

CONCORDIA
UNIVERSITY
FOUNDATION

ANNUAL REPORT
2014 2015

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PURPOSE

The Concordia University Foundation, incorporated in 1991 and operational as of 1996, exists for one purpose: to be the best possible fund management partner for Concordia University. Our partnership flourishes through the generosity of alumni, friends, corporations, foundations and, especially, volunteers and staff members. Our combined efforts help create and foster an environment in which teaching, learning and research positively affect the quality of life in Montreal, Quebec, Canada and the rest of the world.

The Foundation plays an important role in ensuring the long-term viability of Concordia's numerous programs and initiatives. This is accomplished through the ongoing development of the Foundation's financial resources. While some gifts are used for short-term needs, the investment of gift proceeds for long-term and endowed purposes is essential.

Total assets under management include donated designated and endowed capital as well as contributions from other capital sources of Concordia. The largest component of invested assets is the Foundation's long-term investment pool which is managed in accordance with the Portfolio Investment Policy established by the Foundation's Board upon recommendation of the Investment Committee.

MESSAGE FROM THE CHAIR OF THE BOARD AND PRESIDENT

Every year, in terms of donations, countless benefactors throw their support behind Concordia so that it can continue to provide its students with rewarding experiences and graduate the leaders of tomorrow. This past fiscal year, Concordia University transferred \$6 million (a portion of the total donations received by the University) to the Concordia University Foundation for investment purposes.

We are thankful for the unwavering commitment of our benefactors, coupled with a prudent investment policy and sound advice from Investment Committee members that have made it possible for the Foundation's endowment fund to grow significantly over the past decade.

The revised annual disbursement rate of 3.5%, along with a portfolio asset allocation that favoured equities, contributed to the increase of the Foundation's assets under management and a healthy bottom-line.

We thank you all for your continued support.



Howard Davidson
Chair, Concordia University Foundation



Bram Freedman
President, Concordia University Foundation

December 2015

REPORT OF THE INVESTMENT COMMITTEE

SUMMARY

At the end of the 2011-2012 fiscal year, the Investment Committee made a strategic decision to position the portfolio so that it would diversify the investment returns. The updated Investment Policy, in effect from January 1st, 2012, called for a target allocation of 55% equity/32% fixed income/13% real estate.

During the 2014-2015 fiscal year, all asset classes contributed positively with equity allocations leading the performance. Strong market returns, depreciation of the Canadian dollar relative to the U.S dollar as well as a reduction in interest rates were the main drivers. In addition, all of our strategic geographic allocations contributed positively, with our global allocation leading the performance.

For 2014-2015, the Foundation is reporting a gain on its long-term investments of 7.94%, net of fees as compared to a 13.31% gain in 2013-2014. As a result, the Foundation added, on a real term basis, 3.62% excess funding over its 3.5% pay-out commitment for its endowment program. Over a 10 year period, the long-term investment pool has earned a 5.72% return to support university initiatives and programs. As of April 30th, 2015, the long-term investment pool was valued at \$154.8 M.

The long-term investment pool ended the 2014-2015 fiscal year with a 63%-24%-13% asset allocation between equities, fixed income and real estate.

STRATEGIC CHANGES

The investment committee initiated the following changes during the 2014-2015 fiscal year:

FIXED INCOME

Provided the ability to its fixed income manager to be dynamic in its allocation to the duration of its bonds so as to take into account possible volatility in the Canadian interest rate movement.

SUSTAINABLE INVESTMENT FUND

Following a decision of the Board of Directors, \$5M was carved out of the Foundation's existing long-term investment pool to create a segregated Sustainable Investment Fund. A manager was selected following the end of the 2014-2015 fiscal year and will be reported on in next year's annual report.

SPECIAL ENDOWMENTS

Jarislowsky Fraser Ltd. manages two separate endowments totaling \$4M as at April 30th, 2015 while Acuity Desjardins manages a separate endowment valued at \$2.2M at April 30th, 2015.

OUTLOOK FOR 2015-2016

During the 2014-2015 fiscal year, the Foundation's Investment Committee continued its work of assessing the current Investment Policy alignment to its approved Funding Policy. In addition, the Investment Committee is also looking at creating new investment programs. The Committee's recommendations will be deposited with the Board of the Foundation during the 2015-2016 fiscal year. In addition, it has also worked diligently with one of its special endowment managers to change its investment strategy to be more aligned with the funding objectives of its program.

