

Financial Statements of

NSCAD UNIVERSITY

March 31, 2014

NSCAD UNIVERSITY

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March 31, 2014

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INDEPENDENT AUDITOR'S REPORT

To the Board of Governors of NSCAD University

We have audited the accompanying financial statements of NSCAD University, which comprise the statement of financial position as at March 31, 2014 and the statement 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 in our audit 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 NSCAD University as at March 31, 2014, and the results of its operations and its cash flows for the year ended March 31, 2014.

Deloitte LLP

Chartered Accountants
Halifax, Nova Scotia
July 15, 2014

NSCAD UNIVERSITY
Statement of Financial Position
As at March 31, 2014

	Unrestricted				Restricted				Total 2014	Total 2013
	Operating Fund		Endowment Fund		Capital Fund		Research and Special Purpose Fund			
	2014	2013	2014	2013	2014	2013	2014	2013		
ASSETS										
Cash	\$ 226,982	\$ 2,215,708	\$ 215,144	\$ 3,986	\$ -	\$ -	\$ -	\$ -	\$ 442,126	\$ 2,219,694
Investments (Note 3)	5,410,484	11,634,571	6,463,167	6,110,132	-	-	-	-	11,873,651	17,744,703
Accounts receivable (Note 4)	907,213	1,378,665	-	-	-	-	-	-	907,213	1,378,665
Prepaid expenses (Note 9)	2,281,184	2,380,360	-	-	-	-	-	-	2,281,184	2,380,360
Inventory	178,577	166,456	-	-	-	-	-	-	178,577	166,456
Due from operating fund	-	-	70,629	99,587	-	-	1,311,496	895,308	1,382,125	994,895
Due from capital fund	3,140,107	2,359,008	-	-	-	-	-	-	3,140,107	2,359,008
	12,144,547	20,134,768	6,748,940	6,213,705	-	-	1,311,496	895,308	20,204,983	27,243,781
Property and equipment (Note 5)										
Land	-	-	-	-	4,402,490	4,402,490	-	-	4,402,490	4,402,490
Building	-	-	-	-	17,742,783	17,495,387	-	-	17,742,783	17,495,387
Equipment	-	-	-	-	5,105,389	5,091,636	-	-	5,105,389	5,091,636
Computer hardware	-	-	-	-	1,142,963	868,268	-	-	1,142,963	868,268
Computer software	-	-	-	-	724,667	724,667	-	-	724,667	724,667
Leasehold improvements	-	-	-	-	12,798,330	12,798,330	-	-	12,798,330	12,798,330
	-	-	-	-	41,916,622	41,380,778	-	-	41,916,622	41,380,778
Less: Accumulated amortization (Note 5)	-	-	-	-	11,735,677	10,450,323	-	-	11,735,677	10,450,323
	-	-	-	-	30,180,945	30,930,455	-	-	30,180,945	30,930,455
	12,144,547	20,134,768	6,748,940	6,213,705	30,180,945	30,930,455	1,311,496	895,308	50,385,928	58,174,236
LIABILITIES AND FUND BALANCES										
Bank indebtedness (Note 6)	-	-	-	-	7,624,981	8,124,985	-	-	7,624,981	8,124,985
Accounts payable	2,262,204	2,249,337	-	-	-	-	-	-	2,262,204	2,249,337
Deferred revenue	716,629	9,997,227	155,114	212,477	3,524,747	3,475,819	1,311,496	895,308	5,707,986	14,580,831
Deferred capital contribution (Note 7)	-	-	-	-	5,796,415	6,174,537	-	-	5,796,415	6,174,537
Due to operating fund	-	-	-	-	3,140,107	2,359,008	-	-	3,140,107	2,359,008
Due to endowment fund	70,629	99,587	-	-	-	-	-	-	70,629	99,587
Due to research and special purpose fund	1,311,496	895,308	-	-	-	-	-	-	1,311,496	895,308
Current portion of long-term debt (Note 6)	-	-	-	-	2,231,581	659,000	-	-	2,231,581	659,000
	4,360,958	13,241,459	155,114	212,477	22,317,831	20,793,349	1,311,496	895,308	28,145,399	35,142,593
Long-term debt (Note 6)	-	-	-	-	6,195,290	8,427,240	-	-	6,195,290	8,427,240
	4,360,958	13,241,459	155,114	212,477	28,513,121	29,220,589	1,311,496	895,308	34,340,689	43,569,833
Fund balances	7,783,589	6,893,309	6,593,826	6,001,228	1,667,824	1,709,866	-	-	16,045,239	14,604,403
	\$ 12,144,547	\$ 20,134,768	\$ 6,748,940	\$ 6,213,705	\$ 30,180,945	\$ 30,930,455	\$ 1,311,496	\$ 895,308	\$ 50,385,928	\$ 58,174,236

