

**Conestoga Students
Incorporated
Non-Consolidated Financial Statements
For the year ended April 30, 2019**

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Independent Auditor's Report

To the Board of Directors of Conestoga Students Incorporated

Opinion

We have audited the non-consolidated financial statements of Conestoga Students Incorporated (the Entity), which comprise the non-consolidated balance sheet as at April 30, 2019, the non-consolidated statements of operations and changes to fund balances and cash flows for the year then ended, and notes to the non-consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying non-consolidated financial statements present fairly, in all material respects, the non-consolidated financial position of the Entity as at April 30, 2019, and its non-consolidated financial performance and cash flows for the year then ended in accordance with Canadian accounting standards for private enterprises.

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 Non-consolidated Financial Statements* section of our report. We are independent of the Entity in accordance with the ethical requirements that are relevant to our audit of the non-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 Non-consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the non-consolidated financial statements in accordance with Canadian accounting standards for private enterprises, and for such internal control as management determines is necessary to enable the preparation of non-consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the non-consolidated financial statements, management is responsible for assessing the Entity'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 Entity or to cease operations, or has no realistic alternative but to do so.

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



Auditor's Responsibilities for the Audit of the Non-consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the non-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 non-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 non-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 Entity'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 Entity'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 non-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 Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the non-consolidated financial statements, including the disclosures, and whether the non-consolidated 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.

BDO Canada LLP

Chartered Professional Accountants, Licensed Public Accountants

Waterloo, Ontario
September 30, 2019

Conestoga Students Incorporated Non-consolidated Balance Sheet

April 30

2019

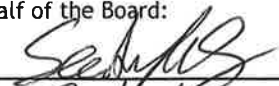

2018

| | Operating Fund | Health Plan Reserve | Operating Fund Reserve | Total | Total |
|--|---------------------|------------------------|------------------------------|---------------------|---------------------|
| Assets | | | | | |
| Current | | | | | |
| Cash (Note 2) | \$ 960,041 | \$ - | \$ - | \$ 960,041 | \$ 1,251,220 |
| Short-term investments (Note 3) | 161,137 | 647,822 | 2,117,317 | 2,926,276 | 1,459,396 |
| Accounts receivable (Note 5) | 38,807 | 274,614 | - | 313,421 | 44,287 |
| Prepaid expenses | 2,534,187 | - | - | 2,534,187 | 780,936 |
| | 3,694,172 | 922,436 | 2,117,317 | 6,733,925 | 3,535,839 |
| Tangible capital assets (Note 4) | 405,914 | - | 608,456 | 1,014,370 | 1,107,816 |
| Due from Conestoga Student Services Inc. (Note 5) | 669,860 | - | - | 669,860 | 490,360 |
| | \$ 4,769,946 | \$ 922,436 | \$ 2,725,773 | \$ 8,418,155 | \$ 5,134,015 |

Liabilities and Fund Balances

| | | | | | |
|---|---------------------|-------------------|---------------------|---------------------|---------------------|
| Current | | | | | |
| Accounts payable and accrued liabilities (Note 6) | \$ 92,313 | \$ - | \$ - | \$ 92,313 | \$ 115,635 |
| Deferred revenue | 3,458,632 | - | - | 3,458,632 | 1,239,338 |
| Current portion of long-term debt (Note 7) | 10,606 | - | - | 10,606 | 10,200 |
| | 3,561,551 | - | - | 3,561,551 | 1,365,173 |
| Long-term debt (Note 7) | 34,546 | - | - | 34,546 | 44,860 |
| Investment in Conestoga Student Services Inc. (Note 8) | 320,173 | - | - | 320,173 | 274,223 |
| | 3,916,270 | - | - | 3,916,270 | 1,684,256 |
| Fund balances | | | | | |
| Internally restricted | - | 922,436 | 2,117,317 | 3,039,753 | 1,930,649 |
| Internally restricted - tangible capital assets | 405,914 | - | 608,456 | 1,014,370 | 1,107,816 |
| Unrestricted | 447,762 | - | - | 447,762 | 411,294 |
| | 853,676 | 922,436 | 2,725,773 | 4,501,885 | 3,449,759 |
| | \$ 4,769,946 | \$ 922,436 | \$ 2,725,773 | \$ 8,418,155 | \$ 5,134,015 |

