Consolidated Financial Statements of
(In thousands of dollars)

CONCORDIA UNIVERSITY

Year ended April 30, 2024

CONCORDIA UNIVERSITY

Table of Contents
(In thousands of dollars)

STATEMENT OF ADMINISTRATOR'S RESPONSIBILITY

Management of Concordia University (the "University") is responsible for the preparation of the consolidated financial statements, the notes and all other financial information contained in this financial report.

Management has prepared the consolidated financial statements in accordance with Canadian accounting standards for not-for-profit organizations. In order to achieve the objective of fair presentation in all material respects, reasonable estimates and professional judgments were used. Management believes the consolidated financial statements present fairly the University's consolidated financial position as at April 30, 2024, and the consolidated results of its operations, consolidated changes in fund balances and consolidated cash flows for the year then ended.

In fulfilling its responsibilities and recognizing the limits inherent in all systems, management has developed and maintains a system of internal control designed to provide reasonable assurance that the University's assets are safeguarded from loss and that the accounting records are a reliable basis for the preparation of the consolidated financial statements. The system of internal controls is monitored by the University's internal audit service.

The Board of Governors is responsible for ensuring that management fulfills its responsibilities for financial reporting, and is ultimately responsible for reviewing and approving the consolidated financial statements. The Board of Governors carries out its responsibility for review of the consolidated financial statements principally through the Audit Committee. All members of the Audit Committee are not officers or employees of the University. The Audit Committee meets with management, the external auditor as well as the internal auditors to discuss the results of audit examinations and financial reporting matters to satisfy itself that each party is properly discharging its responsibilities. The external and internal auditors have full access to the Audit Committee with or without the presence of management.

The financial statements as at and for the year ended April 30, 2024, have been audited by KPMG LLP, the auditor appointed by the Board of Governors. The independent auditor's report outlines the scope of its audit and its opinion on the preparation of the information included in the consolidated financial statements.

Original Signed by Graham Carr	Original Signed by Denis Cossette
Graham Carr	Denis Cossette
President and Vice-Chancellor	Chief Financial Officer

KPMG LLP
Tour KPMG
600 de Maisonneuve Blvd West, Suite 1500
Montréal, QC H3A 0A3
Canada
Telephone 514 840 2100
Fax 514 840 2187

INDEPENDENT AUDITOR’S REPORT

To the Board of Governors of Concordia University

Opinion

We have audited the consolidated financial statements of Concordia University (the "Entity"), which comprise:

- the consolidated statement of financial position as at April 30, 2024
- the consolidated statement of operations and changes in fund balances for the year then ended
- the consolidated statement of cash flows for the year then ended
- and notes to the consolidated financial statements, including a summary of significant accounting policies

(Hereinafter referred to as the "financial statements").

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Entity as at April 30, 2024, and its consolidated results of operations and its consolidated cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the **"*Auditor’s Responsibilities for the Audit of the Financial Statements*"** section of our auditor’s report.

We are independent of the Entity in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada and we have fulfilled our other ethical responsibilities in accordance with these requirements.

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

KPMG LLP, an Ontario limited liability partnership and member firm of the KPMG global organization of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee. KPMG Canada provides services to KPMG LLP.

KPMG

Responsibilities of Management and Those Charged with Governance for the Financial Statements

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

In preparing the financial statements, management is responsible for assessing the Entity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Entity, or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Entity's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.

  The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group Entity to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

KPMG LLP*

Montréal, Canada

October 24, 2024

*CPA auditor, public accountancy permit No. A120585

CONCORDIA UNIVERSITY

Consolidated Statement of Financial Position
(In thousands of dollars)

April 30, 2024, with comparative information for 2023

	Total Funds		Operating Fund		Restricted Funds: Research Fund		Restricted Funds: Designated Fund		Restricted Funds: Capital Asset Fund	
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
	$	$	$	$	$	$	$	$	$	$
Assets										
Current assets:										
Cash	50,271	45,641	50,271	45,641	–	–	–	–	–	–
Amount receivable from the ministère de l'Enseignement supérieur (« MES ») (note 4)	35,131	35,416	–	–	–	–	–	–	35,131	35,416
Grants receivable (note 2)	106,681	103,593	18,658	16,528	78,777	77,977	2,450	2,234	6,796	6,854
Accounts receivable (note 3)	24,910	19,848	21,944	18,202	–	–	2,737	1,416	229	230
Prepaid expenses and other assets	17,313	14,287	9,343	7,987	715	715	4	–	7,251	5,585
	234,306	218,785	100,216	88,358	79,492	78,692	5,191	3,650	49,407	48,085
Amount receivable from the MES (note 4)	378,361	369,946	–	–	–	–	–	–	378,361	369,946
Grants receivable (note 2)	20,336	24,711	–	–	–	–	–	–	20,336	24,711
Amount due from other funds, without interest	–	–	–	–	81,638	56,889	247,511	232,458	–	–
Investments (note 5)	405,101	367,641	405,101	367,641	–	–	–	–	–	–
Tangible capital assets (note 6)	949,925	941,488	–	–	–	–	–	–	949,925	941,488
Intangible capital assets (note 7)	51,748	60,677	–	–	–	–	–	–	51,748	60,677
	2,039,777	1,983,248	505,317	455,999	161,130	135,581	252,702	236,108	1,449,777	1,444,907

See accompanying notes to consolidated financial statements.

	Total Funds		Operating Fund		Restricted Funds					
					Research Fund		Designated Fund		Capital Asset Fund	
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
	$	$	$	$	$	$	$	$	$	$
Liabilities and Fund Balances										
Current liabilities:										
Bank overdraft	–	311	–	311	–	–	–	–	–	–
Bank loans (note 8)	216,789	204,117	172,925	162,352	–	–	–	–	43,864	41,765
Trade payables and other liabilities	147,131	126,612	117,952	96,760	693	1,751	11,504	12,458	16,982	15,643
Agency and fiduciary accounts	18,781	21,569	18,781	21,569	–	–	–	–	–	–
Unearned revenues	29,530	36,314	29,530	36,314	–	–	–	–	–	–
Deferred contributions (note 9)	185,883	159,205	–	–	160,437	133,830	–	–	25,446	25,375
Current portion of the long-term debt (note 10)	49,684	50,221	–	–		–	–	–	49,684	50,221
	647,798	598,349	339,188	317,306	161,130	135,581	11,504	12,458	135,976	133,004
Deferred contributions (note 9)	561,290	541,456	–	–	–	–	82,575	81,120	478,715	460,336
Amount due to other funds, without interest	–	–	265,447	221,878	–	–	–	–	63,702	67,469
Long-term debt (note 10)	671,233	681,851	–	–	–	–	–	–	671,233	681,851
Employee future benefits liability (note 11)	155,924	163,661	155,924	163,661	–	–	–	–	–	–
	2,036,245	1,985,317	760,559	702,845	161,130	135,581	94,079	93,578	1,349,626	1,342,660
Fund surplus (deficit):										
Unrestricted deficit	(212,797)	(176,143)	(212,797)	(176,143)	–	–	–	–	–	–
Deficit from employee future benefits obligation	(155,924)	(163,661)	(155,924)	(163,661)	–	–	–	–	–	–
Internally restricted (note 12)	208,862	180,495	113,479	92,958	–	–	–	–	95,383	87,537
Endowments (note 13)	158,623	142,530	–	–	–	–	158,623	142,530	–	–
Invested in capital assets	4,768	14,710	–	–	–	–	–	–	4,768	14,710
	3,532	(2,069)	(255,242)	(246,846)	–	–	158,623	142,530	100,151	102,247
Commitments (note 21)										
Contingencies (note 22)										
	2,039,777	1,983,248	505,317	455,999	161,130	135,581	252,702	236,108	1,449,777	1,444,907

See accompanying notes to consolidated financial statements.

