Université Laval

Financial Statements
April 30, 2025

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Independent Auditor's Report

To the Members of the Board of Directors of
Université Laval

Opinion

We have audited the financial statements of Université Laval, which comprise the statement of financial position as at April 30, 2025, and the statements of operations, changes in fund balances and cash flows for the year then ended, and notes to financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Université Laval as at April 30, 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.

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 are independent of Université Laval in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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 Université Laval'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 Université Laval or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing Université Laval'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 Université Laval'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 Université Laval'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 Université Laval 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.

Raymond Chabot Grant Thornton LLP[1]

Québec
September 29, 2025

[1] CPA auditor, public accountancy permit no. A119912

Université Laval
Operations
Year ended April 30, 2025
(in thousands of dollars)

	Operating Fund		Restricted Fund		Capital Assets Fund		Endowment Fund		Subscription Fund		Total	
	2025	2024	**2025**	2024	**2025**	2024	**2025**	2024	**2025**	2024	**2025**	2024
	$	$	**$**	$	**$**	$	**$**	$	**$**	$	**$**	$
Revenues												
Subsidies – Ministère de l'Enseignement supérieur (MES) (Note 5)	**598 385**	560 905	**18 066**	23 027	**54 258**	50 523	**–**	–	**–**	–	**670 709**	634 455
Tuition fees	**176 050**	170 651	**–**	–	**–**	–	**–**	–	**–**	–	**176 050**	170 651
Community services	**23 760**	20 090	**13 258**	11 650	**–**	–	**–**	–	**–**	–	**37 018**	31 740
External services	**46 796**	48 303	**–**	–	**135**	724	**–**	–	**–**	–	**46 931**	49 027
Net investment income (Note 22)	**35 302**	26 597	**12 931**	3 067	**1 711**	1 765	**–**	–	**1 106**	683	**51 050**	32 112
Student services	**35 001**	32 160	**15 898**	12 939	**–**	–	**–**	–	**–**	–	**50 899**	45 099
Ancillary services	**21 591**	20 551	**–**	–	**–**	–	**–**	–	**–**	–	**21 591**	20 551
Donations from other organizations	**–**	–	**30 751**	18 569	**3 238**	1 009	**–**	–	**228**	287	**34 217**	19 865
Other subsidies and revenues	**16 695**	11 701	**255 600**	268 804	**27 351**	26 576	**–**	–	**–**	–	**299 646**	307 081
	953 580	890 958	**346 504**	338 056	**86 693**	80 597	**–**	–	**1 334**	970	**1 388 111**	1 310 581
Expenses												
Teaching and independent research	**549 672**	525 102	**5 799**	4 342	**–**	–	**–**	–	**–**	–	**555 471**	529 444
Community services	**19 794**	14 650	**14 866**	23 407	**–**	–	**–**	–	**–**	–	**34 660**	38 057
Research	**18 504**	17 414	**290 615**	269 094	**–**	–	**–**	–	**–**	–	**309 119**	286 508
Support services	**216 154**	195 370	**1 608**	5 283	**938**	2 526	**236**	1 269	**2**	2	**218 938**	204 450
Student services	**33 909**	32 363	**26 835**	35 342	**–**	–	**–**	–	**–**	–	**60 744**	67 705
Ancillary services	**14 780**	13 664	**–**	–	**–**	–	**–**	–	**–**	–	**14 780**	13 664
Renovations and redevelopment	**–**	–	**–**	–	**8 893**	7 540	**–**	–	**–**	–	**8 893**	7 540
Interest on long-term debt	**–**	–	**–**	–	**15 859**	16 288	**–**	–	**–**	–	**15 859**	16 288
Future employee benefits	**1 512**	18 468	**–**	–	**–**	–	**–**	–	**–**	–	**1 512**	18 468
Amortization of tangible capital assets (Note 11)	**–**	–	**–**	–	**92 558**	84 603	**–**	–	**–**	–	**92 558**	84 603
Amortization of intangible capital assets (Note 12)	**–**	–	**–**	–	**60**	16	**–**	–	**–**	–	**60**	16
	854 325	817 031	**339 723**	337 468	**118 308**	110 973	**236**	1 269	**2**	2	**1 312 594**	1 266 743
Excess (deficiency) of revenues over expenses	**99 255**	73 927	**6 781**	588	**(31 615)**	(30 376)	**(236)**	(1 269)	**1 332**	968	**75 517**	43 838

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

Université Laval
Changes in Fund Balances
Year ended April 30, 2025
(in thousands of dollars)

	Operating Fund		Restricted Fund		Capital Assets Fund		Endowment Fund		Subscription Fund		Total	
	2025	2024	**2025**	2024	**2025**	2024	**2025**	2024	**2025**	2024	**2025**	2024
	$	$	**$**	$	**$**	$	**$**	$	**$**	$	**$**	$
Fund balances (negative), beginning of year, restated (Note 3)	**(174 640)**	(607 656)	**–**	–	**491 597**	477 357	**224 497**	199 944	**2 860**	12 821	**544 314**	82 466
Excess (deficiency) of revenues over expenses	**99 255**	73 927	**6 781**	588	**(31 615)**	(30 376)	**(236)**	(1 269)	**1 332**	968	**75 517**	43 838
Remeasurements and other items related to the pension and other postretirement benefit plans	**(10 554)**	408 972	**–**	–	**–**	–	**–**	–	**–**	–	**(10 554)**	408 972
Endowment contributions	**–**	–	**–**	–	**–**	–	**2 171**	8 902	**–**	–	**2 171**	8 902
Contributions restricted to the acquisition of capital assets not subject to amortization	**–**	–	**–**	–	**72**	136	**–**	–	**–**	–	**72**	136
Interfund transfers (Note 6)	**(90 030)**	(49 883)	**(6 781)**	(588)	**89 147**	44 480	**10 992**	16 920	**(3 328)**	(10 929)	**–**	–
Fund balances (negative), end of year	**(175 969)**	(174 640)	**–**	–	**549 201**	491 597	**237 424**	224 497	**864**	2 860	**611 520**	544 314

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

Université Laval
Cash Flows
Year ended April 30, 2025
(in thousands of dollars)

