
Financial statements of Université de Montréal

April 30, 2025

Independent Auditor's Report	1-2
Statement of operations and changes in fund balances	3
Statement of financial position	4
Statement of cash flows	5
Notes to the financial statements	6-34

Independent Auditor's Report

To the Board Members of
Université de Montréal

Opinion

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

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the University 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 ("Canadian GAAS"). 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 the University 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 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 GAAS 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 GAAS, 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.

Deloitte LLP

September 30, 2025

¹ CPA auditor, public accountancy permit No. A132478

Université de Montréal
Statement of operations and changes in fund balances
 Year ended April 30, 2025
 (in thousands of dollars)

	Operating Fund		Restricted Fund		Capital Assets Fund		Endowment Fund		Total of Funds	
	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Revenue										
Grants from the ministère de l'Enseignement supérieur	707,855	686,656	25,746	20,006	50,742	53,011	—	—	784,343	759,673
Other government grants and contracts	26,475	26,671	182,032	158,828	20,190	21,801	—	—	228,697	207,300
Other non-governmental contributions and contracts	1,775	1,429	57,805	58,277	13,692	5,309	—	—	73,272	65,015
Donations	—	—	30,667	24,159	—	24	—	—	30,667	24,183
Tuition fees	183,685	174,012	—	—	—	—	—	—	183,685	174,012
Student services	21,040	12,886	—	—	—	—	—	—	21,040	12,886
Physical Education and Sports Centre	22,631	21,119	—	—	—	—	—	—	22,631	21,119
Ancillary services	21,138	21,793	—	—	—	—	—	—	21,138	21,793
Re-capitalized investment	21,707	20,696	14,058	11,744	—	—	—	—	35,765	32,440
External sales	38,891	44,897	—	—	—	—	—	—	38,891	44,897
Gain on disposal of capital assets	—	—	—	—	22,974	320	—	—	22,974	320
Other revenue	45,548	42,270	25	—	—	—	—	—	45,573	42,270
	1,090,745	1,052,429	310,333	273,014	107,598	80,465	—	—	1,508,676	1,405,908
Expenses										
Teaching and research	646,232	620,116	220,493	182,833	—	—	—	—	866,725	802,949
Teaching and research support	123,053	119,932	2,456	3,749	—	—	—	—	125,509	123,681
Student services	19,119	15,384	2,680	5,188	—	—	—	—	21,799	20,572
Physical Education and Sports Centre	23,266	21,768	—	—	—	—	—	—	23,266	21,768
Scholarships – graduate programs	8,887	8,674	54,628	48,453	—	—	—	—	63,515	57,127
Community services	—	—	16,518	17,483	—	—	—	—	16,518	17,483
Administration	90,916	90,462	—	—	—	—	—	—	90,916	90,462
Facilities management	78,378	73,675	—	—	—	—	—	—	78,378	73,675
Ancillary services	18,126	19,408	—	—	—	—	—	—	18,126	19,408
Bad debts on tuition fees	2,389	1,914	—	—	—	—	—	—	2,389	1,914
Interest on bank overdraft and bank loans and financial charges	300	238	—	—	2,611	3,878	—	—	2,911	4,116
Interest on debt	—	—	—	—	24,943	25,272	—	—	24,943	25,272
Vacation liability	5,754	2,460	—	—	—	—	—	—	5,754	2,460
Other unallocated employee future benefits	7,706	(10,703)	—	—	—	—	—	—	7,706	(10,703)
Pay equity maintenance	5,900	—	—	—	—	—	—	—	5,900	—
Other contributions and restricted amounts	—	—	1,763	1,324	2,930	1,989	—	—	4,693	3,313
Cloud computing arrangements and amortization of assets related to software service implementation costs	—	—	—	—	6,685	—	—	—	6,685	—
Amortization of capital assets	—	—	—	—	98,726	98,862	—	—	98,726	98,862
	1,030,026	963,328	298,538	259,030	135,895	130,001	—	—	1,464,459	1,352,359
Excess (deficiency) of revenue over expenses before the following items	60,719	89,101	11,795	13,984	(28,297)	(49,536)	—	—	44,217	53,549
Change in unrealized fair value of investments	3,231	1,777	—	—	—	—	—	—	3,231	1,777
Change in fair value of derivative financial instruments	—	—	—	—	(14,319)	8,592	—	—	(14,319)	8,592
Excess (deficiency) of revenue over expenses	63,950	90,878	11,795	13,984	(42,616)	(40,944)	—	—	33,129	63,918
Fund balances, beginning of year	(323,437)	36,468	17,917	12,248	331,909	293,110	469,157	428,951	495,546	770,777
Contributed capital assets and endowments	—	—	—	—	670	295	32,716	24,129	33,386	24,424
Investment loss deducted from endowment capital	—	—	—	—	—	—	(1,015)	(927)	(1,015)	(927)
Unrealized change in fair value of investments and derivative financial instruments added to endowment capital	—	—	—	—	—	—	24,827	13,507	24,827	13,507
Change in remeasurements and other recognized items related to defined benefit plans	(3,398)	(376,153)	—	—	—	—	—	—	(3,398)	(376,153)
Interfund transfers	(66,975)	(74,630)	(13,632)	(8,315)	75,620	79,448	4,987	3,497	—	—
Fund balances, end of year	(329,860)	(323,437)	16,080	17,917	365,583	331,909	530,672	469,157	582,475	495,546

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

Université de Montréal
Statement of financial position
 As at April 30, 2025
 (in thousands of dollars)