On behalf of the Board:

Original signed by Helen Antoniou Chair of the Board

Original Signed by Pat Di Lillo Governor

CONCORDIA UNIVERSITY

Consolidated Statement of Operations and Changes in Fund Balances
(In thousands of dollars)

Year ended April 30, 2024, with comparative information for 2023

					Restricted Funds					
	Total Funds		Operating Fund		Research Fund		Designated Fund		Capital Asset Fund	
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
	$	$	$	$	$	$	$	$	$	$
Revenues:										
Tuition fees	218,070	210,345	218,070	210,345	–	–	–	–	–	–
Grants (note 14)	462,552	432,538	344,440	320,131	61,554	54,988	9,430	11,505	47,128	45,914
Services to the community, students and other income	58,974	64,175	55,676	59,092	–	77	2,978	4,814	320	192
Ancillary services and rental properties (note 15)	19,053	16,497	19,053	16,497	–	–	–	–	–	–
Donations	17,303	11,467	–	223	661	602	14,156	8,950	2,486	1,692
Investment income (note 5)	18,581	8,853	5,357	1,833	–	39	4,382	3,493	8,842	3,488
	794,533	743,875	642,596	608,121	62,215	55,706	30,946	28,762	58,776	51,286
Expenses:										
Academic activities and support (note 16)	349,871	336,493	349,871	336,493	–	–	–	–	–	–
Research	91,420	90,639	29,205	34,793	62,215	55,846	–	–	–	–
Institutional services and support (note 16)	133,685	142,527	133,685	142,527	–	–	–	–	–	–
Services to the community, students and other expense	34,728	36,153	34,728	36,153	–	–	–	–	–	–
Endowed and restricted projects	28,764	24,946	–	–	–	–	28,764	24,946	–	–
Employee future benefits (note 11)	54,361	51,000	54,361	51,000	–	–	–	–	–	–
Ancillary services and rental properties (note 15)	10,866	11,851	10,866	11,851	–	–	–	–	–	–
Capital maintenance projects	14,780	13,424		–	–	–	–	–	14,780	13,424
Interest on bank loans	11,803	5,707	9,034	4,481	–	–	–	–	2,769	1,226
Interest on the long-term debt (note 10)	27,473	27,805	–	–	–	–	–	–	27,473	27,805
Amortization of tangible capital assets	48,254	49,310	–	–	–	–	–	–	48,254	49,310
Amortization of intangible capital assets	9,540	9,180	–	–	–	–	–	–	9,540	9,180
	815,545	799,035	621,750	617,298	62,215	55,846	28,764	24,946	102,816	100,945
(Deficiency) excess of revenues over expenses before interfund transfers	(21,012)	(55,160)	20,846	(9,177)	–	(140)	2,182	3,816	(44,040)	(49,659)
Interfund transfers (note 17)	–	–	(40,317)	(29,628)	–	140	(1,627)	(3,539)	41,944	33,027
(Deficiency) excess of revenues over expenses after interfund transfers	(21,012)	(55,160)	(19,471)	(38,805)	–	–	555	277	(2,096)	(16,632)

See accompanying notes to consolidated financial statements.

CONCORDIA UNIVERSITY

Consolidated Statement of Operations and Changes in Fund Balances (continued)
(In thousands of dollars)

Year ended April 30, 2024, with comparative information for 2023

	Total Funds		Operating Fund		Restricted Funds					
					Research Fund		Designated Fund		Capital Asset Fund	
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
	$	$	$	$	$	$	$	$	$	$
(Deficiency) excess of revenues over expenses after interfund transfers (balance brought forward)	(21,012)	(55,160)	(19,471)	(38,805)	–	–	555	277	(2,096)	(16,632)
Remeasurements and other items (note 11)	11,075	5,999	11,075	5,999	–	–	–	–	–	–
Endowment contributions received	7,322	3,818	–	–	–	–	7,322	3,818	–	–
Investment gain (loss) on endowments (note 5)	8,216	(633)	–	–	–	–	8,216	(633)	–	–
	5,601	(45,976)	(8,396)	(32,806)	–	–	16,093	3,462	(2,096)	(16,632)
Fund balances, beginning of year, as previously reported	(2,069)	71,738	(246,846)	(186,209)	–	–	142,530	139,068	102,247	118,879
Change in accounting policy	–	(27,831)	–	(27,831)	–	–	–	–	–	–
Fund balances, beginning of year, as restated	(2,069)	43,907	(246,846)	(214,040)	–	–	142,530	139,068	102,247	118,879
Fund balances, end of year	3,532	(2,069)	(255,242)	(246,846)	–	–	158,623	142,530	100,151	102,247

See accompanying notes to consolidated financial statements.

CONCORDIA UNIVERSITY

Consolidated Statement of Cash Flows
(In thousands of dollars)

Year ended April 30, 2024, with comparative information for 2023

	2024	2023
Cash provided by (used in):		
Operating:		
Deficiency of revenues over expenses	$ (21,012)	$ (55,160)
Items not involving cash:		
Amortization of deferred contributions related to capital assets	(37,239)	(36,745)
Amortization of tangible capital assets	48,254	49,310
Amortization of intangible assets	9,540	9,180
Employee future benefits expense over funding contributions	3,338	3,231
Net change in working capital items	32,208	30,501
	35,089	317
Financing:		
Bank loans	12,672	16,471
Amount receivable from the MES	(8,130)	(7,036)
Issuance of the long-term debt	38,682	93,306
Repayment of the long-term debt	(49,837)	(45,619)
Deferred contributions - Capital Asset Funds	55,689	47,393
Endowment contributions received	7,322	3,818
	56,398	108,333
Investing:		
Acquisition of investments	(50,158)	(21,697)
Re-invested capital	(5,174)	(4,829)
Disposal of investments	38,682	12,275
Change in fair value of investments	(20,810)	(6,302)
Investment gain (loss) on endowments	8,216	(633)
Acquisition of tangible capital assets	(56,691)	(46,995)
Acquisition of intangible assets	(611)	(852)
	(86,546)	(69,033)
Net increase in cash and cash equivalents	4,941	39,617
Cash and cash equivalents, beginning of year	45,330	5,713
Cash and cash equivalents, end of year	$ 50,271	$ 45,330
Cash and cash equivalents consist of:		
Cash	$ 50,271	$ 45,641
Bank overdraft	–	311
Cash and cash equivalents, end of year	$ 50,271	$ 45,330

See accompanying notes to consolidated financial statements.

