Concordia University of Edmonton

Financial Statements

March 31, 2025

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, 2025 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, 2025;
- 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 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
September 10, 2025

Concordia University of Edmonton
Statement of Financial Position
March 31, 2025

	Notes	2025	2024
Assets			
Current			
Cash		**$ 12,687,848**	$ 17,179,325
Investments	3	**16,241,039**	11,764,777
Accounts receivable		**2,412,054**	2,333,470
Bookstore inventory		**83,380**	66,116
Prepaid expenses and other current assets		**648,371**	536,871
		32,072,692	31,880,559
Long term investments	3	**-**	8,467,765
Capital assets	4	**76,116,663**	69,961,432
Derivative asset	5	**45,914**	292,710
Total assets		**$ 108,235,269**	$ 110,602,466
Liabilities and net assets			
Current			
Accounts payable and accrued liabilities	6	**$ 5,158,062**	$ 8,361,352
Deferred revenue	7	**11,000,554**	11,693,853
Specially designated funds	8	**460,569**	464,176
Current portion of loans payable	9	**337,998**	337,998
		16,957,183	20,857,379
Long Term			
Loans payable	9	**8,743,672**	14,578,739
Unamortized deferred capital contributions	11	**10,786,914**	10,986,981
Employee future benefits	12	**1,142,000**	1,383,000
Total liabilities		**37,629,769**	47,806,099
Net assets			
Endowments		**1,242,442**	1,142,442
Internally restricted net assets		**4,202,452**	4,202,452
Invested in capital assets		**56,248,079**	44,057,715
Unrestricted net assets		**8,912,527**	13,393,758
Total net assets		**70,605,500**	62,796,367
Total liabilities and net assets		**$ 108,235,269**	$ 110,602,466

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

Approved by:

Tim Loreman, President & Vice Chancellor

Jim Gendron, Chair, Board of Governors

Concordia University of Edmonton
Statement of Operations
March 31, 2025

	Notes	2025	2024
Revenue (schedule 1)			
Gifts and Grants			
Government of Alberta grants	7	**$ 14,704,035**	$ 13,798,556
Government of Canada	7	**498,385**	265,287
Designated fees, gifts and grants		**1,160,068**	1,339,347
Amortization of deferred capital contribution	11	**358,503**	275,058
		16,720,991	15,678,248
Student tuition and fees, and other revenue			
Student tuition and fees	7	**31,276,912**	29,601,093
Auxiliary enterprises and activities (schedule 3)		**2,162,564**	2,112,728
Student activities		**392,287**	363,200
Investment income	3	**1,640,527**	2,386,845
Miscellaneous		**317,096**	297,290
		35,789,386	34,761,156
Total Revenue		**52,510,377**	50,439,404
Expenses (schedules 2 and 3)			
Salary and wages			
Salaries and wages		**25,652,150**	24,238,294
Employee benefits		**3,967,829**	3,595,698
		29,619,979	27,833,992
Supplies and services		**7,687,948**	6,358,040
Amortization of capital assets		**2,652,005**	1,850,396
Scholarships and bursaries		**1,725,938**	1,784,491
Utilities		**951,827**	930,090
Cost of goods sold		**611,139**	563,805
Maintenance		**441,126**	412,109
Interest		**1,034,327**	501,698
Property tax		**26,159**	26,864
Unrealized loss on interest rate swap	5	**246,796**	88,869
Total Expenses		**44,997,244**	40,350,354
Net Surplus		**$ 7,513,133**	$10,089,050

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

Concordia University of Edmonton
Statement of Changes in Net Assets
March 31, 2025

	Note	Net Assets Available for Operations	Invested in Capital Assets	Internally Restricted	Endowments	Total Net Assets March 31, 2025	Total Net Assets March 31, 2024
Net assets, beginning of year		**$ 13,393,758**	**$ 44,057,715**	**$ 4,202,452**	**$ 1,142,442**	**$ 62,796,367**	**$ 51,755,617**
Excess (deficiency) of revenue over expenditures		9,806,635	(2,293,502)	-	-	7,513,133	10,089,050
Employee future benefits remeasurement	12	196,000	-	-	-	196,000	951,700
Endowment contributions		-	-	-	100,000	100,000	-
Transfers							
For capital additions		(8,807,235)	8,807,235	-	-	-	-
Capital contributions	10	158,436	(158,436)	-	-	-	-
Advances of loans		(5,835,067)	5,835,067	-	-	-	-
Net assets, end of period		**$ 8,912,527**	**$ 56,248,079**	**$ 4,202,452**	**$ 1,242,442**	**$ 70,605,500**	**$ 62,796,367**

