Rating Report

Report Date:
April 10, 2013

Previous Report:
April 23, 2012

Insight beyond the rating.

Concordia University

Analysts

Travis Shaw
+1 416 597 7582
tshaw@dbrs.com

Julius Nyarko
+1 416 597 7408
jnyarko@dbrs.com

The University

Concordia University is one of three English-language universities operating in the Province of Québec. Located in Montréal, the University offers over 250 programs at the graduate and undergraduate levels on two campuses: Sir George Williams campus, in downtown Montréal, and Loyola campus in the west end. As of 2011–2012, the University had 27,323 full-time equivalent students.

Recent Actions

April 23, 2012
Confirmed

Rating

Debt	Rating	Rating Action	Trend
Issuer Rating	A	Confirmed	Stable
Senior Unsecured Debt	A	Confirmed	Stable

Rating Update

DBRS has confirmed both the Issuer Rating and Senior Unsecured Debt rating of Concordia University (Concordia or the University) at "A" with Stable trends. Amidst a challenging operating environment of reduced in-year funding and cancelled tuition increases, the University has taken proactive measures to ensure the continuation of a sustainable operating position while still accommodating rising enrolment. In addition, debt needs are considered to be relatively modest. However, DBRS acknowledges that limited tuition fee flexibility and further funding restraint, combined with rising pension commitments, will require continued discipline to ensure the credit profile remains intact.

For the year ended April 30, 2012, Concordia recorded a consolidated surplus of $20.7 million, or 4.0% of revenues, excluding non-recurring expenditures of $2.0 million. DBRS notes that starting in 2010–2011, the University changed its fiscal year-end to April 30 from May 31 resulting in an 11-month year. As a result, this makes comparisons between 2011–2012 results and the prior year less meaningful. Enrolment was up by 1.7% to 27,323 full-time equivalent students (FTEs), which provided support to revenues while spending increases were relatively modest after accounting for the difference in length between fiscal years. University-supported debt declined by 6.9% representing a debt burden of $8,001 per FTE, down from $8,733 per FTE the prior year. Meanwhile, interest coverage continued to improve to a respectable 5.5 times. (Continued on page 2.)

Rating Considerations

Strengths

(1) Strategic location in downtown Montréal
(2) Responsive financial management practices
(3) Strong provincial engagement toward education
(4) Low tuition fees

Challenges

(1) Limited ability to increase tuition fees
(2) Low level of financial resources relative to debt
(3) Debt level rising but manageable
(4) Provincial funding changes create budgetary pressure
(5) No provincial guarantee on province-serviced debt

Financial Information

For the period ended:	April 30		May 31		
	2011-2012	2010-2011*	2009-2010	2008-2009	2007-2008
Consolidated surplus (deficit) ($ millions)	20.7	9.0	(1.8)	15.1	(10.6)
Surplus (deficit) to revenue	4.0%	2.0%	(0.4%)	3.4%	(2.5%)
Total debt ($ millions)	568.8	576.5	559.9	542.5	534.0
- Serviced by University	218.6	234.7	238.5	221.5	228.3
- Serviced by Province	350.2	341.8	321.3	321.0	305.7
Interest coverage ratio (times) (1)	5.5	5.4	3.8	2.9	1.2
Total net assets of Foundation ($ millions) (2)	120.5	121.9	110.8	87.7	113.3
Expendable resources to debt	4.7%	7.6%	4.1%	1.7%	13.9%
Total enrolment (FTEs)	27,323	26,876	26,026	24,811	24,473
University-serviced debt per FTE ($)	8,001	8,733	9,165	8,926	9,330
Net Foundation assets per FTE ($) (2)	4,410	4,534	4,258	3,534	4,631

FTE = full-time equivalent. (1) Only includes University-supported debt charges. (2) Recorded at market value.
*At the direction of the Ministère de L'Éducation, du Loisir ed du Sport du Québec, Concordia changed its fiscal year end to April 30 from May 31, starting in 2010-2011. In 2010-2011, results reflect an 11-month year and are not directly comparable with other years.

Rating Update (Continued from page 1.)

