



Independent auditor's report

To the Board of Governors of Concordia University of Edmonton

Our opinion

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Concordia University of Edmonton (the University) as at March 31, 2024 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.

What we have audited

The University's financial statements comprise:

- the statement of financial position as at March 31, 2024;
- the statement of operations for the year then ended;
- the statement of changes in net assets for the year then ended;
- the statement of cash flows for the year then ended; and
- the notes to the financial statements, which include significant accounting policies and other explanatory information.

Basis for opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report.

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

Independence

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

Responsibilities of management and those charged with governance for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Canadian accounting standards for not-for-profit organizations, and for such internal

PricewaterhouseCoopers LLP
Stantec Tower, 10220 103rd Avenue North West, Suite 2200, Edmonton, Alberta, Canada T5J 0K4
T.: +1 780 441 6700, F.: +1 780 441 6776, Fax to mail: ca_edmonton_main_fax@pwc.com

"PwC" refers to PricewaterhouseCoopers LLP, an Ontario limited liability partnership.



control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditor's responsibilities for the audit of the financial statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the University's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the University's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the University to cease to continue as a going concern.



- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

PricewaterhouseCoopers LLP

Chartered Professional Accountants

Edmonton, Alberta
August 30, 2024

CONCORDIA UNIVERSITY OF EDMONTON
Statement of Financial Position

	March 31, 2024	As at March 31, 2023
Assets		
Current		
Cash and cash equivalents	17,179,325	\$ 18,024,438
Investments (note 3)	11,764,777	15,066,388
Accounts receivable	2,333,470	1,730,677
Bookstore inventory	66,116	108,728
Prepaid expenses and other current assets	536,871	450,395
	31,880,559	35,380,626
Long term investments (note 3)	8,467,765	-
Capital assets (note 4)	69,961,432	58,505,304
Derivative asset (note 5)	292,710	381,579
Total assets	\$ 110,602,466	\$ 94,267,509
Liabilities and net assets		
Current		
Accounts payable and accrued liabilities (note 6)	\$ 8,361,352	\$ 8,296,425
Deferred revenue (note 7)	11,693,853	10,461,386
Specially designated funds (note 8)	464,176	548,392
Current portion of loans payable (note 9)	337,998	337,998
	20,857,379	19,644,201
Long Term		
Loans payable (note 9)	14,578,739	9,423,180
Unamortized deferred capital contributions (note 11)	10,986,981	11,131,611
Employee future benefits (note 12)	1,383,000	2,312,900
Total liabilities	47,806,099	42,511,892
Net Assets		
Endowments	1,142,442	1,142,442
Internally restricted net assets	4,202,452	4,202,452
Invested in capital assets	44,057,715	37,612,515
Unrestricted net assets	13,393,758	8,798,208
Total net assets	62,796,367	51,755,617
Total liabilities and net assets	\$ 110,602,466	\$ 94,267,509

Approved by:

Tim Lorenzan, President & Vice Chancellor

Jim Gendron, Chair, Board of Governors

CONCORDIA UNIVERSITY OF EDMONTON
Statement of Operations

	Year-ended March 31,	
	2024	2023
Revenue (schedule 1)		
Gifts and Grants		
Government of Alberta grants (note 7)	\$13,798,556	\$13,255,198
Government of Canada (note 7)	265,287	242,020
Designated fees, gifts, and grants	1,339,347	822,208
Amortization of deferred capital contributions (note 11)	275,058	445,444
	15,678,248	14,764,870
Student tuition and fees, and other revenue		
Student tuition and fees (note 7)	29,601,093	28,246,363
Auxiliary enterprises and activities (schedule 3)	2,037,778	1,799,229
Student activities	363,200	286,738
Investment income (note 3)	2,386,845	984,621
Unrealized (loss) gain on interest rate swaps (note 5)	(88,869)	226,574
Miscellaneous	372,240	247,717
	34,672,287	31,791,242
Total revenue	50,350,535	46,556,112
Expenses (schedules 2 and 3)		
Salary and wages		
Salaries and wages	24,238,294	24,976,905
Employee benefits	3,595,698	3,725,195
	27,833,992	28,702,100
Supplies and services	6,358,040	5,300,260
Amortization of capital assets	1,850,396	1,843,244
Scholarships and bursaries	1,784,491	1,629,601
Utilities	930,090	858,126
Cost of goods sold	563,805	569,380
Maintenance	412,109	341,317
Interest	501,698	293,023
Property tax	26,864	58,647
Total expenses	40,261,485	39,595,698
Net surplus	\$ 10,089,050	\$ 6,960,414