Commitments (Note 9)

APPROVED BY THE BOARD

..... Governor

..... Governor

NSCAD UNIVERSITY
Statement of Operations
For the year ended March 31, 2014

	Unrestricted		Restricted		Total 2014	Total 2013
	Operating 2014	Endowment 2014	Capital 2014	Research and Special Purpose 2014		
Revenues						
Student academic fees	\$ 5,951,138	\$ -	\$ -	\$ -	\$ 5,951,138	\$ 6,061,360
Government grants						
Restricted	1,919,000	-	307,304	-	2,226,304	2,203,953
Unrestricted	8,425,142	-	-	-	8,425,142	8,717,000
Investment income	110,100	180,440	-	-	290,540	179,645
Rent	552,270	-	-	-	552,270	513,300
Ancillary enterprises	780,445	-	-	-	780,445	889,521
Miscellaneous	117,814	-	-	3,013	120,827	156,845
Contributions received	94,446	177,987	399,647	236,065	908,145	940,515
Other government grants	814,899	-	-	638,320	1,453,219	1,397,300
Research grants	-	-	-	357,461	357,461	353,501
Unrealized gain on investments	-	267,205	-	-	267,205	155,832
	18,765,254	625,632	706,951	1,234,859	21,332,696	21,568,772
Expenses						
Academic						
Salaries	8,721,725	-	-	5,000	8,726,725	8,370,079
Operating	484,748	-	-	9,985	494,733	583,580
Administration	2,167,751	-	-	569,345	2,737,096	2,775,745
Amortization of property and equipment	-	-	1,385,354	-	1,385,354	1,322,883
Ancillary enterprises	921,009	-	-	-	921,009	922,390
Interest	775,958	-	-	-	775,958	807,894
Facilities operation	2,512,058	-	-	96,565	2,608,623	2,400,550
Rent	217,427	-	-	-	217,427	305,823
Scholarships	-	278,358	-	-	278,358	255,716
Service departments	1,437,937	-	-	196,503	1,634,440	1,507,539
Research expenditures	-	-	-	357,461	357,461	353,501
	17,238,613	278,358	1,385,354	1,234,859	20,137,184	19,605,700
Excess (deficiency) of revenue over expenses	\$ 1,526,641	\$ 347,274	\$ (678,403)	\$ -	\$ 1,195,512	\$ 1,963,072

NSCAD UNIVERSITY
Statement of Changes in Fund Balances
For the year ended March 31, 2014

	Unrestricted		Restricted		Total
	Operating	Endowment	Capital	Research and Special Purpose	
Fund balances, March 31, 2013	\$ 6,893,309	\$ 6,001,228	\$ 1,709,866	\$ -	\$ 14,604,403
Excess (deficiency) of revenue over expenses	1,526,641	347,274	(678,403)	-	1,195,512
Capital contributions to endowment fund	-	245,324	-	-	245,324
Mortgage principal payments	(636,361)	-	636,361	-	-
Change in fund balances	890,280	592,598	(42,042)	-	1,440,836
Fund balances, end of period	\$ 7,783,589	\$ 6,593,826	\$ 1,667,824	\$ -	\$ 16,045,239