Concordia University (the "University") was incorporated under the *Concordia University Act*, S.Q. 1948 c. 91 as amended by S.Q. 1959-60, c. 191 and S.Q. 2006, c. 69. The University's mission includes post-secondary and graduate education, research and public service. The University is a registered charity under Section 149 of the *Income Tax Act* and it is exempt from the payment of income tax.

1. Significant accounting policies:

The University's consolidated financial statements are prepared in accordance with Canadian accounting standards for not-for-profit organizations in Part III of the *CPA Canada Handbook*.

(a) Basis of presentation:

These consolidated financial statements include the assets, liabilities, revenues, expenses and other transactions of Concordia University and the Concordia University Intergenerational Fund (formally Concordia University Foundation), an entity controlled by the University. All transactions, assets and liabilities between the two entities have been eliminated. These consolidated financial statements do not include the assets, liabilities and operations of eConcordia.com, the Concordia University Press, Galilei Innovations Inc., Innovations Galilei 2 and the Kenneth Woods Portfolio Management Foundation since these controlled entities are not material to the consolidated financial statements of Concordia University. Refer to Note 18 for required disclosures on the other controlled entities.

(b) Use of estimates:

The preparation of consolidated financial statements requires management to make estimates and assumptions that affect the amounts recorded in the consolidated financial statements and notes to consolidated financial statements. In particular, significant estimates are made regarding the valuation of receivables, fair values of assets and liabilities of non-publicly traded investments and financial instruments, useful lives of capital assets, provisions for contingencies and employee future benefits. These estimates are based on management's knowledge of current events and actions that the University may undertake in the future. Actual results may differ from these estimates.

(c) Financial assets and liabilities:

(i) Initial measurement:

Upon initial measurement, the University'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.

1. Significant accounting policies (continued):

(c) Financial assets and liabilities (continued):

(ii) Subsequent measurement:

At each reporting date, the University measures its financial assets and liabilities at amortized cost (including any impairment in the case of financial assets), except for life insurance policies which are measured at the greater of fair value at acquisition and cash surrender value, and investments in equities, bonds and funds which are measured at fair value.

Financial assets and liabilities measured at amortized cost are calculated using the effective interest method (including any impairment in the case of financial assets). Interest calculated using the effective interest method is presented in the consolidated statement of operations and changes in fund balances under net investment income, interest on bank loans or interest on long-term debt, as appropriate.

With respect to financial assets measured at amortized cost, the University assesses whether there are any indicators of impairment. When there is an indication of impairment, and if the University 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.

(d) Derivative financial instruments:

The University uses derivative financial instruments to manage its interest rate risk exposure. It does not use these derivative financial instruments for trading or speculative purposes. These interest rate swaps require the periodic exchange of interest payments without an exchange of the notional (capital) amount on which payments are calculated. The University has not elected to use hedge accounting, therefore, the fair value of those swaps are recorded at year-end as an asset or liability and changes in fair value are recorded as an income or an expense in the statement of operations.

(e) Fund presentation:

The Operating Fund is used to account for the University’s academic and administrative services. Unrestricted resources as well as internally restricted resources are reported in this fund.

The Reseach Fund is used to report externally restricted resources that are used for research and research-related purposes.

1. Significant accounting policies (continued):

(e) Fund presentation (continued):

The Designated Fund is used to account for funds received from external entities for specific purposes imposed by the outside donor or party.

The University complies with the ministère de l'Enseignement supérieur (MES) regarding the fund accounting treatment of specific grants, as declared in MES *Règles budgétaires*.

Assets, liabilities, revenues and expenses related to the capital assets owned and managed by the University are reported in the Capital Asset Fund, including the cost of capital assets purchased, funded and expensed by other funds in the year of acquisition.

(f) Revenue recognition:

The University follows the deferral method of accounting for contributions, comprised of grants and donations. Under this method, contributions restricted for future period expenses are deferred and are recognized as revenue in the year in which the related expenses are incurred. Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Endowment contributions and restricted investment income earned on endowments and not available for distribution are recognized as direct increases in net assets in the period in which they are received or earned. Investment income earned on endowment and available for distribution are deferred and recognized as revenue in the period in which the related expenses are incurred and contributions in capital assets that are not subject to amortization are reported as direct increases in the appropriate fund balance.

Investment income, excluding restricted investment income earned on endowment and designated funds, is comprised of interest, dividends, income distributions from pooled funds and realized and unrealized gains and losses, and is recorded as revenue in the consolidated statement of operations.

Interest income is recognized on a time apportionment basis.

The University's principal sources of revenue, aside from contributions, are tuition fees, services to the community, student services, ancillary services, other income and rental of properties. Revenue is recognized when the following criteria are met:

- Persuasive evidence of an arrangement exists.
- Delivery has occurred and services have been rendered.
- The price is fixed or determinable.
- Collection is reasonably assured.

1. Significant accounting policies (continued):

(f) Revenue recognition (continued):

Revenue is recognized as services are provided. Receipts for which revenue is not yet earned are recorded as unearned revenue.

(g) Contributed supplies and services:

The University may recognize 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.

(h) Cash and cash equivalents:

Cash and cash equivalents include cash on hand, bank balances and short-term investments with original maturities of three months or less, net of bank overdrafts whenever they are an integral part of the University's cash management process.

(i) Other assets:

Tenant inducements and commissions on rental of properties included in other assets are deferred and amortized on a straight-line basis over the duration of the respective leases.

(j) Tangible and intangible assets:

Tangible and intangible assets are recorded at cost. Interest related to capital assets under construction is capitalized at rates reflecting the financing costs of such assets. Contributed capital assets are recorded at fair value at the date of contribution.

Construction in progress includes buildings under construction and other major capital projects. Once completed, projects are transferred to their respective asset class and amortized.

The art collections received by gift and bequest are recorded in the Capital Asset Fund at cost or nominal value at the date of contribution if they can be reasonably estimated, and they are not amortized.

Information technology development in progress includes internally developed systems software. Once completed, projects are transferred to their respective asset class and amortized.

(In thousands of dollars)

1. Significant accounting policies (continued):

(k) Amortization:

(i) Tangible and intangible assets subject to amortization are amortized on a straight-line basis over their estimated useful lives as prescribed by the MES over the following periods:

Assets	Period
Tangible capital assets:	
Land improvements	20 years
Buildings	40 to 50 years
Building alterations	25 to 40 years
Leasehold improvements	Lease term (max. 10 years)
Furniture and equipment	3 to 15 years
Library collection	10 years
Intangible assets:	
Information technology	10 to 15 years

Amortization is recorded in the Capital Asset Fund.

(ii) Write-down:

Tangible capital assets, intangible assets and other assets subject to amortization are tested for recoverability when events or changes in circumstances indicate that their carrying amount may not be recoverable. The carrying amount of a long-lived asset is not recoverable when it exceeds the sum of the undiscounted cash flows expected to result from its use and eventual disposal. In such a case, an impairment loss must be recognized and is equivalent to the excess of the carrying amount of a long-lived asset over its fair value.