CONCORDIA UNIVERSITY OF EDMONTON
Statement of Changes in Net Assets

	Net Assets Available for Operations	Invested in Capital Assets	Internally Restricted	Endowments	Total Net Assets March 31, 2024	Total Net Assets March 31, 2023
Net assets , beginning of year	\$ 8,798,208	\$ 37,612,515	\$ 4,202,452	\$ 1,142,442	\$ 51,755,617	\$ 44,764,852
Excess (deficiency) of revenue over expenditures	11,664,387	(1,575,337)	-	-	10,089,050	6,960,414
Employee future benefits remeasurement (note 12)	951,700	-	-	-	951,700	25,200
Endowment contributions	-	-	-	-	-	5,151
Transfers						
For capital additions	(13,306,524)	13,306,524	-	-	-	-
Capital contributions (note 10)	130,428	(130,428)	-	-	-	-
Repayment of loans	(341,041)	341,041	-	-	-	-
Advances of loans	5,496,600	(5,496,600)				
Net assets, end of period	\$ 13,393,758	\$ 44,057,715	\$ 4,202,452	\$ 1,142,442	\$ 62,796,367	\$ 51,755,617

CONCORDIA UNIVERSITY OF EDMONTON
Statement of Cash Flows

	Year-ended March 31,	
	2024	2023
Operating activities		
Excess of revenues over expenditures	\$ 10,089,050	\$ 6,960,414
Items not involving cash		
Employee future benefits	21,800	(88,800)
Amortization of capital assets	1,850,396	1,843,244
Amortization of deferred capital contributions	(275,058)	(445,444)
Accrued interest on investments	(525,197)	-
Unrealized gain on fair value of investments	(649,679)	(184,825)
Unrealized loss/(gain) on interest rate swap	88,869	(226,574)
	10,600,181	7,858,015
Change in non-cash working capital:		
Change in accounts receivable	(602,793)	(281,549)
Change in bookstore inventory	42,612	81,546
Change in prepaid expenses	(86,476)	(36,572)
Change in accounts payable and accrued liabilities	64,927	2,461,450
Change in deferred revenue	1,232,467	920,708
Change in specially designated funds	(84,216)	(47,514)
	11,166,702	10,956,084
Investing activities		
Capital assets purchased	(13,306,524)	(14,402,485)
Proceeds from investments	9,058,417	18,886,663
Investments purchased	(13,049,695)	(15,449,333)
	(17,297,802)	(10,965,155)
Financing activities		
Increase in deferred capital contributions	130,428	154,128
Endowment contributions	-	5,151
Advances of loans	5,496,600	-
Repayment of loans	(341,041)	(371,879)
	5,285,987	(212,600)
Decrease in cash and cash equivalents	(845,113)	(221,671)
Cash and cash equivalents, beginning of the year	18,024,438	18,246,109
Cash and cash equivalents, end of year	\$ 17,179,325	\$ 18,024,438

Concordia University of Edmonton
Notes to Financial Statements
Year Ended March 31, 2024

1. STATUS AND PURPOSE OF THE ORGANIZATION

Concordia University of Edmonton (the “University”) was incorporated on Dec 11, 2015 by a special act of the Legislative Assembly of Alberta. The University was formerly known as Concordia University College of Alberta. It is an independent educational institution and a registered charity under the Income Tax Act. As such, it is exempt from corporate income taxes.

