs relating to construction-in-progress, including interest, are capitalized. Amortization is not recognized until project completion.

(e) Internally restricted net assets:

The University restricts use of portions of its operating net assets for specific future uses. When incurred, the related expenses are charged to operations and the balance of internally restricted assets is reduced accordingly with a transfer to unrestricted net assets.

2. Summary of significant accounting policies (continued):

(f) Derivatives:

The University is party to interest rate swap agreements used to manage the exposure to market risks from changing interest rates. The University's policy is not to utilize derivative financial instruments for trading or speculative purposes.

The University has not hedged these agreements and the change in the fair value of the swaps is reflected in the statements of operations. The amounts recorded on the statements of financial position are recorded at fair value.

(g) Employee future benefits:

(i) Pension benefit plan:

The University has a defined contribution pension plan, "Pension Plan for the Employees of Nipissing University", which provides benefits to eligible employees of Nipissing University with more than six months of service. Certain faculty are members of the Ontario Teachers' Pension Plan, a multi-employer defined benefit plan. Contributions to the defined contribution and multi-employer defined benefit plan are expensed when due.

(ii) Other benefit plan:

The University provides medical, dental and life insurance benefits to eligible employees upon retirement. The University accrues for these obligations, with the cost of these benefits being actuarially determined using the projected benefit method pro-rated on service using management's best estimates of a number of future conditions including salary changes, withdrawals, retirement ages of employees and expected health care costs. Differences arising from plan amendments, changes in assumptions and actuarial gains and losses are recognized immediately.

(h) Contributed materials and services:

Volunteers contribute an indeterminable number of hours per year to the University to assist in carrying out its mandate. The cost that would be involved with these is not recognized in these financial statements due to the difficulty in determining their fair value.

(i) Student organizations:

These financial statements do not reflect the assets, liabilities and results of operations of the student organizations as they are not controlled by the University.

2. Significant accounting policies: (continued)

(j) Use of 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 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 year. Significant items subject to such estimates and assumptions include the carrying amount of capital assets; financial instruments valuation allowances for accounts receivable; employee future benefits; and accrued liabilities. Actual results could differ from those estimates. These estimates are reviewed periodically, and, as adjustments become necessary, they are recognized in the financial statements in the year in which they become known.

3. Accounts receivable (in thousands of dollars):

		2015	2014
Accounts receivable	$	6,712	7,600
Less: allowance for doubtful accounts		(1,551)	(1,412)
	$	5,161	6,188

4. Investments (in thousands of dollars):

		2015	2014
Cash	$	1,938	6,504
Government and corporate bonds (i)		9,057	4,291
Mutual funds		16	20
Guaranteed investment certificates		–	3,282
Canadian equities		11,499	12,346
Foreign equities		4,359	4,244
		26,869	30,687
Less amounts reported as:			
Investments – short-term		3,758	6,905
Investments – long-term	$	23,111	23,782

(i) Government and corporate bonds bear interest at 1.1% to 9.976% and have maturity dates from 2015 to 2108.

Investments – long-term reflect funds for endowment and some specified programs.

5. Capital assets (in thousands of dollars):

2015		Cost	Accumulated Amortization	Net book Value
Land	$	4,189	–	4,189
Buildings:				
Operating		92,067	20,957	71,110
Residence		34,497	10,105	24,392
Equipment and furnishings:				
Operating		25,224	20,490	4,734
Residence		3,015	2,937	78
Library books		9,126	8,978	148
	$	168,118	63,466	104,651

2014		Cost	Accumulated Amortization	Net book Value
Land	$	4,189	–	4,189
Buildings:				
Operating		91,731	18,656	73,075
Residence		34,497	9,243	25,254
Equipment and furnishings:				
Operating		24,572	19,140	5,432
Residence		3,015	2,808	207
Library books		9,126	8,873	253
	$	167,130	58,720	108,410

6. Accounts payable and accrued liabilities (in thousands of dollars):

Included in accounts payable and accrued liabilities are government remittances of $225 (2014 - $217), which include amounts payable for payroll related taxes.