	2025	2024
	$	$
OPERATING ACTIVITIES		
Excess of revenues over expenses	**75 517**	43 838
Non-cash items		
Net change in fair value of investments	**(20 445)**	(7 208)
Loss (gain) on disposal of investments	**5 829**	(344)
Net change in defined benefit liability	**(772)**	15 872
Amortization of deferred contributions related to capital assets	**(31 296)**	(29 626)
Loss (gain) on disposal of tangible capital assets	**29**	(413)
Amortization of tangible capital assets	**92 558**	84 603
Amortization of intangible capital assets	**60**	16
Buildings completed by emphyteutic lessees	**(523)**	(90)
Net change in working capital items (Note 7)	**106 388**	7 204
Cash flows from operating activities	**227 345**	113 852
INVESTING ACTIVITIES		
Net change in note receivable	**–**	225
Net change in current investments	**(62 475)**	59 753
Investments	**(135 727)**	(17 488)
Disposal of investments	**125 129**	18 317
Tangible capital assets (a)	**(184 807)**	(140 438)
Proceeds from disposal of tangible capital assets	**–**	694
Intangible capital assets	**(296)**	(161)
Cash flows from investing activities	**(258 176)**	(79 098)
FINANCING ACTIVITIES		
Net change in bank loans	**(29 454)**	5 710
Long-term debt	**–**	65 666
Repayment of long-term debt	**(70 710)**	(76 619)
Deferred contributions related to capital assets	**77 251**	72 327
Endowment contributions	**2 171**	8 902
Cash flows from financing activities	**(20 742)**	75 986
Net increase (decrease) in cash	**(51 573)**	110 740
Cash, beginning of year	**128 983**	18 243
Cash, end of year	**77 410**	128 983

(a) Tangible capital assets acquired during the year include donations with a value of $417,601 ($339,549 in 2024). In addition, during the year, Université Laval acquired tangible capital assets of which an amount of $22,633,462 ($18,763,929 as at April 30, 2024) is included in accounts payable and other operating liabilities.

Université Laval
Financial Position
April 30, 2025
(in thousands of dollars)

	Operating Fund		Restricted Fund		Capital Assets Fund		Endowment Fund		Subscription Fund		Total	
	2025	2024	**2025**	2024	**2025**	2024	**2025**	2024	**2025**	2024	**2025**	2024
	$	$	**$**	$	**$**	$	**$**	$	**$**	$	**$**	$
ASSETS												
Current												
Cash	**77 410**	128 983	**–**	–	**–**	–	**–**	–	**–**	–	**77 410**	128 983
Accounts receivable and other amounts receivable (Note 8)	**81 560**	84 959	**51 957**	61 526	**64 730**	67 459	**–**	–	**–**	–	**198 247**	213 944
Prepaid expenses (Note 9)	**8 471**	7 672	**3 931**	3 433	**–**	–	**–**	–	**–**	–	**12 402**	11 105
Current portion of investments (Note 10)	**415 046**	352 571	**–**	–	**–**	–	**–**	–	**–**	–	**415 046**	352 571
Interfund advances, without interest	**–**	–	**273 093**	275 208	**289 613**	285 828	**2 682**	–	**–**	2	**–**	–
	582 487	574 185	**328 981**	340 167	**354 343**	353 287	**2 682**	–	**–**	2	**703 105**	706 603
Long-term												
Accounts receivable and other amounts receivable (Note 8)	**–**	–	**–**	–	**471 625**	556 459	**–**	–	**–**	–	**471 625**	556 459
Investments (Note 10)	**61 052**	53 129	**65 132**	58 481	**4 188**	3 806	**236 930**	227 615	**3 803**	2 860	**371 105**	345 891
Tangible capital assets (Note 11)	**–**	–	**–**	–	**1 146 693**	1 049 663	**–**	–	**–**	–	**1 146 693**	1 049 663
Intangible capital assets (Note 12)	**–**	–	**–**	–	**381**	145	**–**	–	**–**	–	**381**	145
	643 539	627 314	**394 113**	398 648	**1 977 230**	1 963 360	**239 612**	227 615	**3 803**	2 862	**2 692 909**	2 658 761

Université Laval
Financial Position
April 30, 2025
(in thousands of dollars)

	Operating Fund		Restricted Fund		Capital Assets Fund		Endowment Fund		Subscription Fund		Total	
	2025	2024	**2025**	2024	**2025**	2024	**2025**	2024	**2025**	2024	**2025**	2024
	$	$	**$**	$	**$**	$	**$**	$	**$**	$	**$**	$
LIABILITIES												
Current												
Bank loans (Note 13)	**–**	–	**–**	–	**27 098**	56 552	**–**	–	**–**	–	**27 098**	56 552
Accounts payable and other operating liabilities (Note 14)	**214 172**	209 537	**25 489**	25 828	**33 001**	22 872	**2 188**	2 188	**2**	2	**274 852**	260 427
Deferred revenues (Note 15)	**9 925**	9 131	**–**	–	**–**	–	**–**	–	**–**	–	**9 925**	9 131
Deferred contributions (Note 16)	**–**	–	**368 624**	372 820	**–**	–	**–**	–	**–**	–	**368 624**	372 820
Interfund advances, without interest	**562 451**	560 108	**–**	–	**–**	–	**–**	930	**2 937**	–	**–**	–
Current portion of long-term debt (Note 17)	**–**	–	**–**	–	**58 013**	60 769	**–**	–	**–**	–	**58 013**	60 769
	786 548	778 776	**394 113**	398 648	**118 112**	140 193	**2 188**	3 118	**2 939**	2	**738 512**	759 699
Long-term												
Long-term debt (Note 17)	**–**	–	**–**	–	**425 228**	493 182	**–**	–	**–**	–	**425 228**	493 182
Defined benefit liability (Note 18)	**32 960**	23 178	**–**	–	**–**	–	**–**	–	**–**	–	**32 960**	23 178
Deferred contributions related to capital assets (Note 19)	**–**	–	**–**	–	**884 689**	838 388	**–**	–	**–**	–	**884 689**	838 388
	819 508	801 954	**394 113**	398 648	**1 428 029**	1 471 763	**2 188**	3 118	**2 939**	2	**2 081 389**	2 114 447
FUND BALANCES (NEGATIVE) (NOTE 21)												
Unrestricted	**(226 535)**	(224 830)	**–**	–	**–**	–	**–**	–	**864**	2 860	**(225 671)**	(221 970)
Internally restricted	**50 566**	50 190	**–**	–	**–**	–	**123 014**	112 605	**–**	–	**173 580**	162 795
Restricted as endowments	**–**	–	**–**	–	**–**	–	**114 410**	111 892	**–**	–	**114 410**	111 892
Invested in capital assets	**–**	–	**–**	–	**549 201**	491 597	**–**	–	**–**	–	**549 201**	491 597
	(175 969)	(174 640)	**–**	–	**549 201**	491 597	**237 424**	224 497	**864**	2 860	**611 520**	544 314
	643 539	627 314	**394 113**	398 648	**1 977 230**	1 963 360	**239 612**	227 615	**3 803**	2 862	**2 692 909**	2 658 761

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

On behalf of the Board,

Director

Director

1 - UNIVERSITÉ LAVAL'S GOVERNING STATUTES AND OBJECTIVES

Université Laval was incorporated pursuant to Bill 115 of the Quebec National Assembly, sanctioned on September 1, 1971.