2. SUMMARY OF ACCOUNTING POLICIES

These financial statements are prepared in accordance with Canadian accounting standards for not-for-profit organizations and are prepared using the deferral method of accounting for contributions and grants. The following policies are considered significant:

(a) Revenue recognition

Restricted contributions are deferred when received and recognized in the year in which the related expenses are incurred. Student tuition and fees for academic programs and courses are recognized as revenue when the programs and courses are taken throughout the academic semester. Government grants for specific programs are recognized when actual program-related expenses are incurred. Province of Alberta operating grants are recognized in the fiscal year for which the funding is intended.

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.

Unrestricted investment income is recognized as revenue when earned. Income from the investment of restricted assets is included in deferred revenue in the statement of financial position. Revenue derived from auxiliary enterprises and activities is recognized when the service is performed and collection is reasonably assured.

Externally restricted capital contributions are recorded as deferred capital contributions until the amount is invested to acquire capital assets. Amounts invested representing externally funded capital assets are then transferred to unamortized deferred capital contributions.

Unamortized deferred capital contributions are amortized into revenue on a straight-line method at a rate corresponding with the amortization rate for the related capital asset.

(b) Cash and cash equivalents

Cash and cash equivalents include cash and liquid short-term guaranteed investment certificates with maturity less than three months.

(c) Bookstore inventory

Inventory is stated at the lower of cost and net realizable value. Cost is determined using the first-in first-out method. Cost of purchased inventory includes the purchase price, shipping and net tax. Net realizable value is the estimated selling price in the ordinary course of business, less the estimated selling costs. When circumstances which previously caused inventories to be written down no longer exist, the previous impairment is reversed. Inventory consists of textbooks, stationary, souvenirs and clothing.

Concordia University of Edmonton
Notes to Financial Statements
Year Ended March 31, 2024

2. SUMMARY OF ACCOUNTING POLICIES (continued)

(d) Capital assets

Capital assets acquired prior to June 1, 1955 are recorded at appraised values. Subsequent additions are recorded at cost. Donated capital assets are recorded at the fair market value on the date of the receipt of the gift. Amortization, which is based on the recorded value less the residual value over the useful life of the asset, is computed using the straight-line method at the following annual rates:

Buildings	
Trailers	10%
Wood structures	5%
Brick structures	2.5%
Concrete structures	2%
Equipment	10-25%
Improvements other than buildings	5-20%
Library resources	10%
Vehicles	20%

(e) Impairment of long-lived assets

When conditions indicate that a capital asset is impaired, the net carrying amount of the asset is written down to the asset's fair value or replacement cost. A capital asset may be impacted when conditions indicate that the asset no longer contributes to the University's ability to provide services, or that the value of further economic benefits or service potential associated with the asset is less than the carrying amount.

(f) Use of estimates and measurement uncertainty

The preparation of these financial statements, in conformity with Canadian accounting standards for not-for-profit organizations, requires management to make judgements, estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Significant estimates included in the financial statements include the valuation of accounts receivable, the useful lives of capital assets related to the provision for amortization, impairment of capital assets, accrued liabilities and actuarial and investment return assumptions associated with employee future benefits. Actual results could differ from those estimates.

(g) Internally restricted net assets

Internally restricted net assets consist of amounts for strategic initiatives which are not available for use without the approval of the Board of Governors.

(h) Endowments

Endowed contributions from external sources are recognized as direct increases in net assets in the year received. The income from endowments designated for student aid is included in deferred revenue.

Concordia University of Edmonton
Notes to Financial Statements
Year Ended March 31, 2024

2. SUMMARY OF ACCOUNTING POLICIES (continued)

(i) Foreign currency translation

Foreign currency transactions and balances are translated using the temporal method. Under this method, monetary assets and liabilities are translated at year-end exchange rates and non-monetary assets and liabilities are translated at the exchange rates prevailing at the transaction date. Any gains or losses arising from the translation of foreign currency are recognized in the determination of net surplus.