On behalf of the Board:


 _____ President and CEO

 _____ Chair of the Board

Conestoga Students Incorporated
Non-consolidated Statement of Changes in Fund Balances

| For the year ended April 30 | 2019 | | | 2018 | | |
|---|----------------|---------------------|------------------------|--------------|--------------|-------|
| | Operating Fund | Health Plan Reserve | Operating Fund Reserve | Total | Total | Total |
| Fund balances, beginning of year | \$ 848,728 | \$ 430,649 | \$ 2,170,382 | \$ 3,449,759 | \$ 2,885,857 | |
| Excess (deficiency) of revenue over expenses for the year | 1,119,490 | - | (67,364) | 1,052,126 | 563,902 | |
| Interfund transfers (Note 9) | (1,114,542) | 491,787 | 622,755 | - | - | |
| Fund balances, end of year | \$ 853,676 | \$ 922,436 | \$ 2,725,773 | \$ 4,501,885 | \$ 3,449,759 | |

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

Conestoga Students Incorporated
Non-consolidated Statement of Operations

| | 2019 | | | 2018 | | |
|---|---|------------------------------|------------------------|------------------------------|---------------------|-------------------|
| | (Unaudited) Operating Fund Budget | Operating Fund Reserve | Health Plan Reserve | Operating Fund Reserve | Total | Total |
| Revenue | | | | | | |
| Student fees (Notes 10 and 14) | \$ 4,609,733 | \$ 5,088,042 | \$ - | \$ - | \$ 5,088,042 | \$ 3,632,387 |
| Student support services (Note 11) | 360,918 | 372,024 | - | - | 372,024 | 264,812 |
| | 4,970,651 | 5,460,066 | - | - | 5,460,066 | 3,897,199 |
| Expenses | | | | | | |
| Entertainment and events (Schedule) | 527,250 | 471,996 | - | - | 471,996 | 272,162 |
| Marketing and communications | 267,500 | 267,022 | - | - | 267,022 | 234,819 |
| Service hubs | 129,000 | 108,424 | - | - | 108,424 | 99,596 |
| CSI spaces | 522,000 | 237,951 | - | - | 237,951 | 36,179 |
| Student leadership | 145,000 | 134,111 | - | - | 134,111 | 137,314 |
| Student awards and scholarships | 52,500 | 51,358 | - | - | 51,358 | 41,429 |
| Student employment | 210,000 | 236,550 | - | - | 236,550 | 179,169 |
| Food support | 16,500 | 13,789 | - | - | 13,789 | 20,581 |
| Shuttle service | 116,000 | 107,377 | - | - | 107,377 | 63,540 |
| Representation services (Schedule) | 378,128 | 384,335 | - | - | 384,335 | 255,823 |
| Student support services expense (Note 12) | 2,055,018 | 1,923,454 | - | - | 1,923,454 | 1,612,853 |
| Operating | 303,832 | 271,282 | - | - | 271,282 | 100,974 |
| Amortization | - | 66,477 | - | 67,364 | 133,841 | 144,096 |
| | 4,722,728 | 4,274,126 | - | 67,364 | 4,341,490 | 3,198,535 |
| Excess (deficiency) of revenue over expenses before other expenses | 247,923 | 1,185,940 | - | (67,364) | 1,118,576 | 698,664 |
| Other expense | | | | | | |
| Loss from investee (Note 8) | - | (45,950) | - | - | (45,950) | (127,762) |
| Impairment of loan receivable (Note 5) | - | (20,500) | - | - | (20,500) | (7,000) |
| | - | (66,450) | - | - | (66,450) | (134,762) |
| Excess (deficiency) of revenue over expenses for the year | \$ 247,923 | \$ 1,119,490 | - | \$ (67,364) | \$ 1,052,126 | \$ 563,902 |