(l) Foreign currency translation:

The University 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 consolidated statement of 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 statement of financial position date. Revenues and expenses are translated at the exchange rate in effect at the date they are recognized. The related exchange gains and losses are recognized in the statement of operations.

1. Significant accounting policies (continued):

(m) Employee future benefits:

The University accrues its obligations under the defined benefit pension plans and the other benefit plans as the employees render the services necessary to earn the pension benefits. More specifically, the University recognizes its obligations under the defined benefit plans on the consolidated statement of financial position, net of the fair value of plan assets. The University determines the defined benefit obligations using the most recent actuarial valuation prepared for accounting purposes, which is extrapolated to the University's year-end. The total defined benefit plan cost includes current service cost and finance cost and is recognized in operations under Employee future benefits. Remeasurements and other items, which include actuarial gains and losses related to the obligations, the difference between the actual return on plan assets and interest income deducted from the finance cost as well as past service cost, are recognized separately on the statement of changes in fund balances. Remeasurements and other items are not classified to the statement of operations in a subsequent year.

(n) Internally restricted fund balance:

The internally restricted fund is used for two types of transactions:

- The University has adopted a policy to internally restrict the Operating Fund balance of unspent budgeted amounts relating to specific programs. The programs covered by this policy are described in Note 12.
- Management has chosen to internally restrict unspent budgeted amounts from the Operating Fund that relate to specific key University's priorities.

(o) Leases:

The University classifies leases as either finance lease or operating lease based on the substance of the transaction. Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases.

Payments made under operating leases are recognized as an expense on a straight-line basis over the lease term unless another systematic basis is more representative of the time pattern of the benefit. Lease incentives received are recognized as a reduction of lease expenses over the lease term on a straight-line basis.

(In thousands of dollars)

2. Grants receivable:

					2024
	Operating	Research	Designated	Capital	Total
Current:					
Amount receivable from the MES	$ 18,658	$ –	$ 292	$ 3,973	$ 22,923
Amount receivable from federal agencies	–	53,947	658	–	54,605
Amount receivable from provincial agencies (other than the MES)	–	7,070	1,492	2,823	11,385
Amount receivable from other sources	–	17,760	8	–	17,768
	18,658	78,777	2,450	6,796	106,681
Long-term:					
Amount receivable from federal agencies	–	–	–	9,756	9,756
Amount receivable from provincial agencies (other than the MES)	–	–	–	10,580	10,580
	$ 18,658	$ 78,777	$ 2,450	$ 27,132	$ 127,017

(In thousands of dollars)

2. Grants receivable (continued):

					2023
	Operating	Research	Designated	Capital	Total
Current:					
Amount receivable from the MES	$ 16,528	$ –	$ 678	$ 3,443	$ 20,649
Amount receivable from federal agencies	–	57,046	623	–	57,669
Amount receivable from provincial agencies (other than the MES)	–	6,261	933	3,411	10,605
Amount receivable from other sources	–	14,670	–	–	14,670
	16,528	77,977	2,234	6,854	103,593
Long-term:					
Amount receivable from federal agencies	–	–	–	11,298	11,298
Amount receivable from provincial agencies (other than the MES)	–	–	–	13,413	13,413
	$ 16,528	$ 77,977	$ 2,234	$ 31,565	$ 128,304

3. Accounts receivable:

	2024	2023
Operating Fund:		
Tuition fees, net of an allowance for doubtful accounts [(i)]	$ 7,342	$ 6,974
Services, advances and other	11,802	7,471
Accounts receivable and advances to a wholly-owned subsidiary of a controlled entity	2,523	2,809
Net investment sales receivable	277	948
	$ 21,944	$ 18,202

[(i)] As at April 30, 2024, the gross carrying amount of tuition fees receivable totals $12,794 (2023 - $12,308). These tuition fees receivable are presented in the financial statements net of an allowance for doubtful accounts of $5,452 (2023 - $5,334).

(In thousands of dollars)

4. Amount receivable from the MES:

The amount receivable from the MES represents capital grants approved by the MES that are funded through long-term debt issuance to the University or not yet funded. It is anticipated that only a portion will be collected in the upcoming fiscal year. This amount represents forgiveness of the capital portion of the long-term debt serviced by the Government of Québec. All other capital amounts due are presented as long-term receivable.

5. Investments:

		2024		2023
	Fair value	Cost	Fair Value	Cost
Equities	$ 22,456	$ 18,375	$ 19,077	$ 16,886
Bonds	9,159	9,790	7,200	7,667
Investment funds	330,561	280,402	338,281	309,339
Cash held at Institutions	39,842	39,763	–	–
Fair value of life insurance policies	3,083	3,083	3,083	3,083
	$ 405,101	$ 351,413	$ 367,641	$ 336,975

Life insurance represents the greater of either the fair market value of insurance policies at acquisition or the current cash surrender value of insurance policies held.

As at April 30, 2024, the weighted average interest rate of the bonds is 3.00% (2023 - 2.85%) and the weighted average duration is 4.36 years (2023 - 3.94 years).

Income earned on investments in the year was as follows:

	2024	2023
Investment income:		
Dividends	$ 2,647	$ 2,862
Interest	4,615	2,200
Partnership income	1,409	2,064
Pooled fund income	754	463
	9,425	7,589
Realized gains (losses)	(3,086)	1,987
Unrealized gains	23,247	2,782
Other	(53)	(5)
Income	$ 29,533	$ 12,353

(In thousands of dollars)

5. Investments (continued):

Based on the University's revenue recognition method, investment income was recognized in the consolidated financial statements as follows:

	2024	2023
Investment gain (loss) on endowments	$ 8,216	$ (633)
Recognized as investment income	18,581	8,853
Net change in deferred contributions	2,736	4,133
	$ 29,533	$ 12,353

6. Tangible capital assets:

2024	Cost	Accumulated amortization	Net book value
Land	$ 78,050	$ –	$ 78,050
Land improvements	5,727	2,489	3,238
Buildings, building alterations and leasehold improvements	1,221,472	433,912	787,560
Furniture and equipment	106,853	55,346	51,507
Library collection	49,868	24,483	25,385
Art collections	4,185	–	4,185
	$ 1,466,155	$ 516,230	$ 949,925

2023	Cost	Accumulated amortization	Net book value
Land	$ 77,991	$ –	$ 77,991
Land improvements	5,727	2,237	3,490
Buildings, building alterations and leasehold improvements	1,181,750	404,488	777,262
Furniture and equipment	110,600	56,841	53,759
Library collection	53,347	28,546	24,801
Art collections	4,185	–	4,185
	$ 1,433,600	$ 492,112	$ 941,488

(In thousands of dollars)

6. Tangible capital assets (continued):

During the year, the University has written off fully amortized tangible capital assets totalling $24,136 (2023 - $13,231).