		Operating Fund		Restricted Fund		Capital Assets Fund		Endowment Fund		Total of Funds	
	Notes	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024
		\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Assets											
Current assets											
Cash		—	—	117,824	84,729	36,958	22,837	959	1,034	155,741	108,600
Investments	3	372,337	346,788	8,090	10,740	—	—	48,300	38,300	428,727	395,828
Accounts receivable	4	73,231	121,935	143,256	122,967	222,111	209,079	410	438	439,008	454,419
Inventories		6,191	6,222	—	—	—	—	—	—	6,191	6,222
Expenses attributable to the following year		10,625	9,552	429	448	2,959	1,854	—	—	14,013	11,854
Derivative financial instruments – exchange contracts	16	—	—	—	—	—	—	967	351	967	351
Advances to other funds	5	34,124*	53,131*	371,183*	399,002*	98,080*	109,975*	—	—	—	—
		496,508	537,628	640,782	617,886	360,108	343,745	50,636	40,123	1,044,647	977,274
Investments	3	—	—	6,466	2,393	—	—	497,608	447,242	504,074	449,635
Accounts receivable	4	—	—	2,367	4,120	905,227	1,079,467	—	—	907,594	1,083,587
Capital assets	6	—	—	—	—	1,748,576	1,634,346	—	—	1,748,576	1,634,346
Deferred charges		—	—	—	—	2,144	2,522	—	—	2,144	2,522
Derivative financial instruments – interest rate swap contracts	16	—	—	—	—	5,418	19,737	—	—	5,418	19,737
Assets related to software service implementation costs	7	—	—	—	—	731	—	—	—	731	—
Defined benefit asset of the primary pension plan program	12	—	—	—	—	—	—	—	—	—	—
Other assets		—	—	—	—	239	217	—	—	239	217
		496,508	537,628	649,615	624,399	3,022,443	3,080,034	548,244	487,365	4,213,423	4,167,318
Liabilities											
Current assets											
Bank overdraft		123,655	99,163	—	—	—	—	—	—	123,655	99,163
Bank loans	8	—	—	—	—	121,749	139,758	—	—	121,749	139,758
Accounts payable and accrued liabilities	9	151,102	172,762	14,870	18,628	59,014	48,082	—	—	224,986	239,472
Deferred revenues		13,791	16,020	15,855	14,408	—	—	—	—	29,646	30,428
Deferred contributions	10	—	—	504,730	486,701	410	410	—	—	505,140	487,111
Derivative financial instruments – exchange contracts	16	—	—	—	—	—	—	—	846	—	846
Current portion of debt	11	—	—	—	—	71,549	79,235	—	—	71,549	79,235
Advances due to other funds	5	355,038*	384,672*	98,080*	86,745*	32,697*	73,329*	17,572*	17,362*	—	—
		643,586	672,617	633,535	606,482	285,419	340,814	17,572	18,208	1,076,725	1,076,013
Grants to be repaid or paid		2,437	19,207	—	—	—	—	—	—	2,437	19,207
Debt	11	—	—	—	—	703,981	772,946	—	—	703,981	772,946
Deferred contributions	10	—	—	—	—	418,296	495,571	—	—	418,296	495,571
Deferred contributions related to capital assets	10	—	—	—	—	1,249,164	1,138,794	—	—	1,249,164	1,138,794
Accrued defined benefit obligation of complementary retirement program	12	88,981	84,450	—	—	—	—	—	—	88,981	84,450
Post-employment accrued benefit obligation	12	91,364	84,791	—	—	—	—	—	—	91,364	84,791
		826,368	861,065	633,535	606,482	2,656,860	2,748,125	17,572	18,208	3,630,948	3,671,772
Commitments and contingencies	19 and 20										
Fund balances											
Invested in capital assets	13 and 14	—	—	—	—	295,595	258,901	—	—	295,595	258,901
Externally restricted		—	—	—	—	—	—	457,503	400,694	457,503	400,694
Internally restricted		22,194	20,095	16,080	17,917	69,988	73,008	73,169	68,463	181,431	179,483
Remeasurement and other recognized items related to defined benefit plans		(103,552)	(100,154)	—	—	—	—	—	—	(103,552)	(100,154)
Deficiency – Employee future benefits		(76,793)	(69,087)	—	—	—	—	—	—	(76,793)	(69,087)
Deficiency – Operating activities		(171,709)	(174,291)	—	—	—	—	—	—	(171,709)	(174,291)
		(329,860)	(323,437)	16,080	17,917	365,583	331,909	530,672	469,157	582,475	495,546
		496,508	537,628	649,615	624,399	3,022,443	3,080,034	548,244	487,365	4,213,423	4,167,318

* These items are not shown in the “Total Funds” column as their combined total is zero.

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

From the Board of the University

, Rector

, Vice-rector of Administration and Finance

Université de Montréal
Statement of cash flows

Year ended April 30, 2025

(in thousands of dollars)

	Notes	2025	2024
		\$	\$
Operating activities			
Excess of revenue over expenses		33,129	63,918
Adjustments for:			
Change in unrealized fair value of investments		(3,231)	(1,777)
Amortization of capital assets		98,726	98,862
Gain on disposal of capital assets		(22,974)	(320)
Amortization of deferred contributions related to capital assets		(57,203)	(56,541)
Change in asset and obligations related to employee future benefits		7,706	(10,703)
Change in the fair value of derivative financial instruments excluding those related to the Endowment Fund		14,319	(8,592)
		70,472	84,847
Net change in non-cash working capital items and long-term accounts receivable, deferred contributions and grants to be repaid or paid	18	86,781	47,220
		157,253	132,067
Investing activities			
Net change in investments		(59,280)	(127,215)
Derivative financial instruments – exchange contracts		(1,462)	331
Acquisition of capital and other assets		(228,496)	(213,221)
Proceeds from disposal of capital assets		49,703	320
Net change in deferred expenses		378	(2,522)
Net change in assets related to software service implementation costs		(731)	—
		(239,888)	(342,307)
Financing activities			
Net change in bank loans		(18,009)	43,291
Increase in debt		2,170	76,102
Repayment of debt		(79,235)	(71,597)
Net change in unamortized debt issuance costs		414	414
Increase in deferred contributions related to capital assets		167,573	141,343
Endowments received		33,386	24,424
Investment losses deducted from endowment capital		(1,015)	(927)
		105,284	213,050
Net increase in cash and cash equivalents		22,649	2,810
Cash and cash equivalents, beginning of year		9,437	6,627
Cash and cash equivalents, end of year		32,806	9,437
Cash and cash equivalents comprise			
Cash		155,741	108,600
Bank overdraft		(123,655)	(99,163)
		32,086	9,437

Additional information is presented in Note 18.

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

Université de Montréal
Notes to the financial statements

April 30, 2025

(tabular amounts are in thousands of dollars)

1. Status and purpose of Université de Montréal

Université de Montréal (the "University") is incorporated under *Act 234* of the National Assembly of Quebec, promulgated on March 27, 2018, which took effect on September 28, 2018.

The University is a registered charity, which is not subject to income taxes within the meaning of the *Income Tax Act*. The University offers teaching services and carries on research activities associated with teaching.

2. Accounting policies

The financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations and reflect the following significant accounting policies:

Adoption of Accounting Guideline 20 ("AcG-20"), Customer's Accounting for Cloud Computing Arrangements

On May 1, 2024, the University adopted AcG-20. The guideline provides guidance on determining whether a software element is a software intangible asset or a software service, and how to account for expenditures in a cloud computing arrangement.

The University has chosen to recognize as assets the eligible costs related to the software service implementation activities. These costs are presented separately in the Statement of Financial Position as assets related to software service implementation costs.

The adoption of AcG-20 did not have an impact on the comparative figures of the University's financial statements.

Consolidation

Not-for-profit entities controlled by the University are not consolidated. The combined financial information of these entities is presented in Note 17.

Fund accounting

The University presents its financial information by fund.

It has an Operating Fund and three other funds: the Restricted Fund, the Capital Assets Fund and the Endowment Fund.

Operating Fund

The Operating Fund reflects the usual activities carried on by the University in terms of providing teaching, providing support to teaching and research, the operations of the University campus, and internal research services. This fund also presents unrestricted external resources and operating grants.

Restricted Fund

The Restricted Fund reflects externally restricted resources that are primarily directed towards research-related activities. The surplus generated by activities financed externally are restricted to research or a similar activity and presented as an internal restricted fund in the fund balances.

2. Accounting policies (continued)

Fund accounting (continued)

Capital Assets Fund

The Capital Assets Fund presents the assets and liabilities as well as the revenue and expenses related to capital assets held by the University and that are used for their financing.

Endowment Fund

The Endowment Fund presents resources received as endowments (permanent capital) as well as investment income that must be added to the endowments, in accordance with the donors' instructions. Other investment income earned from the Endowment Fund resources is presented in the Restricted Fund or the Operating Fund, depending on the nature of the allocations stipulated by the donors, if applicable.

