

Conestoga Students  
Incorporated  
Non-Consolidated Financial Statements  
For the year ended April 30, 2020

	Contents
Independent Auditor's Report	2 - 3
Non-consolidated Financial Statements	
Non-consolidated Balance Sheet	4
Non-consolidated Statement of Changes in Fund Balances	5
Non-consolidated Statement of Operations	6
Non-consolidated Statement of Cash Flows	7
Notes to the Non-consolidated Financial Statements	8 - 17

---

## 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, 2020, 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, 2020, 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  
October 9, 2020

## Conestoga Students Incorporated Non-consolidated Balance Sheet

April 30

2020

2019

	Operating Fund	Health Plan Reserve	Operating Fund Reserve	Total	Total
<b>Assets</b>					
<b>Current</b>					
Cash (Note 2)	\$ 943,790	\$ -	\$ -	\$ 943,790	\$ 960,041
Short-term investments (Note 3)	-	1,539,275	2,293,323	3,832,598	2,926,276
Accounts receivable (Note 5)	154,863	-	-	154,863	313,421
Prepaid expenses	3,916,907	-	-	3,916,907	2,534,187
	5,015,560	1,539,275	2,293,323	8,848,158	6,733,925
Tangible capital assets (Note 4)	362,682	-	547,502	910,184	1,014,370
Due from Conestoga Student Services Inc. (Note 5)	669,860	-	-	669,860	669,860
	\$ 6,048,102	\$ 1,539,275	\$ 2,840,825	\$10,428,202	\$ 8,418,155

### Liabilities and Fund Balances

<b>Current</b>					
Accounts payable and accrued liabilities	\$ 158,228	\$ -	\$ -	\$ 158,228	\$ 92,313
Deferred revenue	4,539,086	-	-	4,539,086	3,458,632
Current portion of long-term debt (Note 6)	11,029	-	-	11,029	10,606
	4,708,343	-	-	4,708,343	3,561,551
Long-term debt (Note 6)	23,794	-	-	23,794	34,546
Investment in Conestoga Student Services Inc. (Note 7)	380,797	-	-	380,797	320,173
	5,112,934	-	-	5,112,934	3,916,270
<b>Fund balances</b>					
Internally restricted	-	1,539,275	2,293,323	3,832,598	3,039,753
Internally restricted - tangible capital assets	362,682	-	547,502	910,184	1,014,370
Unrestricted	572,486	-	-	572,486	447,762
	935,168	1,539,275	2,840,825	5,315,268	4,501,885
	\$ 6,048,102	\$ 1,539,275	\$ 2,840,825	\$10,428,202	\$ 8,418,155

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

2020

2019

	Operating Fund	Health Plan Reserve	Operating Fund Reserve	Total	Total
Fund balances, beginning of year	\$ 853,676	\$ 922,436	\$ 2,725,773	\$ 4,501,885	\$ 3,449,759
Excess (deficiency) of revenue over expenses for the year	874,337	-	(60,954)	813,383	1,052,126
Interfund transfers (Note 8)	(792,845)	616,839	176,006	-	-
Fund balances, end of year	\$ 935,168	\$ 1,539,275	\$ 2,840,825	\$ 5,315,268	\$ 4,501,885

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

Conestoga Students Incorporated  
Non-consolidated Statement of Operations

For the year ended April 30

2020

2019

	(Unaudited) Operating Budget	Operating Fund	Health Plan Reserve	Operating Fund Reserve	Total	Total
<b>Revenue</b>						
Student activities and events	\$ 1,198,288	\$ 1,060,478	\$ -	\$ -	\$ 1,060,478	\$ 25,536
Student career and development services	504,154	494,090	-	-	494,090	7,000
Building operations	50,800	38,256	-	-	38,256	18,854
Academic support services	268,275	276,078	-	-	276,078	61,465
Shuttle services	138,844	113,510	-	-	113,510	-
Student advocacy	414,528	411,961	-	-	411,961	215,982
Health and wellness support services	416,450	415,968	-	-	415,968	-
Support services (Note 9 and 10)	643,077	1,002,473	-	-	1,002,473	145,996
Administrative support	1,816,807	65,698	-	-	65,698	33,835
Health plan (Note 9)	820,108	1,075,265	-	-	1,075,265	705,607
Association fees	-	-	-	-	-	4,245,791
	<b>6,271,331</b>	<b>4,953,777</b>	<b>-</b>	<b>-</b>	<b>4,953,777</b>	<b>5,460,066</b>
<b>Expenses</b>						
Student activities and events	1,198,288	1,086,258	-	-	1,086,258	1,021,051
Student career and development services	504,154	330,620	-	-	330,620	321,704
Building operations	50,800	31,165	-	-	31,165	417,011
Academic support services	268,275	319,196	-	-	319,196	368,513
Shuttle services	138,844	225,394	-	-	225,394	249,224
Student advocacy	414,528	374,020	-	-	374,020	439,474
Health and wellness support service	416,450	276,263	-	-	276,263	133,549
Support services	643,077	86,082	-	-	86,082	148,543
Administrative support	1,816,807	1,421,352	-	60,954	1,482,306	1,242,421
	<b>5,451,223</b>	<b>4,150,350</b>	<b>-</b>	<b>60,954</b>	<b>4,211,304</b>	<b>4,341,490</b>
Excess (deficiency) of revenue over expenses before other (income) expenses	820,108	803,427	-	(60,954)	742,473	1,118,576
<b>Other (income) expenses</b>						
Loss from investee (Note 7)	-	60,624	-	-	60,624	45,950
Impairment of loan receivable	-	-	-	-	-	20,500
Government assistance (Note 11)	-	(131,534)	-	-	(131,534)	-
	<b>-</b>	<b>(70,910)</b>	<b>-</b>	<b>-</b>	<b>(70,910)</b>	<b>66,450</b>
Excess (deficiency) of revenue over expenses for the year	820,108	874,337	-	(60,954)	813,383	1,052,126