In 2012–2013, subsequent to the initial budget being approved, the election of the Parti Québécois in September 2012 resulted in a cancellation of the previously planned tuition increase. In addition, the Province of Québec (the Province; rated A (high) with a Stable trend by DBRS) announced in December 2012 that the operating grants to universities for the 2012–2013 academic year would be reduced, negatively affecting Concordia's revenues by $13.2 million. To mitigate the impact of lower-than-planned revenues, the University has taken steps to curtail spending by eliminating vacant positions, delaying spending where possible and through the use of reserves. As a result, the University now anticipates a deficit of $7.5 million for the current fiscal year. A revised tuition framework has since been introduced, although reductions in operating grants are expected to carry forward into 2013–2014 and, as such, DBRS believes that the continuation of modest deficits cannot be ruled out. DBRS notes that most of Concordia's major labour groups are without a collective agreement and it often takes years to reach a negotiated settlement — a process that is more drawn out than at other DBRS-rated universities. The University is working to accelerate labour negotiations but it nevertheless adds an element of uncertainty to the fiscal outlook until agreements are concluded. The expectation for rising pension contributions will also add to budgetary challenges.

Providing stability to the credit profile is the expectation that capital projects currently in progress or under consideration will lead to only modest needs for new university-supported debt. As such, debt is expected to remain below $10,000 per FTE through 2013–2014 — a level DBRS considers acceptable for the current ratings.

Rating Considerations Details

Strengths

(1) Concordia is located in Canada's second-largest urban centre, which provides the University with a large local catchment area and makes it an attractive destination for out-of-province and international students. Its English-language instruction and relative proximity to Ottawa and Toronto give the University access to the large Ontario market.

(2) Despite a challenging provincial funding environment and in-year uncertainty regarding the tuition framework, Concordia has demonstrated its willingness to mitigate these challenges and ensure the continuation of sustainable fiscal results. In addition, use of a three-year budget cycle, soon to include an integrated capital plan, is helping to improve transparency of the financial planning process.

(3) The strong engagement of the Province toward post-secondary education is highlighted by the relatively high level of funding provided to Québec universities compared with those in other provinces and the strong oversight exhibited over university operating and borrowing activities.

(4) As a result of provincial policies, university tuition fees for Québec residents are among the lowest in Canada. This fosters demand, leaves substantial room for upward adjustment, makes university education available to a broader pool of prospective students and creates a moral obligation on the part of the provincial government to allow for further increases in tuition fees, should it be required to do so to meet the financial needs of the system.

Challenges

(1) The Province sets the maximum tuition fees that can be charged by universities, which, for residents of Québec, has resulted in fees that are substantially below the national average. Between 2007–2008 and 2011–2012, fees were allowed to rise by $100 per student per year; however, increases have lagged behind expense inflation notably. Following the election of the Parti Québécois on September 4, 2012, the previous plan to increase tuition fees by $325 per student annually was cancelled and recently replaced by a framework that will see tuition fees indexed to the annual increase in per capita disposable income in Québec — approximately 3% or $70.

(2) Unrestricted assets, available through the University's foundation, amounted to $10.2 million at year-end 2011–2012. This equates to just 4.0% of university-supported debt — one of the lowest levels among DBRS-rated universities. Ongoing fundraising efforts should help slowly build up a larger financial cushion for the University.

(3) University-supported debt remains manageable for the rating, at $8,001 per FTE as of April 30, 2012. Capital projects being considered are expected to lead to only modest needs for new university-supported debt, which should help to keep debt below $10,000 per FTE through 2013–2014 — a level considered acceptable within the current rating.

