Université de Sherbrooke

Consolidated Financial Statements
April 30, 2023

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Raymond Chabot
Grant Thornton

Independent Auditor's Report

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To the Members of the Board of Directors of
Université de Sherbrooke

Opinion

We have audited the consolidated financial statements of Université de Sherbrooke (hereafter "the University"), which comprise the consolidated balance sheet as at April 30, 2023, and the consolidated 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 consolidated financial statements present fairly, in all material respects, the financial position of the University as at April 30, 2023, 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 consolidated 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 consolidated 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 consolidated financial statements

Management is responsible for the preparation and fair presentation of the consolidated 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated 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 consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated 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 consolidated 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 consolidated 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 consolidated 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 consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation;

- Obtain sufficient appropriate audit evidence regarding the consolidated financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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]

Sherbrooke
September 22, 2023

[1] CPA auditor, public accountancy permit no. A122686

Université de Sherbrooke
Consolidated Operations
Year ended April 30, 2023
(In thousands of dollars)

	Unrestricted Operating Fund		Operating Fund with Restrictions		Capital Asset Fund		Total	
	2023	2022	2023	2022	2023	2022	2023	2022
	$	$	$	$	$	$	$	$
Revenues								
Grants								
Ministère de l'Enseignement supérieur	**345,506**	334,597	**13,520**	14,535	**25,775**	23,912	**384,801**	373,044
Other	**19,315**	18,986	**201,692**	183,767	**17,458**	24,464	**238,465**	227,217
Student academic fees								
Regular education	**62,769**	59,820					**62,769**	59,820
Special education	**9,956**	8,158					**9,956**	8,158
Sales	**34,388**	29,521					**34,388**	29,521
Donations and contributions								
La Fondation de l'Université de Sherbrooke		30	**10,231**	8,493	**1,185**		**11,416**	8,523
Other organizations	**1,903**	1,383					**1,903**	1,383
Net investment income (Note 4)	**645**	7,874					**645**	7,874
Other revenues	**41,698**	35,099					**41,698**	35,099
	516,180	495,468	**225,443**	206,795	**44,418**	48,376	**786,041**	750,639
Expenses								
Teaching	**299,033**	273,738	**67,751**	61,575			**366,784**	335,313
Research	**25,662**	24,600	**147,009**	135,064			**172,671**	159,664
Community services	**7,680**	6,391	**6,367**	5,792			**14,047**	12,183
Academic support	**38,322**	35,784	**1**	60			**38,323**	35,844
Student services and assistance	**24,390**	19,129	**4,311**	4,147			**28,701**	23,276
Institutional support, including overheads	**53,417**	48,299	**4**	157			**53,421**	48,456
Institutional support, land and building	**36,252**	33,892					**36,252**	33,892
Ancillary enterprises	**15,048**	15,964					**15,048**	15,964
Employee future benefits' adjustment	**(16,359)**	(16,646)					**(16,359)**	(16,646)
Interest on obligations and loans					**14,764**	14,339	**14,764**	14,339
Amortization of tangible and intangible capital assets					**45,828**	52,064	**45,828**	52,064
Capital assets below capitalization threshold					**1,262**	737	**1,262**	737
Non-capitalizable assets					**326**	415	**326**	415
Transfers to other organizations					**47**		**47**	
	483,445	441,151	**225,443**	206,795	**62,227**	67,555	**771,115**	715,501
Excess (deficiency) of revenues over expenses	**32,735**	54,317	**–**	–	**(17,809)**	(19,179)	**14,926**	35,138

The accompanying notes are an integral part of the consolidated financial statements and Notes 4 and 5 provide other information on consolidated operations.

Université de Sherbrooke
Consolidated Changes in Fund Balances
Year ended April 30, 2023
(In thousands of dollars)

	Unrestricted Operating Fund		Operating Fund with Restrictions		Capital Asset Fund		Total	
	2023	2022	**2023**	2022	**2023**	2022	**2023**	2022
	$	$	**$**	$	**$**	$	**$**	$
Fund balances (negative), beginning of year								
Balance, as previously reported	**(9,863)**	15,529			**78,061**	59,942	**68,198**	75,471
Accounting changes (Note 2)	**(6,737)**						**(6,737)**	
Balance, as restated	**(16,600)**	15,529			**78,061**	59,942	**61,461**	75,471
Excess (deficiency) of revenues over expenses	**32,735**	54,317			**(17,809)**	(19,179)	**14,926**	35,138
Employee future benefits - remeasurements and other items	**(124,114)**	(42,446)					**(124,114)**	(42,446)
Restricted contributions for the acquisition of tangible capital assets not subject to amortization					**58**	35	**58**	35
Interfund transfers (Note 6)	**(16,272)**	(37,263)			**16,272**	37,263		
Fund balances (negative), end of year	**(124,251)**	(9,863)	**–**	–	**76,582**	78,061	**(47,669)**	68,198

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

Université de Sherbrooke
Consolidated Cash Flows
Year ended April 30, 2023
(In thousands of dollars)

	2023	2022
	$	$
OPERATING ACTIVITIES		
Excess of revenues over expenses	**14,926**	35,138
Non-cash items		
Changes in fair value of financial assets designated as held for trading	**1,267**	(7,266)
Amortization of deferred contributions related to tangible and intangible capital assets	**(34,952)**	(40,191)
Amortization of tangible and intangible capital assets	**45,828**	52,064
Employee future benefits	**(16,359)**	(16,646)
Net change in other assets and liabilities	**(25,837)**	40,084
Cash flows from operating activities	**(15,127)**	63,183
INVESTING ACTIVITIES		
Investments		(359)
Disposal of investments	**873**	1,555
Acquisition of tangible and intangible capital assets	**(96,396)**	(63,125)
Cash flows from investing activities	**(95,523)**	(61,929)
FINANCING ACTIVITIES		
Net change in bank loans	**31,477**	15,998
Long-term loans	**14,314**	29,339
Repayment of long-term loans	**(37,778)**	(40,657)
Deferred contributions related to tangible capital assets	**105,972**	40,160
Cash flows from financing activities	**113,985**	44,840
Net increase in cash and cash equivalents	**3,335**	46,094
Cash and cash equivalents, beginning of year	**42,712**	(3,382)
Cash and cash equivalents, end of year	**46,047**	42,712

