Concordia University

Financial Statements
April 30, 2015

Independent Auditor's Report

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To the Members of the Board of Directors of
Concordia University

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

Management's responsibility for the financial statements

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

Auditor's responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Concordia University as at April 30, 2015 and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Raymond Chabot Grant Thornton LLP[1]

Montréal
September 16, 2015

[1] CPA auditor, CA public accountancy permit no. A117472

Concordia University
Financial Position
April 30, 2015
(In thousands of dollars)

	Total Funds 2015	Total Funds 2014	Operating Fund 2015	Operating Fund 2014	Restricted Funds – Research Fund 2015	Research Fund 2014	Designated Fund 2015	Designated Fund 2014	Capital Asset Fund 2015	Capital Asset Fund 2014
	$	$	$	$	$	$	$	$	$	$
ASSETS										
Current										
Cash	**2,210**		**2,210**							
Marketable securities	**29**	32	**26**	30			**3**	2		
Subsidies receivable (Note 5)	**50,428**	59,012	**42,766**	52,837	**1,882**	871	**33**	19	**5,747**	5,285
Accounts receivable (Note 6)	**18,027**	13,166	**15,118**	11,163	**2,888**	1,934	**21**	27		42
Inventories (Note 7)	**2,708**	3,121	**2,708**	3,121						
Other assets and prepaid expenses (Note 8)	**5,247**	3,263	**5,211**	3,233					**36**	30
Due from Concordia University Foundation, without interest	**2,974**	2,613	**2,974**	2,613						
	81,623	81,207	**71,013**	72,997	**4,770**	2,805	**57**	48	**5,783**	5,357
Long-term										
Amount receivable from the MEESR (Note 9)	**124,445**	138,351							**124,445**	138,351
Other assets and prepaid expenses	**3,225**	2,686	**3,225**	2,686						
Due from Capital Asset Fund, without interest			**128,126**	112,934						
Due from Operating Fund, without interest					**19,228**	21,552	**25,058**	20,913		
Tangible capital assets (Note 10)	**782,183**	770,302							**782,183**	770,302
Intangible capital assets (Note 11)	**29,064**	20,087							**29,064**	20,087
	1,020,540	1,012,633	**202,364**	188,617	**23,998**	24,357	**25,115**	20,961	**941,475**	934,097
LIABILITIES										
Current										
Bank overdraft		576		576						
Bank loans (Note 12)	**65,800**	42,900	**65,800**	42,900						
Trade payables and other operating liabilities	**55,605**	60,395	**55,605**	60,395						
Amount payable to the MEESR	**7,549**	2,779	**7,549**	2,779						
Agency and fiduciary accounts	**4,980**	6,142	**4,980**	6,142						
Unearned revenue	**13,761**	14,861	**13,760**	14,859			**1**	2		
Deferred contributions (Note 13)	**23,998**	24,357			**23,998**	24,357				
Liability on market value of a financial instrument (Note 14 (ii))	**319**								**319**	
Interest payable on long-term debt	**5,978**	5,777							**5,978**	5,777
Current portion of long-term debt (Note 14)	**86,869**	59,730	**16,777**	667					**70,092**	59,063
	264,859	217,517	**164,471**	128,318	**23,998**	24,357	**1**	2	**76,389**	64,840
Long-term										
Employee future benefit liability (Notes 2 and 20)	**170,505**	220,664	**170,505**	220,664						
Deferred contributions (Note 13)	**98,860**	88,610					**24,163**	19,729	**74,697**	68,881
Due to restricted Funds, without interest			**44,286**	42,465						
Due to Operating Fund, without interest									**128,126**	112,934
Long-term debt (Note 14)	**490,386**	520,332		16,777					**490,386**	503,555
	1,024,610	1,047,123	**379,262**	408,224	**23,998**	24,357	**24,164**	19,731	**769,598**	750,210
FUND BALANCES (NEGATIVE)										
Unrestricted deficit (Note 2)	**(239,408)**	(283,148)	**(239,408)**	(283,148)						
Internally restricted (Note 16)	**62,510**	63,541	**62,510**	63,541						
Externally restricted	**951**	1,230					**951**	1,230		
Invested in capital assets	**171,877**	183,887							**171,877**	183,887
	(4,070)	(34,490)	**(176,898)**	(219,607)	**–**	–	**951**	1,230	**171,877**	183,887
	1,020,540	1,012,633	**202,364**	188,617	**23,998**	24,357	**25,115**	20,961	**941,475**	934,097

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

On behalf of the Board,

original signed by Norman Hébert
Governor

original signed by Alan Shepard
Governor

Concordia University
Operations
Year ended April 30, 2015
(In thousands of dollars)