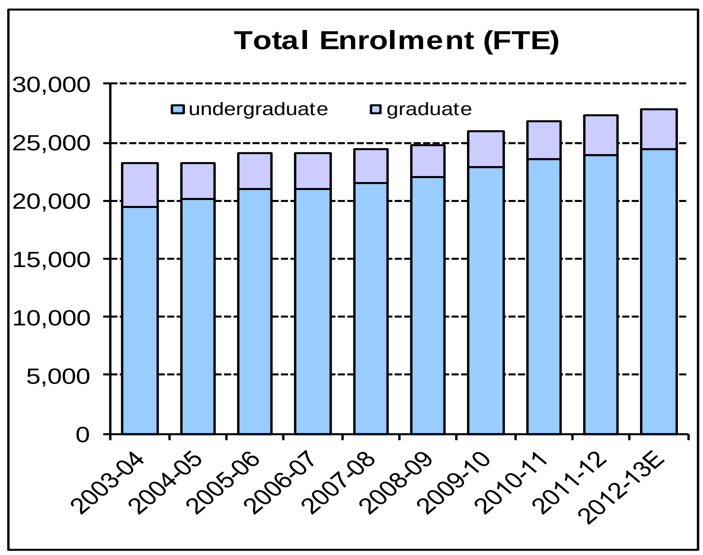
(4) Québec universities receive a relatively high level of public funding, although funding growth has historically been insufficient to make up for cost pressures and limited tuition flexibility which has kept Québec universities in a tight budget position. In addition, the government announced mid-December that it would be cutting university operating grants for 2012–2013, which, for Concordia, amounts to a $13.2 million reduction in expected funding. This cut is expected to carry forward into 2013–2014 before provincial operating grants resume an upward trend in 2014–2015.

(5) Although the Province is strongly committed to servicing its share of Concordia's debt (approximately $350 million as at April 30, 2012), no provincial guarantee exists on these obligations. As a result, interest and principal payments remain conditional on budget appropriations voted annually by the National Assembly.

2011–2012 Operating Performance

DBRS notes that starting in 2010–2011, Concordia changed its fiscal year-end to April 30 from May 31 resulting in an 11-month year. As a result, this makes comparisons between 2011–2012 results and the prior year less meaningful.

For the year ended April 30, 2012, the University recorded a consolidated surplus of $20.7 million, excluding non-recurring expenditures of $2.0 million. The surplus equates to 4.0% of revenues, up from 2.0% in 2010–2011. Total revenues rose by 11.9% with increases experienced across most sources reflecting a full 12-month fiscal year. Enrolment grew by 1.7% to 27,323 FTEs, which provided further support to revenues.



E = estimate

Total spending rose by 9.6% in 2011–2012, not surprising given the abbreviated fiscal year in 2010–2011. There were notable increases in the costs for academic services and amortization, while most other areas grew at a modest pace, after accounting for the difference in length between fiscal years. No new labour agreements were settled during the year and, with the exception of teaching and research assistants whose agreements expire in April 2013, all major labour groups are without a collective agreement. DBRS notes that at Concordia it often takes years to reach a negotiated settlement — a process that is more drawn out than at other DBRS-rated universities and something that management is working to address.

Operating Outlook

Concordia conducts its activities through four different funds: operating, research, designated and capital asset funds. However, detailed forecasts on an annual basis are only prepared for the operating fund, which accounts for approximately three-quarters of total spending.

2012–2013 Budget

The initial budget adopted in summer 2012 projected a small surplus of $0.8 million; although this was based on an assumption that the $325 per student tuition increase would still be implemented for 2012–2013 and that provincial funding would proceed as planned. Subsequent to the initial budget being approved, a provincial election on September 4, 2012, saw a new minority government assume office. As a result, the tuition increase previously planned for September 2012 and the subsequent four years, was cancelled resulting in a $3.8 million revenue shortfall compared with the budget plan. In addition, the Province announced in December that the operating grant to universities for the 2012–2013 academic year would be reduced by $124 million, which amounts to a cut of $13.2 million for Concordia.

To mitigate the impact of reduced tuition proceeds and government grants, Concordia has taken steps to curtail spending by eliminating vacant positions, delaying spending where possible and through the use of reserves. Enrolment was assumed to grow by 1.7% in 2012–2013 and it is expected that this target will at least be met, if not exceeded. As a result, the University now anticipates a deficit of up to $7.5 million for the current fiscal year.

Outlook

Given the significant changes announced regarding the tuition fee-setting framework and provincial operating grants, a revised multi-year budget is in the process of being developed and DBRS notes that a continuation of modest operating deficits cannot be ruled out. To support enrolment growth and revenues, Concordia aims to leverage its e-learning platforms — eConcordia and KnowledgeOne — by increasing course offerings, but it may take time before this has a positive impact on results. Pension contributions are scheduled to increase notably from the current $1.5 million to $7.1 million in 2014–2015, which will present an added budgetary challenge and, given the large number of labour agreements up for renewal, wage pressures are a meaningful risk.