(j) Financial instruments

Financial instruments consist of cash and cash equivalents, investments, accounts receivable, accounts payable and accrued liabilities, loans payable and derivative financial instruments.

Cash and cash equivalents is initially and subsequently recorded at fair value with changes in fair value recognized in the statement of operations. All investments are recorded at fair value on initial recognition. Pooled funds and private equity are subsequently measured at fair value with changes in fair value recognized in the statement of operations. Guaranteed Investment Certificates (GIC's) are subsequently measured at amortized cost.

Accounts receivable are initially recognized at fair value and subsequently measured at amortized cost. Accounts payable and accrued liabilities, and loans payable are initially recognized at fair value net of transaction costs and subsequently measured at amortized cost using the straight-line interest rate method.

At the end of each reporting period, the University assesses whether there are any indications that a financial asset measured at cost or amortized cost may be impaired. If there are indicators of impairment, and the University determinates there has been a significant adverse change in the expected amount or timing of future cash flows, an impairment is recognized.

Accounts payable and accrued liabilities and loans payable are measured at cost or amortized cost. Derivative financial instruments are initially recognized at fair value on the date on which a derivative contract is entered into and are subsequently measured at their fair value at each balance sheet date. Changes in fair value are recorded in net income. The University has not adopted hedge accounting.

Risk management:

The University periodically monitors the principal risks assumed in its investments. The risks that arise from transacting financial instruments include credit risk, liquidity risk, and price risk. Price risk arises from changes in interest rates, foreign currency exchange rates and market prices. The University manages these risks using risk management policies and practices, including various approved asset mix strategies and risk management limits.

Liquidity risk is the risk an entity will encounter difficulty in meeting obligations associated with its financial liabilities. The University is exposed to liquidity risk mainly with respect to its accounts payable and accrued liabilities and loans payable. Refer to note 9 on loans payable for further details on the aggregate minimum payments. The University has cash and investment reserves and cash flows from operations provides a substantial portion of the University's cash requirements.

The University holds assets denominated in US dollars. Its it therefore exposed to currency risk as the value of the financial instruments denominated in US dollars will fluctuate due to changes in exchange rates.

The University is subject to market risk with investments recorded at fair value. Accordingly, the values of these financial instruments will fluctuate as a result of changes in market prices, market conditions, or factors affecting the fair value of the investments. Should the value of the investments decrease significantly, the University could incur material losses on disposal of the investments.

Concordia University of Edmonton
Notes to Financial Statements
Year Ended March 31, 2024

Interest rate risk is mitigated by managing maturity dates and payment frequency. The University entered into interest rate swap contracts for its long-term interest-bearing debt to mitigate the effects to cash flow that interest changes could have. The University is exposed to credit risk related to the accounts receivable arising from student fees and auxiliary activities. Delinquent accounts are monitored and contacted on a monthly basis. Any accounts delinquent in excess of 120 days are referred to a collection agency.

(k) Investments

The University's investments consist primarily of fixed income, pooled and equity funds held primarily for trading purposes. The investment portfolios, managed by third party investment managers, are subject to an investment policy set by management and reviewed by the Pension and Audit Committee of the University. The University's primary investment objective is to maximize returns with a low to medium level of risk, and medium liquidity.

Investments are recorded at fair value on the latest closing bid price. This accounting treatment results in unrealized changes in the market value of the investments being reported as a component of investment income reported on the statement of operations.

Transaction costs on investments recorded at fair value are expensed when incurred. The purchase and sale of investments are recognized on the settlement date.

On occasion, investments may include cash intended for reinvestment purposes, which is excluded from operational cash.

(l) Contributed materials and services

Contributed materials and services are only recognized when the fair value can be reasonably measured at the date of contribution. This is done using market or appraised value. For contributed materials that are normally purchased, fair market is determined in relation to the purchase of similar materials or services.