					Restricted Funds					
	Total Funds		Operating Fund		Research Fund		Designated Fund		Capital Asset Fund	
	2015	2014	**2015**	2014	**2015**	2014	**2015**	2014	**2015**	2014
	$	$	**$**	$	**$**	$	**$**	$	**$**	$
Revenue										
Tuition fees	**117,047**	111,667	**117,047**	111,667						
Subsidies										
Government of Quebec	**264,729**	295,623	**237,867**	251,464	**6,144**	4,564	**360**	473	**20,358**	39,122
Government of Canada	**31,349**	32,639	**4,538**	4,396	**22,508**	23,446	**802**	1,060	**3,501**	3,737
Grants from other sources	**8,177**	6,163			**7,139**	5,395	**446**	486	**592**	282
Miscellaneous fees and other income	**38,062**	37,949	**35,949**	36,253	**10**		**1,626**	1,340	**477**	356
Services to the community	**6,525**	8,255	**6,525**	8,255						
Student services	**16,071**	15,940	**16,071**	15,940						
Ancillary services (Note 17)	**19,342**	17,979	**19,342**	17,979						
Rental of properties	**5,936**	6,006	**5,936**	6,006						
Donations	**7,963**	7,856			**413**	222	**6,075**	7,098	**1,475**	536
Concordia University Foundation	**7,974**	10,704	**3,782**	2,247			**3,825**	8,052	**367**	405
	523,175	550,781	**447,057**	454,207	**36,214**	33,627	**13,134**	18,509	**26,770**	44,438
Expenses										
Academic services (Note 18)	**239,309**	228,443	**239,309**	228,443						
Administrative services (Note 18)	**86,696**	86,552	**86,696**	86,552						
Research	**56,599**	52,204	**20,385**	18,577	**36,214**	33,627				
Services to the community	**9,686**	9,062	**9,686**	9,062						
Student services	**16,601**	15,316	**16,601**	15,316						
Ancillary services (Note 17)	**14,616**	15,018	**14,616**	15,018						
Rental of properties	**3,076**	3,125	**3,076**	3,125						
Specified gift to Concordia University Foundation	**3,490**	8,159	**325**	325			**3,053**	7,834	**112**	
Pension plans (Note 2)	**45,857**	40,512	**45,857**	40,512						
Expensed capital assets	**442**	3,668							**442**	3,668
Change in fair value of a financial instrument (Note 14 (ii))	**319**								**319**	
Interest on bank loans	**810**	934	**386**	398					**424**	536
Interest on long-term debt	**12,072**	12,090	**311**	369					**11,761**	11,721
Bond and brokerage fees	**13,180**	13,218	**74**	71					**13,106**	13,147
Amortization of tangible capital assets	**38,925**	37,884							**38,925**	37,884
Amortization of intangible capital assets	**3,158**	257							**3,158**	257
Endowed and restricted projects	**10,196**	10,694					**10,196**	10,694		
	555,032	537,136	**437,322**	417,768	**36,214**	33,627	**13,249**	18,528	**68,247**	67,213
Excess (deficiency) of revenue over expenses	**(31,857)**	13,645	**9,735**	36,439	**–**	–	**(115)**	(19)	**(41,477)**	(22,775)

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

Concordia University
Changes in Fund Balances
Year ended April 30, 2015
(In thousands of dollars)

	Total Funds		Operating Fund		Restricted Funds					
					Research Fund		Designated Fund		Capital Asset Fund	
	2015	2014	**2015**	2014	**2015**	2014	**2015**	2014	**2015**	2014
	$	$	**$**	$	**$**	$	**$**	$	**$**	$
Fund balances (negative), beginning of year										
Fund balances (negative), as previously reported	**15,044**	33,788	**(170,073)**	(130,410)			**1,230**	1,453	**183,887**	162,745
Change in accounting policy (Note 2)	**(49,534)**	(69,534)	**(49,534)**	(69,534)						
Fund balances (negative), beginning of year, as restated	**(34,490)**	(35,746)	**(219,607)**	(199,944)	**–**	–	**1,230**	1,453	**183,887**	162,745
Excess (deficiency) of revenue over expenses (Note 2)	**(31,857)**	13,645	**9,735**	36,439			**(115)**	(19)	**(41,477)**	(22,775)
Remeasurements and other items (Note 2)	**62,265**	(12,301)	**62,265**	(12,301)						
Endowment contributions received	**3,768**	1,691					**3,768**	1,691		
Endowment contributions paid	**(3,756)**	(1,779)					**(3,756)**	(1,779)		
Interfund transfers (Note 15)			**(29,291)**	(43,801)			**(176)**	(116)	**29,467**	43,917
Fund balances (negative), end of year	**(4,070)**	(34,490)	**(176,898)**	(219,607)	**–**	–	**951**	1,230	**171,877**	183,887

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

Concordia University
Cash Flows
Year ended April 30, 2015
(In thousands of dollars)

	2015	2014
	$	$
OPERATING ACTIVITIES		
Excess (deficiency) of revenue over expenses	**(31,857)**	13,645
Non-cash items		
Net change in fair value of financial liabilities	**474**	192
Deferred contributions – Research Fund and Designated Fund	**4,075**	(2,739)
Amortization of tangible capital assets	**38,925**	37,884
Amortization of intangible capital assets	**3,158**	257
Employee future benefits	**12,106**	10,578
Loss on disposal of other assets		350
Net change in working capital items (Note 4)	**(644)**	(34,727)
Cash flows from operating activities	**26,237**	25,440
INVESTING ACTIVITIES		
Marketable securities	**3**	13
Due from Concordia University Foundation	**(361)**	3,196
Acquisition of tangible capital assets	**(50,630)**	(61,408)
Acquisition of intangible capital assets	**(12,135)**	(14,279)
Cash flows from investing activities	**(63,123)**	(72,478)
FINANCING ACTIVITIES		
Bank loans	**22,900**	24,700
Amount receivable from the MEESR	**13,906**	(3,658)
Issuance of long-term debt	**57,970**	131,405
Repayment of long-term debt	**(60,932)**	(107,960)
Deferred contributions – Capital Asset Fund	**5,816**	1,589
Endowment contributions received	**3,768**	1,691
Endowment contributions transferred to Concordia University Foundation	**(3,756)**	(1,779)
Cash flows from financing activities	**39,672**	45,988
Increase (decrease) in cash	**2,786**	(1,050)
Cash (bank overdraft), beginning of year	**(576)**	474
Cash (bank overdraft), end of year	**2,210**	(576)

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

Concordia University
Notes to Financial Statements
April 30, 2015
(In thousands of dollars)

1 - GOVERNING STATUTES AND PURPOSE OF THE UNIVERSITY

Concordia University (hereafter 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 mission of the University includes post-secondary and graduate education, research and public service. The University is a registered charity under Section 149 of the Income Tax Act; it is exempt from the payment of income tax.