Revenue recognition

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

Contributions received in the form of capital assets are recorded at fair value on the contribution date.

Deferred revenues represent receipts for which the services have not been rendered.

The University's main sources of revenue, other than contributions, come from tuition fees, student services, the Physical Education and Sports Centre, ancillary services, and external sales. These revenues are recognized as Operating Fund revenue in the year in which the underlying service is rendered.

Operating grants from the Government of Quebec are recorded in the year in which they are incurred.

Contributions received as endowments are presented as direct increases to the Endowment Fund balance.

Restricted investment income is recognized as revenue of the related fund in the year in which the related restriction expenses are incurred. Therefore, investment income from restricted resources of the Endowment Fund is recognized as revenue of the corresponding fund. If the corresponding expense is not realized, this investment income is deferred and presented as deferred contributions in the Statement of Financial Position. Investment income from unrestricted resources of the Endowment Fund is recognized as revenue of the Operating Fund.

Contributions raised from fund-raising campaigns are recorded to the appropriate fund, based on the donor's restriction, when the donations are received. Unrestricted contributions are presented in the Operating Fund in "Donations."

The portion of revenues received regarding research contracts, for which services were not rendered during the year, is presented in deferred revenues in the Statement of Financial Position of the Restricted Fund, whereas the portion of other contributions for research and not used at year-end is presented as deferred contributions.

2. Accounting policies (continued)

Financial instruments

Initial measurement

Financial assets and financial liabilities originated or exchanged in arm's length transactions are initially recognized at fair value when the University becomes a party to the contractual provisions of the financial instrument. Financial instruments originated or exchanged in related party transactions are initially measured at cost.

The cost of a financial instrument in a related party transaction depends on whether or not the instrument has repayment terms. If it does have repayment terms, cost is determined using its undiscounted cash flows, excluding interest and dividend payments, less any impairment losses previously recognized by the transferor. Otherwise, cost is determined using the consideration transferred or received by the University as part of the transaction.

Subsequent measurement

All financial instruments are measured at amortized cost except for investments and derivative financial instruments, which are measured at fair value at the Statement of Financial Position date. Fair value fluctuations, including dividends and interest earned, dividends and interest accrued, and gains and losses realized on disposal, are included in investment income or directly in change in fund balances. Unrealized gains and losses are included in investment income in the Statement of Operations and Changes in Fund Balances or directly in change in fund balances.

Transaction costs

Transaction costs related to financial instruments measured at fair value after initial recognition are expensed as incurred. With respect to other financial instruments, transaction costs are added to the carrying value of the asset or netted against the carrying value of the liability, and are then recognized over the expected life of the instrument using the straight-line method. Any premium or discount related to an instrument measured at amortized cost is amortized over the expected life of the instrument using the straight-line method and recognized in the Statement of Operations as other income or interest expense.

Impairment

With respect to financial assets recognized at amortized cost, the University recognizes an impairment loss, when applicable, in the Statement of Operations when it determines that a significant adverse change has occurred during the period in the expected timing or amount of future cash flows. When the extent of impairment of a previously written-down asset decreases and the decrease can be related to an event occurring after the impairment was recognized, the previously recognized impairment loss shall be reversed in the Statement of Operations in the period the reversal occurs.

2. Accounting policies (continued)

Derivative financial instruments

The University uses interest rate swap contracts to manage its interest rate risk pertaining to long-term debt as well as foreign exchange forward contracts to manage the foreign exchange risk arising from currency investments. The University has chosen not to prepare the documentation required to apply hedge accounting. Consequently, interest rate swap contracts and foreign exchange contracts are recognized at fair value in the Statement of Financial Position as assets (or liabilities). Fair value is determined by using stock market quotes and the prices obtained from financial institutions for identical or similar derivative financial instruments.

Asset retirement obligations

The University recognizes the liability for an asset retirement obligation arising from the acquisition, development, construction or normal operation of a long-lived asset in the year in which it is incurred and when a reasonable estimate of the amount of the obligation can be made. The liability is measured at the best estimate of the expenditure required to settle the present obligation. The corresponding cost is capitalized as part of the related asset and is amortized over the asset's useful life. In subsequent years, the liability is adjusted for changes resulting from the passage of time and revisions to either the timing or the amount of the original estimate of the undiscounted cash flows or the discount rate. The accretion of the liability as a result of the passage of time is charged to earnings while changes to the liability resulting from revisions to either the original estimate of the undiscounted cash flows or the discount rate are accounted for as an adjustment to the carrying value of the related long-lived asset.

The University is aware of the presence of contaminants in certain buildings; however, the University is not able to assess the costs related to these contaminants and when, if at all, these costs will be incurred. Therefore, no liability is recognized.

2. Accounting policies (continued)

Capital assets

Capital assets are recorded at cost and amortized based on their expected useful lives.

Amortization is recorded as an expense in the Statement of Operations and Changes in Fund Balances of the Capital Assets Fund using the straight-line method and over the following terms, which also correspond to the ministère de l'Enseignement supérieur (MES) guidelines:

Land improvements	10 and 20 years
Buildings	
Buildings	20, 40 or 50 years
Major improvements to buildings	25, 30 or 40 years
Leasehold improvements	term of the lease
Machinery and equipment	3, 5 or 15 years
Computer equipment	
Multimedia communication equipment	
Office furniture and equipment	
Specialized teaching and research equipment	10 years
Library documents	10 years
Rolling stock	5 years
Telecommunication networks	10 years
Software – Other than initial versions	3 years
IT development	10 years
Communication equipment under capital leases	term of the lease
Specialized teaching and research equipment under capital leases	term of the lease

Interest on temporary loans for new construction is added to the cost of construction until it is put into service.

Fully amortized capital assets are written off as soon as they are no longer being used.

When conditions indicate that a capital asset is impaired, its net carrying value should be written down to fair value or to the replacement cost of the capital asset. Write-downs of capital assets should be recognized as an expense in the Statement of Operations and Changes in Fund Balances. Write-downs are not reversed.

Translation of foreign currencies

Account balances and transactions carried out in foreign currencies are translated into Canadian dollars using the temporal method. Under this method, monetary assets and liabilities are translated into Canadian dollars at the exchange rate in effect at year-end, while non-monetary assets and liabilities are translated at historical exchange rates. Revenue and expenses are translated at the average rate in effect during the year, except for amortization, which is translated at the historical rates. Foreign exchange gains and losses are included in operations for the year.

2. Accounting policies (continued)

Pension plan and post-employment benefit plan

The costs of the University's primary defined benefit pension plan are determined periodically by independent actuaries. The University has chosen to measure the accrued defined benefit obligations by using the actuarial valuation for funding purposes. This periodic actuarial valuation is based on the actual projected benefit method prorated on services (which incorporates management's best estimate of future salary levels, other cost increases, retirement age of employees, and other actuarial factors). For the purpose of calculating the real rate of return on plan assets, those assets are valued at fair value.

The costs of the University's complementary defined benefit pension plan and post-employment benefit plan are determined periodically by independent actuaries. The University uses an accounting actuarial valuation for measuring its defined benefit plan obligations. This periodic actuarial valuation is based on the actual projected benefit method prorated on services (which incorporates management's best estimate of future salary levels, other cost increases, retirement age of employees, and other actuarial factors). For the purpose of calculating the real rate of return on plan assets, those assets are valued at fair value. The post-employment benefit plan is not funded.