LIST OF BOARD MEMBERS OF CONCORDIA UNIVERSITY FOUNDATION AS AT APRIL 30, 2015

BOARD MEMBERS

Mr. Howard Davidson, Chair of the Board

Mr. Brian Edwards, Vice-Chair of the Board

Mtre Bram Freedman, President

Mr. Patrick Kelley, Secretary-Treasurer

Ms. Christine Lengvari

Mr. Andrew Molson

Dr. Richard J. Renaud

Ms. Patricia Saputo, Chair, Audit Committee

Dr. Alan Shepard

Mr. Lorne Steinberg

Mr. Jeff Tory

HONORARY DIRECTORS

Mr. Leonard Ellen*

Mr. Ned Goodman

Mr. Ronald Lawless

Dr. William Yip (*President, Concordia University Hong Kong Foundation*)

**deceased*

The infrastructure supporting the Foundation's operations is provided by the Office of the Treasurer, Financial Services, Concordia University.

PORTFOLIO MANAGERS

Scotia Bank (Short term Pool)

Beutel Goodman Investment Counsel

Leith Wheeler Investment Counsel Ltd.

Great West Life Assurance Company

Claret Asset Management Corporation

Lazard Asset Management

Blackrock Asset Management Limited

Brandes Investment Partners, L.P.

Standard Life Assurance Company

Jarislowsky Fraser Global Investment Management

Desjardins Wealth Management - Acuity

APPENDIX

CONCORDIA UNIVERSITY FOUNDATION
FINANCIAL STATEMENTS
2014 2015

Concordia University Foundation
Financial Statements
April 30, 2015

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Raymond Chabot Grant Thornton

Independent Auditor's Report

Raymond Chabot Grant Thornton LLP

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National Bank Tower
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Montréal, Quebec H3B 4L8

To the Directors of
Concordia University Foundation

Telephone: 514-878-2691
Fax: 514-878-2127
www.rcgt.com

We have audited the accompanying financial statements of Concordia University Foundation, which comprise the statement of financial position as at April 30, 2015 and the statements of operations, changes in fund balances 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 Concordia University Foundation 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.

Raymond Chabot Grant Thornton LLP¹

Montréal
November 4, 2015

¹ CPA auditor, CA public accountancy permit no. A117472

Concordia University Foundation

Financial Position

April 30, 2015

	<u>2015</u>	<u>2014</u>
	\$	\$
ASSETS		
Current		
Cash and cash equivalents	13,830,228	19,227,063
Accrued investment income	330,728	338,170
Sales taxes receivable	52,212	37,493
	<u>14,213,168</u>	<u>19,602,726</u>
Long-term		
Investments (Note 3)	154,814,046	139,381,128
	<u>169,027,214</u>	<u>158,983,854</u>
LIABILITIES		
Current		
Due to Concordia University (Note 4)	2,862,386	1,339,857
Accrued liabilities (Note 5)	462,358	1,222,244
	<u>3,324,744</u>	<u>2,562,101</u>
FUND BALANCES		
Endowment Fund	74,434,842	70,369,900
Restricted Fund	88,916,250	83,569,542
General Fund	2,351,378	2,482,311
	<u>165,702,470</u>	<u>156,421,753</u>
	<u>169,027,214</u>	<u>158,983,854</u>