Concordia University of Edmonton
Statement of Cash Flows
March 31, 2025

	Notes	2025	2024
Operating activities			
Excess of revenues over expenditures		**$ 7,513,133**	10,089,050
Items not involving cash			
Employee future benefits		**(45,000)**	21,800
Amortization of capital assets		**2,652,005**	1,850,396
Amortization of deferred capital contributions	11	**(358,503)**	(275,058)
Accrued interest on investments		**(382,565)**	(525,197)
Unrealized gain on fair value of investments	3	**(216,042)**	(649,679)
Unrealized loss on interest rate swap	5	**246,796**	88,869
		9,409,824	10,600,181
Change in non-cash working capital			
Change in accounts receivable		**(78,584)**	(602,793)
Change in bookstore inventory		**(17,264)**	42,612
Change in prepaid expenses		**(111,500)**	(86,476)
Change in accounts payable and accrued liabilities		**(3,203,290)**	64,927
Change in deferred revenue		**(693,299)**	1,232,467
Change in specially designated funds		**(3,607)**	(84,216)
		5,302,280	11,166,702
Investing activities			
Capital assets purchased		**(8,807,235)**	(13,306,524)
Proceeds from investments		**4,877,288**	9,058,417
Investments purchased		**(287,179)**	(13,049,695)
		(4,217,126)	(17,297,802)
Financing activities			
Increase in deferred capital contributions	10	**158,436**	130,428
Endowment contributions		**100,000**	-
Advances of loans		**-**	5,496,600
Repayment of loans		**(5,835,067)**	(341,041)
		(5,576,631)	5,285,987)
Decrease in cash and cash equivalents		**(4,491,477)**	(845,113)
Cash and cash equivalents, beginning of year		**17,179,325**	18,024,438
Cash and cash equivalents, end of year		**$ 12,687,848**	$ 17,179,325

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 SIGNIFICANT 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

Cash includes cash on hand and deposits with banks.

(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

2. SUMMARY OF ACCOUNTING POLICIES (continued)

down no longer exist, the previous impairment is reversed. Inventory consists of textbooks, stationary, souvenirs and clothing.

(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	2-7%
Equipment	6-25%
Improvements other than buildings	4-10%
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.

2. SUMMARY OF ACCOUNTING POLICIES (continued)

(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.

(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

Recognition and derecognition

A financial asset or a financial liability is initially recognized when the University becomes a party to the contractual provisions of the financial instrument. A financial liability is derecognized when it is extinguished. Where the terms of a financial liability are renegotiated in an arm's length transaction, resulting in substantially different terms, this is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability, with any difference recognized in the statement of operations.

Measurement

The University initially measures financial assets originated or acquired and financial liabilities issued or assumed in an arm's length transaction at fair value. These financial assets and liabilities are subsequently measured at amortized cost, except for equity investments quoted in active markets and derivative financial instruments which are measured at fair value. Changes in fair value are recognized in the determination of income.

Financial assets measured at cost or amortized cost include cash, and accounts receivable. Financial liabilities measured at cost include accounts payable and accrued liabilities and loans payable.

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.

Impairment

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

2. SUMMARY OF ACCOUNTING POLICIES (continued)

impairment, and the University determines that there has been a significant adverse change in the expected amount or timing of future cash flows, an impairment is recognized.

If circumstances change, a previously recognized impairment may be reversed to the extent improvement, provided the adjusted carrying amount is no greater than the amount that would have been recognized if the impairment had not been recorded.

Derivative financial instruments

Derivatives are initially recognized at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value at each statement of operations date. Changes in fair value are recorded in income.

The University entered into an interest rate swap contract for its long-term interest-bearing debt to mitigate the effects to cash flow that interest changes could have. These contracts are classified as derivative instruments and measured at fair value. The University has not adopted hedge accounting; accordingly, any outstanding contracts are recorded at their fair value.

(k) Investments

The University's investments consist of liquid short-term guaranteed investment certificates with maturity less than three months, fixed income, pooled funds and private equity 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 on the statement of financial position.

(l) 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

2. SUMMARY OF ACCOUNTING POLICIES (continued)

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.