Université Laval's mission is to contribute to the development of society through the training of competent, responsible individuals who are agents of change and through the advancement and sharing of knowledge in a dynamic environment that promotes research and creativity.

Université Laval (hereinafter the “University”) is a tax-exempt organization as defined in the *Income Tax Act.*

2 - ACCOUNTING CHANGES

AcG-20, “Customer's Accounting for Cloud Computing Arrangements”

On May 1, 2024, the University adopted the recommendations of the new Accounting Guideline AcG-20, “Customer’s Accounting for Cloud Computing Arrangements”, of Part II of the *CPA Canada Handbook – Accounting,* which provides guidance on the customer’s accounting treatment of costs relating to a cloud computing arrangement and on how to determine whether the arrangement includes a software intangible asset.

In accordance with the new requirements, the University must elect one of the following options:

– applying the simplification approach to recognize costs relating to cloud computing arrangements which are within the scope of AcG-20 and, accordingly, treat such costs as attributable to the provision of services and recognize them as expenses when the services are received; or

– analyzing the cloud computing arrangement to assess whether the software element is a software intangible asset and, accordingly, recognizing it as an intangible asset in accordance with Section 3064, “Goodwill and Intangible Assets”, or as a software as a service (SaaS) and, accordingly, recognizing the related costs as expenses as incurred.

The University elected to apply the simplification approach provided.

In accordance with the transitional provisions, these requirements, applicable to fiscal years beginning on or after January 1, 2024, have been applied retrospectively.

Application of these new recommendations resulted in, for the year ended April 30, 2024, the reclassification of $2,559,584 from support services expenses in the Operating Fund to renovations and redevelopment expenses in the Capital Assets Fund, as well as an interfund transfer of the same amount from the Operating Fund to the Capital Assets Fund.

2 - ACCOUNTING CHANGES (continued)

Interest rate benchmark reform

On May 1, 2024, the University applied the changes to Section 3856, “Financial Instruments”, of Part II of the *CPA Canada Handbook – Accounting* relating to a change in one or more of the contractual terms of a hedging instrument or of a hedged item as a result of the interest rate benchmark reform.

In accordance with the new requirements, applicable to fiscal years beginning on or after February 1, 2022, the University must continue to apply hedge accounting to all existing hedging relationships when all the changes made to the contractual terms of the hedging instrument or hedged item are directly related to the replacement of interbank rates.

The University applied these recommendations to all loans and swaps that refer to an interbank rate, i.e. loans with a carrying amount of $1,967,045 as at April 30, 2025, and the interest rate swap designated as a hedge for these loans of the same amount, whose terms have changed during the year due to the interest rate benchmark reform.

3 - PRIOR YEAR ADJUSTMENTS

Subsidies receivable

The University has restated its financial statements for prior periods in respect of the subsidy receivable from the MES and deferred contributions related to capital assets. The impact of this restatement on the financial statements as at April 30, 2024, is an increase in accounts receivable and other amounts receivable presented in the Capital Assets Fund under long-term assets of $7,153,831, as well as an increase in deferred contributions related to capital assets of the same amount.

Buildings completed by emphyteutic lessees

The University has restated its financial statements for prior periods in respect of non-cash transactions on emphyteutic leases that had not been recognized as of the effective date of the agreements. The University made an adjustment to recognize the fair value of the asset transferred, namely the right to use the land. The impact of this adjustment on the financial statements for the year ended April 30, 2024, in the Operating Fund, is an increase in revenue from external services of $90,007 and an interfund transfer from the Operating Fund to the Capital Assets Fund in the same amount. This change also resulted, as at April 30, 2024, and for the year then ended, in the Capital Assets Fund, in an increase in tangible capital assets of $3,898,358 and an increase in fund balances of $3,898,358 as at April 30, 2024, and of $3,808,351 as at May 1, 2023.

4 - SIGNIFICANT ACCOUNTING POLICIES

The University's financial statements are prepared in accordance with Canadian accounting standards for not-for-profit organizations and reflect the significant accounting policies described below:

Funds classification

The University presents its financial information by funds:

Operating Fund

This fund includes amounts without external restrictions that can be used to achieve the University's fundamental objectives, such as teaching, research, community services, etc.

Restricted Fund

This fund includes amounts which can only be used in accordance with the restrictions imposed by the donor. Only external restrictions are considered as restricting the use of these funds.

Capital Assets Fund

This fund includes amounts which can only be used for transactions relating to capital assets and the financing thereof. This fund also includes all items falling within the scope of AcG-20, “Customer's Accounting for Cloud Computing Arrangements”, as well as related financing.

Endowment Fund

This fund includes donations to the University. The principal must be maintained at all times and the income derived from such principal can generally only be used as specified by the donor.

Subscription Fund

This fund includes amounts collected through financing campaigns and is not externally restricted.

Accounting estimates

The preparation of the financial statements requires management to make estimates and assumptions that affect the amounts recorded in the financial statements and notes to financial statements. These estimates are based on management's best knowledge of current events and actions that the University may undertake in the future. Actual results may differ from these estimates.

Principles of consolidation

The accounts of entities that are controlled by the University have not been consolidated in the financial statements. However, Notes 26 and 27 provide information regarding those entities.

4 - SIGNIFICANT ACCOUNTING POLICIES (continued)

Ancillary services

Ancillary services include services for residences, parking, reprography, event logistics and the Montmorency Forest (forest management).

Foreign currency translation

Monetary assets and liabilities denominated in foreign currency are translated at the exchange rate in effect at the date of the statement of financial position. Non-monetary assets and liabilities are translated at historical exchange rates, with the exception of those recognized at fair value, which are translated at the exchange rate in effect at the date of the statement of financial position. Revenues and expenses in foreign currency are translated at the exchange rate in effect at the transaction date and exchange gains and losses on financial assets and liabilities are included in the statement of operations. Exchange gains or losses on financial assets and liabilities measured at fair value are included in the net change in fair value presented in the net investment income.