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

On behalf of the Board,


 Director


 Director

Concordia University Foundation Operations

Year ended April 30, 2015

	General Fund		Restricted Fund		Endowment Fund		Total	
	2015	2014	2015	2014	2015	2014	2015	2014
	\$	\$	\$	\$	\$	\$	\$	\$
Revenue								
Changes in fair value of investments	69,654	48,048	12,591,098	17,517,210			12,660,752	17,565,258
Specified gifts from Concordia University			3,165,367	6,980,850	4,064,942	1,821,140	7,230,309	8,801,990
	<u>69,654</u>	<u>48,048</u>	<u>15,756,465</u>	<u>24,498,060</u>	<u>4,064,942</u>	<u>1,821,140</u>	<u>19,891,061</u>	<u>26,367,248</u>
Expenses								
Investment management fees			935,388	841,552			935,388	841,552
Consultant and other professional fees	587		198,172	164,553			198,759	164,553
	<u>587</u>	<u>—</u>	<u>1,133,560</u>	<u>1,006,105</u>	<u>—</u>	<u>—</u>	<u>1,134,147</u>	<u>1,006,105</u>
Transfers to Concordia University	200,000	46,396	9,276,197	5,491,059			9,476,197	5,537,455
	<u>200,587</u>	<u>46,396</u>	<u>10,409,757</u>	<u>6,497,164</u>	<u>—</u>	<u>—</u>	<u>10,610,344</u>	<u>6,543,560</u>
Excess (deficiency) of revenue over expenses	<u>(130,933)</u>	<u>1,652</u>	<u>5,346,708</u>	<u>18,000,896</u>	<u>4,064,942</u>	<u>1,821,140</u>	<u>9,280,717</u>	<u>19,823,688</u>

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

Concordia University Foundation

Changes in Fund Balances

Year ended April 30, 2015

	General Fund		Restricted Fund		Endowment Fund		Total	
	2015	2014	2015	2014	2015	2014	2015	2014
	\$	\$	\$	\$	\$	\$	\$	\$
Balance, beginning of year	2,482,311	2,480,659	83,569,542	65,568,646	70,369,900	68,548,760	156,421,753	136,598,065
Excess (deficiency) of revenue over expenses	(130,933)	1,652	5,346,708	18,000,896	4,064,942	1,821,140	9,280,717	19,823,688
Balance, end of year	<u>2,351,378</u>	<u>2,482,311</u>	<u>88,916,250</u>	<u>83,569,542</u>	<u>74,434,842</u>	<u>70,369,900</u>	<u>165,702,470</u>	<u>156,421,753</u>

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

Concordia University Foundation

Cash Flows

Year ended April 30, 2015

	<u>2015</u>	<u>2014</u>
	\$	\$
<i>OPERATING ACTIVITIES</i>		
Excess of revenue over expenses	9,280,717	19,823,688
Non-cash items		
Net change in fair value of investments	(3,475,598)	(12,593,125)
Reinvested revenue	(7,028,919)	(2,972,205)
Net change in working capital items	(767,163)	926,636
Cash flows from operating activities	<u>(1,990,963)</u>	<u>5,184,994</u>
<i>INVESTING ACTIVITIES</i>		
Acquisition of investments	(52,543,512)	(31,565,470)
Disposal of investments	47,615,111	27,554,227
Decrease in due to Concordia University	1,522,529	(4,469,157)
Cash flows from investing activities	<u>(3,405,872)</u>	<u>(8,480,400)</u>
Net decrease in cash and cash equivalents	<u>(5,396,835)</u>	<u>(3,295,406)</u>
Cash and cash equivalents, beginning of year	19,227,063	22,522,469
Cash and cash equivalents, end of year	<u><u>13,830,228</u></u>	<u><u>19,227,063</u></u>

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

Concordia University Foundation

Notes to Financial Statements

April 30, 2015

1 - GOVERNING STATUTES AND PURPOSE OF THE FOUNDATION

The Foundation was incorporated as a corporation without share capital under Part II of the Canada Corporations Act in April 1991 and became operational June 1, 1995. The Foundation is the fund management partner to Concordia University. Its mission is to use its resources exclusively to encourage the advancement and development of higher education, teaching, research and other charitable activities of Concordia University. The Foundation, a registered charity, is associated with Concordia University and is therefore exempt from income tax under the Income Tax Act.

2 - SIGNIFICANT ACCOUNTING POLICIES

Basis of presentation

The Foundation's financial statements are prepared in accordance with Canadian accounting standards for not-for-profit organizations.

Accounting estimates

The preparation of financial statements requires management to make estimates and assumptions that affect the amounts recorded in the financial statements and notes to financial statements. These estimates are based on management's best knowledge of current events and actions that the Foundation may undertake in the future. Actual results may differ from these estimates.

Fund accounting

The General Fund accounts for the Foundation's investment activities.