2 - CHANGE IN ACCOUNTING POLICY

As at May 1, 2014, the University applied Section 3463, Reporting Employee Future Benefits by Not-for-profit Organizations, in Part III of the *CPA Canada Handbook – Accounting* to recognize the pension expense and post-retirement benefits. In accordance with the transitional provisions, this new standard, applicable to financial statements for fiscal years beginning on or after January 1, 2014, has been applied retrospectively. Previously, the University applied Section 3461, Employee Future Benefits, in Part II of the *CPA Canada Handbook – Accounting*. It, therefore, recognized directly in operations actuarial gains and losses and past service cost resulting from changes to the pension plans. The accounting change led to the separate presentation of remeasurements and other items on the statement of changes in fund balances.

For defined benefit plans for which an actuarial valuation for funding purposes exists, an accounting policy choice between using the funding valuation or an accounting valuation is available. The University has elected to use the valuation prepared for funding purposes.

The impact of these changes on the Operating Fund are as follows:

			2014
	Stated	Restatement	As Restated
	$	$	$
Financial Position			
Liabilities			
Liability for pension benefit plans	75,726	36,776	112,502
Liability for other benefit plans	95,404	12,758	108,162
Employee future benefits liability	171,130	49,534	220,664
Fund balances (negative)			
Unrestricted deficit	(233,614)	(49,534)	(283,148)

Concordia University
Notes to Financial Statements
April 30, 2015
(In thousands of dollars)

2 - CHANGE IN ACCOUNTING POLICY (Continued)

			2014
	Stated	Restatement	As Restated
	$	$	$
Operations			
Pension plans	72,813	(32,301)	40,512
Changes in Fund Balances			
Fund balances negative, beginning of year	(130,410)	(69,534)	(199,944)
Excess of revenue over expenses	4,138	32,301	36,439
Remeasurements and other items	–	(12,301)	(12,301)
Fund balances negative, end of year	(170,073)	(49,534)	(219,607)

3 - SIGNIFICANT ACCOUNTING POLICIES

Basis of presentation

The University'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 University may undertake in the future. Actual results may differ from these estimates.

Principles of consolidation

The University's financial statements are not consolidated with those of a controlled not-for-profit organization. The required financial information is disclosed in the notes to the financial statements.

Financial assets and liabilities

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.

3 - SIGNIFICANT ACCOUNTING POLICIES (Continued)

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).

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 statement of operations under Net investment income or Interest expense as appropriate.

With respect to financial assets measured at amortized cost, the University assesses whether there are any indications 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.

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.

The University has elected to use hedge accounting to recognize the interest rate swaps that it uses to provide protection against interest rate fluctuations on its variable interest rate for long-term debt. These interest rate swaps require the periodic exchange of interest payments without an exchange of the notional (capital) amount on which payments are calculated.

At the inception of the hedging relationship, the University formally documented the hedging relationship, identifying the hedged item, the related hedging item, the nature of the specific risk exposure being hedged and the intended term of the hedging relationship. Both at the inception of the hedging relationship and throughout its term, the University has reasonable assurance that the critical terms of the hedged item and the related hedging item will remain the same. For hedged items that are an anticipated transaction, the University determines that it is probable that the anticipated transaction will occur at the time and in the amount designated, as documented at the inception of the hedging relationship.

The University discontinues hedge accounting when the hedged item or the related hedging item ceases to exist or the critical terms of the hedging item cease to match those of the hedged item.

The derivative financial instruments that do not meet the criteria of a hedge are recognized at their fair value on the financial position and changes in fair value are recognized in the statement of operations for the year.

3 - SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fund accounting

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.

Externally restricted resources that are used for research and research-related purposes are reported in the Research Fund.

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

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.

Revenue recognition

The University follows the deferral method of accounting for contributions. 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 contributions in capital assets that are not subject to amortization are reported as direct increases in the appropriate fund balance.

Restricted investment income is recognized as revenue in the appropriate fund in the year the related expenses are incurred. Accordingly, investment income on endowments is recognized either in the restricted or in the operating funds, depending on the restriction specified by the donor. Unrestricted investment income is recognized in the Operating Fund, as earned.

Interest income is recognized on a time apportionment basis.

The University's principal sources of revenue, aside from contributions, are tuition fees, miscellaneous fees and other income, services to the community, student services, ancillary services 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.

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

3 - SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

Inventories

Inventories of the retail stores are valued at the lower of cost and net realizable value. Cost is determined by the first in, first out method.

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.

Tangible and intangible capital assets

Tangible and intangible capital assets acquired 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.

Improvements to leased premises are capitalized.

Buildings under construction and other major capital projects funded by the Operating Fund are recorded directly in the Capital Asset Fund.

(In thousands of dollars)

3 - SIGNIFICANT ACCOUNTING POLICIES (Continued)

Amortization

Tangible and intangible capital assets are amortized on a straight-line basis over their estimated useful lives as prescribed by the MEESR as follows:

	Periods
Tangible capital assets	
Land improvements	20 years
Buildings	Over 40 to 50 years
Building alterations – mechanical	25 years
Building alterations – interior	30 years
Building alterations – architectural or structural	40 years
Leasehold improvements	Term of the lease (max. 10 years)
Furniture and equipment	Over 3 to 15 years
Library collection	10 years
Intangible capital assets	
Share of the large bandwidth telecommunications network managed by Réseau d'informations scientifiques du Québec (RISQ) Inc.	Over the term of the arrangement
Information technology	10 years

Amortization is recorded in the Capital Asset Fund.