7. Long-term debt:

Site	Due	Rate	Blended Monthly Payment		2015	2014
					(in thousands of dollars)	
Founders House Student Residence	July 2022	6.82%	$ 44,500	$	2,996	3,308
Chancellors House Student Residence	August 2026	7.05%	72,000		6,634	7,011
Chancellors House Student Residence Expansion	September 2028	6.75%	25,400		2,642	2,762
Active Living Health Research Innovation Centre	October 2036	5.00%	52,000		7,804	8,014
Governors House Student Residence	August 2015 August 2015 to October 2030	6.27% 3.27%	73,360		8,661	8,987
Subtotal of variable loans converted to fixed rates					28,737	30,082
Brantford Campus Financing: The University has a ten-year, term loan agreement with a Canadian Chartered Bank in the amount of $1.2 million to be amortized over twenty-five years. The interest rate is 4.56%. Monthly blended payments of $6,700. This unsecured loan matures June 30, 2015.					881	920
City of Brantford Financing: The City of Brantford advanced $2.1 million to the University towards the renovations of the premises at 50 Wellington Street in Brantford, in two parts. The first was an interest-free forgivable loan of $600,000 now forgiven. The second part of the advance was an interest-free loan of $1.5 million, discounted at a rate of 5.11% approximating the market borrowing rate for the University. This loan is to be repaid in three annual instalments of $150,000 commencing July 1, 2010 and six annual instalments of $175,000 commencing July 1, 2013.					645	787
Research Complex: In February 2010, the University borrowed in the form of a debenture from Ontario Infrastructure Projects Corporation, the principal sum of $4 million at a rate of 4.33% calculated semi-annually for a term of 15 years. The University has agreed to repay this unsecured loan in semi-annual blended principal and interest payments of $182,677.					2,940	3,171
Brought forward				$	33,203	34,960

7. Long-term debt (continued):

		2015	2014
		(in thousands of dollars)	
Carried forward	$	33,203	34,960
Muskoka Campus Financing: In January 2008, the University borrowed in the form of a debenture from Ontario Infrastructure Projects Corporation $2.3 million at a rate of 5.11% calculated semi-annually for a term of 25 years. The Muskoka campus loan was undertaken to finance the construction of dedicated space for Nipissing University Student Union ("NUSU") included in the new building. The University has entered into a formal agreement with NUSU for the University to collect an ancillary student building fee to be applied to the interest and principal payments on this loan as long as the obligation remains outstanding. The University has agreed to repay this unsecured loan in semi-annual blended principal and interest payments of $81,987.		1,915	1,977
		35,118	36,937
Less current portion of long-term debt		2,827	1,820
	$	32,291	35,117

The University has entered into interest rate derivative agreements to manage the volatility of interest rates on long-term debt. The University converted the full face value of its variable rate term loans to a fixed rate of interest ranging from 5.0% to 7.05%. The related derivative agreements are in place until the maturity of the associated debt. The fair values of these is $6,069 (2014 - $5,094) which is estimated by obtaining market-to-market quotes from the University's lending institutions. The quoted prices generally reflect the estimated amount that the University would pay (receive) to settle these agreements at the statement of financial position date. These represent a liability position for the University as interest rates at the statement of financial position date were lower than the fixed rate specified in the swap agreements.

The following are the minimum annual debt principal repayments due over the next five years and thereafter: (in thousands of dollars)

2016	$	2,827
2017		2,084
2018		2,196
2019		2,314
2020		2,268
Thereafter		23,429
	$	35,118

8. **Deferred contributions** (in thousands of dollars):

Deferred contributions represent the unspent amount of externally restricted donations, grants and investment income received for research and other restricted purposes. The change in the deferred contribution balance is as follows:

		2015	2014
Balance, beginning of year	$	14,565	10,877
Add: contributions received during the year		172	2,100
Less: amount recognized as revenue		(1,442)	(1,195)
Investment returns		(904)	2,796
Transferred to endowment		-	(13)
Balance, end of year	$	12,391	14,565

9. **Deferred capital contributions** (in thousands of dollars):