The Restricted Fund records resources which are subject to restrictions set by the donor, including funds designated towards building projects, faculty development, libraries, athletics and various research and academic projects.

Included in the Restricted Fund are the following:

– Long-term Debt Fund:

In collaboration with Concordia University, the Foundation created a new fund entitled The Concordia University Repayment of Bond and Unfunded Projects Fund. The purpose of this fund is to make provisions for the repayment of certain debts of Concordia University, namely the debt in relation to a \$200 million bond issue repayable in October 2042 as well as the debts related to certain unfunded capital projects.

The fund is composed of an initial gift of \$3.4 million transferred in May 2010. In addition, \$22.6 million in donations already invested in the Foundation was transferred to this fund. These initial amounts combined with future payments on existing pledges and annual contributions will be invested to generate the required funds to meet Concordia University's future debt obligations by 2042.

As at April 30, 2015, the fund balance is \$50,385,671 (\$44,403,834 in 2014);

Concordia University Foundation

Notes to Financial Statements

April 30, 2015

2 - SIGNIFICANT ACCOUNTING POLICIES (Continued)

– Employee Benefits Fund:

In collaboration with Concordia University, the Foundation created a new fund entitled The Concordia University Employee Benefits Fund. The purpose of this fund is to make provisions for various unfunded future employee benefits obligations and pension liabilities. The fund is composed of an initial gift of \$10.6 million transferred in May 2010 and an additional \$9 million received in April 2013.

As at April 30, 2015, the fund balance is \$15,811,278 (\$18,634,197 in 2014).

The Endowment Fund presents resources received as endowments.

Financial assets and liabilities

Initial measurement

Upon initial measurement, the Foundation's financial assets and liabilities are measured at fair value, which, in the case of financial assets or financial liabilities that will be measured subsequently at amortized cost, is increased or decreased by the amount of the related financing fees and transaction costs. Transaction costs relating to financial assets and liabilities that will be measured subsequently at fair value are recognized in operations in the year they are incurred.

Subsequent measurement

At each reporting date, the Foundation measures its financial assets and liabilities at amortized cost (including any impairment in the case of financial assets), except for investment funds and common shares which are measured at fair value and bond investments which the Foundation has elected to measure at fair value by designating that fair value measurement shall apply.

With respect to financial assets measured at amortized cost, the Foundation assesses whether there are any indications of impairment. When there is an indication of impairment, and if the Foundation determines that during the year there was a significant adverse change in the expected timing or amount of future cash flows from a financial asset, it will then recognize a reduction as an impairment loss in operations. The reversal of a previously recognized impairment loss on a financial asset measured at amortized cost is recognized in operations in the year the reversal occurs.

Revenue recognition

Contributions

The Foundation follows the restricted fund method of accounting for contributions.

The Foundation receives contributions from Concordia University on a regular basis. These contributions, made up of charitable donations received and for which Concordia University issued a tax receipt, are transferred to the Foundation by way of specified gifts.

Concordia University Foundation

Notes to Financial Statements

April 30, 2015

2 - SIGNIFICANT ACCOUNTING POLICIES (Continued)

Specified gifts that are restricted contributions are recognized as revenue in the year in which they are received or receivable, if the amount to be received may be reasonably estimated and recorded within the appropriate fund as either the Restricted Fund or the Endowment Fund, as per the original gift designation. Specified gifts that are unrestricted are recognized as revenue in the General Fund.

Contributions received as endowments are recognized as revenue of the Endowment Fund.

Net investment income

Investment transactions are recorded on the transaction date and resulting revenue is recognized using the accrual method of accounting.

Changes in fair value are recognized when they occur.

With respect to investments measured at fair value, the Foundation has elected to include in changes in fair value interest income (including amortization of bond investment premiums and discounts) and the reinvested revenue from investments in investment funds.

Investment income earned on endowment capital earmarked for specified university initiatives is recognized as revenue within the Restricted Fund. Other investment income is recognized as revenue of the General Fund if it is received or receivable, if the amount to be received can be reasonably estimated and collection is reasonably assured.

Contributed supplies and services

The Foundation recognizes contributed supplies and services when the fair value of these contributions can be reasonably estimated and if it would have had to otherwise acquire these supplies and services for its normal operations.