The University recognizes:

- in the Statement of Financial Position, the accrued defined benefit obligations, reduced by the fair value of plan assets and adjusted for any valuation allowance (either the defined benefit asset or the accrued benefit obligation);
- in the Statement of Operations, the cost of the plan for the year;
- in the Statement of Changes in Fund Balances, revaluations and other items arising in particular from the difference between the actual return on plan assets and the return calculated using the determined discount rate, actuarial gains and losses, past services, settlement, compression and asset ceiling for defined benefits.

Use of estimates

The preparation of these financial statements requires the University's management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements as well as revenue and expenses for the year then ended. Among the main financial statement items requiring management to make estimates are the grants receivable from or payable to MES, the useful lives of capital assets and assets related to software service implementation costs, the accrued liabilities, grants to be repaid or paid, the fair value of investments and derivative financial instruments, the defined benefit asset or accrued benefit obligations, and liabilities within the legal contingencies. Actual results may differ from these estimates.

3. Investments

	2025			
	Operating Fund	Restricted Fund	Endowment Fund	Total
	\$	\$	\$	\$
Cash and fund units – money market	372,337	4,340	48 449	425,126
Strippable coupons and Canadian bonds, nominal value of \$10,050,415, 1.00% to 5.15%, maturing from July 2025 to April 2028	—	10,208	—	10,208
Bond pooled fund units				
Canada	—	—	134,351	134,351
United States	—	—	26,897	26,897
	—	—	161,248	161,248
Equities				
Canada	—	7	101,431	101,438
United States	—	—	39,780	39,780
	—	7	141,211	141,218
Equity pooled fund units				
Canada	—	—	2,605	2,605
United States	—	—	58,653	58,653
	—	—	61,258	61,258
Investment in a partnership				
Canada	—	1	—	1
Real estate securities				
Canada	—	—	4,257	4,257
Foreign	—	—	11,617	11,617
	—	—	15,874	15,874
Hedge funds				
United States	—	—	34,477	34,477
Foreign	—	—	83,391	83,391
	—	—	117,868	117,868
	372,337	14,556	545,908	932,801
Less: current portion	372,337	8,090	48,300	428,727
	—	6,466	497,608	504,074

3. Investments (continued)

	2024			
	Operating Fund	Restricted Fund	Endowment Fund	Total
	\$	\$	\$	\$
Cash and fund units – money market	346,788	6,470	38,300	391,558
Strippable coupons and Canadian bonds, nominal value of \$6,705,483, 0.85% to 4.45% maturing from May 2024 to April 2027	—	6,652	—	6,652
Bond pooled fund units				
Canada	—	—	104,969	104,969
United States	—	—	21,588	21,588
	—	—	126,557	126,557
Equities				
Canada	—	10	96,358	96,368
United States	—	—	43,475	43,475
	—	10	139,833	139,843
Equity pooled fund units				
Canada	—	—	1,456	1,456
Foreign	—	—	52,774	52,774
	—	—	54,230	54,230
Investment in a partnership				
Canada	—	1	—	1
Real estate securities				
Canada	—	—	4,493	4,493
Foreign	—	—	12,264	12,264
	—	—	16,757	16,757
Hedge funds				
United States	—	—	25,163	25,163
Foreign	—	—	84,702	84,702
	—	—	109,865	109,865
	346,788	13,133	485,542	845,463
Less: current portion	346,788	10,740	38,300	395,828
	—	2,393	447,242	449,635

3. Investments (continued)

Investment income is detailed and broken down as follows:

	2025		
	Operating Fund	Restricted Fund	Total
	\$	\$	\$
Interest and dividends	16,940	602	17,542
Investment income earned on Endowment Fund	4,767	16,955	21,722
Change in "Deferred contributions"	—	(3,499)	(3,499)
	21,707	14,058	35,765
	2024		
	Operating Fund	Restricted Fund	Total
	\$	\$	\$
Interest and dividends	15,942	472	16,414
Investment income earned on Endowment Fund	4,754	15,127	19,881
Change in "Deferred contributions"	—	(3,855)	(3,855)
	20,696	11,744	32,440

Investment income earned on Endowment Fund resources are detailed and broken down as follows:

	2025	2024
	\$	\$
Interest and dividends	9,926	10,149
Gains on disposal of investments	11,940	9,694
	21,866	19,843
Trustee and investment managers' fees	(1,145)	(876)
	20,721	18,967
Portion presented under "Investment income" of the Operating Fund	4,948	4,754
Portion presented with general revenues from "Student Services" of the Operating Fund	14	13
Portion presented under "Investment income" with restrictions	16,774	15,127
Investment losses deducted from endowment capital	(1,015)	(927)
	20,721	18,967

3. Investments (continued)

Most endowments are subject to the management and distribution Policy 10.33 of the Endowment Fund (the "Policy"), which annually determines the amount of investment income to be allocated to the various funds. If the fair value (FV) of each endowment is greater than the initial capital provided (ICP), projected revenue must be recorded in each respective fund according to the formula based on the "FV/ICP" ratio. If investment income for the year is insufficient, the University must draw on income from previous years included in the fund balances of the Endowment Fund as a temporary reserve. If the temporary reserve is insufficient, a portion of the change in unrealized fair value of resources held by the Endowment Fund is then used to meet the exact amount of the distribution established under the Policy.

The change in unrealized fair value on Endowment Fund resources totalled \$28,058,296 (\$15,284,347 in 2024) and is broken down as follows:

	2025	2024
	\$	\$
Portion presented in the Statement of Operations of the Operating Fund and transferred to the Endowment Fund (Note 15)	3,231	1,777
Portion presented directly as a change in the fund balances of the Endowment Fund	24,827	13,507
	28,058	15,284

4. Accounts receivable

Accounts receivable are broken down as follows based on the funds and the current and long-term portions:

	2025	2024
	\$	\$
Operating Fund		
Grant receivable from MES	39,092	88,422
Tuition fees and other fees	21,300	19,619
Sales and other*	22,178	21,507
Interest and dividends	647	1,234
	83,217	130,782
Provision for bad debt	(9,986)	(8,847)
Current portion receivable	73,231	121,935
Restricted Fund		
Grants, contracts and other	145,623	127,087
Less: Long-term portion receivable	2,367	4,120
Current portion receivable	143,256	122,967
Capital Assets Fund		
Grants	1,126,567	1,287,825
Interest and dividends	347	276
Other	424	445
	1,127,338	1,288,546
Less: Long-term portion receivable	905,227	1,079,467
Current portion receivable	222,111	209,079
Endowment Fund		
Interest and dividends	63	31
Other	347	407
Current portion receivable	410	438
Total of current portion of cashable accounts receivable	439,008	454,419
Total of long-term cashable accounts receivable	907,594	1,083,587

* Accounts receivable related to external sales, GST/QST and other items not related to the MES grant or tuition fees.