7. Intangible capital assets:

			2024
	Cost	Accumulated amortization	Net book value
Information technology - development in progress	$ 1,457	$ –	$ 1,457
Information technology	96,933	46,642	50,291
	$ 98,390	$ 46,642	$ 51,748

			2023
	Cost	Accumulated amortization	Net book value
Information technology - development in progress	$ 5,979	$ –	$ 5,979
Information technology	91,800	37,102	54,698
	$ 97,779	$ 37,102	$ 60,677

8. Bank loans:

The University has an unsecured on-demand revolving credit facility of $475,000. This credit facility can be drawn at prime rate, bankers' acceptances or Secured Overnight Financing Rate ("SOFR") loans. As at April 30, 2024, the University had a total of $172,925 (2023 - $162,352) bearing interest between 5.22% and 7.20% (2023 - between 4.91% and 6.70%). The weighted average rate on all credit line financing was 5.24% (2023 - 4.96%).

(In thousands of dollars)

8. Bank loans (continued):

- In accordance with the MES periodic review, in June 2024, the University received authorization to use credit lines up to $587,019, which includes $142,019 of a credit line serviced by the MES with Financement-Québec to finance capital expenses funded in the Plan quinquennal des investissements universitaires. As at April 30, 2024, the total use of the Financement-Québec credit line amounted to $43,864.
- In May 2024, the University issued an amendment to the irrevocable letter of credit to the U.S. Department of Education to decrease it to USD $712 (CAD $979) (2023 - USD $706 (CAD $757)). The irrevocable letter of credit bears a term of 13 months, ending on June 30, 2025. The amount represents 50% of the Title IV, Higher Education Act Program funds received by the University under the U.S. Federal Student Aid Program.

9. Deferred contributions:

The deferred contributions represent unused resources that are allocated to specific purposes imposed by the outside donor or party.

	Research	Designated	Capital	2024 Total	2023 Total
Balance, beginning of year	$ 133,830	$ 81,120	$ 485,711	$ 700,661	$ 293,071
Capital grant funding adjustment	–	–	–	–	346,890
Revised balance, beginning of year	133,830	81,120	485,711	700,661	639,961
Amount received in the current year	88,822	32,401	55,689	176,912	181,913
Amount recognized in operations	(62,215)	(30,946)	(37,239)	(130,400)	(121,213)
End of year balance, current deferred contributions	160,437	–	25,446	185,883	159,205
End of year balance, long-term deferred contribution	$ –	$ 82,575	$ 478,715	$ 561,290	$ 541,456

(In thousands of dollars)

10. Long-term debt:

	2024	2023
Capital Asset Fund:		
Serviced by the University:		
Loans, bearing interest at Canadian Dollar Offered Rate ("CDOR"), payable in monthly varying instalments, maturing between April 2025 and April 2038 [i]	$ 81,388	$ 95,287
6.550% (effective interest rate of 6.970%) $200,000 Series A Senior Unsecured Debentures, due September 2, 2042, issued by the University and subject to a trust indenture, which contains certain covenants placing restrictions on the University with respect to the giving of security, disposition of assets and other matters	191,437	191,212
3.678% $50,000 Series B Senior Unsecured Debentures, due February 10, 2059, issued by the University and subject to a trust indenture, which contains certain covenants placing restrictions on the University with respect to the giving of security, disposition of assets and other matters	50,000	50,000
3.626% $25,000 Series C Senior Unsecured sustainable Debentures, due February 10, 2039, issued by the University and subject to a trust indenture, which contains certain covenants placing restrictions on the University with respect to the giving of security, disposition of assets and other matters	25,000	25,000
Serviced by the Government of Québec:		
Financement-Québec loans bearing interest at rates ranging between 0.791% and 4.955%, maturing between October 2024 and February 2044	373,092	370,573
	720,917	732,072
Current portion of the long-term debt	49,684	50,221
Long-term debt	$ 671,233	$ 681,851

(In thousands of dollars)

10. Long-term debt (continued):

(i) The University has entered into several long-term interest rate swap loan agreements to manage its interest rate risk. These transactions are effective at fixed rates ranging between 1.210% and 3.959%, with an underlying CDOR of 5.288% (2023 - 4.958%). The combined notional amount of outstanding swap agreements at April 30, 2024 is $81,388 (2023 - $95,287). The combined fair value of assets of the agreements calculated according to information obtained from the financial institution is $6,026 (2023 - $4,320) and are recorded as prepaid expenses and other assets.

The MES makes two types of grants to universities: operating grants and capital grants. Capital grants are authorized under the five-year university capital investment plan and are funded by the Government of Québec out of public borrowing in the University's name (a process known as grant bonds). As a result, the long-term debt listed above is managed, administered and serviced by the Government of Québec.

In accordance with its charter and the government decrees adopted pursuant to its charter (the last such decree 1057-2018 was adopted on August 7, 2018), the University may have an outstanding aggregate principal amount of debentures and debt securities, which may not exceed $1,000,000 at any time, excluding amounts borrowed by way of loan or promissory note.

The proceeds from the Series A, Series B and Series C Senior Unsecured Debentures were used primarily to finance the University's capital projects in the last several years. These offerings were separate and distinct from the existing "grant bonds" process, which have been used by the Government of Québec to finance capital spending in the education system, in which grant bonds are managed, administered and serviced by the Government of Québec. The debentures are direct obligations of the University.

Repayments of principal over the next years are scheduled as follows:

	Serviced by the University	Serviced by the Government of Québec	Total
2025	$ 13,613	$ 36,071	$ 49,684
2026	8,877	41,644	50,521
2027	7,554	60,124	67,678
2028	7,598	36,258	43,856
2029	7,640	23,332	30,972
Thereafter	302,544	175,662	478,206
	$ 347,826	$ 373,091	$ 720,917

(In thousands of dollars)

10. Long-term debt (continued):

The University has created a sinking fund in its internally restricted funds to support the repayment of this long-term debt. See Note 20 for further details on the University's capital asset management and financing policy.

Interest on long-term debt:

	2024	2023
Serviced by the Government of Québec	$ 10,546	$ 9,497
Serviced by the University	18,634	18,686
Changes in fair value of the derivative financial instrument	(1,707)	(378)
	$ 27,473	$ 27,805

11. Employee future benefits:

The University measures its accrued benefit obligations and the fair value of plan assets for accounting purposes as at April 30th of each year. Additionally, the financial status of the funded defined benefit pension plan is also measured through actuarial valuations for funding purposes at least once every three years. These financial statements were prepared using assumptions from actuarial valuations performed as at December 31, 2022, April 30, 2023, January 1, 2024 or April 30, 2024 depending on the program.

(In thousands of dollars)

11. Employee future benefits (continued):

The employee future benefit liability is as follows:

				2024
	Registered Pension Plan	Other retirement-related benefit plans	Post-retirement and post-employment benefits	Total
Balance, beginning of year	$ –	$ 39,652	$ 124,009	$ 163,661
Expense	35,699	3,895	14,767	54,361
Funding contributions	(37,775)	(3,618)	(9,630)	(51,023)
Remeasurements and other items (i)	2,076	820	(13,971)	(11,075)
Net employee future benefit liability, end of year	$ –	$ 40,749	$ 115,175	$ 155,924

(i) A reduction in the valuation allowance of $96,296 is included in the remeasurements and other items of the Registered Pension Plan for the year ended April 30, 2024. In addition, $8,417 of interest is added to the valuation, for a net reduction of $87,879.