Investments are comprised of the following:

	March 31, 2025	March 31, 2024
Investments measured at fair value:		
Pooled funds	**$ 5,106,037**	$ 4,746,276
Private equity	**2,268,262**	2,124,809
Other	**16,410**	25,786
	7,390,709	6,896,871
Investments measured at amortized cost:		
GIC's with average interest rates of 4.71% (2024 – 4.89%)	**8,850,330**	13,335,671
	$ 16,241,039	$ 20,232,542
Non-redeemable GIC's with maturity dates in excess of 1-year from the statement of financial position date	**-**	(8,467,765)
	$ 16,241,039	$ 11,764,777

Investment income is comprised of the following:

	March 31, 2025	March 31, 2024
Interest and dividends	**$ 1,454,849**	$ 1,797,663
Unrealized gain on value of investments	**216,042**	649,679
Realized gain on sale of investments	**38,755**	18,156
Transaction costs and administration fees	**(69,119)**	(78,653)
	$ 1,640,527	$ 2,386,845

4. CAPITAL ASSETS

	Cost	Accumulated Amortization	Net Book Value March 31, 2025	Net Book Value March 31, 2024
Land	$ 3,992,248	$ -	**$ 3,992,248**	$ 3,742,248
Art & Historical	27,852	-	**27,852**	27,852
Buildings	85,148,292	18,571,531	**66,576,761**	28,998,778
Construction in progress	772,480	-	**772,480**	34,995,950
Equipment	12,124,265	7,450,278	**4,673,987**	2,090,072
Improvements other than buildings	742,761	692,500	**50,261**	66,597
Library resources	1,023,063	1,007,307	**15,756**	27,738
Vehicles	64,660	57,342	**7,318**	12,197
	$ 103,895,621	$ 27,778,958	**$ 76,116,663**	$ 69,961,432

The construction in progress of $772,480 (2024: $34,995,950) is not being amortized as the assets are not available for use.

5. DERIVATIVE FINANCIAL INSTRUMENTS

The University has one interest rate swap contract (2024 – two) which exchanges a floating interest rate on its long-term debt for a fixed rate. This contract is for a fixed interest rate for a 59-month term ending on February 16, 2027. As at March 31, 2025, the notional amount of the derivative financial instrument is $9,125,957 (2024: $9,492,121) and fair value is $45,914 (2024: $317,833). The fair value has been determined using broker quotes from a derivatives dealer.

The University had a second interest rate swap contract on the construction loan for a fixed interest rate for a 53-month term ending on April 17, 2028. This contract was terminated on February 13, 2025 and the University incurred $592,000 of early termination fees and realized loss on settlement of the swap which is included on the Statement of Operations in Interest expense.

6. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	March 31, 2025	**March 31, 2024**
Accrued vacation and administrative leave payable	**$ 2,221,778**	$ 2,300,912
Accrued salaries payable	**871,868**	750,147
Trade payables and accrued liabilities	**1,654,736**	4,617,008
Government remittances payable	**409,680**	693,285
	$ 5,158,062	$ 8,361,352

7. DEFERRED REVENUE

	March 31, 2024	**Receipts and Transfers**	**Revenue recognized**	**March 31, 2025**
Tuition and fees	$ 6,770,003	$ 30,064,213	$ 31,276,912	**$ 5,557,304**
Scholarships and bursaries	1,861,261	1,055,752	872,954	**2,044,059**
Government of Alberta grants	1,309,049	14,790,520	14,704,035	**1,395,534**
Government of Canada grants	405,945	589,900	498,385	**497,460**
Other income	1,347,595	996,815	838,213	**1,506,197**
	11,693,853	$ 47,497,200	$ 48,190,499	**$ 11,000,554**

Deferred revenue includes pre-registration fees, deposits, restricted donations, and designated grants received but unused.

8. SPECIALLY DESIGNATED FUNDS

Specially designated funds consist of resources in the amount of $460,569 (2024: $464,176) 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, 2025	**March 31, 2024**
Refinancing loan:		
Non-revolving instalment loan (refinancing loan) with option to enter into interest rate swap exercised (Note 5). Payable in monthly installments of $28,167 fixed notional amount plus interest at 2.36%. The loan is amortized over 30 years.	**$ 9,081,670**	$ 9,420,137
Less: Current portion	**(337,998)**	(337,998)
	$ 8,743,672	$ 9,082,139

9. LOANS PAYABLE (continued)

Outstanding principal payments are scheduled as follows:

2026	$ 337,998
2027	337,998
2028	337,998
2029	337,998
2030	337,998
Thereafter	7,391,680
	$ 9,081,670

New Academic Building loan:	**March 31, 2025**	**March 31, 2024**
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. During the year ended March 31, 2025 the project was completed and the University repaid this loan, consisting of $5,497,069 in outstanding principal in full.	**-**	$ 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, 2025. 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 a stamping fee of 0.80%; Canadian dollar Term CORRA Loans with interest calculated at the CORRA Rate plus 1.10%. 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.