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

Université de Sherbrooke
Consolidated Balance Sheet
April 30, 2023
(In thousands of dollars)

	Unrestricted Operating Fund		Operating Fund with Restrictions		Capital Asset Fund		Total	
	2023	2022	2023	2022	2023	2022	2023	2022
	$	$	$	$	$	$	$	$
ASSETS								
Current								
Cash	46,047	42,712					46,047	42,712
Accounts receivable and other (Note 7)	67,735	53,974	133,712	127,819	117,571	56,192	319,018	237,985
Inventories	756	748					756	748
Prepaid expenses	8,441	9,542					8,441	9,542
Interfund account, without interest			112,557	117,104				
	122,979	106,976	246,269	244,923	117,571	56,192	374,262	290,987
Long-term								
Accounts receivable and other (Note 7)		300			270,123	295,276	270,123	295,576
Prepaid expenses	224	240					224	240
Investments (Note 8)	8,639	10,779					8,639	10,779
Defined benefit asset (Note 20)		38,146						38,146
Tangible capital assets (Note 9)					769,686	717,128	769,686	717,128
Intangible assets (Note 10)					13,442	15,159	13,442	15,159
	131,842	156,441	246,269	244,923	1,170,822	1,083,755	1,436,376	1,368,015
LIABILITIES								
Current								
Bank indebtedness (Note 11)		15			51,164	19,672	51,164	19,687
Trade payables and other operating liabilities (Note 12)	88,075	61,880	241	159	2,409	2,698	90,725	64,737
Unearned revenue (Note 13)	10,313	8,932					10,313	8,932
Interfund account, without interest	77,489	91,275			35,068	25,829		
Current portion of long-term debt					34,629	37,778	34,629	37,778
	175,877	162,102	241	159	123,270	85,977	186,831	131,134
Long-term								
Long-term debt (Note 14)	3,870	4,202			380,741	400,724	384,611	404,926
Defined benefit liability (Note 20)	76,346						76,346	
Deferred contributions								
Operating Fund with Restrictions (Note 15)			246,028	244,764			246,028	244,764
Related to tangible and intangible capital assets (Note 16)					590,229	518,993	590,229	518,993
	256,093	166,304	246,269	244,923	1,094,240	1,005,694	1,484,045	1,299,817
FUND BALANCES (NEGATIVE)								
Internal restriction (Note 17)	48,408	48,700					48,408	48,700
Deficit taking into account internal restriction	(172,659)	(58,563)					(172,659)	(58,563)
Invested in capital assets					76,582	78,061	76,582	78,061
	(124,251)	(9,863)	–	–	76,582	78,061	(47,669)	68,198
	131,842	156,441	246,269	244,923	1,170,822	1,083,755	1,436,376	1,368,015

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

Approved by the Board of Directors,

Rector

Vice-rector - administration and sustainable development

1 - GOVERNING STATUTES AND PURPOSE OF THE ORGANIZATION

L'Université de Sherbrooke (hereafter "the University") was incorporated under the Act relating to the Université de Sherbrooke, sanctioned on March 5, 1954 by the Quebec legislature and amended on June 23, 1978. The University is a registered charity under the Income Tax Act. The University offers teaching services and pursues research activities associated with teaching.

2 - ACCOUNTING CHANGES

Employee future benefits

On May 1, 2022, the University applied the changes to Section 3463, Reporting Employee Future Benefits by Not-for-Profit Organizations, of Part III of the *CPA Canada Handbook – Accounting*. The purpose of these changes is, in particular, to remove the possibility of using a funding valuation for defined benefit pension plans without a funding valuation requirement.

In accordance with the transitional provisions, these changes, that are applicable for fiscal years beginning on or after January 1, 2022, have been applied retrospectively, but without restatement of the previous year's comparative consolidated financial statements. Any adjustment must be applied against the opening balance of the current year's fund balance.

Application of these changes resulted in, as at May 1, 2022, an increase in liabilities of $6,737,000 of the defined benefit liability and a decrease in the opening fund negative balance of the Operating Fund of the same amount.

Contributions receivable

According to its previous accounting policies, the University recognized on the basis of their net amount the balance of long-term subsidies receivable relating to capital assets financed or that should be financed by loans and for which work has been performed and deferred contributions relating to resulting capital assets. The University has restated its consolidated financial statements for prior periods to recognize these subsidies receivable as an asset (for their gross amount) when the amount to be received can be reasonably estimated and the final receipt of the amount is reasonably assured.

As at April 30, 2022, in the Capital Asset Fund, this change resulted in an increase of $50,224,000 in current subsidies receivable, an increase of $243,335,000 in long-term assets and other and an increase of $293,559,000 in deferred contributions related to tangible and intangible capital assets.

3 - SIGNIFICANT ACCOUNTING POLICIES

Basis of presentation

The University's consolidated financial statements are prepared in accordance with Canadian accounting standards for not-for-profit organizations.

Principles of consolidation

The accounts of Gestion Socpra Inc., which is wholly owned by the University, are consolidated.