Write-down

Tangible capital assets, intangible capital 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.

Art collection

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

3 - SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 statement of financial position date. Non-monetary assets and liabilities are translated at historical exchange rates, except 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 on the date they are recognized. The related exchange gains and losses are recognized in the operations for the year.

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 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 funding 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 Pension plans. Remeasurement and other items, which include actuarial gains and losses relating 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.

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 16;

– Management has chosen to internally restrict unspent budgeted amounts from the Operating Fund that relate to specific key University priorities.

Concordia University
Notes to Financial Statements
April 30, 2015
(In thousands of dollars)

4 - INFORMATION INCLUDED IN CASH FLOWS

The net change in working capital items is detailed as follows:

	2015	2014
	$	$
Subsidies receivable	**8,584**	(27,625)
Accounts receivable	**(4,861)**	1,536
Inventories	**413**	564
Other assets and prepaid expenses	**(2,523)**	(78)
Trade payables and other operating liabilities	**(4,966)**	(2,091)
Amount payable to the MEESR	**4,770**	(4,452)
Agency and fiduciary accounts	**(1,162)**	(567)
Unearned revenue	**(1,100)**	(2,534)
Interest payable on long-term debt	**201**	520
	(644)	(34,727)

5 - SUBSIDIES RECEIVABLE

	2015	2014
	$	$
Operating Fund		
Amount receivable from the MEESR (a)	**41,893**	52,445
Social Sciences and Humanities Research Council of Canada	**378**	
Canadian Institutes of Health Research	**353**	392
Natural Sciences and Engineering Research Council of Canada	**59**	
Amount receivable from provincial agencies (excluding the MEESR)	**83**	
	42,766	52,837

(a) This amount includes an amount of $34,864 corresponding to a subsidy conditional on attaining a balanced financial situation for the year ended April 30, 2015. Subsequent to year-end, the subsidy was confirmed.

	2015	2014
	$	$
Research Fund		
Amount receivable from federal agencies	**1,164**	399
Amount receivable from provincial agencies (excluding the MEESR)	**718**	472
	1,882	871
Designated Fund		
Amount receivable from federal agencies	**33**	19
Capital Asset Fund		
Amount receivable from the MEESR	**5,747**	5,285
Subsidies receivable – Total	**50,428**	59,012

Concordia University
Notes to Financial Statements
April 30, 2015
(In thousands of dollars)

6 - ACCOUNTS RECEIVABLE

	2015	2014
	$	$
Operating Fund		
Tuition fees, net of an allowance for doubtful accounts (a)	**6,298**	5,912
Services, advances and other	**4,575**	3,979
Advance to agency and fiduciary accounts, without interest	**3,245**	272
Advance to a wholly-owned subsidiary of a controlled entity, without interest	**1,000**	1,000
	15,118	11,163

(a) As at April 30, 2015, the gross carrying amount of trade accounts receivable totals $9,513 ($9,450 as at April 30, 2014). These tuition fees receivable are presented in the financial statements net of an allowance for impairment of $3,215 ($3,538 as at April 30, 2014).

7 - INVENTORIES

	2015	2014
	$	$
Retail stores		
Book store	**2,359**	2,656
Computer store	**152**	200
Art store	**159**	226
	2,670	3,082
Other supplies	**38**	39
	2,708	3,121

8 - OTHER ASSETS AND PREPAID EXPENSES

	2015	2014
	$	$
Operating Fund		
Other assets (a)	**546**	563
Prepaid expenses	**4,665**	2,670
	5,211	3,233

(a) Other assets consist primarily of tenant inducements and commissions on rental of properties.

	2015	2014
	$	$
Capital Asset Fund		
Prepaid expenses	**36**	30
Other assets and prepaid expenses – Total	**5,247**	3,263

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9 - AMOUNT RECEIVABLE FROM THE MEESR

The University accounted for a subsidy receivable from the MEESR resulting from the transition to generally accepted auditing principles. This amount is the result of the difference between the net value of the University's capital assets funded by the MEESR and the value of the long-term debt service by the Government of Quebec.

10 - TANGIBLE CAPITAL ASSETS

			2015
	Cost	**Accumulated amortization**	**Net carrying amount**
	$	**$**	**$**
Land	**43,387**		**43,387**
Land improvements	**2,825**	**329**	**2,496**
Buildings, building alterations and leasehold improvements	**886,017**	**208,328**	**677,689**
Furniture and equipment	**99,820**	**60,782**	**39,038**
Library collection	**35,292**	**18,656**	**16,636**
Art collection	**2,937**		**2,937**
	1,070,278	**288,095**	**782,183**

			2014
	Cost	Accumulated amortization	Net carrying amount
	$	$	$
Land	41,415		41,415
Land improvements	1,914	187	1,727
Buildings, building alterations and leasehold improvements	854,128	187,392	666,736
Furniture and equipment	100,511	58,853	41,658
Library collection	34,487	18,171	16,316
Art collection	2,450		2,450
	1,034,905	264,603	770,302

As at April 30, 2015, trade payables and other operating liabilities include an amount of $11,666 that relates to the acquisition of tangible capital assets ($11,491 as at April 30, 2014).