Cash and cash equivalents

The Foundation's policy is to present in cash and cash equivalents bank balances, including bank overdrafts whose balances fluctuate frequently from being positive to overdrawn, and investments with a maximum maturity of three months from the acquisition date or redeemable at any time without penalty.

Foreign currency translation

The Foundation uses the temporal method to translate transactions denominated in a foreign currency. Under this method, monetary assets and liabilities are translated at the exchange rate in effect at the financial position date. Non-monetary assets and liabilities are translated at historical exchange rates, with the exception of those recognized at fair value, which are translated at the exchange rate in effect at the financial position date. Revenue and expenses are translated at the average rate for the period. The related exchange gains and losses are accounted for in the operations for the year.

Concordia University Foundation

Notes to Financial Statements

April 30, 2015

3 - INVESTMENTS

	<u>2015</u>	<u>2014</u>
	\$	\$
Common shares	18,569,824	18,163,318
Bonds	37,056,943	32,959,006
Investment funds	99,187,279	88,258,804
	<u>154,814,046</u>	<u>139,381,128</u>
Investment breakdown		
	<u>2015</u>	<u>2014</u>
	\$	\$
Common shares		
Canadian common shares		
Energy	1,647,711	2,043,176
Materials	1,062,337	1,017,583
Industrials	3,318,455	3,156,003
Consumer products and services	3,314,103	2,941,133
Health care	584,610	1,027,586
Financials	2,231,262	1,509,803
Technology and communications	1,556,615	961,819
Utilities	1,510,276	1,385,090
Equity fund trusts	728,640	1,337,700
Other	322,350	263,247
	<u>16,276,359</u>	<u>15,643,140</u>
Foreign common shares		
U.S. common shares		
Financials	379,020	370,574
Health care	418,938	412,618
Industrials	239,761	266,667
Consumer products and services	963,015	1,087,299
Energy	237,723	329,691
Technology and communications	55,008	53,329
	<u>2,293,465</u>	<u>2,520,178</u>
	<u>18,569,824</u>	<u>18,163,318</u>
	<u>2015</u>	<u>2014</u>
	\$	\$
Bonds		
Canadian		
Government		
Federal bonds, 0.875% to 2.75% (a)	13,891,815	15,147,174
Provincial bonds, 1.2% to 6.35% (b)	4,767,314	2,715,775
Corporate bonds, 1.75% to 12.2% (c)	18,397,814	15,096,057
	<u>37,056,943</u>	<u>32,959,006</u>

Concordia University Foundation

Notes to Financial Statements

April 30, 2015

3 - INVESTMENTS (Continued)

	<u>2015</u>	<u>2014</u>
	\$	\$
Investment funds		
Pooled investment funds in Canadian dollars		
DK Energy Fund II	12,962	23,243
DK Energy Fund III	33,836	33,166
Acuity High Income Fund	2,179,103	2,194,787
Leith Wheeler Canadian Equity Fund Series A	17,493,317	16,354,751
Lazard Global Thematic Canada Fund CL B	28,531,342	23,404,470
BlackRock Active Canadian Equity Fund	15,497,073	14,678,729
Brandes Canada Emerging Markets Equity Unit Trust	8,563,169	7,055,396
	<u>72,310,802</u>	<u>63,744,542</u>
Pooled investment funds in U.S. dollars		
Lazard Emerging Markets Equity Balanced Fund	<u>6,622,606</u>	5,980,860
Real estate pooled funds		
GLC Real Estate Fund I	12,090,756	10,891,475
Standard Life Real Estate Pooled Fund	8,163,115	7,641,927
	<u>20,253,871</u>	<u>18,533,402</u>
	<u>99,187,279</u>	<u>88,258,804</u>
	<u>154,814,046</u>	<u>139,381,128</u>

- (a) These bonds mature on various dates until 2018.
 (b) These bonds mature on various dates until 2052.
 (c) These bonds mature on various dates until 2067.

Investment returns

Portfolio assets are actively managed. For the year ended April 30, 2015, investments achieved an annual return of 7.94% (13.31% in 2014) net of investment management fees.

As at April 30, 2015, the weighted average interest rate of the bonds is 3.31% (3.8% in 2014) and the weighted average duration is 4.91 years (5.24 years in 2014).