The accounts of Les Éditions DELISME Inc., which is wholly owned by the University, and of the controlled not-for-profit organization, La Fondation de l'Université de Sherbrooke, have not been consolidated in these consolidated financial statements. Note 21 presents the information concerning these entities.

Accounting estimates

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

Université de Sherbrooke
Notes to Consolidated Financial Statements
April 30, 2023
(In thousands of dollars)

3 - SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 University 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 financial liabilities that will be measured subsequently at cost or 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 measured subsequently at fair value and those related to assets and liabilities from related party transactions are recognized in consolidated 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 investments in shares of private companies, the investment in limited partnerships and investments in shares of a public company. 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).

Investments in shares of private companies and the investment in limited partnerships are investments in equity instruments measured at cost.

Investments in shares of a public company are measured at fair value. Changes in fair value of these investments are immediately recognized in consolidated operations.

Transaction costs relating to financial assets and liabilities that are measured at amortized cost are amortized on a straight-line basis over the term of the related financial instrument.

Amortization of transaction costs related to long-term debt is recognized in the consolidated operations as interest on obligations and loans.

With respect to financial assets measured at cost, 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 consolidated operations. The reversal of a previously recognized impairment loss on a financial asset measured at cost, amortized cost or using the cost method is recognized in consolidated operations in the year the reversal occurs.

Fund accounting

The funds are divided into three categories:

- The Unrestricted Operating Fund reflects the operations of a current nature of the University and for which there is no external limitation as to the use of funds;
- The Operating Fund with Restrictions reflects the operations for which fund providers have specifically established the permitted use;
- The Capital Asset Fund is used to record transactions relating to capital assets and their financing.

Guarantees

Financial guarantee contracts are initially measured at fair value. Thereafter, these contracts are valued at the highest of:

- the amount of contingent obligation under the contract that the University considers likely that it will have to pay;
- the amount initially recognized less, if applicable, a cumulative amortization representing the portion of the University's extinguished obligation with respect to the said guarantee.

3 - SIGNIFICANT ACCOUNTING POLICIES (Continued)

Foreign currency translation

The University uses the temporal method to translate transactions denominated in a foreign currency. Under this method, monetary assets and liabilities are translated at the exchange rate in effect at the consolidated balance sheet date. 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 consolidated balance sheet date. Revenues and expenses are translated at the average rate for the period, with the exception of the amortization of assets translated at the historical exchange rates, which is translated at the same exchange rates as the related assets. The related exchange gains and losses are accounted for in the consolidated operations for the year.

Revenue recognition

Contributions

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 appropriate fund when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Contributions received in the form of capital assets which are not amortized or contributions restricted for the acquisition of such capital assets and contributions received as endowments are presented as direct increases in the balances of the appropriate funds.

Moreover, the University recognizes contributed supplies and services when the fair value of these contributions can be reasonably estimated and if it would have had to otherwise acquire these supplies and services for its normal operations.

Net investment income

Investment transactions are recorded on the transaction date and resulting revenues are recognized using the accrual method of accounting.

Net investment income includes interest income, dividend income and changes in fair value.

Restricted interest income is recognized as revenue of the appropriate fund in the year in which the related expenses are incurred. Unrestricted interest income is recognized in the Unrestricted Operating Fund when earned. Interest income is recognized using the accrual method of accounting and more specifically as follows:

- Interest income is recognized based on the number of days the investment was held during the year and is calculated using the effective interest rate method;
- Interest income is recognized in the consolidated operations under Net investment income regardless of the classification of the related financial asset.

Distribution revenues are recognized upon distribution.

Changes in fair value are recognized when they occur.

Other

The University's principal sources of revenue, aside from contributions, are student academic fees, sales and other revenues. These revenues are recognized when the following criteria are met:

- Persuasive evidence of an arrangement exists;
- Services have been rendered;
- The price to the buyer is fixed or determinable;
- Collection is reasonably assured.

Revenue is recognized as the services are provided. Unearned revenue represents receipts for which revenue is not yet earned.

(In thousands of dollars)

3 - SIGNIFICANT ACCOUNTING POLICIES (Continued)

Cash and cash equivalents

The University's policy is to present in cash and cash equivalents bank balances, including bank overdrafts whose balances fluctuate frequently from being positive to overdrawn, and investments with a maximum maturity of three months from the acquisition date or redeemable at any time without penalty.

Inventory valuation

Inventories are valued at the lower of cost and net realizable value. Cost is determined using the weighted average cost method.

Tangible and intangible capital assets

Capital assets acquired are recorded at cost. When the University receives contributions of capital assets, their cost is equal to their fair value at the contribution date plus all costs directly attributable to the acquisition of the capital assets, or at a nominal value if fair value cannot be reasonably determined.

Amortization

Tangible and intangible capital assets are amortized on a straight-line basis over their estimated useful lives according to the following periods:

	Periods
Land improvements	10 and 20 years
Buildings	
Buildings acquired or constructed	20, 40 or 50 years
Building renovations	25, 30 or 40 years
Machinery and equipment	3, 5 or 15 years
Computer hardware	
Multimedia communication equipment	
Furniture and fixtures	
Other equipment	
Specialized equipment related to teaching	10 or 20 years
Library collection, telecommunications networks	10 years
Automotive equipment	5 years
Leasehold improvements	Lease term
IT development	5 or 10 years
Software	3 years

Constructions in progress are not amortized, they will be amortized from their date of commissioning.

Write-down

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

Derivative financial instruments

The University uses derivative financial instruments to manage its interest rate risk. 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 swap 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 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.

Université de Sherbrooke
Notes to Consolidated Financial Statements
April 30, 2023
(In thousands of dollars)

3 - SIGNIFICANT ACCOUNTING POLICIES (Continued)

Employee future benefits

The University has a hybrid plan with a combination of two components, a defined benefit component and a defined contribution component.