Donations receivable

Donations receivable from subscription campaigns, totalling \$256,107,800 (\$224,582,700 in 2024), are pledged commitments and are not recorded in the Statement of Financial Position. The estimated realizable value of these commitments is \$243,817,400 (\$208,062,900 in 2024), of which \$13,892,100 (\$8,912,200 in 2024) during the following year and is based on the collection history.

5. Advances to (due to) other funds

The University manages all its bank accounts globally. Although most of the deposits attributed to each fund are applied to the bank account of the fund in question, disbursements pass through a central bank account presented in the Operating Fund. Advances to (due to) other funds are non-interest-bearing and do not include terms of repayment (or reimbursement).

6. Capital assets

	2025		
	Cost	Accumulated amortization	Net carrying value
	\$	\$	\$
Land	47,289	—	47,289
Land improvements	86,195	26,351	59,844
Buildings			
Buildings	1,002,290	473,009	529,281
Major improvements to buildings	854,833	375,617	479,216
Leasehold improvements	26,267	20,998	5,269
Machinery and equipment			
Computer equipment	53,653	36,766	16,887
Multimedia communication equipment	22,942	18,085	4,857
Office furniture and equipment	31,306	27,982	3,324
Specialized teaching and research equipment	235,472	105,638	129,834
Library documents	319,965	276,971	42,994
Rolling stock	2,449	1,228	1,221
Telecommunication networks	6,674	5,732	942
Software – Other than initial versions	13,523	7,912	5,611
IT development	94,950	87,377	7,573
Communication equipment under capital leases	10,502	10,382	120
Specialized teaching and research equipment under capital leases	157	157	—
Current projects	407,265	—	407,265
Works of art	7,049	—	7,049
	3,222,781	1,474,205	1,748,576

6. Capital assets (continued)

	2024		
	Cost	Accumulated amortization	Net carrying value
	\$	\$	\$
Land	47,409	—	47,409
Land improvements	86,333	22,510	63,823
Buildings			
Buildings	1,030,269	466,949	563,320
Major improvements to buildings	851,954	348,027	503,927
Leasehold improvements	20,769	20,317	452
Machinery and equipment			
Computer equipment	54,014	34,859	19,155
Multimedia communication equipment	24,561	19,379	5,182
Office furniture and equipment	31,125	26,512	4,613
Specialized teaching and research equipment	214,697	103,787	110,910
Library documents	310,856	268,220	42,636
Rolling stock	2,514	1,434	1,080
Telecommunication networks	8,724	7,126	1,597
Software – Other than initial versions	11,746	6,429	5,317
IT development	96,385	87,152	9,233
Communication equipment under capital leases	10,499	10,340	159
Specialized teaching equipment under capital leases	157	157	—
Current projects	249,400	—	249,400
Works of art	6,133	—	6,133
	3,057,545	1,423,199	1,634,346

7. Assets related to software service implementation costs

	2025
	\$
Cost	1,197
Accumulated amortization	(466)
Net carrying value	731

The implementation costs recorded as assets as part of a software service arrangement are amortized over the University's expected period of access to the software, which is 1 to 3 years.

7. Assets related to software service implementation costs (continued)

For the year ended April 30, 2025, the University recorded \$465,560 in amortization expense for software service implementation costs recorded as assets. The value of this amortization is presented in cloud computing arrangements and amortization of the assets related to software service implementation costs in the Statement of Operations and Changes in Fund Balances.

8. Bank loans

	2025	2024
	\$	\$
Capital Assets Fund		
Bank credit facilities – Financial institution	4,000	4,000
Bank credit facilities – Financement-Québec*	117,749	135,758
	121,749	139,758

* The University has authorized lines of credit of \$193,468,693 from Financement-Québec intended for the temporary financing of capital asset acquisitions financed by the MES.

The lines of credit bear interest at the average rate of Quebec 3-month Treasury bills plus 0.020% (average 3-month bankers' acceptance rate plus 0.020% as at April 30, 2024). The effective rate was 2.721% as at April 30, 2025 (4.974% as at April 30, 2024).

The MES lines of credit will be repaid in cash quarterly instalments by the MES.

The University has authorized bank credit facilities of \$10,000,000 in the form of lines of credit. The lines of credit bear interest at the lending institution's preferred rate minus 50 points (effective rate of 4.45% as at April 30, 2025; 6.70% as at April 30, 2024) and is renewable on January 31, 2026. As at April 30, 2025, an amount of \$4,000,000 from the line of credit was used to finance a portion of the capitalizable costs related to the rehabilitation of the Roger-Gaudry pavilion (same as at April 30, 2024).

9. Accounts payable and accrued liabilities

	2025	2024
	\$	\$
Accounts payable and accrued liabilities	105,936	93,000
Salaries and employee benefits	56,001	90,122
Accumulated vacation of staff and unpaid leave to be remitted in time	55,204	49,451
Government remittances	7,845	6,899
	224,986	239,472

10. Deferred contributions

Deferred contributions

Deferred contributions relate to amounts that have not yet been used for the purposes designated by the fund contributors.

	2025		
	Restricted Fund	Capital Assets Fund	Total
	\$	\$	\$
Balance, beginning of year (short- and long-term)	486,701	495,981	982,682
Grants received during the year	256,765	107,138	363,903
Donations received during the year	37,516	10,581	48,097
Restricted investment income for the year	17,768	—	17,768
Amount recognized as revenue during the year	(294,020)	(27,421)	(321,441)
Amount transferred from deferred contributions related to capital assets following the disposal of capital assets	—	18,687	18,687
Amount transferred to deferred contributions related to capital assets	—	(186,260)	(186,260)
Balance, end of year (short- and long-term)	504,730	418,706	923,436
	2024		
	Restricted Fund	Capital Assets Fund	Total
	\$	\$	\$
Balance, beginning of year (short- and long-term)	452,683	482,484	935,167
Grants received during the year	233,823	160,872	394,695
Donations received during the year	37,616	17,573	55,191
Restricted investment income for the year	15,722	—	15,722
Amount recognized as revenue during the year	(253,143)	(23,605)	(276,749)
Amount transferred to deferred contributions related to capital assets	—	(141,343)	(141,343)
Balance, end of year (short- and long-term)	486,701	495,981	982,682

10. Deferred contributions (continued)

Deferred contributions related to capital assets

Deferred contributions related to capital assets relate to the restricted contributions for the acquisition of capital assets and represent the unamortized portion at year-end.