Tangible and intangible capital assets

Capital assets are recorded in the Capital Assets Fund at acquisition cost and amortized in accordance with instructions issued by the MES according to the straight-line method and the following periods:

	Periods
Major improvements – building services	25 years
Major improvements – interior redevelopment	30 years
Major improvements – structure and architecture	40 years
Landscaping under $30,000	10 years
Landscaping over $30,000	20 years
Buildings with a wooden structure	40 years
Buildings, excluding those with a wooden structure	50 years
Library documents	10 years
Audiovisual and communication equipment	5 years
Computer equipment	3 years
Specialized equipment	10 years
Other equipment	10 years
Automotive equipment	5 years
Furniture	5 years
Telecommunications network	10 years
Leasehold improvements	Remaining lease term
Development costs relating to non-credit training activities	5 years
Other assets subject to amortization	20 years

Projects in progress and buildings completed by emphyteutic lessees are not amortized; amortization will respectively begin from the date they are put into service and from the date of retrocession.

4 - SIGNIFICANT ACCOUNTING POLICIES (continued)

Write-down

When conditions indicate that a tangible or intangible capital asset is impaired, the net carrying amount of the capital asset is written down to its fair value or replacement cost. The write-down is accounted for in the statement of operations and cannot be reversed.

Contribution recognition

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

Endowment contributions and contributions restricted to the acquisition of capital assets not subject to amortization are presented as direct increases in the appropriate fund balances.

Donations

Donated real property, equipment, supplies and services received by the University are recorded at their fair value when fair value can be reasonably estimated and if the University would have had to otherwise acquire these supplies and services for its normal operations.

Research subsidies, contracts and other revenues

Research subsidies from external organizations are included in the Restricted Fund. These subsidies are generally granted to researchers, but are paid to the University as agent.

Investment income

Restricted investment income is recognized as revenue of the appropriate fund in the year in which the related expenses are incurred. Therefore, investment income earned on the Endowment Fund is presented in the Operating Fund, the Restricted Fund, the Capital Assets Fund and the Subscription Fund depending on the nature of any restriction imposed by contributors. Investment income to be added to the endowment capital is presented as a direct increase in the Endowment Fund balance. Unrestricted interest income is recognized in the Operating Fund when it is earned.

4 - SIGNIFICANT ACCOUNTING POLICIES (continued)

Revenue recognition

The University's principal sources of revenues, other than contributions, are tuition fees, community services, external services and student services. Revenues are recognized when the following conditions are fulfilled:

– There is evidence of the existence of an agreement;
– Services have been supplied;
– Sale price is or can be determined;
– Collection is reasonably assured.

Revenues are recognized as the services are supplied. Deferred revenues represent receipts for which revenues are not yet earned.

Interests on debts

Capital Assets Fund

Interests on credit facilities with the Financing Fund and debts secured by the Government of Quebec are reimbursed by the MES.

Future employee benefits

Defined benefit plans

The University offers the following to its eligible employees:

– Defined benefit pension plans (collectively hereinafter the “pension plans”);
– Another defined benefit plan, i.e. a health insurance plan for retirees (hereinafter the “other benefit plan”).

The University recognizes its obligations under each defined benefit plan as employees render the services necessary to earn the pension benefits. For each defined benefit plan, the University determines its defined benefit obligations using the projected benefit method prorated on services.

The balance of the pension plans obligations is based on the most recent actuarial valuation for funding purposes, which is extrapolated to the University's year-end date. The University recognizes its obligations in respect of these pension plans in the statement of financial position, net of the fair value of the plan assets. If the fair value of the assets exceeds the defined benefit obligations, the defined benefit asset must be adjusted, if necessary, to take into account any valuation allowance.

The balance of the other benefit plan obligation is based on the most recent actuarial valuation for accounting purposes, which is prepared using management's best estimate assumptions as at the date of the full actuarial valuation and is extrapolated to the University's year-end date.

4 - SIGNIFICANT ACCOUNTING POLICIES (continued)

The cost of all these defined benefit plans comprises the current service cost and the interest cost, i.e. the net interest on the defined benefit liability or asset.

Remeasurements and other items, recognized in the statement of changes in fund balances, correspond to the difference between the actual return on pension plan assets and the return calculated using the discount rate used to determine the defined benefit obligations, to actuarial gains and losses, to the impact of valuation allowances (if any) in the case of a net defined benefit asset, to past service cost (which is recognized immediately on the date of plan amendments) and to gains and losses arising from settlements and curtailments. Remeasurements and other items are not reclassified in the statement of operations in a subsequent year.

Defined contribution plan

The University also offers a defined contribution plan to its lecturers, research professionals and certain other employees who do not meet the criteria for participation in the defined benefit plans. The costs of the defined contribution pension plan are recognized when payments are due, in accordance with the terms of the plan.

Financial assets and liabilities

Initial measurement

Upon initial measurement, the University's financial assets and liabilities from transactions not concluded with related parties and those from transactions with parties whose sole relationship with the entity is in the capacity of management (and members of the immediate family) are measured at fair value, which, in the case of financial assets or liabilities that will be measured subsequently at amortized cost, is increased or decreased by the amount of the related financing fees and transaction costs. The University's financial assets and liabilities from related party transactions are measured at cost.

Transaction costs relating to financial assets and liabilities that will be subsequently measured at fair value and those relating to financial assets and liabilities from related party transactions are recognized in operations in the year they are incurred.

Subsequent measurement

At each reporting date, the University measures its financial assets and liabilities from transactions not concluded with related parties at amortized cost (including any impairment in the case of financial assets), except for portfolio investments in equity instruments that are quoted in an active market, that is mutual fund investments and shares, which are measured at fair value, and investments in the master trust fund which the University has elected to measure at fair value by designating that fair value measurement shall apply. With respect to the financial assets and liabilities from related party transactions, the University measures them using the cost method (including any impairment in the case of financial assets).

4 - SIGNIFICANT ACCOUNTING POLICIES (continued)

Transaction costs relating to financial assets and liabilities that are measured at amortized cost, and any difference arising from their initial measurement at fair value, are amortized using the effective rate method over the term of the related financial instrument. Amortization of transaction costs related to long-term debt is recognized in operations as interest expenses on long-term debt.