The University accrues its obligations under the defined benefit plans as the employees render the services necessary to earn the pension benefits. More specifically, the University recognizes its obligations under the defined benefit plans on the consolidated balance sheet, net of the fair value of plan assets. The University determines the defined benefit obligations using the most recent actuarial valuation prepared for funding purposes, which is extrapolated to the University's year end. The total defined benefit plan cost includes current service cost and finance cost. Remeasurements and other items, which include actuarial gains and losses relating to obligations, the difference between the actual return on plan assets and interest income deducted from the finance cost as well as past service cost, are recognized separately on the consolidated statement of changes in fund balances. Remeasurements and other items are not reclassified to the consolidated statement of operations in a subsequent year.

Contributions to the defined contribution component are recognized as expenses when they become due.

4 - NET INVESTMENT INCOME

	2023	2022
	$	$
Investments measured at amortized cost		
Unrestricted		
Interest income	**1,913**	293
Distributions revenues	**77**	1,162
	1,990	1,455
Investments measured at fair value		
Unrestricted		
Changes in fair value	**(1,345)**	6,419
	645	7,874

5 - INTEREST EXPENSES

	2023	2022
	$	$
Interest on long-term debt	**13,718**	14,214
Interest on short-term debt	**1,053**	141
	14,771	14,355

6 - INTERFUND TRANSFERS

Unrestricted resources of $16,272,000 for the year ended April 30, 2023 ($37,263,000 for the year ended April 30, 2022) were transferred from the Unrestricted Operating Fund to the Capital Asset Fund to finance the cash outlays relating to capital assets, repayments of long-term loans and interest payments on long-term debt.

Université de Sherbrooke
Notes to Consolidated Financial Statements
April 30, 2023
(In thousands of dollars)

7 - ACCOUNTS RECEIVABLE AND OTHER

	2023	2022
	$	$
Unrestricted Operating Fund		
Sales, independent companies and others	**12,953**	8,970
Grants - MES	**52,183**	42,546
Student academic fees	**2,599**	2,670
Dividends		88
	67,735	54,274
Less: Sales, independent companies and others cashable for more than one year		(300)
	67,735	53,974
Operating Fund with Restrictions		
Grants, contracts and others	**133,712**	127,819
Capital Asset Fund		
Grants - MES	**332,398**	310,031
Other	**55,296**	41,437
	387,694	351,468
Less: MES grants cashable for more than one year	**(249,465)**	(262,373)
Less: Other grants cashable for more than one year	**(20,658)**	(32,903)
	117,571	56,192
	319,018	237,985

8 - INVESTMENTS

	2023	2022
	$	$
Unrestricted Operating Fund		
Shares of private companies	**1,329**	1,428
Investment in limited partnerships	**1,000**	1,000
Loan to an organization with economic interest, 3.22%		774
Shares of a public company	**6,310**	7,577
	8,639	10,779

Université de Sherbrooke
Notes to Consolidated Financial Statements
April 30, 2023
(In thousands of dollars)

9 - TANGIBLE CAPITAL ASSETS

			2023
	Cost	Accumulated amortization	Net carrying amount
	$	$	$
Land and land improvements			
Land	**3,081**		**3,081**
Land improvements	**59,084**	**36,303**	**22,781**
Buildings			
Buildings acquired or constructed	**499,979**	**159,480**	**340,499**
Building renovations	**308,524**	**131,574**	**176,950**
Machinery and equipment			
Computer hardware	**14,663**	**4,875**	**9,788**
Multimedia communication equipment	**8,637**	**3,454**	**5,183**
Furniture and fixtures	**3,368**	**1,369**	**1,999**
Other equipment	**5,529**	**2,672**	**2,857**
Specialized equipment related to teaching	**149,636**	**57,396**	**92,240**
Library collection	**12,576**	**4,997**	**7,579**
Automotive equipment	**1,090**	**684**	**406**
Telecommunications networks	**312**	**270**	**42**
Constructions in progress	**96,542**		**96,542**
Works of art	**3,996**		**3,996**
Assets not subject to amortization	**723**		**723**
Equipment deposits	**4,960**		**4,960**
Leasehold improvements	**1,357**	**1,297**	**60**
	1,174,057	**404,371**	**769,686**

			2022
	Cost	Accumulated amortization	Net carrying amount
	$	$	$
Land and land improvements			
Land	3,081		3,081
Land improvements	57,913	34,370	23,543
Buildings			
Buildings acquired or constructed	499,722	149,880	349,842
Building renovations	300,859	121,564	179,295
Machinery and equipment			
Computer hardware	8,442	3,636	4,806
Multimedia communication system	7,589	4,120	3,469
Furniture and fixtures	2,567	1,117	1,450
Other equipment	5,051	2,361	2,690
Specialized equipment related to teaching	128,827	50,635	78,192
Library collection	11,228	4,093	7,135
Automotive equipment	1,466	848	618
Telecommunications networks	372	299	73
Constructions in progress	48,756		48,756
Works of art	3,996		3,996
Assets not subject to amortization	664		664
Equipment deposits	9,376		9,376
Leasehold improvements	1,357	1,215	142
	1,091,266	374,138	717,128

Tangible capital assets in the amount of $274,000 for the year ended April 30, 2023 ($193,000 for the year ended April 30, 2022) were acquired in the form of donations.

Trade payables and other operating liabilities include an amount of $83,000 as at April 30, 2023 ($84,000 as at April 30, 2022) related to the acquisition of tangible capital assets.