Capital Plan

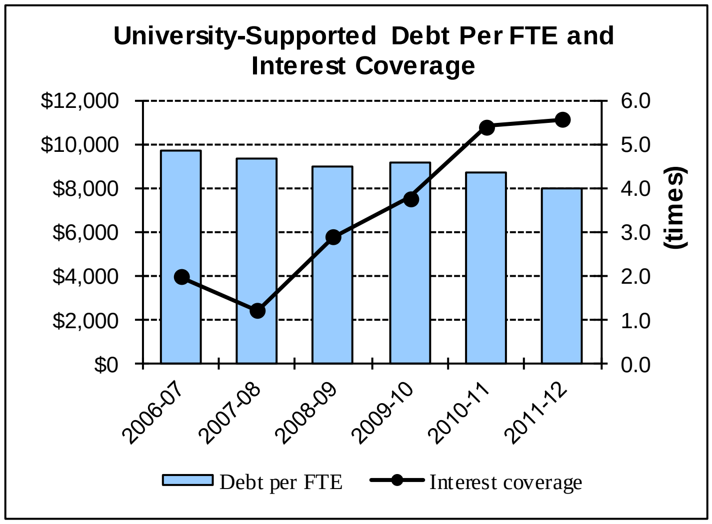
Recent capital projects undertaken at Concordia have been relatively modest. In October 2012, the University acquired the fifth and sixth floors of the Faubourg Building for roughly $5 million. The building is adjacent to the downtown campus and a location where the University currently rents other space. Concordia plans to convert this space to academic use once the current tenants vacate the property. Although any conversion is likely to require significant investment, the University anticipates that these costs will be covered through provincially supported borrowing.

In addition, Concordia recently announced its plan to assume occupancy of the Grey Nuns Mother House. The property, originally purchased in 2007, is expected to provide accommodation for an additional 355 student residents as well as needed study space and cafeteria facilities. Approximately $14 million in capital expenditures are required in the coming year with the facility expected to be ready for use in April 2014. The University has indicated that its longer-term plan is to convert this building to academic space when capital funding becomes available. In the interim period, the project will be internally financed and is expected to be self-supporting like other ancillary operations. Other projects underway include a multi-year project to modernize university information systems and the refurbishment of an existing arena, the latter of which is to be supported through a municipal grant and internally generated cash flow.

The University considers deferred maintenance to be manageable, especially in relation to some of its older provincial peers. The Province is currently working with all Québec universities to invest in a common deferred maintenance monitoring system to be cost-shared between the Province and all universities. This is a multi-year project with the final outcome not expected for three to five years. DBRS also notes that Concordia is in the process of developing an integrated capital and operating budget that will help to provide greater transparency on the capital planning framework going forward. This is expected to be available in the next budget.

Debt and Liquidity

In addition to direct obligations incurred for capital purposes, Québec universities generally carry debt issued by the Province in their name to fund provincial grants awarded to them (Province-supported debt). These are direct obligations of the institution and do not benefit from a guarantee from the Province. However, for credit analysis purposes DBRS views this debt as a provincial obligation, as the Province dictates its issuance and ensures its servicing through dedicated grants (the University transfers to the trustee all right, title and interest in the related debt-servicing grants).



In 2011–2012, university-supported debt declined by 6.9% to $218.6 million as a result of decreased short-term borrowing. This represents a debt burden of $8,001 per FTE, down from $8,733 the prior year. The interest coverage ratio continued to improve, along with operating results, to a respectable 5.5 times.

As of April 30, 2012, endowment assets totalled $120.5 million, down 1.1% from the prior year as investment losses more than offset net contributions to the University. As enrolment continued to rise, this resulted in endowment assets per FTE of $4,410, down from $4,534 a year earlier. Included in endowment assets, is an internal sinking fund established for the repayment of Concordia's outstanding debenture maturing in 2042. At year-end 2011–2012, sinking fund assets stood at $33.1 million. Also included in endowments, the University reported $10.2 million in unrestricted financial resources, which is equivalent to 4.0% of university-supported debt — a level below that of other DBRS-rated universities.