With respect to financial assets measured at amortized cost or using the cost method, the University assesses whether there are any indications of impairment. When there is an indication of impairment, and if the University determines that, during the year, there was a significant adverse change in the expected timing or amount of future cash flows from a financial asset, it will then recognize a reduction as an impairment loss in operations. The reversal of a previously recognized impairment loss on a financial asset measured at amortized cost or using the cost method is recognized in operations in the year the reversal occurs.

Modification and termination of debt instruments

When one or more contractual terms of a debt instrument are modified as a result of the interest rate benchmark reform, the University applies the optional simplification measure allowing modifications to a debt instrument to be accounted for as if they were not substantial and not treated as a termination of the original debt instrument.

Derivative financial instruments

The University uses interest rate swaps to manage its interest rate risk exposure resulting from its long-term debt. It does not use these derivative financial instruments for trading or speculative purposes.

The University has elected to use hedge accounting to recognize the interest rate swaps it uses to provide protection against interest rate fluctuations on its variable interest rate debt.

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

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

4 - SIGNIFICANT ACCOUNTING POLICIES (continued)

Asset retirement obligations

The University recognizes an asset retirement obligation when there is a legal obligation associated with the retirement of a tangible capital asset that arises from its acquisition, construction, development or normal operation. The University recognizes a liability for such an obligation in the period in which it arises, provided that it can be reasonably estimated.

The amount recognized for an asset retirement obligation corresponds to management's best estimate of the expenditure required to settle the obligation at the date of the statement of financial position. Asset retirement costs are capitalized as part of the cost of the assets concerned, and are amortized on a straight-line basis from the date of the legal obligation until the planned completion of the asset retirement activities.

The initial measurement of the liability is made by discounting the estimated cash flows required to perform the asset retirement activities. Cash flows are adjusted for inflation and discounted using a discount rate that represents management's best estimate of the funds required to settle the obligation at its known or estimated maturity.

The liability recognized is adjusted each year for new obligations, actual costs incurred, revisions to estimates and accretion expense.

Cloud computing arrangements

When entering into a cloud computing arrangement, the University allocates the arrangement consideration to each significant separate element based on its stand-alone price. The cost of tangible capital assets is recognized as an asset and the right-of-use of tangible assets is recognized as expenses on a straight-line basis over the arrangement term for operating leases or as leased tangible capital assets.

To recognize the costs related to such arrangements, which are included in the scope of AcG-20, “Customer’s Accounting for Cloud Computing Arrangements”, of Part II of the *CPA Canada Handbook – Accounting,* the University has elected to apply the simplification approach and thus recognizes those costs as expenses as incurred as if they were related to providing services. These expenses total $2,928,130 for the year ($2,559,584 in 2024) and are recognized in the statement of operations under Renovations and redevelopment in the Capital Assets Fund.

5 - SUBSIDIES – MES

Operating Fund

This item does not include the $4,164,000 ($4,100,000 in 2024) subsidy for student services, which is included under this category.

Capital Assets Fund

A substantial portion of subsidies for this fund includes amounts allocated for the reimbursement of interest and capital assets financed by the MES.

6 - INTERFUND TRANSFERS

During the year, in accordance with a decision of the Board of Directors, unrestricted resources were restricted for the following purposes:

	2025	2024
	$	$
Projects		
Operating Fund	**(90 030)**	(49 883)
Restricted Fund	**(6 781)**	(588)
Capital Assets Fund	**89 147**	44 480
Endowment Fund	**10 992**	16 920
Subscription Fund	**(3 328)**	(10 929)
	–	–

7 - INFORMATION ON CASH FLOWS

The net change in working capital items is as follows:

	2025	2024
	$	$
Accounts receivable and other amounts receivable	**100 531**	(26 038)
Prepaid expenses	**(1 297)**	(2 194)
Accounts payable and other operating liabilities	**10 556**	53 200
Deferred revenues	**794**	(3 320)
Deferred contributions	**(4 196)**	(14 444)
	106 388	7 204

8 - ACCOUNTS RECEIVABLE AND OTHER AMOUNTS RECEIVABLE

Current

	2025	2024
	$	$
Operating Fund		
Subsidy – MES (1)	**56 174**	63 226
Sales, independent businesses and other	**16 904**	14 221
Tuition fees and other expenses	**8 482**	7 512
	81 560	84 959
Restricted Fund		
Subsidies, contracts and other (2)	**51 957**	61 526
Capital Assets Fund		
Subsidies (3)	**61 604**	64 095
Other	**3 126**	3 364
	64 730	67 459
	198 247	213 944

8 - ACCOUNTS RECEIVABLE AND OTHER AMOUNTS RECEIVABLE (continued)

Long-term

	2025	2024
	$	$
Capital Assets Fund		
Subsidies (3)	**471 625**	556 459

Accounts receivable and other amounts receivable are presented in the financial statements net of an allowance for impairment of $9,175,900, that is $7,906,400 for tuition fees and $1,269,500 for general billing ($9,607,100 as at April 30, 2024, that is $8,823,000 for tuition fees and $784,100 for general billing). The amount of the impairment loss related to accounts receivable and other amounts receivable is $2,142,418 for the year ($1,837,473 in 2024).

(1) The subsidy – MES receivable consists of the total final subsidy balance for the year.

(2) Subsidies receivable from the Restricted Fund are generally from governments and government bodies.

(3) Subsidies receivable from the Capital Assets Fund represent the amounts to be received in repayment of long-term debt and bank loans. Subsidies receivable also include an amount of $4,937,805 ($5,519,065 as at April 30, 2024) related to the interest on the financing of capital assets, which is repaid by the MES.

Conditional subsidy

According to the financial framework proposed by the MES, the University is committed to balancing its budget and respecting the remuneration framework of senior administrative personnel. Non-compliance with this commitment could result in changes in the subsidies granted. As at April 30, 2025, an amount of $47,658,094 has been recorded as revenue and is receivable on that date ($47,312,243 receivable as at April 30, 2024). This amount was cashed on July 30, 2025.

9 - PREPAID EXPENSES

These expenses are supplies and services from the different faculties to be used in the coming year and advances to projects.