(m) Employee future benefits

The University accrues its obligations for its defined benefit pension plan as the employees render the services necessary to earn the pension benefits. The accrued benefit obligation for the defined benefit pension plan is determined based on an actuarial valuation prepared for funding purposes. For the University's post-retirement benefit plan, the accrued benefit obligation is determined based on an actuarial valuation prepared for accounting purposes using the accumulated benefit method. The University recognizes the net amount of the accrued benefit obligation and the fair value of plan assets in the statement of financial position. Re-measurements, which include the difference between the actual return on plan assets and the return calculated using the discount rate used to determine the defined benefit obligation, actuarial gains and losses, valuation allowances, past service costs and gains and losses arising from settlements and curtailments, are recognized directly in net assets.

3. INVESTMENTS

The University has a managed portfolio with holdings of pooled funds and private equity. Investment transactions regularly occur within this portfolio, based on the recommendation of the portfolio advisor, and approved by management.

Concordia University of Edmonton
Notes to Financial Statements
Year Ended March 31, 2024

Investments are comprised of the following:

	March 31, 2024	March 31, 2023
Investments measured at fair value:		
Pooled funds	\$ 4,746,276	\$ 4,190,748
Private equity	2,124,809	1,849,854
Other	25,786	25,786
	6,896,871	6,066,388
Investments measured at amortized cost:		
GIC's with average interest rates of 4.89% (2023 – 3.1%)	13,335,671	9,000,000
	\$ 20,232,542	\$ 15,066,388
Non-redeemable GIC's with maturity dates in excess of 1-year from the statement of financial position date	(8,467,765)	-
	\$ 11,764,777	\$ 15,066,388

Investment income is comprised of the following:

	March 31, 2024	March 31, 2023
Interest and dividends	\$ 1,797,663	\$ 963,092
Unrealized gain on value of investments	649,679	184,825
Realized gain/(loss) on sale of investments	18,156	(119,427)
Transaction costs and administration fees	(78,653)	(43,869)
	\$ 2,386,845	\$ 984,621

4. CAPITAL ASSETS

			Net Book Value	
	Cost	Accumulated Amortization	March 31, 2024	March 31, 2023
Land	\$ 3,742,248	\$ -	\$ 3,742,248	\$ 3,742,248
Art & Historical	27,852	-	27,852	-
Buildings	45,896,902	16,898,124	28,998,778	29,936,246
Construction in progress	34,995,950	-	34,995,950	22,769,489
Equipment	8,600,598	6,510,526	2,090,072	1,894,473
Improvements other than buildings	737,111	670,514	66,597	91,195
Library resources	1,023,063	995,325	27,738	52,342
Vehicles	64,660	52,463	12,197	19,311
	\$ 95,088,384	\$ 25,126,952	\$ 69,961,432	\$ 58,505,304

The construction in progress of \$34,995,950 (2023: \$22,769,489) is not being amortized as the assets are not available for use.

5. DERIVATIVE FINANCIAL INSTRUMENTS

The University has two interest rate swap contracts which exchange a floating interest rate on its long term debt and construction loan.

Concordia University of Edmonton
Notes to Financial Statements
Year Ended March 31, 2024

The first contract is for a fixed interest rate for a 59-month term ending on February 16, 2027. As at March 31, 2024, the notional amount of the derivative financial instrument is \$9,492,121 (2022: \$9,830,120) and fair value is \$317,833 (2023: \$381,579).

A second interest rate swap contract was entered into on the anticipated construction loan for a fixed interest rate for a 53-month term ending on April 17, 2028. As at March 31, 2024, the notional amount of the derivative financial instrument is \$17,000,000 and fair value is \$(25,123).

The fair value has been determined using broker quotes from a derivatives dealer.

6. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	March 31, 2024	March 31, 2023
Accrued vacation and administrative leave payable	\$ 2,300,912	\$ 2,473,166
Accrued salaries payable	750,147	883,950
Trade payables and accrued liabilities	4,617,008	4,163,216
Government remittances payable	693,285	776,093
	\$ 8,361,352	\$ 8,296,425

7. DEFERRED REVENUE

	March 31, 2023	Receipts and Transfers	Revenue recognized	March 31, 2024
Tuition and fees	\$ 6,426,236	\$ 30,464,570	\$ 30,120,803	\$ 6,770,003
Scholarships and bursaries	1,865,974	899,070	903,783	1,861,261
Government of Alberta grants	703,856	14,403,749	13,798,556	1,309,049
Government of Canada grants	312,225	359,007	265,287	405,945
Other income	1,153,095	855,245	660,745	1,347,595
	\$ 10,461,386	\$ 46,981,641	\$ 45,749,174	11,693,853

Deferred revenue includes pre-registration fees, deposits, restricted donations, and designated grants received but unused. The deferred revenue reconciliation for Tuition and fees includes \$519,720 of student housing and insurance revenue recognized, which is included in Auxiliary and Student Activities revenue on the statement of operations.

8. SPECIALLY DESIGNATED FUNDS

Specially designated funds consist of resources in the amount of \$464,176 (2023: \$548,392) that have been placed with the University for specific purposes that are not part of the operations of the University.

9. LOANS PAYABLE

	March 31, 2024	March 31, 2023
Refinancing loan:		
Non-revolving instalment loan (refinancing loan) with option to enter into interest rate swap exercised (Note 5). Payable in monthly installments of \$28,167 fixed notional amount plus interest at 2.36%. The loan is amortized over 30 years.	9,420,137	9,761,178
Less: Current portion	(337,998)	(337,998)
	\$ 9,082,139	\$ 9,423,180

Concordia University of Edmonton
Notes to Financial Statements
Year Ended March 31, 2024

9. LOANS PAYABLE (continued)

Outstanding principal payments are scheduled as follows:

2025	\$	337,998
2026		337,998
2027		337,998
2028		337,998
2029		337,998
Thereafter		7,730,147
		<u>\$ 9,420,137</u>

New academic building loan:

March 31, 2024

March 31, 2023

Non-Revolving Instalment Term Loan (New Academic Building Loan) to a maximum of \$25,000,000 to finance the construction of the New Academic Building and Student Quad. Payable by way of interest only during construction phase (up to a maximum of 36 months), followed by regular monthly blended or principal plus interest payments based on a 30 year amortization. As at March 31, 2024, the project is still in the construction phase.

\$5,496,600

-

Less: Current portion

-

-

\$ 5,496,600

\$ -

As part of the existing credit agreement, the University has four additional credit facilities. The University has not accessed funding through any of these credit facilities as at March 31, 2024. Details of the credit facilities are as follows:

- a) Revolving line of credit (operating line) of \$3,000,000 to be used for general business purposes, available in Canadian dollar loans by way of overdrafts. Interest will be calculated at Prime Rate less 0.75% per annum, payable monthly until demanded.
- b) Revolving instalment term loan (CAPEX loan facility) of \$1,500,000 to support ongoing capital expenditures. Available as follows: Canadian dollar loans with interest calculated at Prime Rate less 0.75% per annum; Canadian dollar Banker's Acceptances (BA's) with terms of 1, 2, 3 months priced at the BA rate plus a stamping fee of 0.80%; fixed rate term options for 3, 5, 7 or 10 years; or option to enter into an interest rate swap. Repayable by way of regular monthly blended or principal plus interest payments based on a 10 year amortization until demanded.
- c) Corporate visa facility of \$300,000 to support the issuance of corporate credit cards. All amounts under this credit are repayable immediately on demand.
- d) Demand credit for interest rate swaps and foreign exchange contracts of \$5,750,000 USD. The maximum term for foreign exchange rate transactions may not exceed 12 months. For interest rate swap transactions, the notional amount will not exceed the amount of the instalment loan and maximum term may not exceed the remaining amortization period, maximum 10 years.