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11 - INTANGIBLE CAPITAL ASSETS

			2015
	Cost	**Accumulated amortization**	**Net carrying amount**
	$	**$**	**$**
Information technology – Development in progress	**2,081**		**2,081**
Information technology	**28,701**	**2,870**	**25,831**
Share of the large bandwidth telecommunications network managed by RISQ	**3,142**	**1,990**	**1,152**
	33,924	**4,860**	**29,064**

			2014
	Cost	Accumulated amortization	Net carrying amount
	$	$	$
Information technology – Development in progress	18,803		18,803
Share of the large bandwidth telecommunications network managed by RISQ	2,986	1,702	1,284
	21,789	1,702	20,087

As at April 30, 2015, no amount that relates to acquisition of intangible capital assets is included in trade payable and other operating liabilities ($664 as at April 30, 2014).

12 - BANK LOANS

The University has an unsecured line of credit of $207,000 with its bankers bearing interest at the prime rate, 2.85% (3% as at April 30, 2014). This line of credit is renewable and convertible into a fixed rate mainly through the issuance of bankers' acceptances. As at April 30, 2015, total outstanding bankers' acceptances amounted to $65,800, bearing interest at rates ranging from 1.05% to 1.12%. The average rate on all fixed rate financing for the year was 1.28% (1.35% on April 30, 2014).

In December 2014, the University issued an amendment to the irrevocable letter of credit of US$913 to the U.S. Department of Education to US$788. The irrevocable letter of credit bears a term of 12 months ending on December 31, 2015. 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.

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13 - DEFERRED CONTRIBUTIONS

	2015	2014
	$	$
Research Fund		
Balance, beginning of year	**24,357**	23,032
Amount received relating to following years	**35,855**	34,952
Amount recognized in operations	**(36,214)**	(33,627)
Balance, end of year	**23,998**	24,357
Designated Fund		
Balance, beginning of year	**19,729**	23,793
Amount received relating to following years	**19,402**	14,445
Amount recognized in operations	**(14,968)**	(18,509)
Balance, end of year	**24,163**	19,729

	2015	2014
	$	$
Capital Asset Fund		
Balance, beginning of year	**68,881**	67,292
Amount received relating to following years	**32,577**	46,027
Amount recognized as revenue of the year	**(26,761)**	(44,438)
Balance, end of year	**74,697**	68,881

14 - LONG-TERM DEBT

a) Operating Fund:

	2015	2014
	$	$
Loan, bearing interest at CDOR, payable in monthly instalments of $56, principal only, maturing in June 2015 (i)	**16,777**	17,444
Current portion	**16,777**	667
	–	16,777

(i) On June 3, 2010, the University entered into an interest rate swap agreement, maturing in June 2015. Under this contract, payments or receipts are made for the difference between the fixed interest rate of 3.51% and the variable rate based on the CDOR, 0.991% (1.245% as at April 30, 2014). The loan was reimbursed in full in June 2015.

The notional amount of the swap agreement entered into by the University is $20,000 as at June 3, 2010. The fair value of liabilities of the swap calculated according to information obtained from the financial institution is $55 ($339 in 2014).

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14 - LONG-TERM DEBT (Continued)

b) Capital Asset Fund:

	2015	2014
	$	$
Serviced by the University		
Loan, bearing interest at CDOR, payable in monthly instalments of $36, principal only, maturing in August 2027 (ii)	**9,848**	10,280
Loan, bearing interest at CDOR, payable in monthly varying instalments, maturing in April 2038 (iii)	**11,404**	11,742
Loan, bearing interest at CDOR, payable in monthly varying instalments, maturing in April 2025 (iv)	**1,072**	1,164
Loan, bearing interest at CDOR, payable in monthly varying instalments, maturing in April 2026 (v)	**13,079**	14,080
6.55% (effective interest rate of 6.97%) $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	**189,873**	189,751
	225,276	227,017
Serviced by the Government of Quebec		
4.26%, 4.69% Series "11D" bonds, repayable in two varying instalments, maturing on June 10, 2012 and 2015	**8,274**	8,258
4.32% Series "12D" bonds, maturing on June 30, 2015	**4,279**	4,272
4.61% Series "13D" bonds, maturing on March 28, 2016	**5,035**	5,024
5% Series "14D" bonds, maturing on June 1, 2016	**4,065**	4,055
4.37%, 4.57% Series "15D" bonds, repayable in two varying instalments, maturing on May 15, 2012 and 2017	**2,645**	2,640
4.082% loan from Financement-Québec, repayable in seven varying instalments, maturing on December 1, 2015	**3,490**	3,808
4.138% loan from Financement-Québec, repayable in seven varying instalments, maturing on December 1, 2015	**26,714**	28,862
2.885% loan from Financement-Québec		37,571
2.6344% loan from Financement-Québec, repayable in six varying instalments, maturing on June 2, 2016	**18,770**	20,328

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14 - LONG-TERM DEBT (Continued)

	2015	2014
	$	$
2.0183% loan from Financement-Québec, repayable in six varying instalments, maturing on April 25, 2017	**14,902**	16,177
2.472% loan from Financement-Québec, repayable in six varying instalments, maturing on December 1, 2017	**17,366**	19,244
2.437% loan from Financement-Québec, repayable in seven varying instalments, maturing on December 1, 2019	**41,106**	43,553
2.489% loan from Financement-Québec, repayable in seven varying instalments, maturing on December 1, 2019	**14,720**	15,360
2.409% loan from Financement-Québec, repayable in six varying annual instalments, maturing on May 29, 2019	**93,363**	99,360
3.03% loan from Financement-Québec, repayable in nine varying annual instalments, maturing on December 1, 2022	**4,124**	4,640
3.619% loan from Financement-Québec, repayable in twenty varying annual instalments, maturing on June 1, 2034	**20,000**	
3.511% loan from Financement-Québec, repayable in nineteen varying annual instalments, maturing on March 1, 2034	**36,000**	
2.947% KIP loan from Financement-Québec, repayable in twenty varying instalments, maturing on September 1, 2022	**10,236**	11,439
3.563% KIP loan from Financement-Québec, repayable in forty varying instalments, maturing on September 1, 2032	**16,266**	16,926
1.845% KIP loan from Financement-Québec, repayable in six varying instalments, maturing on May 29, 2015	**502**	1,493
1.269% KIP loan from Financement-Québec, repayable in eight varying instalments, maturing on November 29, 2016	**1,727**	
	343,584	343,010
Cumulative sinking fund paid by the Province of Quebec	**(8,382)**	(7,409)
	335,202	335,601
	560,478	562,618
Current portion	**70,092**	59,063
	490,386	503,555
Long-term debt – Total funds	**490,386**	520,332