10 - INVESTMENTS

						2025
	Operating Fund	**Restricted Fund**	**Capital Assets Fund**	**Endowment Fund**	**Subscription Fund**	**Total**
	$	**$**	**$**	**$**	**$**	**$**
Master trust fund	**8 581**	**65 100**	**4 188**	**236 930**	**3 803**	**318 602**
Shares	**27 375**	**32**	**–**	**–**	**–**	**27 407**
Fixed-interest securities	**25 096**	**–**	**–**	**–**	**–**	**25 096**
Money market securities and other	**415 046**	**–**	**–**	**–**	**–**	**415 046**
	476 098	**65 132**	**4 188**	**236 930**	**3 803**	**786 151**
Current portion	**415 046**	**–**	**–**	**–**	**–**	**415 046**
	61 052	**65 132**	**4 188**	**236 930**	**3 803**	**371 105**

						2024
	Operating Fund	Restricted Fund	Capital Assets Fund	Endowment Fund	Subscription Fund	Total
	$	$	$	$	$	$
Master trust fund	5 101	58 481	3 806	227 615	2 860	297 863
Shares	24 941	–	–	–	–	24 941
Fixed-interest securities	23 087	–	–	–	–	23 087
Money market securities and other	352 571	–	–	–	–	352 571
	405 700	58 481	3 806	227 615	2 860	698 462
Current portion	352 571	–	–	–	–	352 571
	53 129	58 481	3 806	227 615	2 860	345 891

10 - INVESTMENTS (continued)

Shares assigned to the University

In connection with the signing of license agreements entitling private businesses to exploit intellectual property it owns, the University was granted shares in the following companies:

– BioVec Pharma Inc., 50 common shares, voting, participating, without par value;

– ARNA Therapeutics Inc., 246,122 preferred shares;

– InflammatoRx Inc., 50 common shares, voting, participating, without par value;

– DiaMentis Inc., 500,170 common shares;

– SOVAR, limited partnership, 1 class “B” common share, 4 class “Gel A” preferred shares, 1 class “Gel C” preferred share, 191,504 preferred shares and 1 “UL” preferred share;

– Depix Technologies Inc., 48,000 common shares;

– Capcyte Biotherapeutics Inc., 10,000 common shares.

Since there is no market value for these shares, they are not recorded in the statement of financial position.

11 - TANGIBLE CAPITAL ASSETS

	2025		
	Cost	Accumulated amortization	Unamortized cost
	$	$	$
Major improvements	624 290	157 027	467 263
Landscaping	56 236	25 344	30 892
Buildings	614 602	329 758	284 844
Library documents	95 122	46 568	48 554
Audiovisual and communication equipment	9 360	4 299	5 061
Computer equipment	93 043	42 332	50 711
Specialized equipment	168 608	81 019	87 589
Other equipment	1 802	186	1 616
Automotive equipment	2 992	1 167	1 825
Furniture	8 153	4 022	4 131
Telecommunications network	2 533	168	2 365
Leasehold improvements	463	116	347
Assets not subject to amortization	8 752	–	8 752
Buildings completed by emphyteutic lessees	4 421	–	4 421
Projects in progress	134 376	–	134 376
Land	13 946	–	13 946
	1 838 699	692 006	1 146 693

11 - TANGIBLE CAPITAL ASSETS (continued)

	2024		
	Cost	Accumulated amortization	Unamortized cost
	$	$	$
Major improvements	555 883	137 318	418 565
Landscaping	53 316	22 600	30 716
Buildings	596 318	318 409	277 909
Library documents	93 872	46 410	47 462
Audiovisual and communication equipment	8 809	3 411	5 398
Computer equipment	75 901	34 774	41 127
Specialized equipment	163 861	77 348	86 513
Other equipment	959	48	911
Automotive equipment	2 451	962	1 489
Furniture	8 722	3 998	4 724
Telecommunications network	418	21	397
Leasehold improvements	36	17	19
Assets not subject to amortization	8 675	–	8 675
Buildings completed by emphyteutic lessees	3 898	–	3 898
Projects in progress	107 914	–	107 914
Land	13 946	–	13 946
	1 694 979	645 316	1 049 663

The University has signed emphyteutic leases, ranging from 50 to 75 years, including one with a 24-year renewal option, with unrelated third parties. These leases provide for the transfer of the right to use University land in exchange for the retrocession of buildings or facilities completed by the leaseholder at the end of the lease term. The University recognizes these non-monetary transactions annually, until the end of each respective lease, at the fair value of the right of use transferred. The excess of rental income over amounts received is recognized as buildings completed by emphyteutic lessees, i.e. $522,778 for the year ($90,007 in 2024).

The amortization expense for tangible capital assets is as follows:

	2025	2024
	$	$
Major improvements	**19 710**	18 202
Landscaping	**2 744**	2 656
Buildings	**11 349**	11 103
Library documents	**9 450**	9 332
Audiovisual and communication equipment	**1 817**	1 614
Computer equipment	**28 245**	24 008
Specialized equipment	**16 627**	15 432
Other equipment	**138**	48
Automotive equipment	**544**	468
Furniture	**1 687**	1 710
Telecommunications network	**148**	21
Leasehold improvements	**99**	9
	92 558	84 603

12 - INTANGIBLE CAPITAL ASSETS

			2025	2024
	Cost	**Accumulated amortization**	**Unamortized cost**	Unamortized cost
	$	**$**	**$**	$
Development costs relating to non-credit training activities	**437**	**76**	**361**	145
Projects in progress	**20**	**–**	**20**	–
	457	**76**	**381**	145

13 - BANK LOANS

The University has openings of credit with three financial institutions, totalling $50,000,000, from which it is only authorized to draw a maximum of $10,000,000, as required by the MES. As at April 30, 2025, these bank loans are unused (unused as at April 30, 2024).

The University also has credit facilities with the Financing Fund, for an authorized amount of $71,011,392 ($368,321,000 as at April 30, 2024), which bear interest at the average three-month treasury bills rate plus 0.02%. This temporary financing is dedicated to the Plan quinquennal des investissements universitaires as well as to investments made as part of the mechanical manufacturing equipment acquisition project for the Centre for Optics, Photonics and Lasers and the Faculty of Science and Engineering. As at April 30, 2025, $27,097,773 ($56,551,672 as at April 30, 2024) has been used for the entire Plan quinquennal des investissements universitaires, and no amount (none as at April 30, 2024) was used for the mechanical manufacturing equipment acquisition project.

14 - ACCOUNTS PAYABLE AND OTHER OPERATING LIABILITIES

	2025	2024
	$	$
Accounts payable and other notes payable	**247 216**	238 432
Subsidies to be repaid to the MES for the change in the student population	**27 636**	21 995
	274 852	260 427

Government remittances total $18,252,014 ($15,982,349 as at April 30, 2024).