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

Conestoga Students Incorporated
Non-consolidated Statement of Cash Flows

| For the year ended April 30 | 2019 | 2018 |
|--|--------------------|---------------------|
| Cash flows from operating activities | | |
| Excess of revenue over expenses for the year | \$ 1,052,126 | \$ 563,902 |
| Items not involving cash | | |
| Amortization | 133,841 | 144,096 |
| Loss from investee | 45,950 | 127,762 |
| Impairment of loan receivable | 20,500 | 7,000 |
| | <u>1,252,417</u> | <u>842,760</u> |
| Changes in non-cash working capital balances | | |
| Accounts receivable | (269,134) | 681,847 |
| Prepaid expenses | (1,753,251) | (309,062) |
| Accounts payable and accrued liabilities | (23,322) | 4,479 |
| Deferred revenue | 2,219,294 | 380,900 |
| | <u>1,426,004</u> | <u>1,600,924</u> |
| Cash flows from investing activities | | |
| Purchase of tangible capital assets | (40,393) | (120,087) |
| Proceeds from short term investments | 1,453,900 | 814,369 |
| Purchase of short term investments | (2,920,782) | (1,284,109) |
| | <u>(1,507,275)</u> | <u>(589,827)</u> |
| Cash flows from financing activities | | |
| Advances to Conestoga Student Services Inc. | (200,000) | - |
| Repayment of long-term debt | (9,908) | (9,997) |
| | <u>(209,908)</u> | <u>(9,997)</u> |
| Increase (decrease) in cash during the year | (291,179) | 1,001,100 |
| Cash, beginning of year | 1,251,220 | 250,120 |
| Cash, end of year | \$ 960,041 | \$ 1,251,220 |

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

Conestoga Students Incorporated Notes to Non-consolidated Financial Statements

April 30, 2019

1. Summary of Significant Accounting Policies

| | | | | | | | | | | | |
|---------------------------------------|--|------------------------|--------------------------------|------------------|--------------------------------------|-----------------------|--------------------------------|-----------------------|--------------------------------|----------|--------------------------------|
| Nature of Operations | Conestoga Students Incorporated ("the organization") was incorporated without share capital and is a not-for-profit organization which provides various services to students of Conestoga College Institute of Technology and Advanced Learning. | | | | | | | | | | |
| Basis of Accounting | The non-consolidated financial statements have been prepared using Canadian accounting standards for not-for-profit organizations (ASNPO). | | | | | | | | | | |
| Fund Accounting | <p>The Operating Fund reports the assets, liabilities, revenues and expenses related to the services provided for students.</p> <p>The Operating Fund Reserve reports the assets, liabilities, revenues and expenses related to the specific tangible capital assets that are purchased from this fund. These purchases must be approved by the organization's Board of Directors.</p> <p>The Health Plan Reserve is an internally restricted fund which the board has set aside for any shortfalls in the health plan.</p> | | | | | | | | | | |
| Investments Subject to Control | The organization accounts for its wholly-owned investment in Conestoga Student Services Inc. ("CSSI") using the equity method. Under this method, the investee's earnings (losses) is recorded as income (loss) and added to the carrying value of the investment shown on the balance sheet. | | | | | | | | | | |
| Tangible Capital Assets | <p>Tangible capital assets are recorded at cost. Amortization based on the estimated useful life of the asset is as follows:</p> <table><tr><td>Furniture and fixtures</td><td>-10% diminishing balance basis</td></tr><tr><td>Office equipment</td><td>-10 to 30% diminishing balance basis</td></tr><tr><td>Photography equipment</td><td>-20% diminishing balance basis</td></tr><tr><td>Sanctuary renovations</td><td>-10% diminishing balance basis</td></tr><tr><td>Vehicles</td><td>-20% diminishing balance basis</td></tr></table> <p>One-half of the annual rate is provided in the year of acquisition and no amortization is provided in the year of disposal.</p> <p>When a tangible capital asset no longer has any long-term service potential to the organization, the excess of its net carrying amount over any residual value is recognized as an expense in the statement of operations. Any unamortized deferred contribution amount related to the tangible capital asset is recognized in revenue in the statement of operations, provided that all restrictions have been complied with.</p> | Furniture and fixtures | -10% diminishing balance basis | Office equipment | -10 to 30% diminishing balance basis | Photography equipment | -20% diminishing balance basis | Sanctuary renovations | -10% diminishing balance basis | Vehicles | -20% diminishing balance basis |
| Furniture and fixtures | -10% diminishing balance basis | | | | | | | | | | |
| Office equipment | -10 to 30% diminishing balance basis | | | | | | | | | | |
| Photography equipment | -20% diminishing balance basis | | | | | | | | | | |
| Sanctuary renovations | -10% diminishing balance basis | | | | | | | | | | |
| Vehicles | -20% diminishing balance basis | | | | | | | | | | |