9. LOANS PAYABLE (continued)

This credit agreement associated with the credit facilities is secured by a general security agreement providing first priority security interest in all present and future undertaking and personal property of the University which includes $43,000,000 first priority charge demand collateral mortgage over the New Academic Building property, plus an assignment of fire and other perils insurance, and assignment of lease agreement covering the properties in which collateral mortgage security is held.

The existing credit agreement requires compliance of a Debt Service Coverage Ratio financial covenant, tested annually, based on the yearend financial statements and requires the University to maintain a ratio in excess of 1.10: 1.00. As at March 31, 2025, 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, 2025	March 31, 2024
Balance, beginning of year	**$ -**	$ -
Grants and donations received	**158,436**	130,428
Transfer to unamortized deferred capital contributions (Note 11)	**(158,436)**	(130,428)
Balance, end of year	**$ -**	$ -

11. UNAMORTIZED DEFERRED CAPITAL CONTRIBUTIONS

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

	March 31, 2025	March 31, 2024
Balance, beginning of year	**$ 10,986,981**	$ 11,131,611
Deferred capital contributions (Note 10)	**158,436**	130,428
Amortization to revenue	**(358,503)**	(275,058)
Balance, end of year	**$ 10,786,914**	$ 10,986,981

12. EMPLOYEE FUTURE BENEFITS

	March 31, 2025	March 31, 2024
Defined benefit plan - accrued benefit obligation	**$ 36,695,500**	$ 37,214,800
Defined benefit plan - fair value of plan assets	**38,419,900**	37,997,700
Defined benefit plan surplus	**(1,724,400)**	(782,900)
Valuation allowance	**1,724,400**	782,900
Defined benefit plan liability	**-**	-
Post-retirement benefit plan	**1,142,000**	1,383,000
	$ 1,142,000	$ 1,383,000

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

12. EMPLOYEE FUTURE BENEFITS (continued)

on January 1, 2012. The University is required by regulation to complete a funding valuation at least every three years on its defined benefit pension plan. The last funding valuation used in determining the defined benefit obligation was prepared as at December 31, 2021. A new actuarial valuation is currently underway with an effective date of December 31, 2024, and is expected to be finalized by August 31, 2025. The results of the updated valuation will be reflected in future financial reporting periods upon completion.

The significant actuarial assumptions adopted in measuring the University's defined benefit obligation includes the discount rate of 4.8% (2024 – 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 2025 fiscal year total employer contributions to the retirement plans were $nil (2024: $nil). Current service and finance costs of $61,000 (2024: $105,800) have been recognized in income and re-measurement gains of $196,000 have been recognized in net assets (2024: $951,700).

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 2025 was $1,116,682 (2024: $1,083,669).

13. COMMITMENTS

The University has no remaining capital commitment for the construction of the New Academic Building and Student Quad (2024: $5,682,504). During the year ended March 31, 2025 the project was completed and the building officially opened for use on September 27, 2024.

For the construction of the New Student Dormitory Building, the University has a capital commitment of $1,195,290 of which $533,820 is remaining as at March 31, 2025. Of this remaining balance, $315,800 is expected to be paid in fiscal 2026 and $218,020 in fiscal 2027.

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.

15. FINANCIAL RISK MANAGEMENT

The University's financial instruments expose it to a variety of financial risks.

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

15. FINANCIAL RISK MANAGEMENT (continued)

payable and loans payable. Refer to note 9 on loans payable for further details on the aggregate minimum amount of payments. The University has cash and investments reserves and positive cash flows from operations provide a substantial portion of the University's cash requirements.

Credit risk is the risk one party to a financial instrument will cause a financial loss of the other party by failing to discharge an obligation. Financial instruments that potentially subject the University to credit risk consist principally of cash and accounts receivable.

The University's cash are maintained at major financial institutions; therefore, the University considers the risk of non-performance of these instruments to be remote.

The University's accounts receivable, which is primarily made up of student fees and auxiliary activities has no significant concentrations which reduces the associated risk. Delinquent accounts are monitored and contacted on a monthly basis. Any accounts deemed uncollectible and delinquent in excess of 120 days are referred to an external collection agency.

Credit risk also arises on derivative financial instruments. The University reduces this risk by dealing only with creditworthy financial institutions.

Market risk is the risk the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. 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. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk. The University is exposed to interest rate and currency risk.

Currency risk is the risk the fair value of future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Currency risk arises when financial assets or liabilities are denominated in a currency other than Canadian dollars. The University holds a total of $725,261 (2024 – $690,224) of financial instruments denominated in US dollars which includes Cash of $128,686 (2024 – $145,750) and Investments of $596,575 (2024 – $544,474). The equivalent of these total balances in Canadian dollars is $1,036,971 (2024 – $928,801).