(In thousands of dollars)

10 - INTANGIBLE ASSETS

			2023
	Cost	**Accumulated amortization**	**Net carrying amount**
	$	**$**	**$**
IT development	**26,593**	**13,855**	**12,738**
Software	**1,110**	**406**	**704**
	27,703	**14,261**	**13,442**

			2022
	Cost	Accumulated amortization	Net carrying amount
	$	$	$
IT development	25,891	11,164	14,727
Software	728	296	432
	26,619	11,460	15,159

11 - BANK INDEBTEDNESS

	2023	2022
	$	$
Unrestricted Operating Fund		
Bank loans		15
	–	15
Capital Asset Fund		
Bank loans	**51,164**	19,672
	51,164	19,687

The University has an authorized line of credit facility of $132,156,000, bearing interest at prime rate less 0.25% (6.45%; 2.95% as at April 30, 2022) or at the bankers' acceptance rate (5.04%; 1.36% as at April 30, 2022) for the temporary financing of the operations of the operating funds and the Capital Asset Fund, renewable in June 2024. As at April 30, 2023 and 2022, the balance is not used.

Subsequent to year-end, the University obtained the renewal of the credit facility, for an authorized amount of $157,994,000, at the same interest rate, renewable in June 2024.

In addition, the University has a credit facility of an authorized amount of $182,458,000 ($104,902,000 as at April 30, 2022) and used amount of $51,164,000 ($19,672,000 as at April 30, 2022), bearing interest at the average rate of Québec treasury bonds of 3 months plus 0.02% (4.42%; 1.47% as at April 30, 2022) for the temporary financing of the operations of the Capital Asset Fund within various projects until the loans are converted into long-term funding.

After the year-end, the University obtained the renewal of the credit facility, for an authorized amount of $198,908,000, at the same interest rate, renewable in June 2024.

(In thousands of dollars)

12 - TRADE PAYABLES AND OTHER OPERATING LIABILITIES

	2023	2022
	$	$
Unrestricted Operating Fund		
Accounts payable and other accrued liabilities	**51,779**	38,165
Salaries and benefits payable	**36,296**	23,715
	88,075	61,880
Operating Fund with Restrictions		
Accounts payable and other accrued liabilities	**241**	159
Capital Asset Fund		
Accounts payable and other accrued liabilities	**2,409**	2,698
	90,725	64,737

13 - UNEARNED REVENUE

	2023	2022
	$	$
Student academic fees	**3,814**	2,982
Sales	**4,897**	4,200
Grants	**1,309**	1,309
Other	**293**	441
	10,313	8,932

14 - LONG-TERM DEBT

	2023	2022
	$	$
Unrestricted Operating Fund		
Redistributions payable to investors		
At the rate of 5%, payable in consideration of 65% of the net proceeds of disposition of an investment in the NuGen Medical Devices file (previously Inolife R&D Inc.)	**590**	369
At a rate of 6%, payable in consideration of the fair market value of an investment upon sale and upon receipt of royalties in the SoundBite Medical Solutions Inc. file	**327**	316
Redistributions payable to researchers		
Payable in consideration of the fair market value of an investment upon the sale in the Quantum Numbers corp. file	**42**	198
Payable in consideration of the fair market value of an investment upon the sale in the NuGen Medical Devices file (previously Inolife R&D Inc.)		201
Payable in consideration of the fair market value of an investment upon the sale in the Defence Therapeutics Inc. file	**2,911**	3,118
	3,870	4,202
Capital Asset Fund		
Mortgages		
Secured by the disposal and the transport of a MES grant, annual capital instalments of $1,080,000 plus interest, at the rate of 4.94%, maturing in June 2034	**14,040**	15,120
Secured by the disposal and the transport of a MES grant, annual capital instalments of $780,000 plus interest, at the rate of 3.59%, maturing in June 2034	**13,260**	14,040
Secured by the disposal and the transport of a MES grant, annual blended instalments of $563,441, at the rate of 2.12%, maturing in February 2025	**1,085**	1,611
Secured by the disposal and the transport of a MES grant, annual blended instalments of $116,729, at the rate of 2.12%, maturing in February 2025	**225**	334

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14 - LONG-TERM DEBT (Continued)