Concordia University of Edmonton
Notes to Financial Statements
Year Ended March 31, 2024

9. LOANS PAYABLE (continued)

This credit agreement is secured by a general security agreement providing first priority security interest in all present and future personal property of the University which includes \$43,000,000 first charge demand collateral mortgage over the property to be refinanced and the new academic building property, plus an assignment of fire and other peril insurance.

The existing credit agreement requires compliance of a Debt Service Coverage Ratio financial covenant, tested annually, based on the year-end financial statements and requires the University to maintain a ratio in excess of 1.10: 1.00. As at March 31, 2024, the University is in compliance with this covenant.

10. DEFERRED CAPITAL CONTRIBUTIONS

Deferred capital contributions represent unspent externally restricted capital grants and donations. Changes in the deferred contributions balances are as follows:

	March 31, 2024	March 31, 2023
Balance, beginning of year	\$ -	\$ -
Grants and donations received	130,428	154,128
Transfer to unamortized deferred capital contributions (Note 11)	(130,428)	(154,128)
Balance, end of year	\$ -	\$ -

11. UNAMORTIZED DEFERRED CAPITAL CONTRIBUTIONS

The changes in the unamortized deferred capital contributions balance are as follows:

	March 31, 2024	March 31, 2023
Balance, beginning of year	\$ 11,131,611	\$ 11,422,927
Deferred capital contributions (Note 10)	130,428	154,128
Amortization to revenue	(275,058)	(445,444)
Balance, end of year	\$ 10,986,981	\$ 11,131,611

12. EMPLOYEE FUTURE BENEFITS

	March 31, 2024	March 31, 2023
Defined benefit plan - accrued benefit obligation	\$ 37,214,800	\$ 38,002,900
Defined benefit plan - fair value of plan assets	37,997,700	37,153,000
Defined benefit plan (surplus)/deficit	(782,900)	849,900
Valuation allowance	782,900	-
Defined benefit plan	-	-
Post-retirement benefit plan	1,383,000	1,463,000
	\$ 1,383,000	\$ 2,312,900

The University employee pension plan consists of a defined benefit plan, post-retirement benefit plan and a defined contribution pension plan. The defined benefit pension plan is a contributory, final average earning pension plan. The defined benefit pension plan was closed to new members on January 1, 2012. The most recent funding valuation used in determining the defined benefit obligation was completed as at December 31, 2021. The next required actuarial valuation will be completed as at December 31, 2024.

Concordia University of Edmonton
Notes to Financial Statements
Year Ended March 31, 2024

12. EMPLOYEE FUTURE BENEFITS (continued)

The significant actuarial assumptions adopted in measuring the University's defined benefit obligation includes the discount rate of 4.8% (2023 – 4.8%).

The post-retirement benefit plan is an unfunded plan that includes medical, dental and death benefits provided to employees who retired prior to July 1, 2012.

For the 2024 fiscal year total employer contributions to the retirement plans were \$nil (2023: \$107,900). Current service and finance costs of \$105,800 (2023: \$105,100) have been recognized in income and re-measurement gains of \$951,700 have been recognized in net assets (2023: \$25,200 gains).

The defined contribution pension plan is funded by employer and employee contributions. Employees contribute 4% of earnings and the University contributes 6% of employees' earnings. Pension expense under the defined contribution pension plan for 2024 was \$1,083,669 (2023: \$1,116,642).

13. COMMITMENTS

The University has no remaining capital commitment for the purchase of private equity investments (2023: \$22,641). For the construction of the New Academic Building and Student Quad, the University has a capital commitment of \$36,167,774 (2023: \$36,020,170) of which \$5,682,504 (2023: \$16,698,250) is remaining as at March 31, 2024 that is expected to be paid in 2025.