NSCAD UNIVERSITY
Statement of Cash Flows
For the year ended March 31, 2014

	<u>2014</u>	<u>2013</u>
NET (OUTFLOW) INFLOW OF CASH RELATED TO THE FOLLOWING ACTIVITIES		
Operating activities		
Excess of revenue over expenses	\$ 1,195,512	\$ 1,963,072
Items not affecting cash		
Amortization of property and equipment	1,385,354	1,322,883
Amortization of deferred capital grants and deferred capital contributions	(706,951)	(655,882)
Unrealized gain on endowment investments	(267,205)	(155,615)
Changes in non-cash working capital items (Note 11)	(8,350,399)	2,232,883
	<u>(6,743,689)</u>	<u>4,707,341</u>
Investing activities		
Capital grants and deferred capital contributions received	377,757	93,528
Purchase of property and equipment	(635,844)	(403,621)
Capital contributions – endowment fund	245,324	35,121
	<u>(12,763)</u>	<u>(274,972)</u>
Financing activities		
Mortgage and lease principal payments and change in bank indebtedness	(1,159,373)	2,157,566
Net change in endowment investments	(85,830)	(3,094,886)
	<u>(1,245,203)</u>	<u>(937,320)</u>
Net (decrease) increase in cash		
And operational investments	(8,001,655)	3,495,049
Cash and operating fund investments, Beginning of year	13,854,265	10,359,216
	<u>13,854,265</u>	<u>13,854,265</u>
Cash and operating fund investments, End of year	5,852,610	13,854,265
CASH AND OPERATING FUND INVESTMENTS are comprised of:		
Cash	442,126	2,219,694
Operating fund investments	5,410,484	11,634,571
	<u>\$ 5,852,610</u>	<u>\$ 13,854,265</u>

NSCAD UNIVERSITY

Notes to the Financial Statements

March 31, 2014

1. THE UNIVERSITY

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 CICA 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 Research and Special Purpose Fund is new in the current year. The Fund was created to provide increased transparency relating to the resources available for research and special purpose activities. These resources were previously included within the Operating Fund. This change in accounting policy has been applied retrospectively and the comparative period has been adjusted.

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 measures all its financial assets and financial liabilities 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.

NSCAD UNIVERSITY
Notes to the Financial Statements
March 31, 2014

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial instruments (continued)

Financial liabilities measured at amortized cost include bank indebtedness, trade accounts payable and accrued liabilities, long-term debt and due to operating/endowment fund.

The organization's financial assets measured at fair value include quoted shares.

Interest rate swap and hedge accounting

Certain derivative financial instruments held by the University are eligible for hedge accounting. To be eligible for hedge accounting, an instrument must meet certain criteria with respect to identification, designation and documentation. In addition, the critical terms of the derivative financial instrument must match the specific terms and conditions of the hedged item. The fair value of derivative instruments eligible and qualifying for hedge accounting is generally not recognized on the consolidated balance sheet. Gains and losses on such instruments are recognized in earnings in the same period as those of the hedged item.

The University has entered into an interest rate swap agreement with a chartered bank to reduce interest rate exposure associated with its long term debt (the mortgage). The agreement has for effect of converting the floating rate of interest to a fixed rate. The University does not use derivative financial instruments for trading or speculative purposes.

The University designated the interest rate swap as a cash flow hedge as at March 31, 2014 and March 31, 2013 of a specifically identified debt instrument (the mortgage). The swap agreement is an effective hedge, both at maturity and over the term of the agreement since the term to maturity, the notional principal amount and the interest rate of the swap agreement all match the terms of the mortgage being hedged. The payments associated with the interest rate swap are recorded as interest expense.

In the event that the interest rate swap agreement is terminated or ceases to be effective in part or in whole prior to maturity any associated realized or unrealized gain or loss is recognized in income. In the event that the designated mortgage is extinguished or matures prior to the termination of the related interest rate swap agreement any realized or unrealized gain or loss is recognized in income.

Cash

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

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.

NSCAD UNIVERSITY
Notes to the Financial Statements
March 31, 2014

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Capitalization and amortization

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 straight-line 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

Insurance on a replacement cost basis is carried on the building and contents of the University in the amount of \$83,483,547.