(In thousands of dollars)

11. Employee future benefits (continued):

	Registered Pension Plan	Other retirement-related benefit plans	Post-retirement and post-employment benefits	Total
				2023
Balance, beginning of year	$ –	$ 35,444	$ 103,153	$ 138,597
Change in accounting policy	–	3,149	24,683	27,832
Revised balance, beginning of year	–	38,593	127,836	166,429
Expense	32,169	3,736	15,095	51,000
Funding contributions	(34,945)	(4,802)	(8,022)	(47,769)
Remeasurements and other items (i)	2,776	2,125	(10,900)	(5,999)
Net employee future benefit liability, end of year	$ –	$ 39,652	$ 124,009	$ 163,661

(ii) A reduction in the valuation allowance of $18,446 is included in the remeasurements and other items of the Registered Pension Plan for the year ended April 30, 2023. In addition, $8,975 of interest is added to the valuation, for a net reduction of $9,471.

(In thousands of dollars)

11. Employee future benefits (continued):

(a) Reconciliation of the funded status of the benefit plans to the amounts recorded in the consolidated financial statements:

				2024
	Registered Pension Plan	Other retirement-related benefit plans	Post-retirement and post-employment benefits	Total
Defined benefit obligations	$ 1,467,720	$ 40,749	$ 121,704	$ 1,630,173
Fair value of plan assets	1,522,484	–	6,529	1,529,013
Surplus (deficit)	54,764	(40,749)	(115,175)	(101,160)
Valuation allowance (iii)	(54,764)	–	–	(54,764)
Net employee future benefit liability, end of year	$ –	$ (40,749)	$ (115,175)	$ (155,924)

(iii) Since the Registered Pension Plan's funding policy states that in no event can the University take contribution holidays, the expected future benefit that the University can expect to realize from the plan assets is nil and therefore, a valuation allowance of $54,764 (2023 - $142,643) was applied against the surplus as at April 30, 2024.

(In thousands of dollars)

11. Employee future benefits (continued):

(a) Reconciliation of the funded status of the benefit plans to the amounts recorded in the consolidated financial statements (continued):

				2023
	Registered Pension Plan	Other retirement-related benefit plans	Post-retirement and post-employment benefits	Total
Defined benefit obligations	$ 1,339,267	$ 39,652	$ 129,802	$ 1,508,721
Fair value of plan assets	1,481,910	–	5,793	1,487,703
Surplus (deficit)	142,643	(39,652)	(124,009)	(21,018)
Valuation allowance (iii)	(142,643)	–	–	(142,643)
Net employee future benefit liability, end of year	$ –	$ (39,652)	$ (124,009)	$ (163,661)

(b) Significant assumptions:

The significant assumptions used are as follows:

			2024
	Registered Pension Plan	Other retirement-related benefit plans	Post-retirement and post-employment benefits
Accrued benefit obligations:			
Discount rate	5.90%	5.15%	5.19%
Rate of compensation increase	2.50%	2.50%	2.50%
Benefits costs:			
Discount rate	5.90%	4.75%	4.69%
Rate of compensation increase	2.50%	2.50%	2.50%

(In thousands of dollars)

11. Employee future benefits (continued):

(b) Significant assumptions (continued):

			2023
	Registered Pension Plan	Other retirement-related benefit plans	Post-retirement and post-employment benefits
Accrued benefit obligations:			
Discount rate	5.90%	4.90%	4.69%
Rate of compensation increase	2.50%	2.50%	2.50%
Benefits costs:			
Discount rate	5.90%	4.90%	4.58%
Rate of compensation increase	2.50%	2.50%	2.50%

Assumed health care cost trend rates are based on the following:

	2024	2023
Initial health care cost trend rate	5.35%	5.50%
Cost trend rate declines to	4.00%	4.00%
Year when the rate reaches the level at which it is assumed to remain	2038	2038

(c) Benefits paid:

Benefits paid by the Pension Plan for the Employees of Concordia University were $71,996 (2023 - $60,369), benefits paid by the other retirement-related benefit plans totaled $3,617 (2023 - $4,802), and post-retirement and post-employment benefits paid amounted to $7,616 (2023 - $7,063).

(In thousands of dollars)

12. Internally restricted fund balances:

		2024		2023
Academic-related:				
Institutional projects	$	56,431	$	41,078
Services to students and the community		22,406		18,052
Employee and faculty development		4,130		3,486
		82,967		62,616
Research-related:				
Internally funded projects		23,537		23,660
Infrastructure for research units		6,239		5,865
		29,776		29,525
Capital and technology projects		736		817
Total - Operating Fund		113,479		92,958
Capital Asset Fund - sinking fund for the long-term debt repayment (note 20)		95,383		87,537
	$	208,862	$	180,495

13. Endowments:

Endowment funds are composed of restricted donations received by the University. Donations that have been internally designated as endowments are accounted for as transfers to the endowment funds. Investment returns generated from endowments are used in accordance with the various purposes established by the donors at the discretion of the University. The University protects the future purchasing power of its endowments by designating a portion of the annual investment income earned to endowments, known as capital protection. Accordingly, the University has established a policy of setting the amount of income available for spending to 3.5% annually. The purpose of this policy is to allow the University to distribute a consistent amount of income from endowment on an annual basis regardless of the investment income earned in the fiscal year.

(In thousands of dollars)

13. Endowments (continued):

Activities in the endowments were as follows:

	2024	2023
Balance, beginning of year	$ 142,530	$ 139,068
Endowment contributions received	7,322	3,818
Investment income	13,371	4,337
Investment income distributed for spending	(5,155)	(4,969)
Transfers from other funds	555	276
	16,093	3,462
Balance, end of year	$ 158,623	$ 142,530

14. Grants:

					2024
	Operating	Research	Designated	Capital	Total
Government of Québec	$ 339,056	$ 8,184	$ 8,245	$ 42,989	$ 398,474
Government of Canada	5,107	42,765	648	3,767	52,287
Non-governmental grants	277	10,605	537	372	11,791
	$ 344,440	$ 61,554	$ 9,430	$ 47,128	$ 462,552

					2023
	Operating	Research	Designated	Capital	Total
Government of Québec	$ 314,224	$ 5,701	$ 10,281	$ 43,478	$ 373,684
Government of Canada	5,215	39,957	898	2,137	48,207
Non-governmental grants	692	9,330	326	299	10,647
	$ 320,131	$ 54,988	$ 11,505	$ 45,914	$ 432,538

(In thousands of dollars)

15. Ancillary services and rental properties:

			2024
	Revenues	Expenses	Excess
Retail stores	$ 245	$ 8	$ 237
Residences	9,467	4,839	4,628
Parking	2,342	790	1,552
Food and conference services	1,035	926	109
Other services	872	492	380
Rental properties	5,092	3,811	1,281
	$ 19,053	$ 10,866	$ 8,187

			2023
	Revenues	Expenses	Excess (deficiency)
Retail stores	$ 332	$ 89	$ 243
Residences	7,935	3,904	4,031
Parking	1,941	517	1,424
Food and conference services	445	2,621	(2,176)
Other services	965	836	129
Rental properties	4,879	3,884	995
	$ 16,497	$ 11,851	$ 4,646

16. Expenses:

	2024	2023
Academic activities and support:		
Academic	$ 306,679	$ 298,053
Library	15,818	15,151
Instructional and information technology services	27,374	23,289
	349,871	336,493
Institutional services and support:		
Administration	84,770	89,421
Facilities and operation services	43,484	47,880
Rented facilities	5,431	5,226
	133,685	142,527

(In thousands of dollars)

17. Interfund transfers:

The University manages its cash centrally in the Operating Fund. Receipts and disbursements of other funds are recorded as amounts due to or from the Operating Fund. The balances are non-interest-bearing and have no fixed terms of repayment.