14 - LONG-TERM DEBT (Continued)

(ii) On August 24, 2012, the University entered into a 15-year long-term swap loan agreement with RBC (Royal Bank of Canada) for $11,000 to provide for the purchase of the 5th and the 6th floors as well as the basement of the Faubourg Complex. The transaction was effective August 30, 2012 at a fixed rate of 3.08% and the variable rate was based on the CDOR, 0.991% (1.245% as at April 30, 2014).

The notional amount of the swap agreement entered into by the University was $11,000 in August 2012. The fair value of assets of the swap calculated according to information obtained from the financial institution is $319 (the fair value of the asset was $426 in 2014). This swap agreement is recorded as a liability on market value of a financial instrument since it does not fulfil the requirements of hedge accounting.

(iii) On May 1, 2013, the University entered into a 25-year long-term interest rate swap loan agreement for the final payment of the acquisition of the property Grey Nuns Motherhouse. The transaction was effective at a fixed rate of 3.014% and the variable rate was based on the CDOR, 0.991% (1.245% as at April 30, 2014).

The notional amount of the swap agreement entered into by the University was $12,071 in May 2013. The fair value of liabilities of the swap calculated according to information obtained from the financial institution is $534 (the fair value of the asset was $447 in 2014).

(iv) On May 1, 2013, the University entered into a 12-year long-term interest rate swap loan agreement to refinance renovation on the student residences located in the West Wing of the Grey Nuns Motherhouse. The transaction was effective at a fixed rate of 2.688% and the variable rate was based on the CDOR, 0.991% (1.245% as at April 30, 2014).

The notional amount of the swap agreement entered into by the University was $1,254 in May 2013. The fair value of liabilities of the swap calculated according to information obtained from the financial institution is $41 (the fair value of the liability was $1 in 2014).

(v) On April 30, 2014, the University entered into a 12-year long-term interest rate swap loan agreement to refinance the advances paid for renovations and the conversion of the East Wing of the Grey Nuns Motherhouse into student residences. The transaction was effective at a fixed rate of 2.808% and the variable rate was based on the CDOR, 0.991% (1.245% as at April 30, 2014).

The notional amount of the swap agreement entered into by the University was $14,080 in April 2014. The fair value of liabilities of the swap calculated according to information obtained from the financial institution is $575 (the fair value of the liability was $42 in 2014).

The MEESR 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 Quebec 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 Quebec.

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14 - LONG-TERM DEBT (Continued)

In accordance with its charter and the government decrees adopted pursuant to its charter (the last such decree having been adopted on June 2, 2010), the University may have an outstanding aggregate principal amount of debentures and debt securities which may not exceed at any time $700,000, excluding amounts borrowed by way of loan or promissory note.

Series "1B" to "15D" bonds require that regular payments be made by the Province of Quebec to a sinking fund.

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

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

	$
2016	70,092
2017	53,739
2018	32,570
2019	16,416
2020	120,299
	293,116

15 - INTERFUND TRANSFERS

			2015
	Operating Fund	**Designated Fund**	**Capital Asset Fund**
	$	**$**	**$**
Contributions towards the following:			
Major renovation or construction projects	**4,521**	**627**	**5,148**
Interest on capital debt	**11,724**		**11,724**
Equipment	**7,153**	**157**	**7,310**
Library equipment	**3,609**		**3,609**
Specific University projects	**1,504**		**1,504**
Graduate and undergraduate student aid	**624**	**(608)**	**16**
Share of the large bandwidth telecommunications network managed by RISQ	**156**		**156**
	29,291	**176**	**29,467**

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15 - INTERFUND TRANSFERS (Continued)

			2014
	Operating Fund	Designated Fund	Capital Asset Fund
	$	$	$
Contributions towards the following:			
Major renovation or construction projects	15,416		15,416
Interest on capital debt	11,525		11,525
Equipment	10,253	116	10,369
Library equipment	3,945		3,945
Specific University projects	2,481		2,481
Share of the large bandwidth telecommunications network managed by RISQ	181		181
	43,801	116	43,917

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.