14. CONTINGENCIES

In the course of normal operations and capital development, the University is exposed to contract and other disputes which can result in legal action taken against the University. The University carries insurance to mitigate the risk associated with these items. The University has not accrued any amounts in its financial statements related to these disputes as potential settlements cannot be reasonably estimated at this time.

CONCORDIA UNIVERSITY OF EDMONTON
Schedule of Revenue and Expenses by Program
Schedule 1

	Year-ended March 31,	
	2024	2023
Revenues		
Government sources of revenue		
General operating grant	\$ 12,598,078	\$ 12,598,078
Other recognized revenue	87,000	87,000
Total Government of Alberta operating funding	12,685,078	12,685,078
Other Government of Alberta grants	1,113,478	570,120
Total Government of Alberta grants (note 7)	13,798,556	13,255,198
Government of Canada grants (note 7)	265,287	242,020
	14,063,843	13,497,218
Student sources of revenue		
Tuition for accredited courses	21,496,839	21,263,893
Foreign student differential fees	5,228,717	4,186,162
Miscellaneous fees and student charges	2,875,537	2,796,308
Total student tuition and fees (note 7)	29,601,093	28,246,363
Designated fees, gifts, and grants	1,339,347	822,208
Auxiliary enterprises and activities revenue (schedule 3)	2,037,778	1,799,229
Investment income (note 3)	2,386,845	984,621
Other revenue	646,571	761,029
Amortization of deferred capital contributions (note 11)	275,058	445,444
Total Revenues	50,350,535	46,556,112
Expenditures		
Academic programs (schedule 2)	16,335,627	16,177,366
Support programs (schedule 2)	17,340,602	17,250,910
Auxiliary enterprises and activities (schedule 3)	1,624,021	1,922,101
Student financial aid	1,784,491	1,629,601
Research	824,650	479,453
Interest on long term liabilities	501,698	293,023
Total expenditures	38,411,089	37,752,454
Excess revenue over expenditures from operations before the undernoted	11,939,446	8,803,658
Amortization of capital assets	1,850,396	1,843,244
Excess of revenue over expenditures	\$ 10,089,050	\$ 6,960,414

CONCORDIA UNIVERSITY OF EDMONTON
Schedule of Expenses by Program
Schedule 2

	Year-ended March 31,	
	2024	2023
Academic programs		
Management	\$ 869,708	\$ 795,112
Continuing and professional education	1,151,421	1,162,782
Natural science	3,924,255	3,978,143
Arts and social science	6,517,884	6,685,011
Education	1,976,623	1,867,444
	14,439,891	14,488,492
Academic services	1,895,736	1,688,874
Total academic programs	16,335,627	16,177,366
Support programs		
Facility maintenance	3,755,154	3,526,637
Institutional support	3,918,087	3,550,382
Student services	3,181,108	3,664,050
Library and archives	1,079,380	1,487,927
General administration	3,991,009	3,733,653
Student activities	1,415,864	1,288,261
Total support programs	\$ 17,340,602	\$ 17,250,910

CONCORDIA UNIVERSITY OF EDMONTON
Schedule of Auxiliary Expenses and Activities
Schedule 3

	Year-ended March 31,	
	2024	2023
Revenue		
University stores	\$ 320,097	\$ 330,734
Food services	13,012	21,648
Student housing	420,375	410,808
Conventions and other	1,180,964	964,614
Extension and culture	103,330	43,925
Special purpose	-	27,500
	2,037,778	1,799,229
Expenditures		
University stores	392,189	449,850
Food services	25,236	20,955
Student housing	148,700	195,240
Conventions and other	226,560	342,890
Extension and culture	437,058	229,419
Special purpose	394,278	683,747
	1,624,021	1,922,101
Net expenditure	413,757	(122,872)
Net expenditure		
University stores	(72,092)	(119,116)
Food services	(12,224)	693
Student housing	271,675	215,568
Conventions and other	954,404	621,724
Extension and culture	(333,728)	(185,494)
Special purpose	(394,278)	(656,247)
	\$ 413,757	\$ (122,872)