15 - DEFERRED REVENUES

	2025	2024
	$	$
Tuition fees and other revenues	**7 300**	6 648
Revenues collected in advance on land rental	**730**	797
Room deposits	**861**	817
Sports activity deposits	**1 034**	869
	9 925	9 131

16 - DEFERRED CONTRIBUTIONS

Deferred contributions represent the unspent portion of subsidies allocated to research under external restrictions and are as follows:

	2025	2024
	$	$
Balance, beginning of year	**372 820**	387 264
Amounts recognized as revenue	**(290 615)**	(269 094)
Amounts received for next year	**286 419**	254 650
Balance, end of year	**368 624**	372 820

17 - LONG-TERM DEBT

	2025	2024
	$	$
Capital Assets Fund		
Debts secured by the Government of Quebec from annual appropriations voted by the National Assembly		
Group of loans, weighted average rate of 3.10% (3.12% as at April 30, 2024), maturing in tranches until December 2043	**480 518**	539 094
Loan, variable rate based on CORRA plus 1.01% (CDOR plus 0.71% as at April 30, 2024), payable in principal monthly instalments of $33,100, plus interest, maturing in December 2026 (1)	**667**	1 064
Loan, variable rate based on CORRA plus 0.99% (CDOR plus 0.69% as at April 30, 2024), payable in principal monthly instalments of $54,000, plus interest, maturing in February 2027 (1)	**1 300**	1 948
Loan, 2.90% capitalized semiannually, payable in principal monthly instalments of $25,208, plus interest, maturing in October 2027	**756**	1 059
Loans, variable rates, repaid during the year	**–**	10 786
	483 241	553 951
Current portion	**58 013**	60 769
	425 228	493 182

(1) These loans are subject to interest rate swaps, as described in Note 20.

The estimated instalments on long-term debt for the next five years are $58,013,614 in 2026, $116,712,862 in 2027, $41,068,154 in 2028, $26,968,503 in 2029 and $25,815,871 in 2030.

The portion subsidized by the Government of Quebec included in estimated instalments for the next five years is $56,665,914 in 2026, $115,488,517 in 2027, $40,916,903 in 2028, $26,968,503 in 2029 and $25,815,871 in 2030.

18 - EMPLOYEE FUTURE BENEFITS

Defined benefit pension plans

The University measures its defined benefit obligations and the fair value of plan assets for accounting purposes as at April 30 of each year. Complete actuarial valuations of the RRPPUL and RRPePUL pension plans for funding purposes were performed as at December 31, 2023. Complete actuarial valuation of the RREEUL pension plan was performed as at December 31, 2022. The next valuations will be performed as at December 31, 2025, for the RREEUL and as at December 31, 2026, for the RRPPUL and the RRPePUL.

Reconciliation of the funded statute of the employee benefit plans and the amounts recorded in the financial statements

	2025	2024
	$	$
Pension plans		
Defined benefit obligations	**3 180 958**	3 257 053
Fair value of plan assets	**3 228 293**	3 258 015
Funded statute – excess	**(47 335)**	(962)
Valuation allowance	**79 548**	23 163
Defined benefit liability	**32 213**	22 201
Other benefit plan		
Defined benefit obligations	**747**	977
Fair value of plan assets	**–**	–
Funded statute – deficit and defined benefit liability	**747**	977
	32 960	23 178

Pension plan asset components

At the measurement date, i.e. December 31 of each year, the pension plan assets consist of the following:

	2025	2024
	%	%
Asset categories		
Debt securities	**32.35**	37.37
Equity securities	**26.10**	21.56
Real estate funds	**16.79**	16.77
Other investment vehicles	**24.76**	24.30
	100.00	100.00

18 - EMPLOYEE FUTURE BENEFITS (continued)

Total cash payments

Cash payments for future employee benefits, consisting of cash contributed by the University to its funded pension plans and amounts paid directly to beneficiaries for its unfunded other benefit plan total $50,049,100 ($46,591,600 in 2024).

Future employee benefit costs recognized during the year

	2025	2024
	$	$
Pension plans	**49 233**	62 415
Other benefit plan	**45**	48

Significant assumptions

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

	Pension plans	
	2025	2024
	%	%
Inflation rate	**2**	2
Discount rate	**5.10 - 6.79**	4.07 - 6.05
Expected long-term rate of return on plan assets	**5.10 - 6.79**	4.07 - 6.05
Compensation increase rate	**3 - 5.35**	3 - 3.5

	Other benefit plan	
	2025	2024
	%	%
Discount rate	**5.1**	4.65
Increase in medical costs rate	**5**	5

19 - DEFERRED CONTRIBUTIONS RELATED TO CAPITAL ASSETS

Deferred contributions related to capital assets include the unamortized balance of contributed capital assets and the unamortized balance of capital assets acquired from externally restricted contributions that were restricted for this purpose.

	2025	2024
	$	$
Balance, beginning of year	**838 388**	795 483
Amounts received during the year	**77 251**	72 327
Contributions received in capital assets	**418**	340
Contributions restricted to the acquisition of tangible capital assets not subject to amortization	**(72)**	(136)
Amounts recognized as revenue	**(31 296)**	(29 626)
Balance, end of year	**884 689**	838 388

20 - CASH FLOW HEDGING SWAPS

The University has entered into fixed and variable interest rate swaps to hedge changes in cash flows relating to the variable-rate portion of long-term debt.

			2025
	Maturity dates	**Fixed interest rate**	**Notional amount**
		%	**$**
Capital Assets Fund			
Long-term debt	**31-12-2026**	**2.15**	**667**
Long-term debt	**28-02-2027**	**2.34**	**1 300**
			1 967

			2024
	Maturity dates	Fixed interest rate	Notional amount
		%	$
Capital Assets Fund			
Long-term debt	31-12-2026	2.15	1 064
Long-term debt	28-02-2027	2.34	1 948
Long-term debt	24-10-2033	3.03	2 217
Long-term debt	18-11-2035	2.64	4 279
Long-term debt	03-03-2036	1.80	4 290
			13 798

At the end of these swaps, the University pays fixed interest rates, as presented in the tables above, and receives variable interest rates based on compounded daily CORRA (2.77% as at April 30, 2025).