Conestoga Students Incorporated Notes to Non-consolidated Financial Statements

April 30, 2019

1. Summary of Significant Accounting Policies (continued)

| | |
|------------------------------|---|
| Revenue Recognition | The organization follows the restricted fund method of accounting for fees and revenue. Fees and revenue related to general operations and the student health plan are recognized as revenue of the Operating Fund in the year in which the services are rendered. Any funds received in advance of service delivery are recorded as deferred revenue. All other restricted fees and revenue are recognized as revenue of the appropriate restricted fund in the period of receipt. |
| Contributed Services | Elected members contribute their time to assist the organization in carrying out the administration of the students activities. Because of the difficulty of determining their fair value, contributed services are not recognized in the financial statements. |
| Income Taxes | The organization is a not-for-profit entity and is not subject to income taxes. |
| Use of Estimates | The preparation of financial statements in accordance with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Estimates are used for accounting for such items as accrued liabilities and useful lives of tangible capital assets. Actual results could differ from management's best estimates as additional information becomes available in the future. |
| Financial Instruments | Financial instruments are recorded at fair value when acquired or issued. In subsequent periods, equities are traded in an active market are reported at fair value, with any unrealized gains and losses reported in operations. All other financial instruments are reported at cost or amortized cost less impairment, if applicable. Financial assets are tested for impairment when changes in sale or circumstances indicate the asset could be impaired. Transaction costs on the acquisition, sale or issue of financial instruments are expensed for those items remeasured at fair value at each balance sheet date and charged to the financial instrument for those measured at amortized cost. |

Conestoga Students Incorporated Notes to Non-consolidated Financial Statements

April 30, 2019

2. Cash

The organization's bank accounts are held at one chartered bank and earn nominal interest.

3. Short-Term Investments

The organization's short-term investments are held at one chartered bank in Canadian cashable guaranteed investment certificates bearing interest at 0.65% and 0.75% and maturing between February 2020 and April 2022.

4. Tangible Capital Assets

| | 2019 | | 2018 | |
|-------------------------------|---------------------|-----------------------------|---------------------|-----------------------------|
| | Cost | Accumulated Amortization | Cost | Accumulated Amortization |
| Operating Fund | | | | |
| Furniture and fixtures | \$ 284,059 | \$ 123,403 | \$ 249,174 | \$ 107,490 |
| Office equipment | 182,901 | 104,975 | 182,901 | 96,317 |
| Photography equipment | 23,585 | 22,018 | 23,585 | 21,626 |
| Vehicles | 410,789 | 245,024 | 410,789 | 203,582 |
| | \$ 901,334 | \$ 495,420 | \$ 866,449 | \$ 429,015 |
| Net book value | | \$ 405,914 | | \$ 437,434 |
| Operating Fund Reserve | | | | |
| Office equipment | \$ 164,826 | \$ 108,170 | \$ 164,826 | \$ 101,739 |
| Furniture and fixtures | 213,953 | 116,847 | 213,953 | 106,059 |
| Sanctuary renovations | 1,101,232 | 646,538 | 1,095,724 | 596,323 |
| | \$ 1,480,011 | \$ 871,555 | \$ 1,474,503 | \$ 804,121 |
| Net book value | | \$ 608,456 | | \$ 670,382 |

Conestoga Students Incorporated Notes to Non-consolidated Financial Statements

April 30, 2019

5. Related Party Balances and Transactions

| | 2019 | 2018 |
|---|------------|------------|
| Due from Conestoga Student Services Inc., wholly-owned subsidiary | \$ 697,360 | \$ 497,360 |
| Allowance for impaired loan | (27,500) | (7,000) |
| | \$ 669,860 | \$ 490,360 |

An impairment loss of \$20,500 (2018 - \$7,000) has been recorded in the statement of operations.

