

CONCORDIA

CONCORDIA
UNIVERSITY
FOUNDATION

ANNUAL REPORT
2015 2016

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CONCORDIA UNIVERSITY FOUNDATION
FINANCIAL STATEMENTS 2015-2016

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 \$5.5 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.

We thank you all for your continued support.



Howard Davidson
Chair, Concordia University Foundation



Bram Freedman
President, Concordia University Foundation

December 2016

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.

Given that during the 2015-2016 fiscal year, all asset classes except Emerging Market Equity underperformed their benchmarks, the Foundation is reporting a loss on its long-term investments of -2.59%, net of fees as compared to a 7.94% gain in 2014-2015. Over a 10 year period, the long-term investment pool has earned a 4.22% return to support university initiatives and programs. As of April 30th, 2016, the long-term investment pool was valued at \$150.4 M.

The Foundation's Investment Committee continued its work of assessing the current Investment Policy alignment to its approved Funding Policy. It has also worked diligently with Desjardins Wealth Management to change its previous investment strategy in order to align it better with the funding objectives of its program. In addition, a \$5 M allocation was made in September 2016 to a large capitalization US equity Environmental, Social and Governance mandate managed by Nelson Capital Management in accordance with the Foundation's sustainable investment program.

The long-term investment pool ended the 2015-2016 fiscal year with a 59.3%/26.1%/14.6% asset allocation between equities, fixed income and real estate.

OUTLOOK FOR 2016-2017

During the 2015-2016 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 Foundation will be incorporating in 2016-2017 a new academic investment program for the management of small capitalization equities by graduate students from the John Molson School of Business as part of the Van Berkom Investment Management Program. A final decision with respect to a revised investment policy is expected to be deposited with the Board of the Foundation within the 2016-2017 fiscal year.

LIST OF BOARD MEMBERS OF CONCORDIA UNIVERSITY FOUNDATION AS AT APRIL 30, 2016

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

	Manager	Investment Type	Investment Style	Allocation* (%)
Short Term	Office of the Treasurer	Cash		100%
Long Term	Beutel Goodman Investment Counsel	Canadian Fixed Income		26.1%
	Blackrock Asset Management Ltd.	Canadian large cap equity	Core	10.1%
	Leith Wheeler Investment Counsel Ltd.	Canadian large cap equity	Value	10.5%
	Claret Asset Management Corporation	Canadian small cap equity	Value	10.4%
	Nelson Capital Management	US large cap equity	Core (ESG)	3.5%
	Lazard Asset Management	Global Cap Equity	Core	15.2%
		Emerging Markets Equity	Blend	4.1%
	Brandes Investment Partners, L.P.	Emerging Markets Equity	Value	5.7%
	Manulife Asset Management Ltd.	Direct investments in Canadian real estate	Core	5.9%
	Great West Life Assurance Company	Direct investments in Canadian real estate	Core	8.7%
Jarislowsky Fraser Global Investment Management	Balanced Portfolio		100%	
Desjardins Wealth Management	Balanced Portfolio		100%	

APPENDIX

CONCORDIA UNIVERSITY FOUNDATION
FINANCIAL STATEMENTS
2015 2016

Concordia University Foundation

Financial Statements

April 30, 2016

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Independent Auditor's Report

To the Directors of
Concordia University Foundation

Raymond Chabot Grant Thornton LLP
Suite 2000
National Bank Tower
600 De La Gauchetière Street West
Montréal, Quebec H3B 4L8

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, 2016 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, 2016 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
October 13, 2016

¹ CPA auditor, CA public accountancy permit no. A117472

Concordia University Foundation

Financial Position

April 30, 2016

	<u>2016</u>	<u>2015</u>
	\$	\$
ASSETS		
Current		
Cash and cash equivalents	18,230,738	13,830,228
Accrued investment income	343,490	330,728
Net investment sales receivable	78,723	
Sales taxes receivable	18,920	52,212
	<u>18,671,871</u>	<u>14,213,168</u>
Long-term		
Investments (Note 3)	150,398,004	154,814,046
	<u>169,069,875</u>	<u>169,027,214</u>
LIABILITIES		
Current		
Due to Concordia University (Note 4)	8,815,304	2,862,386
Accrued liabilities (Note 5)	434,946	462,358
	<u>9,250,250</u>	<u>3,324,744</u>
FUND BALANCES		
Endowment Fund	76,985,409	74,434,842
Restricted Fund	80,439,117	88,916,250
General Fund	2,395,099	2,351,378
	<u>159,819,625</u>	<u>165,702,470</u>
	<u>169,069,875</u>	<u>169,027,214</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, 2016