21 - OPERATING FUND BALANCE

	2025	2024
	$	$
Unrestricted		
Future employee benefits		
Pension plans	**(32 213)**	(22 201)
Other benefit plan	**(747)**	(977)
Vacations payable, accumulated overtime and other employee benefits payable	**(59 261)**	(54 663)
Operations	**(134 314)**	(146 989)
	(226 535)	(224 830)
Internally restricted (1)	**50 566**	50 190
	(175 969)	(174 640)

21 - OPERATING FUND BALANCE (continued)

	2025	2024
	$	$
(1) Balance of the internally restricted fund		
Special programs		
Budget carried over to multiple-faculty entities	**195**	271
Unrestricted research projects	**44 816**	41 958
Special research budget	**5 555**	5 530
Other	**–**	2 431
	50 566	50 190

22 - NET INVESTMENT INCOME

	2025	2024
	$	$
Investments measured at fair value		
Net change in fair value		
From restricted resources	**3 567**	1 482
From resources held as endowments	**13 166**	8 821
Unrestricted	**3 712**	(3 095)
	20 445	7 208
Other investment income		
From restricted resources	**3 329**	3 035
From resources held as endowments	**7 748**	5 076
Unrestricted	**22 381**	23 383
	33 458	31 494
	53 903	38 702
Investment income added to endowment capital	**2 853**	6 590
	51 050	32 112

23 - COMMITMENTS

Outstanding purchase orders for goods and services

Unrecorded commitments for outstanding purchase orders for goods and services assumed by the University, other than building construction and renovations assumed by the Capital Assets Fund, amount to $94,111,115.

Building construction and renovations

Unrecorded commitments for building construction and renovations assumed by the University's Capital Assets Fund amount to $87,834,319.

23 - COMMITMENTS (continued)

Leases

The University has entered into lease agreements expiring between August 2025 and January 2034, which call for lease payments made from the Operating Fund totalling $14,547,542 for offices. Minimum lease payments for the next five years are $3,928,297 in 2026, $3,000,036 in 2027, $2,483,236 in 2028, $1,472,737 in 2029 and $763,952 in 2030.

24 - ASSET RETIREMENT OBLIGATIONS

The University's asset retirement obligations mainly concern the removal of asbestos from its buildings. No asset retirement obligation liability is recognized since the University is unable to make a reasonable estimate of the amount of the obligation.

25 - FINANCIAL RISKS

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

Currency risk

Currency risk results from the University’s equity securities and foreign fund units. The University manages this risk through its investment policies. As at April 30, 2025, the market value of the foreign investment portfolio amounts to $132,863,232 ($136,960,230 as at April 30, 2024), mainly denominated in U.S. dollars.

The University is also exposed to currency risk due to accounts receivable and other amounts receivable, as well as accounts payable and other operating liabilities denominated in U.S. dollars and euros. As at April 30, 2025, financial assets denominated in foreign currency are comprised of accounts receivable and other amounts receivable totalling $1,529,884, i.e. $1,091,092 and $438,792 denominated in U.S. dollars and in euros respectively ($1,038,069 as at April 30, 2024, i.e. $822,437 and $215,632). Financial liabilities denominated in foreign currency are comprised of accounts payable and other operating liabilities totalling $2,268,098, i.e. $2,212,961 and $55,137 denominated in U.S. dollars and in euros respectively ($2,906,551 as at April 30, 2024, i.e. $2,645,841 and $260,710).

Interest rate risk

Some long-term debts and the bank loans bear interest at a variable rate and the University is, therefore, exposed to the cash flow risk resulting from interest rate fluctuations. As detailed in Note 20, the University uses derivative financial instruments to reduce its exposure to cash flow risk.

Some long-term debts bear interest at a fixed rate and the University is, therefore, exposed to the risk of changes in fair value resulting from interest rate fluctuations. The University does not use derivative financial instruments to reduce its exposure to this risk. However, most instalments in interest are assumed by the Government of Quebec.

25 - FINANCIAL RISKS (continued)

Credit risk

Credit risk is the risk that a counterparty to a financial instrument fails to fulfill a commitment or obligation, thus subjecting the other party to a financial loss. Each financial instrument is entered into pursuant to an ISDA master agreement and the University verifies the credit rating of each of the counterparties, which are all recognized Canadian financial institutions.

The University's maximum credit risk corresponds to the fair value on the statement of financial position of cash, accounts receivable and other amounts receivable and investments.

There is a concentration of credit risk when a substantial part of the portfolio is comprised of investments in values with similar characteristics or sensitive to the same economic, political and other factors. The University manages the risks relating to the management of its investments on a continuous basis with the help of the investment and treasury committee and considers that the risk is low.

Accounts receivable and other amounts receivable

The University does not require a guarantee from its customers. The accounts receivable balance is managed and analyzed on an ongoing basis and, accordingly, the University's exposure to doubtful accounts is not significant.

Liquidity risk

Liquidity risk management serves to maintain a sufficient amount of cash and cash equivalents and to ensure that the University has financing sources such as loans for a sufficient authorized amount. The University establishes budget and cash estimates to ensure it has the necessary funds to fulfill its obligations.

Other

The University is exposed to market risk, credit risk and interest rate risk with respect to its investments, either directly or indirectly through mutual funds or through its interest in a master trust fund. The University manages its risk related to the management of its investments on an ongoing basis with the assistance of the investment and treasury committee and considers that the risk is low.

26 - RELATED ENTITIES

In order to better assume some aspects of its mission, the University supports certain related entities, either by the pursuit of common objectives, the presence of University's representatives on the Board of Directors of these entities, the requirement for these entities to obtain the University's consent in order to modify their structure or their mission, or by the participation of the University to the development of their policies.

26 - RELATED ENTITIES (continued)

The University's support to these entities comprises financial contributions or gratuitous supply of personnel, equipment, space, accounting services or support.

These related entities are the following:

1. Les Presses de l'Université Laval
2. Les Missions commerciales de l'Université Laval
3. Entrepreneuriat ULaval inc.
4. Clubs d'excellence sportifs du Rouge et Or de l'Université Laval
5. Boutique Rouge et Or – Université Laval
6. Gestion La Fabrique inc.

Les Presses de l'Université Laval and Gestion La Fabrique inc. are excluded from the information to provide because their individual materiality is not significant.

27 - CONTROLLED NOT-FOR-PROFIT ORGANIZATIONS

The University controls the following four organizations, all incorporated under Part III of the *Companies Act* (Quebec). They are related parties over which the University has a presumption of control due to its economic interest and their shared objectives.

These organizations are excluded from the information to provide because their individual materiality is not significant. These organizations are the following:

1. Les Missions commerciales de l'Université Laval
2. Entrepreneuriat ULaval inc.
3. Clubs d'excellence sportifs du Rouge et Or de l'Université Laval
4. Boutique Rouge et Or – Université Laval