	2023	2022
	$	$
Capital Asset Fund		
Mortgages		
Secured by the disposal and the transport of a MES grant, annual capital instalments of $530,029 plus interest, at the rate of 2.16%, maturing in March 2025	**1,259**	1,790
Secured by the disposal and the transport of a MES grant, annual capital instalments of $760,000 plus interest, at the rate of 3.15%, maturing in June 2034	**13,680**	14,440
Secured by the disposal and the transport of a MES grant, annual capital instalments of $1,147,648 plus interest, at the rate of 2.84%, maturing in March 2031	**8,966**	10,114
Secured by the disposal and the transport of a MES grant, annual capital instalments of $2,326,821 plus interest, at the rate of 2.15%, maturing in September 2026	**25,797**	28,124
Secured by the disposal and the transport of a MES grant, annual capital instalments of $2,565,681 plus interest, at the rate of 2.41%, maturing in September 2026	**12,374**	14,939
Secured by the disposal and the transport of a MES grant, annual capital instalments of $249,597 plus interest, at the rate of 2.43%, maturing in October 2025	**702**	952
Secured by the disposal and the transport of a MES grant, annual capital instalments of $1,141,177 plus interest, at the rate of 2.93%, maturing in December 2042	**22,824**	23,965
Secured by the disposal and the transport of a MES grant, annual capital instalments of $3,136,760 plus interest, at the rate of 2.79%, maturing in September 2027	**32,135**	35,271
Secured by the disposal and the transport of a MES grant, annual capital instalments of $876,933 plus interest, at the rate of 3.14%, maturing in December 2043	**18,416**	19,293
Secured by the disposal and the transport of a MES grant, annual capital instalments of $394,296 plus interest, at the rate of 2.80%, maturing in December 2026	**1,418**	1,812
Secured by the disposal and the transport of a MES grant, annual capital instalments of $691,854 plus interest, at the rate of 2.42%, maturing in December 2039	**11,762**	12,453
Secured by the disposal and the transport of a MES grant, annual capital instalments of $182,667 plus interest, at the rate of 2.34%, maturing in December 2034	**2,194**	2,377
Secured by the disposal and the transport of a MES grant, annual capital instalments of $3,318,096 plus interest, at the rate of 2.23%, maturing in December 2030	**26,637**	29,955
Secured by the disposal and the transport of a MES grant, annual capital instalments of $627,600 plus interest, at the rate of 2.34%, maturing in December 2034	**7,224**	7,852
Secured by the disposal and the transport of a MES grant, annual capital instalments of $861,648 plus interest, at the rate of 2.10%, maturing in December 2027	**4,532**	5,393
Secured by the disposal and the transport of a MES grant, annual capital instalments of $354,600 plus interest, at the rate of 1.98%, maturing in December 2024	**709**	1,064
Secured by the disposal and the transport of a MES grant, annual capital instalments of $753,285 plus interest, at the rate of 1.95%, maturing in December 2040	**13,559**	14,312
Secured by the disposal and the transport of a MES grant, annual capital instalments of $219,140 plus interest, at the rate of 1.73%, maturing in December 2035	**2,848**	3,068
Secured by the disposal and the transport of a MES grant, annual capital instalments of $1,046,004 plus interest, at the rate of 0.80%, maturing in December 2025	**3,138**	4,184
Secured by the disposal and the transport of a MES grant, annual capital instalments of $816,766 plus interest, at the rate of 2.69%, maturing in November 2041	**15,519**	16,335
Secured by the disposal and the transport of a MES grant, annual capital instalments of $228,351 plus interest, at the rate of 2.54%, maturing in November 2036	**3,197**	3,425

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14 - LONG-TERM DEBT (Continued)

	2023	2022
	$	$
Capital Asset Fund		
Mortgages		
Secured by the disposal and the transport of a MES grant, annual capital instalments of $1,212,400 plus interest, at the rate of 1.73%, maturing in November 2026	**4,850**	6,062
Secured by the disposal and the transport of a MES grant, annual capital instalments of $621,400 plus interest, at the rate of 4.15%, maturing in October 2027	**3,107**	
Secured by the disposal and the transport of a MES grant, annual capital instalments of $510,601 plus interest, at the rate of 4.15%, maturing in October 2027	**2,553**	
Secured by the disposal and the transport of a MES grant, annual capital instalments of $449,293 plus interest, at the rate of 4.70%, maturing in October 2042	**8,986**	
Secured by the disposal and the transport of a MCC grant, semi-annual capital instalments of $112,500 plus interest, at the rate of 3.06%, maturing in March 2038	**3,375**	3,600
Rate of 3.12%		5,001
Loans from other sources		
Secured by a building, monthly blended instalments of $458,635, at the rate of 5.04%, maturing in December 2039	**61,944**	64,261
Secured by a building, monthly blended instalments of $124,951, at the rate of 4.73%, maturing in March 2040	**17,431**	18,089
Secured by a building, monthly blended instalments of $122,778, at the rate of 3.85%, maturing in July 2030	**9,307**	10,400
	369,053	389,636
Bank loans		
Payable from a contribution from the Unrestricted Operating Fund:		
Multifunctional pavilion, monthly blended instalments of $27,411, at the rate of 2.87%, maturing in June 2024	**377**	690
At the 1-month CDOR variable rate plus 0.71% (5.67%; 2.04% as at April 30, 2022), payable in monthly blended instalments of $180,671, maturing in March 2036	**23,584**	25,087
At the 1-month CDOR variable rate plus 0.85% (5.81%; 2.18% as at April 30, 2022), payable in monthly blended instalments of $94,702, maturing in April 2037	**16,877**	17,475
At the 1-month CDOR variable rate plus 1.07% (6.03%; 2.40% as at April 30, 2022), payable in monthly blended instalments of $29,794, maturing in February 2038	**5,479**	5,614
	46,317	48,866
	415,370	438,502
Less: Current portion	**(34,629)**	(37,778)
	380,741	400,724
	384,611	404,926

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14 - LONG-TERM DEBT (Continued)

The contractual principal repayments of long-term debt for the next years are as follows:

	Capital Asset Fund $
2024	34,629
2025	34,857
2026	33,293
2027	50,782
2028	42,814
2029 and subsequent years	218,995

15 - DEFERRED CONTRIBUTIONS - OPERATING FUND WITH RESTRICTIONS

	2023	2022
	$	$
Research grants		
Balance, beginning of year	**244,764**	219,163
Amounts granted	**226,707**	232,396
Amounts recognized as revenue	**(225,443)**	(206,795)
Balance, end of year	**246,028**	244,764

16 - DEFERRED CONTRIBUTIONS RELATED TO TANGIBLE AND INTANGIBLE CAPITAL ASSETS

	2023	2022
	$	$
Balance, beginning of year	**518,993**	518,866
Contributions granted as tangible capital assets	**216**	158
Contributions granted for the acquisition of tangible and intangible capital assets	**105,972**	40,160
Amounts recognized as revenue	**(34,952)**	(40,191)
Balance, end of year	**590,229**	518,993

17 - INTERNALLY RESTRICTED FUND BALANCES

The main categories of internally restricted fund balances of the Unrestricted Operating Fund are as follows:

	2023	2022
	$	$
Research support	**35,113**	35,212
Continuing education fund	**10,004**	9,763
Employee assistance programs	**75**	60
Improvement	**500**	593
Support for specific projects	**1,823**	1,957
Teaching support	**774**	992
Faculty support for research	**111**	115
Support for human resources development	**8**	8
	48,408	48,700

(In thousands of dollars)

18 - CONTINGENCIES

Lawsuits

In the normal course of operations, the University faces various lawsuits including claims relating to labor law and the Civil Code. Although it is not possible to predict with certainty the outcome of the legal proceedings initiated and in progress as at April 30, 2023, in the opinion of management, these litigations will be resolved without a material impact on the University's consolidated financial statements.