	2025	2024
	\$	\$
Balance, beginning of year	1,138,794	1,053,992
Amount transferred from deferred contributions	186,260	141,343
Amount transferred to deferred contributions following the disposal of capital assets	(18,687)	—
Amount recognized as revenue during the year	(57,203)	(56,541)
Balance, end of year	1,249,164	1,138,794

11. Debt

	2025	2024
	\$	\$
Loans financed by the MES		
Loan, 2.1470%, interest payable semi-annually, principal repayable in annual instalments of \$9,283,661, balance of \$9,028,749 payable at maturity on October 1, 2028	36,880	46,163
Loan, 3.4120%, interest payable semi-annually, principal repayable in annual instalments of \$1,800,000, balance of \$10,800,000 payable at maturity on June 1, 2034	27,000	28,800
Loan, 3.1090%, interest payable semi-annually, principal repayable in annual instalments of \$5,227,600, balance of \$15,041,200 payable at maturity on March 1, 2029	30,724	35,952
Loan, 2.4150%, interest payable semi-annually, principal repayable in annual instalments of \$443,200, balance of \$795,200 payable at maturity on March 1, 2030	2,568	3,011
Loan, 3.2300%, interest payable semi-annually, principal repayable in annual instalments of \$1,480,000, balance of \$10,360,000 payable at maturity on June 1, 2034	23,680	25,160
Loan, 2.1300%, interest payable semi-annually, principal repayable in annual instalments of \$8,817,251, balance of \$95,674,739 payable at maturity on September 1, 2026	104,492	113,309
Amounts to be carried forward	225,344	252,395

11. Debt (continued)

	2025	2024
	\$	\$
Loans financed by the MES (continued)		
Amounts carried forward	225,344	252,395
Loan, 2.7530%, interest payable semi-annually, principal repayable in annual instalments of \$105,080, balance of \$105,880 payable at maturity on September 1, 2032	841	947
Loan, 2.8760%, repayable in blended quarterly instalments of \$807,184, balance of \$795,536 payable at maturity on March 1, 2034	25,335	27,767
Loan, 2.3640%, repayable in blended annual instalments of \$606,836, maturing on June 1, 2026	1,172	1,738
Loan, 2.9330%, interest payable semi-annually, principal payable in annual instalments of \$951,919 payable at maturity on December 1, 2042	17,135	18,086
Loan, 2.7870%, interest payable semi-annually, principal repayable in annual instalments of \$9,789,139, balance of \$46,729,312 payable at maturity on September 1, 2027	66,308	76,097
Loan, 3.1370%, interest payable semi-annually, principal repayable in annual instalments of \$2,112,840, maturing on December 1, 2043	40,144	42,257
Loan, 2.4390%, interest payable semi-annually, principal repayable in annual instalments of \$3,564,532, maturing on October 1, 2039	53,468	57,033
Loan, 2.3460%, interest payable semi-annually, principal repayable in annual instalments of \$422,533, maturing on October 1, 2034	4,225	4,648
Loan, 0.7690%, interest payable semi-annually, principal repayable in annual instalments of \$259,117, maturing on November 1, 2025	259	518
Loan, 1.7100%, interest payable semi-annually, principal repayable in annual instalments of \$70,767, maturing on November 1, 2035	778	849
Loan, 1.9540%, interest payable semi-annually, principal repayable in annual instalments of \$1,319,610, maturing on November 1, 2040	21,114	22,433
Loan, 1.3450%, interest payable annually, principal and interest repayable in annual instalments of \$358,279, maturing on November 17, 2030	2,052	2,378
Loan, 2.5920%, interest payable semi-annually, principal repayable in annual instalments of \$1,426,895, maturing on October 1, 2041	24,257	25,684
Amounts to be carried forward	482,432	532,830

11. Debt (continued)

	2025	2024
	\$	\$
Loans financed by the MES (continued)		
Amounts carried forward	482,432	532,830
Loan, 2.4280%, interest payable semi-annually, principal repayable in annual instalments of \$646,677, maturing on October 1, 2036	7,760	8,407
Loan, 1.4990%, interest payable semi-annually, principal repayable in annual instalments of \$1,677,656, maturing on October 1, 2026	3,355	5,033
Loan, 4.5440%, interest payable semi-annually, principal repayable in annual instalments of \$1,648,198, maturing on October 1, 2042	29,668	31,316
Loan, 4.0020%, interest payable semi-annually, principal repayable in annual instalments of \$492,460, maturing on October 1, 2027	1,477	1,970
Loan, 4.0020%, interest payable semi-annually, principal repayable in annual instalments of \$140,000, maturing on October 1, 2027	420	560
Loan, 4.3540%, interest payable semi-annually, principal repayable in annual instalments of \$7,316,856, balance of \$8,465,150 maturing on March 1, 2025	—	8,465
Loan, 4.1870%, repayable in blended annual instalments of \$91,183, maturing on June 27, 2032	606	669
Loan, 5.1500%, interest payable semi-annually, principal repayable in annual instalments of \$2,781,617, maturing on October 1, 2043	52,851	55,632
Loan, 4.7710%, interest payable semi-annually, principal repayable in annual instalments of \$692,668, maturing on October 1, 2028	2,771	3,463
Loan, 4.7710%, interest payable semi-annually, principal repayable in annual instalments of \$1,380,920, maturing on October 1, 2028	5,524	6,905
Loan, 3.9990%, repayable in blended quarterly instalments; the first of which will be \$303,870 and those thereafter will be \$420,123, maturing on March 1, 2031	8,901	10,102
Loan, 4.3140%, blended annual instalments of \$271,740, maturing on July 11, 2034	2,170	—
	597,935	665,352
Unamortized debt issuance costs	(2,248)	(2,663)
	595,687	662,689

11. Debt (continued)

	2025	2024
	\$	\$
Other loans		
Loan for renovation and redevelopment work and for the construction of pavilions, bearing interest at a variable rate indexed to CORRA compounded daily plus 0.7514% (effective rate of 3.5170% as at April 30, 2025; 5.7250% as at April 30, 2024), repayable in blended quarterly instalments of \$1,705,953, balance of \$30,921,459 payable at maturity on January 3, 2030, financed by the Operating Fund*	53,106	56,663
Loan for the renovation of residences, bearing interest at CORRA compounded daily plus 0.4800% (effective rate of 3.2449% as at April 30, 2025; 5.4875% as at April 30, 2024), repayable in blended monthly instalments of \$55,281, maturing on May 31, 2030, financed by the Operating Fund*	2,935	3,423
Loan to repurchase the capital lease of the Cité du Savoir de Laval building, bearing interest at CORRA compounded daily plus 1.0414% (effective rate of 3.9725% as at April 30, 2025; 5.9975% as at April 30, 2024), repayable in blended quarterly instalments of \$607,355, balance of \$5,235,493 payable at maturity on January 25, 2039, financed by the Operating Fund*	29,699	31,064
Loan for the construction of the MIL complex, bearing interest at CORRA compounded daily plus 0.8614% (effective rate of 3.6270% as at April 30, 2025; 5.8350% as at April 30, 2024), repayable in blended quarterly instalments of \$1,254,803, balance of \$45,785,084 payable at maturity on April 1, 2035, financed by the Operating Fund*	83,952	87,400
Loan for the Cité du Savoir de Laval building, bearing interest at the variable rate indexed at CORRA compounded daily plus 0.9414% (effective rate of 3.9114% as at April 30, 2025; 5.9375% as at April 30, 2024), repayable in quarterly instalments, the amount of which is variable and determined using a payment schedule predetermined by the bank, maturing on June 1, 2036, financed by the Operating Fund*	10,151	10,942
	179,843	189,492
	775,530	852,181
Less: current portion	71,549	79,235
	703,981	772,946

* These loans contain the interest rate swaps presented in Note 16.

11. Debt (continued)

Principal payments required over the next five years are as follows:

	\$
2026	71,549
2027	158,691
2028	98,219
2029	61,021
2030	67,676

12. Defined benefit asset (accrued benefit obligations)

	2025	2024
	\$	\$
Defined benefit asset of the primary pension plan program	—	—
Accrued defined benefit obligation of complementary retirement program	(88,981)	(84,450)
Post-employment accrued benefit obligation	(91,364)	(84,791)

Pension plan

The University offers all of its employees a defined benefit contributory pension plan as well as a complementary program. Benefits derived from both of these programs are based on years of service and provide final years' earnings. The funds needed to meet the plan's obligations are provided by the participants and the University.