Interest rate risk is the risk the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The University is exposed to interest rate risk on its cash and loans payable (refer to note 12). Interest rate risk is mitigated by managing maturity dates and payment frequency. The University entered into an interest rate swap contract for its long-term interest-bearing debt to mitigate the effects to cash flow that interest changes could have.

16. CLOUD COMPUTING ARRANGEMENTS

Effective April 1, 2024, the University has adopted the requirements of AcG-20, *Customer's accounting for cloud computing arrangements*. The University has applied the requirements retrospectively. The University enters into arrangements with vendors that provide cloud computing

16. CLOUD COMPUTING ARRANGEMENTS (continued)

services, which is the on-demand delivery of computing resources over the internet or a private network. The University has applied the simplification approach, as permitted by Accounting Guideline AcG-20, in accounting for its cloud computing arrangements with vendors for systems utilized by the University. The total amount expensed in respect of the arrangement with the vendors was $157,118 (2024 – $132,231) and was included in supplies and services expense on the Statement of Operations.

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Concordia University of Edmonton
Schedule of Revenue and Expenses by Program
Schedule 1

	Notes	2025	2024
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		**2,018,957**	1,113,478
Total Government of Alberta grants	7	**14,704,035**	13,798,556
Government of Canada grants	7	**498,385**	265,287
		15,202,420	14,063,843
Student sources of revenue			
Tuition for accredited courses		**22,850,053**	21,496,839
Foreign student differential fees		**5,593,355**	5,228,717
Miscellaneous fees and student charges		**2,833,504**	2,875,537
Total student tuition and fees	7	**31,276,912**	29,601,093
Designated fees, gifts and grants		**1,160,068**	1,339,347
Auxiliary enterprises and activities (schedule 3)		**2,162,564**	2,112,728
Investment income	3	**1,640,527**	2,386,845
Other revenue		**709,383**	660,490
Amortization of deferred capital contributions	11	**358,503**	275,058
Total Revenues		**52,510,377**	50,439,404
Expenditures			
Academic programs (schedule 2)		**17,772,277**	16,335,627
Support programs (schedule 2)		**19,123,342**	17,340,602
Auxiliary enterprises and activities (schedule 3)		**1,199,115**	1,624,021
Student financial aid		**1,725,938**	1,784,491
Research		**1,243,444**	824,650
Interest		**1,034,327**	501,698
Total expenditures		**42,098,443**	38,411,089
Excess revenue over expenditures from operations before the undernoted		**10,411,934**	12,028,315
Amortization of capital assets		**2,652,005**	1,850,396
Unrealized loss on interest rate swap		**246,796**	88,869
Excess of revenue over expenditures		**$ 7,513,133**	$ 10,089,050

Concordia University of Edmonton
Schedule of Expenses by Program
Schedule 2

	Notes	**2025**	2024
Academic Programs			
Management		**$ 955,991**	$ 869,708
Continuing and professional education		**1,346,164**	1,151,421
Natural science		**4,238,839**	3,924,255
Arts and social science		**7,107,200**	6,517,884
Education		**1,844,863**	1,976,623
		15,493,057	14,439,891
Academic services		**2,279,220**	1,895,736
Total academic programs		**17,772,277**	16,335,627
Support programs			
Facility maintenance		**4,128,461**	3,755,154
Institutional support		**3,983,987**	3,918,087
Student services		**3,537,460**	3,181,108
Library and archives		**1,178,756**	1,079,380
General administration		**4,586,748**	3,991,009
Student activities		**1,707,930**	1,415,864
Total support programs		**$ 19,123,342**	$ 17,340,602

Concordia University of Edmonton
Schedule of Auxiliary Expenses and Activities
Schedule 3

	Notes	2025	2024 Note 15
Revenue			
University stores		**$ 219,885**	$ 320,097
Food services		**23,116**	13,012
Student housing		**374,803**	420,375
Conventions and other		**1,506,320**	1,255,914
Extension and culture		**38,440**	103,330
Special purpose		**-**	-
		2,162,564	2,112,728
Expenditures			
University stores		**242,012**	392,189
Food services		**18,378**	25,236
Student housing		**161,924**	148,700
Conventions and other		**255,657**	226,560
Extension and culture		**496,240**	437,058
Special purpose		**24,904**	394,278
		1,199,115	1,624,021
Net expenditure		**963,449**	488,707
Net expenditure			
University stores		**(22,127)**	(72,092)
Food services		**4,738**	(12,224)
Student housing		**212,879**	271,675
Conventions and other		**1,250,663**	1,029,354
Extension and culture		**(457,800)**	(333,728)
Special purpose		**(24,904)**	(394,278)
		$ 963,449	$ 488,707