Loan guarantees

The University guarantees a loan contracted by a not-for-profit organization for the amount of $50,945 as at April 30, 2023 (two loans contracted for $142,054 as at April 30, 2022) and has not required any consideration in exchange for assuming these responsibilities. Under the terms of these agreements, until September 2024, the University must be prepared to fulfill the not-for-profit organization's debt repayment obligation if the latter is unable to do so. The maximum amount the University may be required to settle under the agreement is of $900,000 ($2,700,000 as at April 30, 2022). In the opinion of management, it is unlikely that this guarantee will be exercised and, accordingly, no liability has been recorded in the consolidated financial statements in this respect.

19 - COMMITMENTS

Operating lease and service contracts

The University has entered into leases and contracts for premises and services. The balance of commitments stands at $45,822,000, of which approximately 97% of the amounts payable in 2023-2024 for leases are specifically funded by the MES. Minimum lease payments for the next years are as follows:

	Operating lease	Service contracts
	$	$
2024	3,395	4,663
2025	3,432	2,668
2026	3,480	2,121
2027	3,435	899
2028	3,497	
2029 and subsequent years	18,232	

Tangible capital assets

Following the approval of the MES, the University entered into acquisition contracts. Commitments not materialized as at April 30, 2023 amount to approximately $123,836,000, of which an amount of $4,960,000 has already been paid as a deposit on equipment.

20 - EMPLOYEE FUTURE BENEFITS

The University has a hybrid plan with a combination of two components, a defined benefit component and a defined contribution component. This plan guarantees the payment of retirement benefits to most of its employees. Moreover, the University offers a group insurance plan including health care insurance, disability insurance and life insurance.

The defined benefit component guarantees a minimum annual amount. This amount is set according to a predetermined formula based on the number of years of credited service as well as the average salary of the best five years. The defined contribution component, for its part, accumulates, with interest, the contributions of the employee and those of the University and the accumulated amount will be used to provide the employee with an income at retirement. The retirement benefit will come from one or the other of these components, depending on which will provide the highest benefit when the employee retires.

The indexation offered on the annuities payable under the plan corresponds to 50% of the consumer price index, subject to a maximum indexation of 2% per year.

Health insurance and life insurance plans are contributory plans and employee contributions are adjusted annually. The plan also provides long- and short-term disability insurance guarantees, and these disability insurance plans may or may not be contributory depending on the category to which the employee belongs.

The most recent actuarial valuation of the pension plan for funding purposes was as of December 31, 2021.

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20 - EMPLOYEE FUTURE BENEFITS (Continued)

The funded status of the employee benefit plans is as follows:

	Pension plan		Other plans		Total	
	2023	2022	**2023**	2022	**2023**	2022
	$	$	**$**	$	**$**	$
Defined benefit obligations	**727,455**	548,680	**2,595**	2,351	**730,050**	551,031
Fair value of plan assets	**653,704**	589,177			**653,704**	589,177
Funding status - surplus (deficit) and defined	**(73,751)**	40,497	**(2,595)**	(2,351)	**(76,346)**	38,146

Significant assumptions

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

	Pension plan		Other plans	
	2023	2022	**2023**	2022
Accrued benefit obligation				
Discount rate	**5.10%**	5.70%	**4.80%**	5.70%
Compensation growth rate	**Table according to age (2.5% to 5%)**	Table according to age (2.5% to 5%)	**3.00%**	3.00%
Benefit costs				
Discount rate	**5.50%**	5.70%	**4.70%**	5.70%
Compensation growth rate	**Table according to age**	Table according to age	**3.00%**	3.00%

21 - CONTROLLED ENTITIES AND RELATED PARTY TRANSACTIONS

The condensed financial statements of each of the non-consolidated entities are as follows:

	La Fondation de l'Université de Sherbrooke (a)		Les Éditions DELISME Inc. (b)	
	2023	2022	**2023**	2022
	$	$	**$**	$
Financial position				
Total assets	**140,934**	130,881	**–**	27
Total liabilities	**20,456**	18,417		135
Total net assets	**120,478**	112,464		(108)
	140,934	130,881	**–**	27

(In thousands of dollars)

21 - CONTROLLED ENTITIES AND RELATED PARTY TRANSACTIONS (Continued)

	La Fondation de l'Université de Sherbrooke (a)		Les Éditions DELISME Inc. (b)	
	2023	2022	**2023**	2022
	$	$	**$**	$
Results of operations				
Total revenues	**25,784**	23,472		1
Total expenses	**6,744**	5,523		7
Excess (deficiency) of revenues over expenses, before contributions to the University	**19,040**	17,949	**–**	(6)
Cash flows				
Operating activities	**10,295**	(608)		(5)
Investing activities	**(12,648)**	(5,319)		
Financing activities	**2,339**	5,933		(275)
Net increase (decrease) in cash and cash equivalents	**(14)**	6	**–**	(280)

(a) The University controls La Fondation de l'Université de Sherbrooke (hereafter "the Foundation") because the two entities have integrated objectives. The purpose of the Foundation is to promote the development of teaching and university research. The Foundation is a registered charity under the Income Tax Act.