16 - INTERNALLY RESTRICTED FUND BALANCES

	2015	2014
	$	$
Specific purpose fund		
Institutional project	**18,207**	20,116
Student services	**8,589**	7,605
Information technology	**440**	1,429
Research initiatives and infrastructure	**1,177**	1,786
Scholarship funds	**2,512**	4,001
Capital and special project	**534**	1,400
Employee training programs	**762**	781
Recruitment	**612**	522
Centre for study of classroom programs	**149**	151
Academic plan	**5,038**	1,460
Other	**4,890**	4,420
	42,910	43,671

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16 - INTERNALLY RESTRICTED FUND BALANCES (Continued)

	2015	2014
	$	$
Research funded by overhead	**2,817**	3,926
Infrastructure for research units	**3,479**	3,346
General Purpose Principal Investigator	**3,103**	3,218
Concordia Research Chair	**2,543**	2,505
Faculty Research Development Program	**1,305**	1,262
Research Seed Funding	**1,064**	1,052
Faculty Professional Development Fund	**1,076**	1,070
Concordia Aid to Scholarly Activities	**605**	661
Facilities Optimization Program	**406**	442
Faculty program in support of RESEA	**1,001**	523
Research laboratories	**273**	335
Other	**1,928**	1,530
	19,600	19,870
	62,510	63,541

17 - ANCILLARY SERVICES

			2015
	Revenue	**Expenses**	**Excess**
	$	**$**	**$**
Retail stores	**10,952**	**10,378**	**574**
Residences	**5,462**	**2,648**	**2,814**
Parking	**1,654**	**537**	**1,117**
Food services	**951**	**827**	**124**
Advertising	**62**		**62**
Other services	**261**	**226**	**35**
	19,342	**14,616**	**4,726**

			2014
	Revenue	Expenses	Excess (deficiency)
	$	$	$
Retail stores	12,454	11,770	684
Residences	3,073	1,901	1,172
Parking	1,469	450	1,019
Food services	641	674	(33)
Advertising	96		96
Other services	246	223	23
	17,979	15,018	2,961

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18 - EXPENSES

	2015	2014
	$	$
Academic services		
Academic	**213,190**	205,889
Library	**12,606**	11,994
Instructional and information technology services	**13,513**	10,560
	239,309	228,443
Administrative services		
Administration	**50,849**	52,511
Operational services	**35,093**	33,128
Rented facilities	**754**	913
	86,696	86,552

19 - RELATED PARTY TRANSACTIONS

The following transactions were concluded in the normal course of operations and measured at the exchange amount, which is the amount established and accepted by the parties.

The University exercises control over eConcordia.com since the majority of the board members hold senior management positions at the University, but it does not consolidate the financial statements of eConcordia.com with those of the University.

eConcordia.com is a registered charity under the Income Tax Act (Canada). eConcordia.com has a wholly-owned subsidiary, Knowledge One, that provides courses for the advancement of learning on electronic or other new media.

Following is the significant financial information for eConcordia.com as at April 30, 2015 and 2014:

	2015	2014
	$	$
Statement of operations		
Revenues	**6,211**	5,978
Expenses	**6,540**	5,896
Excess (deficiency) of revenues over expenses	**(329)**	82
Financial position		
Total assets	**2,391**	2,668
Total liabilities	**2,822**	2,704
Deficit	**(431)**	(36)
	2,391	2,668

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19 - RELATED PARTY TRANSACTIONS (Continued)

	2015	2014
	$	$
Cash flows		
Operating activities	**834**	900
Investing activities	**(820)**	(1,744)
Financing activities	**(72)**	960

There are no significant differences in accounting policies between eConcordia.com and the University.

The University paid service fees to Knowledge One, a wholly-owned subsidiary of eConcordia.com, for the delivery of courses to students of the University. The expense amounted to approximately $4,463 ($4,447 in 2014). The University invoiced certain academic costs and management fees amounting to approximately $870 ($534 in 2014). The University has a receivable of $448 ($95 in 2014) and an advance without interest of $1,000 as at April 30, 2015 ($1,000 in 2014).

The Concordia University Foundation (hereafter the "Foundation") must use its resources exclusively to advance the mission of the University. The Foundation is incorporated under the Canada Business Corporations Act and is a charitable organization under both the Income Tax Act (Canada) and the Taxation Act (Quebec). The University exercises significant influence over the Foundation since certain board members and members of senior management are on the board of the Foundation. Revenues from the Foundation amounting to $7,974 ($10,704 in 2014) have been recorded by the University, in accordance with the wishes of donors. Amounts recorded as expenses by the University related to the Foundation amount to $3,608 ($8,159 in 2014). The assets, liabilities and fund balances of the Foundation total $169,027 ($159,983 in 2014), $3,325 ($2,562 in 2014) and $165,702 ($156,421 in 2014) respectively.

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 (Quebec). In 2015, the Fondation remained inactive.

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20 - EMPLOYEE FUTURE BENEFITS

Total cash payments

Total cash payments for employee future benefits, consisting of cash contributed by the University to its funded pension plans, cash payments directly to beneficiaries for its unfunded other benefit plans, and cash contributed to its defined benefit plans, total $33,751 ($29,934 in 2014).

Defined benefit plans

The University measures its accrued benefit obligations and the fair value of plan assets for accounting purposes as at April 30 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. The most recent actuarial valuation was performed as at December 31, 2013, and the next required valuation will be on December 31, 2016.

Reconciliation of the funded status of the benefit plans to the amounts recorded in the financial statements is as follows:

	Pension benefit plans		Other benefit plans	
		Restated		Restated
	2015	2014	**2015**	2014
	$	$	**$**	$
Defined benefit obligations	**957,672**	912,732	**107,003**	108,162
Fair value of plan assets	**894,170**	800,230		
Defined benefit liability	**(63,502)**	(112,502)	**(107,003)**	(108,162)

Pension plan asset components

At the measurement date, i.e. April 30 of each year, the assets of the pension plans consist of the following:

	2015	2014
	%	%
Asset category		
Equity instruments	**3**	4
Fixed income	**1**	1
Pooled funds	**66**	67
Other investments	**30**	28
	100	100

Employee future benefit costs recognized in the year

		Restated
	2015	2014
	$	$
Pension benefit plans	**34,414**	29,983
Other benefit plans	**11,443**	10,529

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20 - EMPLOYEE FUTURE BENEFITS (Continued)