According to the most recent actuarial valuation, the University has an obligation to pay a minimum contribution equal to 11.33% of the participants' salary for the 2025 calendar year (11.33% for calendar year 2024). The University paid an actual contribution of 11.43% for the calendar year 2025 (11.43% for calendar year 2024). This rate does not include the benefit payable for the financing of the complementary retirement program of approximately 0.84% of the participants' salary (0.90% in 2024).

The University measures the fair value of plan assets as at April 30 and measures its accrued defined benefit obligation by way of extrapolation as at April 30 of every year for accounting purposes. The most recent actuarial valuation for funding purposes of the plan was performed on May 31, 2022. The data was extrapolated as at April 30, 2025.

During the year 2023-2024, the University revised its estimate of the value of the defined benefit asset, presented below as the difference between the fair value of the pension plan assets and the actuarial liability (which, in this case, corresponds to the defined benefit obligations). Following in-depth analyses, it was determined that, based on the current legislative context and the provisions of the pension plan regulations governing the use of actuarial surpluses, the probability of realizing such an asset through contribution holidays for the University is considered unlikely. Consequently, since the conditions allowing for the recognition of an asset were not met, a valuation allowance is now recorded as a reduction of the defined benefit asset.

12. Defined benefit asset (accrued benefit obligations) (continued)

Pension plan (continued)

Information about the pension plan is detailed as follows:

	2025	2024
	\$	\$
Primary pension plan		
Fair value of the pension plan assets	5,226,400	4,868,200
Accrued defined benefit obligations	(4,645,800)	(4,527,800)
Valuation allowance	(580,600)	(340,400)
Defined benefit asset	—	—
Complementary program		
Accrued benefit obligations	(88,981)	(84 450)

Composition of pension plan assets as at April 30:

	2025	2024
	%	%
Money market securities and cash	4.0	4.5
Bonds	26.9	28.7
Equities	22.9	25.6
Pooled funds and other investments	46.2	41.2
	100.0	100.0

Other pension plan information is presented as follows:

	2025	2024
	\$	\$
Expense for the year recognized in the Statement of Operations	65,619	54,978
Contributions paid by the University during the year	80,375	71,271

Post-employment benefit plan

The University has established a post-employment benefit plan for all retired employees.

For accounting purposes, the University measures its accrued defined benefit obligation by way of extrapolation as at April 30 of each year. Post-employment benefits were subject to a complete valuation for accounting purposes as at January 1, 2024. The results of this valuation were extrapolated as at April 30, 2025.

Information related to the plan is presented as follows:

	2025	2024
	\$	\$
Accrued benefit obligations	(91,364)	(84,791)

12. Defined benefit asset (accrued benefit obligations) (continued)

Other information about the post-employment benefit plan is presented as follows:

	2025	2024
	\$	\$
Expense for the year recognized in the Statement of Operations	8,270	9,297
Benefits paid by the University during the year	5,040	3,706

Assumptions

The University has retained the following significant actuarial assumptions:

	2025		2024	
	Primary pension plan and complementary program	Post-employment benefit plan	Primary pension plan and complementary program	Post-employment benefit plan
	%	%	%	%
Accrued defined benefit obligations as at April 30				
Discount rate	5.65 (4.90 for complementary)	4.90	5.65 (5.35 for complementary)	5.35
Rate of compensation increase	2.50	2.50	2.50	2.50
Rate of health care cost increase	—	5.47	—	5.47
Benefit costs for the year ended April 30				
Discount rate	5.70 (4.75 for complementary)	—	5.70 (4.75 for complementary)	4.75
Rate of compensation increase	2.50	2.50	2.50	2.50
Rate of tuition fee increase	—	2.00	—	2.00
Rate of health care cost increase	—	5.47	—	5.47

13. Internally and externally restricted fund balances

Main categories of externally restricted amounts

	2025	2024
	\$	\$
Endowment Fund		
External endowments whose income must be used for the purposes specified by the donor and not related to the Operating Fund	348,529	315,791
External endowments whose income is related to the Operating Fund or is used at the University's discretion	1,929	1,929
Accumulated unrealized gain on investments related to external endowment capital	73,878	48,796
Accumulated investment income added to endowment capital ⁽¹⁾	33,167	34,178
	457,503	400,694

⁽¹⁾ Accumulated investment income is presented as an external restriction as a result of the University's funding protocol that donors subscribe to at the time of the donation. The protocol's main purpose is to maintain, in a temporary reserve, the annual revenues not allocated to other funds retained to ensure subsequent distribution should the income of subsequent years be lower than the amounts to be allocated.

Main categories of internal restrictions

	2025	2024
	\$	\$
Operating Fund		
Research-related internal activities	22,160	20,047
Redevelopment activities for Student Services and Physical Education and Sports Centre	34	48
	22,194	20,095
Restricted Fund		
Surplus generated on research activities primarily restricted for research purposes or for purposes identical to those of the initial externally restricted contribution	16,080	17,917
Capital Assets Fund		
Future capital asset acquisitions	69,988	73,008
Endowment Fund		
Internally restricted capital whose income can be used at the University's discretion	60,338	58,582
Accumulated unrealized gain on investments related to internal endowment capital	12,831	9,881
	73,169	68,463

14. End-of-year fund balances of the Operating Fund

The Operating Fund mainly has two types of activities:

- General teaching activities funded from the MES grant restricted to operations and by tuition fees;
- The specific research-related activities funded from internally restricted funds determined by the University's management.

The University has restricted amounts from its Operating Fund revenue for internal research activities. The internally restricted amounts for research-related activities are included in the internally restricted fund balance of the Operating Fund. In 2025, the internally restricted amount for the year is \$36,394,100 (\$39,975,000 in 2024). Internally restricted amounts associated with research activities amount to \$22,159,600 as at April 30, 2025 (\$20,047,000 as at April 30, 2024).

The fund balance restricted to creating reserves for the amortization of certain capital assets totalled \$34,300 as at April 30, 2025 (\$47,900 as at April 30, 2024).

15. Interfund transfers

	2025			
	Operating Fund	Restricted Fund	Capital Assets Fund	Endowment Fund
	\$	\$	\$	\$
Contributions to the Capital Assets Fund for future projects	(18,994)	—	18,994	—
Contributions to the acquisitions of capital assets, cloud computing and debt service	(42,994)	(13,632)	56,626	—
Internally restricted endowment capital	(2,607)	—	—	2,607
Recovery of internal restrictions	864	—	—	(864)
Transfer of unrealized gains of endowments related to the Operating Fund	(3,231)	—	—	3,231
Unrequired investment income ⁽¹⁾ transferred to endowment	(13)	—	—	13
	(66,975)	(13,632)	75,620	4,987

15. Interfund transfers (continued)

	2024			
	Operating Fund	Restricted Fund	Capital Assets Fund	Endowment Fund
	\$	\$	\$	\$
Contributions to the Capital Assets Fund for future projects	(29,921)	—	29,921	—
Contributions to the acquisitions of capital assets and to the debt service	(41,212)	(8,315)	49,527	—
Internally restricted endowment capital	(2,168)	—	—	2,168
Recovery of internal restrictions	465	—	—	(465)
Transfer of unrealized gains of endowments related to the Operating Fund	(1,777)	—	—	1,777
Unrequired investment income ⁽¹⁾ transferred to endowment	(17)	—	—	17
	(74,630)	(8,315)	79,448	3,497

⁽¹⁾ Represents the reinvestment (capitalization) of the portion of investment income not required by the beneficiaries.