As at April 30, 2023, the balance receivable from the Foundation is of $20,136,000 ($18,010,000 as at April 30, 2022); the balance payable is of $1,135,000 ($808,000 as at April 30, 2022).

The Foundation partly assumes its direct operating and management costs as well as the costs of fundraising and philanthropic development activities. From May 1, 2013, the University has assumed all the costs relating to the accounting services and assistance with the financial operations of the Foundation and of the Major Campaign "Together" as well as part of the costs relating to the Foundation's fundraising and philanthropic development activities in consideration for an annual allocation paid to the University. In addition, the University fully assumes the costs relating to the recognition of donors and allows the Foundation to use its premises and its institutional database free of charge.

(b) During the year, the University dissolved the controlled entity Les Éditions DELISME Inc. in which it held all the shares.

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21 - CONTROLLED ENTITIES AND RELATED PARTY TRANSACTIONS (Continued)

Moreover, the University exercises significant influence on four not-for-profit organizations through its number of representatives on the board of directors or the weight of their presence on the board. The transactions are measured at the exchange amount, as well as the balance sheet balances with these entities are as follows:

	Centre de Collabaration MiQro Innovation (C2MI)		Accélérateur de création d'entreprise technologique (ACET)		Plateforme d'innovation numérique et quantique (PINQ)		Usine-école de l'Université de Sherbrooke)	
	2023	2022	**2023**	2022	**2023**	2022	**2023**	2022
	$	$	**$**	$	**$**	$	**$**	$
Revenues								
Grants								
Others			**16**	17				
Sales	**3,541**	4961	**4**	5	**16**	18	**7**	
Donations and contributions								
Other organizations	**608**	4003				56		
Expenses								
Teaching			**154**	154			**99**	
Research	**3,766**	2393			**186**	1,022		
Community services			**628**	34	**25**			
Institutional support	**2**		**148**	298				
Ancillary enterprises	**7,966**	9221						

The University also holds an economic interest in two not-for-profit organizations. The University has no control or significant influence over these organizations. During the year, the first organization granted contributions to the University of approximately $5,574,000 ($5,359,000 for the year ended April 30, 2022) for various projects of the Operating Fund with Restrictions.

22 - ASSET RETIREMENT OBLIGATIONS

The University's asset retirement obligations mainly concern the removal of asbestos from its buildings. The other asset retirement obligations relate mainly to the dismantling of tanks containing petroleum products and restoring leased premises on expiry of the lease.

No asset retirement obligation liability is recognized since the University is unable to make a reasonable estimate of the amount of this obligation.

23 - FINANCIAL RISKS

Credit risk

The University is exposed to credit risk regarding the financial assets recognized on the consolidated balance sheet. The University has determined that the financial assets with more credit risk exposure are grants and other receivables since failure of any of these parties to fulfil their obligations could result in significant financial losses for the University. The University is also exposed to credit risk due to the fact that it guarantees another party's loan (Note 18).

Market risk

The University's financial instruments expose it to market risk, in particular, to interest rate risk, currency risk and other price risk, resulting from its operating, investing and financing activities.

Interest rate risk

The University is exposed to interest rate risk with respect to financial assets and liabilities bearing fixed and variable interest rates.

Some investments and 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 bank loans and some long-term debts bear interest at a variable rate and the University is, therefore, exposed to the cash flow risk resulting from interest rate fluctuations.

An interest rate swap with a $33,400,000 notional, maturing on the same date as the corresponding debt, that is in March 2036, has been designated to hedge the interest rate risk relating to that debt. Under the terms of the swap, the University pays interest at a fixed rate of 2.725% and receives interest at variable rates for an amount that corresponds exactly to the interest payable on the debt. As at April 30, 2023, the variable interest rate is of 5.668% (2.043% as at April 30, 2022).

Another interest rate swap with a $20,200,000 notional, maturing on the same date as the corresponding debt, that is in April 2037, has been designated to hedge the interest rate risk relating to that debt. Under the terms of the swap, the University pays interest at a fixed rate of 3.13% and receives interest at variable rates for an amount that corresponds exactly to the interest payable on the debt. As at April 30, 2023, the variable interest rate is of 5.808% (2.183% as at April 30, 2022).

Another interest rate swap with a $6,120,000 notional, maturing on the same date as the corresponding debt, that is in February 2038, has been designated to hedge the interest rate risk relating to that debt. Under the terms of the swap, the University pays interest at a fixed rate of 4.015% and receives interest at variable rates for an amount that corresponds exactly to the interest payable on the debt. As at April 30, 2023, the variable interest rate is of 6.028% (2.403% as at April 30, 2022).

Currency risk

The majority of the University's transactions are in Canadian dollars. Currency risk results from the University's purchases denominated in foreign currency which are primarily in U.S. dollars. As at April 30, 2023, the University is exposed to currency risk due to cash denominated in U.S. dollars totalling $104,000 ($196,000 as at April 30, 2022), cash denominated in euros totalling $1,035,000 ($0 as at April 30, 2022), other payables denominated in U.S. dollars totalling $804,000 ($1,750,000 as at April 30, 2022) and other payables denominated in euros totalling $637,000 ($0 as at April 30, 2022).

Other price risk

The University is exposed to other price risk due to the shares of private companies and shares of a public company, since changes in market prices, other than those arising from currency risk and interest rate risk, could result in changes in fair value of these instruments.

Liquidity risk

The University's liquidity risk represents the risk that the University could encounter difficulty in meeting obligations associated with its financial liabilities. The University is, therefore, exposed to liquidity risk with respect to all of the financial liabilities recognized on the consolidated balance sheet.