	General Fund		Restricted Fund		Endowment Fund		Total	
	2016	2015	2016	2015	2016	2015	2016	2015
	\$	\$	\$	\$	\$	\$	\$	\$
Revenue								
Changes in fair value of investments	43,721	69,654	(2,913,082)	12,591,098			(2,869,361)	12,660,752
Specified gifts from Concordia University			2,935,678	3,165,367	2,550,567	4,064,942	5,486,245	7,230,309
	<u>43,721</u>	<u>69,654</u>	<u>22,596</u>	<u>15,756,465</u>	<u>2,550,567</u>	<u>4,064,942</u>	<u>2,616,884</u>	<u>19,891,061</u>
Expenses								
Investment management fees	-		988,408	935,388			988,408	935,388
Consultant and other professional fees		587	179,303	198,172			179,303	198,759
	<u>-</u>	<u>587</u>	<u>1,167,711</u>	<u>1,133,560</u>	<u>-</u>	<u>-</u>	<u>1,167,711</u>	<u>1,134,147</u>
Transfers to Concordia University		200,000	7,332,018	9,276,197			7,332,018	9,476,197
	<u>-</u>	<u>200,587</u>	<u>8,499,729</u>	<u>10,409,757</u>	<u>-</u>	<u>-</u>	<u>8,499,729</u>	<u>10,610,344</u>
Excess (deficiency) of revenue over expenses	<u>43,721</u>	<u>(130,933)</u>	<u>(8,477,133)</u>	<u>5,346,708</u>	<u>2,550,567</u>	<u>4,064,942</u>	<u>(5,882,845)</u>	<u>9,280,717</u>

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

Concordia University Foundation Changes in Fund Balances

Year ended April 30, 2016

	General Fund		Restricted Fund		Endowment Fund		Total	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
Balance, beginning of year	\$ 2,351,378	\$ 2,482,311	\$ 88,916,250	\$ 83,569,542	\$ 74,434,842	\$ 70,369,900	\$ 165,702,470	\$ 156,421,753
Excess (deficiency) of revenue over expenses	43,721	(130,933)	(8,477,133)	5,346,708	2,550,567	4,064,942	(5,882,845)	9,280,717
Balance, end of year	<u>2,395,099</u>	<u>2,351,378</u>	<u>80,439,117</u>	<u>88,916,250</u>	<u>76,985,409</u>	<u>74,434,842</u>	<u>159,819,625</u>	<u>165,702,470</u>

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

Concordia University Foundation

Cash Flows

Year ended April 30, 2016

	<u>2016</u>	<u>2015</u>
	\$	\$
OPERATING ACTIVITIES		
Excess (deficiency) of revenue over expenses	(5,882,845)	9,280,717
Non-cash items		
Net change in fair value of investments	7,353,106	(3,475,598)
Reinvested revenue	(4,324,560)	(7,028,919)
Net change in working capital items	(85,605)	(767,163)
Cash flows from operating activities	<u>(2,939,904)</u>	<u>(1,990,963)</u>
INVESTING ACTIVITIES		
Acquisition of investments	(99,366,149)	(52,543,512)
Disposal of investments	100,753,645	47,615,111
Increase in due to Concordia University	5,952,918	1,522,529
Cash flows from investing activities	<u>7,340,414</u>	<u>(3,405,872)</u>
Net increase (decrease) in cash and cash equivalents	4,400,510	(5,396,835)
Cash and cash equivalents, beginning of year	<u>13,830,228</u>	<u>19,227,063</u>
Cash and cash equivalents, end of year	<u><u>18,230,738</u></u>	<u><u>13,830,228</u></u>

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

Concordia University Foundation

Notes to Financial Statements

April 30, 2016

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 on 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 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, 2016, the fund balance is \$49,400,445 (\$50,385,671 in 2015);

Concordia University Foundation

Notes to Financial Statements

April 30, 2016

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 gifts received over the years totalling \$20.5 million and withdrawals of \$11.65 million.

As at April 30, 2016, the fund balance is \$11,643,954 (\$15,811,278 in 2015).