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 is not reflected in these financial statements.

Revenue recognition

The University follows the deferral method of accounting for revenue. Tuition fees, residence fees and sales are recognized when the services are provided or the goods are sold. Funding for expenditures of future periods are deferred and recognized as revenue in the year in which the related expenditure is incurred. Funding received for property and equipment are deferred and recognized as revenue on the same basis as the acquired property and equipment are amortized.

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, allowance for doubtful accounts, deferred revenue, and accounts payable and accrued liabilities.

NSCAD UNIVERSITY
Notes to the Financial Statements
March 31, 2014

3. INVESTMENTS

The market value of all investments in the Endowment Fund at March 31, 2014 was \$6,463,167 (March 31, 2013 - \$6,110,132). The cost of all investments in the Endowment Fund at March 31, 2014 was \$ 6,067,926 (March 31, 2013 - \$6,066,954). The investments in the Endowment Fund are comprised of \$3,169,941 in fixed income investments and \$3,293,226 in equity investments.

The market value of all investments in the Operating Fund at March 31, 2014 was \$5,411,105 (March 31, 2013 - \$11,634,571). The cost of all investments in the Operating Fund at March 31, 2014 was \$5,410,484 (March 31, 2013 - \$11,634,354).

4. ACCOUNTS RECEIVABLE

	<u>March 31, 2014</u>	<u>March 31, 2013</u>
Students' tuition and fees	\$ 227,628	\$ 250,114
Students' accounts deemed uncollectible	142,453	155,434
Trade and other receivables	781,471	1,144,873
HST	48,915	50,968
	<u>1,200,467</u>	<u>1,601,389</u>
Less: allowance for doubtful accounts	<u>(293,254)</u>	<u>(222,724)</u>
	<u>\$ 907,213</u>	<u>\$ 1,378,665</u>

Of the \$155,434 of students' accounts deemed uncollectible at March 31, 2013, \$12,981 has been collected during the year ended March 31, 2014. No new students' accounts were deemed uncollectible during the year ended March 31, 2014.

5. PROPERTY AND EQUIPMENT

	<u>March 31, 2014</u>		<u>March 31, 2013</u>	
	<u>Cost</u>	<u>Accumulated Amortization</u>	<u>Cost</u>	<u>Accumulated Amortization</u>
Land	\$ 4,402,490	\$ -	\$ 4,402,490	\$ -
Buildings	17,742,783	4,008,550	17,495,387	3,672,354
Equipment	5,105,389	3,957,959	5,091,636	3,830,030
Computer hardware	1,142,963	887,456	868,268	608,084
Computer software	724,667	577,789	724,667	432,856
Leasehold improvements	12,798,330	2,303,923	12,798,330	1,906,999
	<u>41,916,622</u>	<u>11,735,677</u>	<u>41,380,778</u>	<u>10,450,323</u>
Less: accumulated amortization		<u>11,735,677</u>		<u>10,450,323</u>
Net book value	<u>\$ 30,180,945</u>		<u>\$ 30,930,455</u>	

NSCAD UNIVERSITY
Notes to the Financial Statements
March 31, 2014

6. BANK INDEBTEDNESS AND LONG-TERM DEBT

Bank indebtedness

The University has a \$750,000 line of credit with the Bank of Nova Scotia, bearing interest at the banks' prime lending rate. As of March 31, 2014, the outstanding balance was \$Nil (March 31, 2013 - \$Nil).

The University also has a \$10 million non-revolving demand loan repayable in 59 equal instalments of principal of \$41,667 plus interest, with the balance due June 30, 2014. As at March 31, 2014, the outstanding balance was \$7,624,981 (March 31, 2013 - \$8,124,985). Subsequent to year end on April 29, 2014, the terms of the demand loan were renegotiated and the maturity of the loan was extended to June 30, 2019. All other terms remain the same.

Long-term debt

The demand notes bear interest at the bank's prime lending rate less 0.25% and are primarily secured by written confirmation of a facility funding arrangement between the Province of Nova Scotia and the University for a term of 20 years or until repayment of the demand notes, whichever occurs first.