The loan is interest-free with no fixed repayment terms, and will be repaid with future profits of Conestoga Student Services Inc. Also included in accounts receivable is \$37,538 (2018 - \$10,183) due from Conestoga Student Services Inc. which is expected to be repaid within the year.

The following table summarizes the transactions during the year with Conestoga Students Services Inc.

| | 2019 | 2018 |
|-----------------------------|-----------|-----------|
| Chartered bus reimbursement | \$ - | \$ 10,000 |
| Catering expenses | \$ 49,445 | \$ 15,852 |

These transactions are in the normal course of operations and are measured at the exchange amount (the amount of consideration established and agreed by the related parties).

6. Accounts Payable and Accrued Liabilities

Included in accounts payable and accrued liabilities are government remittances payable of nil (2018 - \$1,263).

Conestoga Students Incorporated Notes to Non-consolidated Financial Statements

April 30, 2019

7. Long Term Debt

| | 2019 | 2018 |
|--|-----------|-----------|
| Vehicle loan, repayable in monthly installments of \$1,014 including interest calculated at the bank's prime rate plus 0.75%, maturing in March 2023, secured by a vehicle with a net book value of \$49,482 | \$ 45,152 | \$ 55,060 |
| Current portion | (10,606) | (10,200) |
| Long-term portion of debt | \$ 34,546 | \$ 44,860 |

Principal repayments on long-term debt over the next five years are as follows:

| | | |
|------|----|--------|
| 2020 | \$ | 10,606 |
| 2021 | | 11,029 |
| 2022 | | 11,468 |
| 2023 | | 12,049 |
| | \$ | 45,152 |

8. Investment in Conestoga Student Services Inc.

The organization is the sole shareholder of Conestoga Student Services Inc. (CSSI). CSSI is engaged in the business of operating a restaurant franchise, a pub-style restaurant, a charter bus service, and a health and wellness centre for students of Conestoga College. It is incorporated under the laws of Ontario as a profit-oriented entity and is subject to income tax. The organization and CSSI share the same Board of Directors.

Reconciliation of investment in Conestoga Student Services Inc.:

| | 2019 | 2018 |
|--------------------|------------|------------|
| Opening balance | \$ 274,223 | \$ 146,461 |
| Loss from investee | 45,950 | 127,762 |
| Ending balance | \$ 320,173 | \$ 274,223 |

Conestoga Students Incorporated
Notes to Non-consolidated Financial Statements

April 30, 2019

8. Investment in Conestoga Student Services Inc. (continued)

The financial summary of this unconsolidated entity as at April 30, 2018 is as follows:

| | 2019 | 2018 |
|-------------------------------------|-------------|--------------|
| Total assets | \$ 414,923 | \$ 293,282 |
| Total liabilities | \$ 735,097 | \$ 567,506 |
| Shareholder's deficiency | (320,174) | (274,224) |
| | \$ 414,923 | \$ 293,282 |
| Revenue | \$ 763,013 | \$ 565,322 |
| Expenses | 808,963 | 693,084 |
| Net loss | \$ (45,950) | \$ (127,762) |
| Cash flow from operating activities | \$ (61,840) | \$ (97,933) |
| Cash flow from investing activities | (9,852) | (13,305) |
| Cash flow from financing activities | 200,000 | - |
| Net change in cash flow | \$ 128,308 | \$ (111,238) |

9. Interfund Transfers

During the year, the Board of Directors approved the following interfund transfers:

| | Operating Fund | Health Plan Reserve | Operating Reserve Fund |
|--|----------------|---------------------|------------------------|
| Transfer from the Operating Fund to the Health Plan Reserve | \$ (491,787) | \$ 491,787 | \$ - |
| Transfer from the Operating Fund to the Operating Reserve Fund | (622,755) | - | 622,755 |
| | \$ (1,114,542) | \$ 491,787 | \$ 622,755 |