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, 2016

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, 2016

3 - INVESTMENTS

	<u>2016</u>	<u>2015</u>
	\$	\$
Common shares	22,706,680	18,569,824
Bonds	37,912,972	37,056,943
Investment funds	89,778,352	99,187,279
	<u>150,398,004</u>	<u>154,814,046</u>

Investment breakdown

	<u>2016</u>	<u>2015</u>
	\$	\$
Common shares		
Canadian common shares		
Energy	1,319,409	1,647,711
Materials	1,008,350	1,062,337
Industrials	2,965,814	3,318,455
Consumer products and services	4,636,710	3,314,103
Health care	834,482	584,610
Financials	1,786,376	2,231,262
Technology and communications	978,317	1,556,615
Utilities	1,870,794	1,510,276
Equity fund trusts		728,640
Other		322,350
	<u>15,400,252</u>	<u>16,276,359</u>
Foreign common shares		
U.S. common shares		
Financials	1,104,120	379,020
Health care	1,396,594	418,938
Industrials	840,029	239,761
Consumer products and services	2,208,268	963,015
Energy	438,191	237,723
Materials	78,715	
Technology and communications	1,240,511	55,008
	<u>7,306,428</u>	<u>2,293,465</u>
	<u>22,706,680</u>	<u>18,569,824</u>
Bonds		
Canadian		
Government		
Federal bonds, 0.75% to 5.75% (a)	8,703,567	13,891,815
Provincial bonds, 2.1% to 6.35% (b)	12,360,687	4,767,314
Corporate bonds, 1.33% to 9.9% (c)	16,848,718	18,397,814
	<u>37,912,972</u>	<u>37,056,943</u>

Concordia University Foundation

Notes to Financial Statements

April 30, 2016

3 - INVESTMENTS (Continued)

	<u>2016</u>	<u>2015</u>
	\$	\$
Investment funds		
Pooled investment funds in Canadian dollars		
DK Energy Fund II		12,962
DK Energy Fund III		33,836
Acuity High Income Fund		2,179,103
Leith Wheeler Canadian Equity Fund Series A	15,300,794	17,493,317
Lazard Global Thematic Canada Fund CL B	22,266,441	28,531,342
BlackRock Active Canadian Equity Fund	14,537,233	15,497,073
Brandes Canada Emerging Markets Equity Unit Trust	8,388,570	8,563,169
	<u>60,493,038</u>	<u>72,310,802</u>
Pooled investment funds in U.S. dollars		
Lazard Emerging Markets Equity Balanced Fund	<u>6,024,004</u>	6,622,606
Real estate pooled funds		
GLC Real Estate Fund I	12,651,146	12,090,756
Standard Life Real Estate Pooled Fund	8,643,134	8,163,115
	<u>21,294,280</u>	<u>20,253,871</u>
Other investment funds		
Desjardins Wealth Management Segregated Portfolio	1,967,030	
	<u>89,778,352</u>	<u>99,187,279</u>
	<u>150,398,004</u>	<u>154,814,046</u>

- (a) These bonds mature on various dates until 2045.
 (b) These bonds mature on various dates until 2046.
 (c) These bonds mature on various dates until 2053.

Investment returns

Portfolio assets are actively managed. For the year ended April 30, 2016, investments achieved an annual return of -2.59% (7.94% in 2015) net of investment management fees.

As at April 30, 2016, the weighted average interest rate of the bonds is 3% (3.31% in 2015) and the weighted average duration is 7.08 years (4.91 years in 2015).

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. Also, \$7.6 million of the due to Concordia University balance represents the group insurance plan surplus funds transferred from Concordia University and held for investment purposes in the Foundation. The amount due to Concordia University is non-interest bearing.

Concordia University Foundation

Notes to Financial Statements

April 30, 2016

5 - ACCRUED LIABILITIES

	<u>2016</u>	<u>2015</u>
	\$	\$
Concordia University	165,477	164,488
Accrued liabilities	269,469	291,130
Investment purchases payable		6,740
	<u>434,946</u>	<u>462,358</u>

6 - RELATED PARTY TRANSACTIONS

Concordia University exercises significant influence over the Foundation. The University exercises significant influence over the Foundation since certain board members and members of senior management are on the board of 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>2016</u>	<u>2015</u>
	\$	\$
Expenses		
Payout distribution	3,060,833	2,795,002
Employee Benefit Fund payout distribution	2,729,666	3,749,996
	<u>5,790,499</u>	<u>6,544,998</u>

7 - GENERAL AND ADMINISTRATIVE EXPENSES

All general and administrative expenses associated with soliciting and processing gifts are accounted for at Concordia University.

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 on 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.

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.

Concordia University Foundation

Notes to Financial Statements

April 30, 2016

8 - FINANCIAL INSTRUMENTS (Continued)

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, 2016, financial assets in foreign currency represent cash and cash equivalents and investments totalling C\$13,762,515 (C\$10,195,061 as at April 30, 2015).

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 on 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 \$18,652,951 (\$14,160,957 as at April 30, 2015), whereas the carrying amount of financial assets measured at fair value totals \$150,398,004 (\$154,814,046 as at April 30, 2015).

CONCORDIA



CONCORDIA UNIVERSITY
FOUNDATION

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