The last actuarial pension valuation took place as of December 31, 2010, with an update required by December 31, 2013. On a financial statement basis, unfunded pension obligations amounted to $309.8 million at April 30, 2012, up substantially from $111.7 million a year earlier. The large increase was primarily a result of a change in the discount rate to 4.3% from 5.5% and the expected return on plan assets to 6.5% from 7.0% previously. DBRS notes that universities in Québec are only required to make special payments to address the going concern shortfall and not solvency deficits, but nevertheless, Concordia has assumed that a sizeable increase in pension contributions will be required going forward.

Outlook

Capital projects currently in progress or under consideration are expected to lead to only modest needs for new university-supported debt. For the 2012–2013 fiscal year, debt is expected to end the year around $8,700 per FTE as a result of borrowing for the Faubourg Building acquisition. As a modest amount of new debt is incurred in 2013–2014, debt is expected to rise again but should remain below $10,000 per FTE — a level DBRS considers acceptable for the current ratings.

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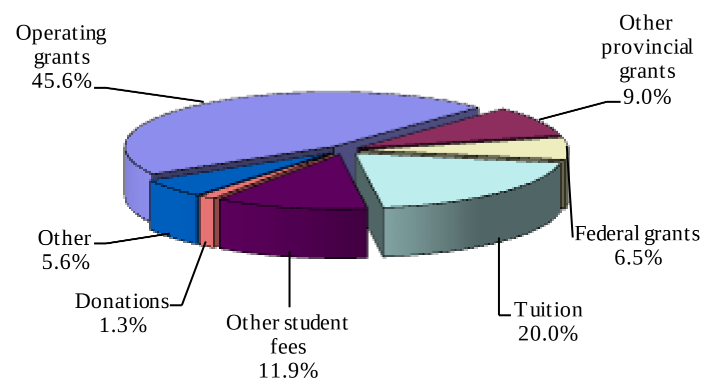
University Funding in Québec

Canadian universities generally have access to three key sources of revenue to fund their traditional academic and research activities: (1) government grants (provincial and federal), (2) student fees and (3) endowment income and donations. In the case of Concordia, these account for roughly 94% of total revenues.

Government Funding (Provincial and Federal — 61.2%): Government funding includes operating, research and capital grants. Operating grants constitute the most important revenue source for Canadian universities and are exclusively provided by provincial governments, as education is within provincial jurisdiction. In Québec, operating funding for a given year is based on enrolment levels two years before and includes three broad components:

(1) Teaching: allocated across universities in proportion to enrolment at each institution, with each student weighted on the basis of the relative cost of the program they are enrolled in.
(2) Support for teaching and research: funding for general administration costs, library operations and computer and audiovisual equipment. It is composed of a fixed amount and a variable component based on enrolment.
(3) Maintenance: provided largely on the basis of floor space recognized for funding purposes.

2011-2012 Consolidated Revenue Sources (Total: $512.9 million*)



*DBRS adjusted.

In recent years, a small portion of the operating funding envelope has been provided through targeted performance based grants, totalling roughly $23 million, which provided modest flexibility but did not allow Concordia to keep pace with inflationary cost increases. Following the education summit held in February 2013, the Province announced that tuition fees will be indexed to the increase in personal disposable income beginning in 2013–2014. In addition, starting in 2014–2015, Québec will provide funding of $97 million, rising to $225 million by 2018–2019, to compensate universities for cancellation of previously planned tuition rate increases.

Capital funding largely originates from the Province. However, rather than taking the form of cash payments as in other provinces, most capital grants awarded to universities in Québec are funded by debt issued in the institutions' names but serviced by the Province through annual subsidies. This explains the relatively high debt level of Québec universities and their greater dependence on provincial funding. The Province provides some research funding, though the bulk of research funds are provided by the federal government.