Deferred capital contributions represent the unamortized and unspent amounts of donations, student contributions and grants received for the purchase of capital assets. The amortization of deferred capital contributions, which commences once an asset is put into service, is recorded as revenue in the statement of operations. The change in the deferred capital contribution balance is as follows:

		2015	2014
Balance, beginning of year	$	55,305	57,323
Add: contributions received in the year		33	616
Less: amortization of deferred capital contributions		(2,378)	(2,634)
Balance, end of year	$	52,960	55,305
Comprised of:			
Capital contributions - unamortized	$	52,910	55,255
Capital contributions - unspent		50	50
Balance, end of year	$	52,960	55,305

10. **Employee future benefits** (in thousands of dollars):

(a) Pension benefit plan:

The University's contributions to the defined contribution and the multi-employer defined benefit plan are expensed when due.

Total contributions made during the year were $2,854 (2014 - $2,632).

10. Employee future benefits (in thousands of dollars):

(b) Other benefit plan:

The University provides certain non-pension benefits to eligible retirees until the age of 65. These benefits include medical, dental and life insurance. For eligible faculty retirees only, the University provides a health care spending account which commences at the age of 65 and continues until death.

The interval between actuarial valuations does not exceed three years with the most recent valuation prepared as at April 30, 2015. In years between valuations, an extrapolation of the actuarial valuation is used to determine the projected benefit obligation.

There are no plan assets. The University selected the immediate recognition approach which accounts for valuation gains and losses annually.

Information about the financial status of University's non-pension benefits is as follows:

		2015	2014
Accrued benefit obligation, being plan deficit	$	5,512	4,779

Total net benefit expense for the University's non-pension benefits plan is as follows:

		2015	2014
Current service costs	$	403	434
Interest cost		210	209
Actuarial loss (gain)		231	(602)
	$	844	41

Benefits paid during the year amounted to $111 (2014 - $90).

The significant actuarial assumptions adopted in measuring the University's employee future benefits obligation are as follows (weighted-average assumptions):

	2015	2014
Discount rate	3.80%	4.40%
Rate of compensation increase for life insurance	1.0%	1.00%
Prescription drug trend rate (to 2030)	7.82% to 4.5%	8.05% to 4.5%
Average health care trend rate (to 2030)	7.05% to 4.50%	7.28% to 4.5%

11. Internally restricted net assets (in thousands of dollars):

		2015	2014
Infrastructure upgrades (i)	$	2,250	2,250
Scholarship funds (ii)		1,412	1,429
Capital projects (iii)		–	–
Ancillary operations (iv)		6,208	6,208
Investment in capital assets (v)		16,623	16,218
Commitments to employees (vi)		969	950
Future budget provision (vii)		594	494
Other (viii)		200	291
	$	28,256	27,840

Internally restricted net assets include funds committed for specific purposes as approved by the Board of Governors as follows:

(i) Infrastructure upgrades - this represents funds restricted for deferred maintenance and capital emergencies.

(ii) Scholarship funds – this represents net assets the University has invested for the purposes of providing scholarships and bursaries to students.

(iii) Capital projects – this represents funds restricted for capital projects planned or in progress.

(iv) Ancillary operations – this represents funds set aside for future major capital improvements, replacements and refurbishments of the ancillary operations.

(v) Investment in capital assets – this represents the unamortized value of capital assets funded by the University, net of outstanding debt. It excludes assets funded through capital contributions.

(vi) Commitments to employees – this represents the net carry forward of funds set aside to meet future commitments to various employees for professional development activities and internally-funded research.

(vii) Future budget provision – this represents excess funds from conferences and other ancillary activities set aside for future initiatives.

(viii) Other – this represents funds set aside for future efficiency projects.

12. Endowments (in thousands of dollars):

Endowments consist of externally restricted donations received by the University. The endowment principal is required to be maintained intact. The investment income generated from endowments must be used in accordance with the various purposes established by donors. The University ensures, as part of its fiduciary responsibilities, that all funds received with a restricted purpose are expended for the purpose for which they were provided.