2024	Operating Fund	Research Fund	Designated Fund	Capital Asset Fund
Contributions towards the following:				
Major renovation or construction projects	$ (5,545)	$ –	$ (455)	$ 6,000
Interest on capital debt	(17,431)	–	–	17,431
Equipment	(18,513)	–	–	18,513
Specific university projects	1,172	–	(1,172)	–
	$ (40,317)	$ –	$ (1,627)	$ 41,944

2023	Operating Fund	Research Fund	Designated Fund	Capital Asset Fund
Contributions towards the following:				
Major renovation or construction projects	$ (4,558)	$ –	$ (230)	$ 4,788
Interest on capital debt	(17,388)	–	–	17,388
Equipment	(10,991)	140	–	10,851
Specific university projects	3,309	–	(3,309)	–
	$ (29,628)	$ 140	$ (3,539)	$ 33,027

18. Related party transactions:

(a) eConcordia.com:

The University exercises significant influence over eConcordia.com, a registered charity under the *Income Tax Act*. eConcordia.com has a wholly-owned subsidiary, KnowledgeOne Inc., that provides courses for the advancement of learning on electronic or other new media. There are no significant differences in accounting policies between eConcordia.com, KnowledgeOne Inc. and the University.

The University incurred service fees from KnowledgeOne Inc. for the delivery of courses to students of the University. The expense (net of rebates) amounted to approximately $11,331 (2023 - $12,380). The University invoiced operating costs and management fees amounting to approximately $68 (2023 - $50). The University has accounts receivable and non-interest-bearing advances totalling $2,523 (2023 - $2,809).

(b) Controlled entities:

(i) Fondation universitaire de l’Université Concordia:

The University exercises control over the Fondation universitaire de l’Université Concordia (hereafter the "Fondation"). By law, the Fondation’s resources must be used exclusively to promote and financially support the teaching and research activities of the University. The Fondation was created by Order-in-Council 834-97, dated June 25, 1997, of the provincial government, in accordance with the *Loi sur les fondations universitaires*. As a mandatory of the Crown, it is recognized as a charitable organization under both the *Income Tax Act* (Canada) and the *Taxation Act* (Québec). On March 20, 2024 the Fondation has been dissolved and closed.

(ii) Concordia University Press:

The Concordia University Press is incorporated under the *Canada Not-for-profit Corporations Act* for the purposes of publishing scholarly books that cross disciplinary boundaries and propel scholarly inquiries into new areas and wishes to assist the University by publishing scholarly works in order to disseminate knowledge and educate. The University exercises control over Concordia University Press by virtue of the fact that the majority of its board members hold senior management positions at the University.

(iii) Galilei Innovations Inc.:

Galilei Innovations Inc. is a wholly-owned subsidiary of Concordia University and is incorporated under the *Business Corporations Act* of Québec. As at April 30, 2024, the corporation remained inactive.

(In thousands of dollars)

18. Related party transactions (continued):

(b) Controlled entities (continued):

(iv) Innovations Galilei 2:

The University exercises control over Innovations Galilei 2, which is incorporated under Part II of the *Canada Business Corporations Act*. The purpose of the entity is to provide consulting and other services to new businesses and entrepreneurs.

(v) The Kenneth Woods Portfolio Management Foundation:

The Kenneth Woods Portfolio Management Foundation is incorporated under Part II of the *Canada Business Corporations Act* as a not-for-profit organization and is a registered charity under the *Income Tax Act*. It provides financial support, investment resources, assistance and training for students at Concordia University in the Kenneth Woods Portfolio Management Program and the Calvin Patter Fellowship Program. The University exercises control over the Kenneth Woods Portfolio Management Foundation by virtue of the fact that the majority of its board members hold senior management positions at the University.

The University's related party transactions were concluded in the normal course of operations and are measured at the exchange amount, which is the amount established and accepted by the parties.

The following table presents condensed financial information of its controlled entities:

	2024	2023
	Total	Total
Statement of earnings:		
Revenues	$ 2,837	$ 2,086
Expenses	1,710	1,321
Surplus over expenses	1,127	765
Statement of financial position:		
Total assets	6,611	5,842
Total liabilities	686	1,054
Surplus	5,925	4,788
Statement of cash flows:		
Operating activities	686	1,027
Investing activities	(1,477)	343
Financing activities	64	357

19. Financial risks:

The University is subject to the following financial risks from its financial instruments:

(a) Credit risk:

Credit risk relates to the potential that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss.

The University is exposed to credit risk from its debtors. A significant portion of the University's receivables are due from governments, which are believed to be at low risk of default. The University considers tuition fees receivable as a financial asset with greater credit risk exposure and considers the concentration of the remaining risks to be minimal considering the large base of counterparties. See Note 3 for details on the gross carrying amount of tuition receivables and the allowance for doubtful accounts that addresses this risk.

The University is also exposed to credit risk from investments in corporate bonds, since failure of any of these parties to fulfill their obligations could result in significant financial losses for the University. The risk is mitigated by adhering to the investment policy targets as described in the investment policy. In addition, monitoring by investment managers is done on a regular basis. Currently, the allocation to corporate bonds in the University's portfolio is low. Additionally, some investment funds indirectly expose the University to credit risk.

(b) Market risk:

Market risk refers to the risk that the fair value of future cash flows of a financial instrument will fluctuate. Market risk comprises three types of risk: currency risk, interest rate risk and price risk.

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

(i) Interest rate risk:

Interest rate risk refers to the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in interest rates.

The University is exposed to interest rate risk as a result of short-term floating rate bank indebtedness and the variable interest rate on the long-term debt serviced by the University. The long-term debt serviced by the Government of Québec does not bear any interest rate risk since the debt service is financed by the Government of Québec.

The University's other financial instruments do not comprise any interest rate risk since they do not bear interest.

19. Financial risks (continued):

(b) Market risk (continued):

(i) Interest rate risk (continued):

The University manages the interest rate risk on short-term bank indebtedness by locking in to fixed rates as described in Note 8. Interest rate risk on long-term debt serviced by the University has been mitigated by entering into an interest rate swap agreement as described in Note 10.