These demand notes are repayable in equal blended monthly instalments of principal plus interest. The term is 5 years (February 27, 2017) and the amortization period is 10 years (March 31, 2022).

The University has entered into an interest rate swap for an amount equal to the principal value of the loan with the Bank of Nova Scotia for a fixed rate of 6.69% with a termination date of February 28, 2022. The bank has the right to terminate the swap transaction in whole, on February 27, 2017. If the swap had been terminated as at March 31, 2014 the cost to NSCAD would have been \$1,105,602 (\$1,480,151 at March 31, 2013).

	<u>March 31, 2014</u>	<u>March 31, 2013</u>
Bank of Nova Scotia, prime less 0.25% mortgage maturing February 2017, payments monthly for principal and interest	\$ 6,860,201	\$ 7,496,562
Halifax Port Authority, 0% loan maturing November 2015, payments monthly	38,347	61,355
Nova Scotia Strategic Opportunities Fund Incorporated, 1.5% 5 year promissory note due February 2015	1,528,323	1,528,323
	<u>8,426,871</u>	<u>9,086,240</u>
Less: current portion of long-term debt	2,231,581	659,000
	<u>\$ 6,195,290</u>	<u>\$ 8,427,240</u>

NSCAD UNIVERSITY
Notes to the Financial Statements
March 31, 2014

6. BANK INDEBTEDNESS AND LONG-TERM DEBT (continued)

Long-term debt (continued)

The minimum principal repayments for the next five years are:

2015	2,232,000
2016	743,000
2017	777,000
2018	831,000
2019	888,000
	<u>\$ 5,471,000</u>

7. DEFERRED CAPITAL CONTRIBUTION

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

	<u>2014</u>	<u>2013</u>
Balance, beginning of year	\$ 6,174,537	\$ 6,451,939
Add: Donations and grants	<u>21,525</u>	93,528
	6,196,062	6,545,467
Less: Amortization	<u>399,647</u>	370,930
	<u>\$ 5,796,415</u>	<u>\$ 6,174,537</u>

8. PENSION

The University contributes on behalf of substantially all of its employees to a defined contribution pension plan (the "Plan"). The University charges income with the required contribution to the Plan on an annual basis. The employer's and employees' contributions for the year ended March 31, 2014 were \$672,167 (2013 - \$693,423) and \$556,909 (2013 - \$573,181) 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 rent for the purposes of financial reporting. Amortization of the prepaid rent commenced in September 2007 upon opening of the Port Campus. The unamortized balance as of March 31, 2014 is \$2,161,694.

The University has leased 5,235 square feet of space in the Seaport from the Halifax Port Authority, for a total of five years ending August 31, 2016.

NSCAD UNIVERSITY
Notes to the Financial Statements
March 31, 2014

9. COMMITMENTS (continued)

The lease payments over the next three fiscal years are as follows:

2015	58,839
2016	60,016
2017	25,213
	<u>\$ 144,068</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:

Interest rate risk

Interest rate risk is minimized as the University uses interest rate swaps, as described in Note 6, to fix interest rates on its long-term debt.

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, 2014.

Fair value

The fair value of cash, bank indebtedness, accounts receivable and accounts payable is approximately equal to their carrying values due to their short-term maturity. The fair value of long-term debt is described in Note 6. 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.

Market risk

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

NSCAD UNIVERSITY
Notes to the Financial Statements
March 31, 2014

11. CHANGE IN NON-CASH WORKING CAPITAL ITEMS

	<u>2014</u>	<u>2013</u>
Accounts receivable	\$ 471,452	\$ 880,214
Prepaid expenses	99,176	51,467
Inventory	(12,121)	25,898
Due from operating fund	28,958	2,971,358
Due from capital fund	(740,348)	2,442,777
Accounts payable	12,867	334,249
Deferred income	(8,921,773)	941,055
Due to operating fund	740,348	(2,442,777)
Due to endowment fund	(28,958)	(2,971,358)
	<u>\$ (8,350,399)</u>	<u>\$ 2,232,883</u>