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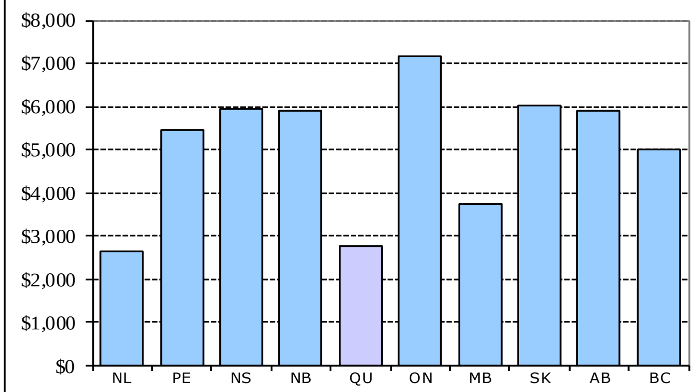
Tuition and Student Fees (31.9%): The Province maintains full discretion over tuition fees (20.0% of total revenue). For residents of Québec, after being frozen for several years, tuition fees were allowed to increase by $100 per year from 2007—2008 through 2011–2012 academic years. In Québec's 2011 budget, it was announced that tuition fees would be allowed to increase by $325 per student per year between 2012–2013 and 2016–2017. However, following the election of the Parti Québécois in September 2012, this tuition framework was promptly cancelled creating a challenge for most universities as the academic year had already begun. At a recent education summit in February 2013, the Province announced that under a new tuition framework, fees will be indexed to the annual increase in personal disposable income beginning with the 2013–2014 academic year. DBRS notes that is expected to amount to annual increases of roughly $70 per student per year, a notable reduction from the prior plan. For non-Québec Canadian residents, tuition fees are markedly higher and have been allowed to increase in recent years. Revenue collected from those students in excess of tuition paid by residents of Québec is generally appropriated by the Province and re-invested in the post-secondary education system, limiting the ability of universities in Québec to grow revenues. However, since 2008–2009, international student fees in excess of levels set by Québec are retained by the university. For 2012–2013, the average undergraduate tuition fee in Québec was $2,774, roughly half the national average. Universities in Québec have some flexibility to set miscellaneous student fees, such as application fees, registration fees and service charges, but those account for a small portion of Concordia's revenue base (11.9% in 2011–2012).

2012-2013 Average Undergraduate Tuition Fees



Source: Statistics Canada

Fundraising and Endowment Contributions (1.3%): Fundraising is a relatively new source of revenue for most universities in Canada. This is reflected in the fairly small endowment funds of most institutions and the still-negligible share of donation income and endowment contributions in the revenue base of Canadian universities relative to their U.S. counterparts. In the case of Concordia, fundraising only started gaining momentum in 1995.

The University recognizes all donations as revenue upon receipt, although donations received with long-term external restrictions are transferred to the Concordia University Foundation (the Foundation). As of April 30, 2012, the Foundation had net assets of $120.5 million, or $4,410 per FTE. Although small in relation to other Canadian institutions of similar size, Foundation assets are expected to continue to gain importance over the coming years, aided by plans for a new fundraising campaign.

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Concordia University

Consolidated Balance Sheet

($ thousands)	As at April 30		As at May 31		
Assets	2012	2011	2010	2009	2008
Cash and short-term investments	2,551	6,844	35	30	518
Receivables	61,947	78,778	84,310	85,813	110,418
Subsidies receivable from Province	140,191	140,581	143,877	148,570	n.a.
Inventories and prepaid expenses	8,158	8,362	7,732	8,165	8,146
Capital assets	731,142	695,850	638,556	623,961	589,795
Concordia University Foundation - net assets	120,492	121,861	110,827	87,685	113,329
Other assets	1,401	1,415	7,812	9,208	-
Total Assets	1,065,882	1,053,691	993,149	963,432	822,206
Liabilities and Equity					
Accounts payable and accrued liability	74,335	87,103	73,139	88,160	67,443
Short-term debt serviced by University	-	17,785	40,997	24,578	32,399
Short-term debt serviced by Province	107,357	109,943	67,156	75,606	84,001
Unearned revenue	19,102	18,229	31,896	27,889	28,142
Other short-term liabilities	5,459	13,277	14,288	11,411	10,130
Employee future benefits	89,738	83,287	77,761	74,840	-
Deferred contributions	110,839	94,381	76,610	66,633	-
Net long-term debt serviced by University	218,599	216,916	197,521	196,886	195,939
Net long-term debt serviced by Province	242,853	231,861	254,189	245,393	221,691
Total Liabilities	868,282	872,782	833,557	811,396	639,745
Fund Balances					
Invested in capital assets (1)	162,193	144,739	142,621	147,274	34,482
Committed funds	60,002	52,377	33,989	29,140	23,145
Externally restricted	1,079	1,979	11	244	50,899
Concordia University Foundation	120,492	121,861	110,827	87,685	113,329
Accumulated deficit	(146,166)	(140,047)	(127,856)	(112,307)	(39,394)
Total Liability and Equity	1,065,882	1,053,691	993,149	963,432	822,206
Contingencies					
Accumulated vacation (2)	n.a.	n.a.	n.a.	n.a.	12,436
Potential claim - lawsuits	16,000	15,000	15,000	13,000	13,000
Pension-fund deficit (if any)	309,771	111,681	159,580	84,128	(3,000)
	325,771	126,681	174,580	97,128	22,436