Ontario Student Opportunity Trust Fund and Ontario Trust for Student Support:

The Government of Ontario established the Ontario Student Opportunity Trust Fund ("OSOTF") and the Ontario Trust of Student Support ("OTSS") programs to encourage individuals and companies to contribute funds to support post-secondary students. The University established three funds – OSOTF - Phase 1 in fiscal 1997; OSOTF - Phase 2 in fiscal 2004; and OTSS in fiscal 2005. Eligible donations are equally matched by the Province. Investment income earned on these funds is used to finance awards to qualified students in need of financial aid. The funds are included in the total of endowments.

OSTOF – Phase 1	2015	2014
Ontario Student Opportunity Trust Fund balance, beginning of year	$ 4,769	3,535
Expendable balance, beginning of year	$ 384	1,234
Preservation of capital	-	(1,234)
Realized investment income, net of direct investment related expenses	7	434
Unrealized investment gain	(95)	50
Bursaries awarded (2015 – 109 bursaries; 2014 – 102 bursaries)	(124)	(100)
Expendable balance, end of year	$ 172	384

12. Endowments (continued) (in thousands of dollars):

OSTOF – Phase 2		2015	2014
Endowment balance, beginning of year	$	898	689
Expendable balance, beginning of year	$	71	209
Preservation of capital		-	(209)
Realized investment income, net of direct investment related expenses		(46)	66
Unrealized investment gain (loss)		(14)	19
Bursaries awarded (2015 – 31 bursaries; 2014 – 28 bursaries)		(17)	(14)
Expendable balance, end of year	$	(6)	71

OTSS		2015	2014
Endowment balance, March 31, 2014 and 2015	$	1,774	1,539
Expendable balance, beginning of year	$	104	193
Preservation of capital		-	(193)
Realized investment income, net of direct investment related expenses		329	140
Bursaries awarded (2015 – 48 bursaries; 2014 – 49 bursaries)		(38)	(36)
Expendable balance, end of year	$	395	104
Market value, end of year	$	1,902	1,890

Bursary recipients:

	OSAP Recipient		Non-OSAP Recipient		Total	
	Number	Amount	Number	Amount	Number	Amount
Full-time	45	$ 32	3	$ 6	48	$ 38

13. Financial instrument risk:

Credit risk is the risk of financial loss to the University if a member or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the University's accounts receivable and investments. The University mitigates its potential credit risk from accounts receivable through credit evaluation, approval and monitoring processes. Furthermore, it evaluates the collectability of accounts receivable and records an allowance for doubtful accounts, which reduces the receivables to the amount the University reasonably believes will be collected. Credit risk with respect to investments is managed through the University's investment policies.

Interest rate risk refers to the adverse consequences of interest rate changes. The University holds fixed rate government and corporate issued bonds with annual yields of 4.1% to 10.0%. The value of fixed rate instruments will generally rise if interest rates fall and fall if interest rates rise. The value of the instruments will vary with developments within the specific governments and entities which issue the instruments.

Foreign currency risk refers to the extent to which instruments denominated in a currency other than Canadian dollars will be affected by changes in the value of the Canadian dollar in relation to other currencies. The University holds investments denominated in a foreign currency and are subject to foreign currency risk. The University believes that it is not exposed to significant currency risks arising from its financial instruments.

Market volatility risk arises from the University's investment portfolio, which contains various pooled funds, fixed income and equity instruments. It is the risk that the fair value or future cash flows from a financial instrument will fluctuate because of general economic and other market factors affecting equity prices.

There has been no significant change to risk exposures from 2015.

14. Commitments and contingencies:

(a) The University is involved from time to time in litigation that arises in the normal course of operations. In respect to these claims, the University believes it has valid defenses, funded provisions and/or appropriate insurance coverage in place. Litigation is subject to many uncertainties, and the outcome of individual matters is not predictable. It is possible the final resolution of some of these matters may require the University to make expenditures in excess of estimated reserves, over an extended period of time and range that cannot be reasonably estimated at this time. The University's policy is to recognize the losses on any litigation when the outcome becomes known and the amount is reasonably determinable.

(b) The University has access to an unsecured line of credit in the amount of $5 million. The line of credit bears interest at TD Commercial Banking prime less 0.5%, as at April 30, 2015, the University has not drawn on this line of credit.