16. Financial instruments

Considering its financial assets and liabilities, the University is exposed to the following financial risks:

Credit risk

The University grants credit to students in the normal course of its activities and maintains provisions for potential credit losses. A significant portion of accounts receivable is comprised of grants receivable from the MES. The University assesses the risk of default for receipt as low.

Market risk

Market risk is the risk that the fair value or future cash flows of the University's financial instruments will fluctuate because of changes in market prices. Market risk comprises foreign exchange risk, interest rate risk, and other price risk. The University is exposed to market risk from its investing activities. The level of risk to which the University is exposed varies depending on market conditions and the composition of the asset mix. The University manages this risk by applying an investment policy that allows for diversification of investments.

16. Financial instruments (continued)

Foreign exchange risk

This risk arises from the interests held by the University in foreign securities and foreign bonds. The investment policy applied by the Endowment Fund is the tool used to manage this risk. As at April 30, 2025, interests held by the University denominated in foreign currencies had a fair value of \$185,979,400 in Canadian dollars (\$181,868,240 as at April 30, 2024).

As at April 30, 2025, the University had foreign exchange contracts under which it has agreed to sell US\$19,627,085 at a rate of 1.4266 and maturing on May 15, 2025. These contracts are intended for investments cashable in U.S. dollars; they are not eligible for hedge accounting. Foreign exchange contracts are measured at fair market value and are recognized separately in the Statement of Financial Position, in assets or in liabilities, depending on the situation.

Interest rate risk

The bond funds in which the University holds interests are made up of fixed-rate interest-bearing bonds. Consequently, changes in the market interest rates will have an impact on the fair value of the interests held by the University. The same applies to the bond investments held by the University.

Bonds and loans financed by the MES are secured, principal and interest, by the assignment and transfer of the MES grants. Most of the other debts bear interest at a variable rate and are hedged by interest rate swap contracts.

Under these interest rate swap contracts entered into by the University, the University must disburse interest at fixed rates as consideration for variable rates. These interest rate swap contracts have different maturities and are broken down as follows as at April 30, 2025:

Expiry date	Initial nominal amount	Pays or receives	Fixed rate	Variable rate
	\$		%	
May 31, 2030	9,000	Pays, fixed Receives, variable	5.5000	CORRA compounded daily plus 0.4800%
April 1, 2035	100,000	Pays, fixed Receives, variable	1.8242	CORRA compounded daily plus 0.8614%
January 3, 2030	70,311	Pays, fixed Receives, variable	5.1300	CORRA compounded daily plus 0.7514%
June 1, 2036	13,032	Pays, fixed Receives, variable	1.0851	CORRA compounded daily plus 0.9414%
January 25, 2039	37,500	Pays, fixed Receives, variable	3.4850	CORRA compounded daily plus 1.0414%

Consequently, the treasury risks are minimal.

As these interest rate swap contracts were not accounted for using hedge accounting, they are recorded in the Statement of Financial Position in the Capital Assets Fund at fair value. This fair value was determined based on the information obtained from the banking counterparty with which these contracts were negotiated.

16. Financial instruments (continued)

Liquidity risk

Liquidity risk is the risk that the University will be unable to meet its financial obligations when due. The University monitors its cash balances and cash flows arising from its activities in order to be able to meet its commitments. As at April 30, 2025, the most significant financial liabilities were the bank overdraft, bank loans, accounts payable and accrued liabilities, grants to be repaid or paid, debt, and derivative financial instruments.

17. Controlled not-for-profit entities and partnership

Controlled not-for-profit entities

The University controls Presses de l'Université de Montréal and IRICoR. These entities have not been consolidated in these financial statements. The combined financial data of these entities is as follows:

	2025	2024
	\$	\$
Financial position		
Assets	8,547	12,115
Liabilities	2,389	8,975
Excess of assets over liabilities	6,158	3,140
	8,547	12,115
Operations		
Revenue	8,605	9,179
Expenses	5,587	8,020
Excess of revenue over expenses	3,018	1,159

Partnership

The University has formed a partnership with the Corporation de l'École Polytechnique de Montréal and the Corporation de l'École des hautes études commerciales de Montréal. This partnership is known as the Institute for Data Valorization (IVADO). Given its nature, this partnership does not constitute a separate legal entity. Each member of the partnership recognizes in its own financial statements its share of the year's revenues and expenses. The University is the partnership's fiduciary.

The University's financial statements include revenue of \$13,282,000 (\$10,067,000 in 2024) and equivalent expenses attributable to this partnership.

18. Additional information to the Statement of Cash Flows

	2025	2024
	\$	\$
<i>Change in non-cash operating working capital items and long-term accounts receivable, deferred contributions, and grants to be repaid or paid</i>		
Accounts receivable	191,404	(47,085)
Inventories	31	295
Expenses attributable to the following year	(2,159)	(3,822)
Accounts payable and accrued liabilities	(25,697)	52,439
Deferred revenues	(782)	(1,534)
Deferred contributions	(59,246)	47,515
Grants to be repaid or paid	(16,770)	(588)
	86,781	47,220

Non-cash transactions

	2025	2024
	\$	\$
Unpaid capital assets, end of year	55,130	43,919

19. Commitments

- (a) The commitments of the Operating Fund totalled \$301,843,800 with respect to the Capital Assets Fund, as a contribution for asset acquisitions, as well as for capital asset renovation, redevelopment, expansion and construction projects. This amount is broken down as follows:

	Commitments
	\$
Self-financed units	21,646,400
Other units of the Operating Fund	280,197,400

- (b) The commitments of the Restricted Fund totalled \$2,744,400 with respect to the Capital Assets Fund, as a contribution for asset acquisitions, as well as for capital asset renovation, redevelopment, expansion and construction projects.

19. Commitments (continued)

- (c) The University is bound by different leases for physical space, equipment, and computer equipment. The total commitments relating to these contracts amounted to \$86,839,500. Minimum payments required under these contracts over the next five years are as follows:

\$

2026	20,072,200
2027	16,860,700
2028	6,959,400
2029	6,365,700
2030	5,757,500

- (d) The University is committed to a financial institution to ensure, in the event of default, a maximum of \$750,000 in connection with a loan of Presses de l'Université de Montréal, an organization controlled by the University.
- (e) As at April 30, 2025, the University has agreed to pay by contracts from external suppliers for a total amount of \$423,505,900.

20. Contingencies

In the normal course of business, the University is involved in various claims mainly concerning certain real estate development projects. Although, as at April 30, 2025, the outcome of these outstanding claims cannot be determined with certainty, the University is of the opinion that it will have no significant adverse effect on its financial position, its operations, or its cash flows.