Significant assumptions

The significant assumptions used are as follows (weighted average):

	Pension benefit plans		Other benefit plans	
		Restated		Restated
	2015	2014	**2015**	2014
	%	%	**%**	%
Accrued benefit obligations				
Discount rate	**6.00**	6.00	**6.00**	6.00
Rate of compensation increase	**2.80**	2.80	**2.80**	2.80
Benefit costs				
Discount rate	**6.00**	6.00	**6.00**	6.00
Rate of compensation increase	**2.80**	2.80	**2.80**	2.80

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

	2015	2014
	%	%
Initial health care cost trend rate	**5.90**	6.10
Cost trend rate declines to	**4.30**	4.32
Year when rate reaches the level it is assumed to remain at	**2032**	2032

Benefits paid

Benefits paid by the pension plans for the employees of Concordia University total $45,466 ($40,134 in 2014) and benefits paid by other benefit plans amount to $4,382 ($4,275 in 2014).

21 - FINANCIAL INSTRUMENTS

Financial risks

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

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. 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 the concentration of the remaining risks to be minimal considering the large base of counterparties.

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

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21 - FINANCIAL INSTRUMENTS (Continued)

Market risk

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

– Interest rate risk:

  Interest rate risk refers to the adverse consequences of interest rate changes on the University's cash flows and financial position. 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 Quebec does not bear any risk since the debt service is financed by the Government of Quebec.

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

  The University manages the interest rate risk by locking in to fixed rates as explained in Note 14;

– Currency risk:

  The University is exposed to currency risk due to cash and accounts receivable denominated in U.S. dollars. As at April 30, 2015, financial assets in foreign currency represent cash and accounts receivable totalling C$898 (C$385 in 2014).

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, therefore, exposed to liquidity risk with respect to all of the financial liabilities recognized in the statement of financial position.

Carrying amount of financial assets by category

The University's financial assets, as presented in the statement of financial position, are classified as follows:

	2015	2014
	$	$
Financial assets measured at amortized cost		
Cash	**2,210**	
Marketable securities	**29**	32
Subsidies receivable	**50,428**	59,012
Accounts receivable	**18,027**	13,166
Due from Concordia University Foundation	**2,974**	2,613
	73,668	74,823

22 - COMMITMENTS

Lease agreements

As at April 30, 2015, the University has commitments for lease agreements totalling $1,146 and expiring until August 31, 2017. Minimum lease payments for the next years are $685 in 2016, $383 in 2017 and $78 in 2018.

Capital assets financing

The Operating Fund has a $274,540 commitment ($262,900 as at April 30, 2014) towards the Capital Asset Fund to finance the capital assets.

In order to fulfil this commitment, the University entered into an agreement with the Foundation to create and manage a fund that would be dedicated to the repayment of certain debts of the University, namely, the $200,000 bond issue payable in September 2042. The fund is comprised of an initial gift of $3.4 million transferred in May 2010. In addition, $22.6 million in donations already invested in the Foundation were 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 the University's future debt obligations by 2042. In 2015, an amount of $325 ($325 in 2014) was transferred to this fund. As of April 30, 2015, the fund balance is $50,385 ($44,403 in 2014).

23 - 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 claiming additional payments, other claims which may present themselves from time to time under the laws regulating employment matters and claims instituted by students or former students.

In the aggregate, the total amount of material claims asserted in these various legal and other proceedings is approximately $2.3 million in principal. While it is not possible at this time to assess definitively 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. No amount has been accrued in these financial statements related to these claims.

23 - CONTINGENCIES (Continued)

On May 18, 2006, the Supreme Court of Canada rejected an appeal of a decision which refused to authorize a class action against the University related to the administration of its pension plans. The Supreme Court held that this matter had to be decided by a labour arbitrator and not by civil courts. Several unions had, before the Supreme Court decision, initiated collective grievances under the provisions of their collective agreements. The University is confident of the administration of the pension plans at the times cited in the grievances. These grievances do not refer to a specific amount claimed and are being contested as being prescribed. It is not possible at the present time to determine the amount of any potential claim. Accordingly, no amount has been accrued in these financial statements related to these claims. No arbitrators have been named to hear these grievances to date.

In the normal course of the University's building construction projects, there are various claims secured by legal hypothecs that have been made by building contractors to secure payment. Such hypothecs are related to the buildings constructed or under construction. In addition, there are certain third-party claims for damages alleging that certain projects have provoked a loss of enjoyment of premises and/or a loss of revenue. While it is not possible at this time to assess definitively the outcome of these actions, the University is confident that they will be resolved without material effect on the University's financial position. No amount has been accrued in these financial statements related to these claims.

The University has completed its pay equity exercise to ensure compliance with the requirements of the Pay Equity Act. The University has paid or made provision for the amounts payable pursuant thereto. The Pay Equity Act further provides that the University must proceed with maintenance exercises for its various employee unions. These maintenance exercises are completed for certain employee unions (CUFA, CUCEPTFU, CUPFA and CULEU) and for the remaining employee unions, the maintenance exercises are not required until 2016. At the present time, it is not possible to determine the amounts that will be payable pursuant to these maintenance exercises. Accordingly, no amount has been accrued in these financial statements for amounts that will be payable by the University in this regard.

24 - PLEDGES RECEIVABLE

Pledges receivable from donors are not recorded in the statement of operations for the restricted funds. Pledges receivable amounted to $15,238 as at April 30, 2015 ($19,494 as at April 30, 2014).

These pledges will be recognized as revenue when collected.

25 - COMPARATIVE FIGURES

Certain comparative figures have been reclassified to conform with the presentation adopted in the current year.