Note: For 2008-2009 and subsequent years, the University's financial statements are presented in accordance with GAAP. Previously, they were presented based on rules prescribed by the Ministère de l'Éducation, du Loisir et du Sport.

(1) In 2008 results are presented under a new asset capitalization policy.

(2) For 2008-2009 and subsequent years, accumulated vacation is included in accounts payable and accrued liabilities.

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Consolidated Financial Summary (DBRS-adjusted)	For the period ended:				
($ thousands)	April 30		May 31		
	2011-2012	2010-2011*	2009-2010	2008-2009	2007-2008
Operating revenue	512,870	458,156	453,351	450,004	423,988
Total expenditures	492,131	449,143	455,195	434,901	434,563
Recurring Surplus/(Deficit)	20,739	9,013	(1,844)	15,103	(10,575)
Non-recurring revenue/(expenditures)	(2,000)	-	(13,508)	-	1,032
Total Consolidated Surplus/(Deficit)	18,739	9,013	(15,352)	15,103	(9,543)
Revenue					
Tuition	102,693	94,582	85,178	75,914	70,428
Student fees (1)	61,009	55,136	56,201	52,816	48,464
Provincial operating grants	234,057	211,795	224,145	215,035	197,501
Provincial grants for debt servicing	42,563	26,766	18,266	38,826	25,774
Other provincial grants for restricted uses	3,706	5,294	7,096	6,331	7,284
Federal grants	33,394	28,040	28,100	27,398	27,717
Sales, services, and rentals	24,224	23,471	23,326	23,060	23,642
Donations	6,735	8,541	5,225	6,080	11,151
Other income	4,489	4,531	5,814	4,544	12,027
Total Revenue	512,870	458,156	453,351	450,004	423,988
Expenditures					
Academic services	227,432	202,397	212,094	202,225	215,956
Administrative services	78,582	74,509	77,276	74,933	87,121
Research	41,029	38,091	38,292	36,167	39,625
Sales, services, and rentals	19,313	18,541	19,140	19,174	21,181
Amortization	34,839	31,623	32,308	31,014	29,039
Pension plan	36,044	34,440	29,144	18,170	n.a.
Interest on subsidized debt	14,615	13,300	13,730	13,705	14,145
Interest on University-supported debt	14,238	12,872	14,578	18,947	18,337
Other (2)	26,039	23,370	18,633	20,566	9,159
Total Expenditures	492,131	449,143	455,195	434,901	434,563
Gross Capital Expenditures	69,932	88,740	47,422	64,890	76,797

Note: For 2008-2009 and subsequent years, the University's financial statements are presented in accordance with GAAP. Previously, they were presented based on rules prescribed by the Ministère de l'Éducation, du Loisir et du Sport.

(1) Includes services to the community, student services revenues and miscellaneous fees and other income.

(2) For 2007-2008 and prior years, adjusted to exclude capex that is both expensed during the year and added to assets for future amortization.

* At the direction of the Ministère de L'Éducation, du Loisir ed du Sport du Québec, Concordia changed its fiscal year end to April 30 from May 31, starting in 2010-2011. In 2010-2011, results reflect an 11-month year and are not directly comparable with other years.