4 - DUE TO CONCORDIA UNIVERSITY

The Foundation annually distributes a portion of its investment earnings to support the advancement and development of higher education, teaching, research, interest on a bond issue, certain fundraising activities and other charitable activities of Concordia University. This distribution is referred to as pay-out and represents funds earmarked towards Concordia University initiatives. The amount due to Concordia University is non-interest bearing.

Scheduled repayments for the next year amount to \$2,799,477.

Concordia University Foundation

Notes to Financial Statements

April 30, 2015

5 - ACCRUED LIABILITIES

	<u>2015</u>	<u>2014</u>
	\$	\$
Concordia University	164,488	148,280
Accrued liabilities	291,130	332,659
Investment purchases payable	6,740	741,305
	<u>462,358</u>	<u>1,222,244</u>

6 - RELATED PARTY TRANSACTIONS

Concordia University exercises significant influence over the Foundation. The Foundation must use its resources exclusively to advance the mission of Concordia University, and periodically makes transfers of capital back to Concordia University in accordance with gift agreements. These transactions occur in the normal course of business at the exchange amount, which is the value established and accepted by the parties.

	<u>2015</u>	<u>2014</u>
	\$	\$
Expenses		
Pay-out distribution	2,795,002	2,544,904
Employee Benefit Fund payout distribution	3,749,996	1,700,000
	<u>6,544,998</u>	<u>4,244,904</u>

The Concordia University is committed to paying some of the Foundation's costs, including the compensation of employees working for the Foundation and the cost for using premises, including certain related costs.

7 - GENERAL AND ADMINISTRATIVE EXPENSES

All general and administrative expenses associated with soliciting and processing gifts are consolidated at Concordia University. The sole expenses incurred by the Foundation relate directly to the management of its investment pool and the audit of the Foundation.

8 - FINANCIAL INSTRUMENTS

Financial risks

The Foundation's main financial risk exposure is detailed as follows.

Credit risk

The Foundation is exposed to credit risk regarding the financial assets recognized in the statement of financial position.

The credit risk regarding bonds and investment funds is considered negligible, since they represent investment securities with a good external credit rating. Nevertheless, the risk is only indirect for the investment funds.

Concordia University Foundation

Notes to Financial Statements

April 30, 2015

8 - FINANCIAL INSTRUMENTS (Continued)

The credit risk regarding cash and cash equivalents is also considered to be negligible because they are held by a reputable financial institution with an investment grade external credit rating.

Market risk

The Foundation's financial instruments expose it to market risk, in particular, interest rate risk, currency risk and other price risk, resulting from both its investing and financing activities:

– Interest rate risk:

The Foundation is exposed to interest rate risk with respect to financial assets and liabilities bearing fixed and variable interest rates.

The investments in bonds bear interest at a fixed rate and the Foundation is, therefore, exposed to the risk of changes in fair value resulting from interest rate fluctuations.

Additionally, some investment funds also indirectly expose the Foundation to interest rate risk;

– Currency risk:

The Foundation is exposed to currency risk due to cash, cash equivalents and investments denominated in U.S. dollars. As at April 30, 2015, financial assets in foreign currency represent cash and cash equivalents and investments totalling C\$10,195,061 (C\$8,606,130 as at April 30, 2014).

The Foundation does not hedge its foreign currency exposure;

– Other price risk:

The Foundation is exposed to other price risk due to investment funds, bonds and common shares since changes in market prices could result in changes in fair value or cash flows of these instruments. Additionally, some investment funds also indirectly expose the Foundation to other price risk.

Liquidity risk

The Foundation's liquidity risk represents the risk that the Foundation could encounter difficulty in meeting obligations associated with its financial liabilities. The Foundation is, therefore, exposed to liquidity risk with respect to all of the financial liabilities recognized in the statement of financial position.

Carrying amount of financial assets by category

The carrying amount of the Foundation's financial assets that are measured at amortized cost totals \$14,160,957 (\$19,565,233 as at April 30, 2014), whereas the carrying amount of financial assets measured at fair value totals \$154,814,046 (\$139,381,128 as at April 30, 2014).



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**CONCORDIA UNIVERSITY
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