(ii) Currency risk:

Currency risk refers to the risk that the fair value or future cash flows of a financial instrument will fluctuate due to foreign currency exposure.

The University is exposed to currency risk due to cash and cash equivalents and investments denominated in U.S. dollars. As at April 30, 2024, financial assets in foreign currency represent cash and cash equivalents of $940 (2023 - $6,530) and investments totalling $103,902 (2023 - $80,266). The University is also exposed to currency risk from a $171,461 (2023 - $141,603) bank loan denominated in U.S. dollars. The risk associated with this foreign currency bank loan is mitigated by a cross-currency interest rate swap agreement as described in Note 8.

(iii) Other price risk:

Price risk refers to the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk and currency risk).

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

(c) Liquidity risk:

The University’s liquidity risk represents the risk that the University could encounter difficulty in meeting obligations associated with its financial liabilities. The University is exposed to this risk mainly in respect of bank loans, completion of the work funded via deferred contributions, and long-term debts it services. The University manages its liquidity risk by monitoring its operations. The University prepares budgets and cash forecasts approved by the MES to ensure it has sufficient funds to fulfill its obligations. The University’s liquidity risk has been impacted in the past 2 years by the effect of deficiencies of revenues over expenses. This risk is mitigated by continuous support from the MES, and available line of credit of $302,000 from its lenders and investments strategies.

19. Financial risks (continued):

(c) Liquidity risk (continued):

Management believes that these financial risks are appropriately mitigated and do not pose significant risk to the University's operations in the future. There have been no significant changes in the policies, procedures, and methods used to manage these risks in the year.

20. Capital Assets Management and Financing Policy:

The Operating Fund has a $316,520 commitment (2023 - $330,530) towards the Capital Asset Fund to finance the capital assets with a useful life greater than 15 years; as well as an internal commitment of $379,441 (2023 - $177,803) towards capital assets with a useful life of less than 15 years. Additionally, the Operating Fund has a commitment of $187,028 (2023 - $148,340) towards the repayment of the University's accumulated operating deficit. All of this is net of the balance held in the sinking funds as of April 30, 2024. Therefore, internal commitments go into separate sinking funds at the University.

The sinking fund related to capital assets with a useful life greater than 15 years is dedicated to the repayment of certain debts of the University, namely, the $275,000 Series A, Series B and Series C Senior Unsecured Debentures in September 2042 (Series A), February 2059 (Series B) and February 2039 (Series C), as described in Note 10. The fund is comprised of an initial gift of $3.4 million transferred in May 2010. In addition, $22.6 million in unrestricted donations were transferred to this fund when it was first created. In 2024, an amount of $1,500 (2023 - $1,500) was transferred to this fund. As at April 30, 2024, the fund balance is $95,383 (2023 - $87,537). All these amounts combined with future payments on existing pledges and annual contributions will be invested to generate the required funds to meet the University's future debt obligations by 2039, 2042 and 2059.

The University's capital investments are governed by its Capital Assets Management, Funding and Financing Policy. They are determined through the University's Capital Budget Process, which is approved by its Board of Governors and is an integrated process with the University operating and cash budgets. The capital budget along with the University's financing program are integrated through asset allocation, funding and financing sub-policies.

The Funding Policy is composed of 18 indicators that measure the overall health of the University's financial position. Two of the most important ratios are the debt burden and debt/FTE indicators. These support in determining the affordability of the University's capital investment needs and, as a result, its capital budget.

(In thousands of dollars)

20. Capital Assets Management and Financing Policy (continued):

The debt burden ratio is segregated into two components:

- The overall interest cost of the University, where its affordability is determined to be no more than 5% of total revenues.
- The University's overall capital repayment contributions (including those for the Pension Plan) towards the repayment of its financial debt. For the capital repayment contribution portion, the University does not set a ceiling, but will rather seek to contribute as much as possible in order to create fiscal capacity towards its future capital investment needs.

The debt/FTE ratio is comprised of two components: the active component, the affordability of which the University has determined to be no more than $12,000 of total debt (only the portion for which the University is responsible for the servicing; therefore, it excludes all government subsisted debt and net of established accumulated sinking funds per one full-time equivalent registered student ("FTE")), and the strategic component, the affordability of which the University has determined to be no more than $3,000 of total debt.

The active component consists of property investments that include properties held for development, redevelopment, and renovation or deferred maintenance.

The strategic component consists of property investments that include properties held for the potential development of the University and for which the University seeks to retain financial agility for when opportunities arise.

The results of the ratios are as follows:

	2024	2023
Active debt-to-FTE	$ 5,874	$ 6,603
Strategic debt-to-FTE	2,469	2,507
Debt burden - overall interest	3.9%	3.5%
Debt burden - overall capital repayment	2.9%	1.0%

21. Commitments:

(a) Operational commitments:

As part of its operations, the University has entered into various long-term agreements. The most significant agreements have led to the following contractual obligations:

- An amount of $18,063 for the construction, renovations and land improvement agreements to be completed during fiscal years 2025 and 2026.
- As at April 30, 2024, the University has lease commitments totalling $112,711 maturing through to April 30, 2039. Future minimum lease payments for the next five years are $5,881 in 2025, $6,189 in 2026, $6,379 in 2027, $6,706 in 2028 and $5,953 in 2029.

(b) Investment commitments:

The University has committed to making investments that will be funded in future years in accordance with the terms and conditions agreed in the agreements. As at April 30, 2024, the University has committed $28,312 to private equity investments. The financing of the commitments can be requested at various dates until 2030.

22. Contingencies:

As with other large institutions of a similar nature, the University is party to various legal proceedings, including claims such as grievances arising under its collective agreements, claims instituted by building contractors for additional payments, claims for damages, other claims which may present themselves from time to time under the laws regulating employment matters, and various other claims instituted by students, former students, employees, former employees and co-contracting parties.

While it is not possible at this time to definitively assess the outcome of these claims, the University has serious grounds to defend these claims and it is confident that they will be resolved without material effect on the University's financial position. The University has, however, accrued an amount that it currently deems sufficient to cover any potential losses arising from these claims.

22. Contingencies (continued):

Additionally, there are two other claims pending against Concordia which are outside of the ordinary course of claims typically encountered by the University. While the University is currently confident with its arguments and its various legal positions regarding these claims, each of them are at a very preliminary stage, with preliminary motions still to be filed and heard by the Court and, as a result, at this time: (i) the outcomes of these claims are not determinable; and (ii) estimates of the quantum of any possible condemnations are also not determinable. In light of the foregoing, the University has not yet accrued any amounts to cover any potential losses that could result from these claims but, will subsequently accrue such amounts if, and when, appropriate.

23. Pledges receivable:

Pledges receivable from donors are not recorded in the consolidated statement of operations and changes in fund balances for the restricted funds. Pledges receivable amounted to $45,109 as at April 30, 2024 (2023 - $56,902).

These pledges will be recognized in the financial statements when collected.

24. Comparative information:

Certain comparative information has been reclassified to conform with the financial statement presentation adopted for the current year.