Conestoga Students Incorporated Notes to Non-consolidated Financial Statements

April 30, 2019

10. Student Fees

During the year, the organization received student fees and paid premiums to the providers relating to the Health and Dental plan, the Legal Protection plan and the International Health Plan. A breakdown of the net revenue included in student fees is as follows:

| | 2019 | 2018 |
|---|--------------|--------------|
| Gross revenue received | \$ 9,200,989 | \$ 2,497,502 |
| Amounts received related to 2020 fiscal year | (3,115,978) | (855,736) |
| Amortization of 2018 fiscal year deferred revenue | 855,736 | 730,827 |
| Gross revenue | 6,940,747 | 2,372,593 |
| Premiums paid | (6,220,838) | (1,971,904) |
| Net revenue | \$ 719,909 | \$ 400,689 |

11. Grand River Transit

Included in Student Support Services revenue is net revenue of \$145,996 (2018 - \$77,529) for Grand River Transit passes. Gross revenue received was \$3,791,908 (2018 - \$1,888,614).

12. Student Support Services

Included in Student Support Services expense are the salaries, professional development costs and benefits for 30 full-time and 69 part-time employees.

13. Commitments

The organization has entered into operating leases for its equipment expiring between August 2018 and November 2019. The future minimum lease payments are as follows:

| | | |
|------|----|--------|
| 2020 | \$ | 5,356 |
| 2021 | | 5,356 |
| 2022 | | 3,214 |
| | \$ | 13,926 |

Conestoga Students Incorporated Notes to Non-consolidated Financial Statements

April 30, 2019

14. Economic Dependence

The organization derives the majority of its revenue from student fees levied through Conestoga College Institute of Technology and Advanced Learning.

15. Financial Instrument Risks

Credit Risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. Financial instruments which potentially subject the organization to concentrations of credit risk consist of cash, short term investments and accounts receivable. The organization has deposited the cash and investments with a reputable financial institution, from which management believes the risk of loss to be remote.

Liquidity Risk

Liquidity risk is the risk that the organization encounters difficulty in meeting its obligations associated with financial liabilities. Liquidity risk includes the risk that, as a result of operational liquidity requirements, the organization will not have sufficient funds to settle a transaction on the due date; will be forced to sell financial assets at a value which is less than what they are worth; or may be unable to settle or recover a financial asset. Liquidity arises from accounts payable, accrued liabilities and long term debt.

Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate as a result of market factors. Market factors include three types of risk: interest rate risk, currency risk and equity risk. The organization is subject to interest rate risk.

Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The organization is exposed to this risk through its short-term investments. The organization holds investments which involves risk of price changes due to, without limitation, such factors as interest rates and general economic conditions.

There have been no changes in exposure to the above mentioned risks from the prior year.

Conestoga Students Incorporated Schedule of Entertainment and Event Expenses

| For the year ended April 30 | 2019 | 2019 | 2018 |
|------------------------------|-----------------------|-------------------|-------------------|
| | Budget (unaudited) | Actual | Actual |
| Orientation and Frosh | \$ 250,000 | \$ 234,700 | \$ 52,864 |
| Student events | 200,000 | 165,473 | 156,326 |
| Event equipment and supplies | 5,000 | 2,129 | 6,197 |
| Socan/resound/criterion | 7,000 | 5,665 | 5,191 |
| Ticket costs | 250 | - | 632 |
| Meal subsidy | 65,000 | 64,029 | 50,952 |
| | \$ 527,250 | \$ 471,996 | \$ 272,162 |

Conestoga Students Incorporated Schedule of Representation Services

| For the year ended April 30 | 2019 | 2019 | 2018 |
|------------------------------------|-----------------------|-------------------|-------------------|
| | Budget (unaudited) | Actual | Actual |
| CSA fees | \$ 108,128 | \$ 108,128 | \$ 71,322 |
| Board mileage | 2,000 | 1,978 | 1,553 |
| Feedback | 5,000 | 4,045 | 3,775 |
| Board meetings | 27,000 | 26,516 | 8,163 |
| Campus/community connection | 20,000 | 17,266 | 10,268 |
| Campus representation | 6,000 | 361 | 4,778 |
| Student rep program | 10,000 | 9,313 | 5,227 |
| Board developments and conferences | 65,000 | 64,259 | 38,243 |
| Honorariums | 100,000 | 106,609 | 95,078 |
| Audit and legal | 35,000 | 45,860 | 17,416 |
| | \$ 378,128 | \$ 384,335 | \$ 255,823 |