Statement of Cash Flow (DBRS-adjusted)	For the period ended:				
($ thousands)	April 30		May 31		
	2011-2012	2010-2011	2009-2010	2008-2009	2007-2008
Operating balance before fund transfers	20,739	9,013	(1,844)	15,103	(10,575)
Amortization and other	44,007	47,690	42,304	20,611	14,318
Cash flow from operations	64,746	56,703	40,460	35,714	3,743
Change in working capital	(7,658)	(1,485)	(5,842)	18,883	30,818
Operating cash flow after working capital	57,088	55,218	34,618	54,597	34,561
Capital expenditures	(69,932)	(88,740)	(47,422)	(64,890)	(74,873)
Free cash flow	(12,844)	(33,522)	(12,804)	(10,293)	(40,312)

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Summary Statistics (DBRS-adjusted)	For the period ended:				
	April 30		May 31		
	2011-2012	2010-2011	2009-2010	2008-2009	2007-2008
Total Enrolment (1)	27,323	26,876	26,026	24,811	24,473
- Undergraduate	88%	88%	88%	88%	88%
- Graduate	12%	12%	12%	12%	12%
Annual change (%)	1.7%	3.3%	4.9%	1.4%	1.4%
Total staff (FTE)	3,598	3,548	3,478	3,450	3,484
- academic staff (FTE)	40%	40%	39%	40%	41%

Note: Staff and academic staff exclude auxiliary students and part-time faculty for continuing education. A part-time FTE faculty is based on a load of four courses of 3 credits.

	2011-2012	2010-2011	2009-2010	2008-2009	2007-2008
Operating Results					
Recurring surplus (deficit) ($ thousands)	20,739	9,013	(1,844)	15,103	(10,575)
- As % of revenues	4.0%	2.0%	(0.4%)	3.4%	(2.5%)
Revenue Mix (as % of total DBRS-adjusted revenue)					
- Provincial government funding	54.7%	53.2%	55.0%	57.8%	54.4%
- Tuition fees	20.0%	20.6%	18.8%	16.9%	16.6%
- Endowment and expendable donations	1.3%	1.9%	1.2%	1.4%	2.6%
- Other	24.0%	24.3%	25.0%	24.0%	26.4%
Debt					
Total debt ($ millions)	568.8	576.5	559.9	542.5	534.0
Debt serviced by Province ($ millions)	313.8	341.8	321.3	321.0	305.7
Debt serviced by University ($ millions)	255.1	234.7	238.5	221.5	228.3
- Per FTE student ($)	9,335	8,733	9,165	8,926	9,330
Total debt and contingencies ($ millions)	894.6	703.2	734.4	639.6	556.5
- Per FTE student ($)	32,741	26,164	28,220	25,778	22,738
Interest charges supported by University/total exp.	2.9%	2.9%	3.2%	4.4%	4.2%
Interest coverage ratio (times) (2)	5.5	5.4	3.8	2.9	1.2
Concordia University Foundation					
Total net assets ($ millions)	120.5	121.9	110.8	87.7	113.3
- Per FTE student ($)	4,410	4,534	4,258	3,534	4,631
Annual payout rate	5.0%	5.0%	5.0%	0.0%	5.0%

(1) Full-time equivalent (FTE). Excludes continuing education.
(2) Defined as surplus before interest, amortization, and fund transfers divided by interest charges supported by the University.

Concordia University

Report Date:
April 10, 2013

Rating

Debt	Rating	Rating Action	Trend
Issuer Rating	A	Confirmed	Stable
Senior Unsecured Debt	A	Confirmed	Stable

Rating History

	Current	2012	2011	2010	2009	2008
Issuer Rating	A	A	NR	NR	NR	NR
Senior Unsecured Debt	A	A	A	A	A	A

Related Research

- Canadian University Peer Comparison Table, January 29, 2013.
- DBRS Comments on New Ontario University Tuition Framework, April 3, 2013.

Notes:
All figures are in Canadian dollars unless otherwise noted.

For the definition of Issuer Rating, please refer to Rating Definitions under Rating Policy on www.dbrs.com.

Generally, Issuer Ratings apply to all senior unsecured obligations of an applicable issuer, except when an issuer has a significant or unique level of secured debt.