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	2020	2019
Cash flows from operating activities		
Excess of revenue over expenses for the year	\$ 813,383	\$ 1,052,126
Items not involving cash		
Amortization	119,019	133,841
Loss from investee	60,624	45,950
Impairment of loan receivable	-	20,500
	<u>993,026</u>	<u>1,252,417</u>
Changes in non-cash working capital balances		
Accounts receivable	158,558	(269,134)
Prepaid expenses	(1,382,720)	(1,753,251)
Accounts payable and accrued liabilities	65,915	(23,322)
Deferred revenue	1,080,454	2,219,294
	<u>915,233</u>	<u>1,426,004</u>
Cash flows from investing activities		
Purchase of tangible capital assets	(14,833)	(40,393)
Proceeds from short term investments	2,740,002	1,453,900
Purchase of short term investments	(3,646,324)	(2,920,782)
	<u>(921,155)</u>	<u>(1,507,275)</u>
Cash flows from financing activities		
Advances to Conestoga Student Services Inc.	-	(200,000)
Repayment of long-term debt	(10,329)	(9,908)
	<u>(10,329)</u>	<u>(209,908)</u>
Increase (decrease) in cash during the year	(16,251)	(291,179)
Cash, beginning of year	<u>960,041</u>	<u>1,251,220</u>
Cash, end of year	<u>\$ 943,790</u>	<u>\$ 960,041</u>

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

---

# Conestoga Students Incorporated

## Notes to Non-consolidated Financial Statements

April 30, 2020

---

### 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>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, 2020

---

### 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.
Government Assistance	<p>The organization makes periodic applications for financial assistance under government incentive programs.</p> <p>Government assistance received during the year for current expenses is included in the determination of Excess (deficiency) of revenue over expenses for the year.</p>
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.

---

# Conestoga Students Incorporated

## Notes to Non-consolidated Financial Statements

April 30, 2020

---

### 1. Summary of Significant Accounting Policies (continued)

#### Financial Instruments

Financial Instruments are recorded at fair value at initial recognition.

In subsequent periods, equities traded in an active market and derivatives are reported at fair value, with any change in fair value reported in income. All other financial instruments are reported at cost or amortized cost less impairment. Transaction costs on the acquisition, sale or issue of financial instruments are expensed for those items measured at fair value and charged to the financial instrument for those measured at amortized cost.

Financial assets are tested for impairment when indicators of impairment exist. When a significant change in the expected timing or amount of the future cash flows of the financial asset is identified, the carrying amount of the financial asset is reduced and the amount of the write-down is recognized in net income. A previously recognized impairment loss may be reversed to the extent of the improvement, provided it is not greater than the amount that would have been reported at the date of the reversal had the impairment not been recognized previously, and the amount of the reversal is recognized in net income.

---

---

## Conestoga Students Incorporated Notes to Non-consolidated Financial Statements

April 30, 2020

---

### 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 December 2020 and May 2023.

---

### 4. Tangible Capital Assets

	2020		2019	
	Cost	Accumulated Amortization	Cost	Accumulated Amortization
<b>Operating Fund</b>				
Furniture and fixtures	\$ 294,059	\$ 139,969	\$ 284,059	\$ 123,403
Office equipment	187,736	113,010	182,901	104,975
Photography equipment	23,585	22,331	23,585	22,018
Vehicles	410,789	278,177	410,789	245,024
	<b>\$ 916,169</b>	<b>\$ 553,487</b>	<b>\$ 901,334</b>	<b>\$ 495,420</b>
Net book value		<b>\$ 362,682</b>		<b>\$ 405,914</b>
<b>Operating Fund Reserve</b>				
Office equipment	\$ 164,826	\$ 113,943	\$ 164,826	\$ 108,170
Furniture and fixtures	213,953	126,558	213,953	116,847
Sanctuary renovations	1,101,232	692,008	1,101,232	646,538
	<b>\$ 1,480,011</b>	<b>\$ 932,509</b>	<b>\$ 1,480,011</b>	<b>\$ 871,555</b>
Net book value		<b>\$ 547,502</b>		<b>\$ 608,456</b>

Amortization expense for the year is \$119,019 (2019 - \$133,841) which is included in administrative support.

---

---

Conestoga Students Incorporated  
Notes to Non-consolidated Financial Statements

April 30, 2020

---

5. Related Party Balances and Transactions

	<u>2020</u>	<u>2019</u>
Due from Conestoga Student Services Inc., wholly-owned subsidiary	\$ 697,360	\$ 697,360
Allowance for impaired loan	<u>(27,500)</u>	<u>(27,500)</u>
	<u>\$ 669,860</u>	<u>\$ 669,860</u>

An impairment loss of \$Nil (2019 - \$20,500) 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 (payable) is \$(57,006) (2019 - \$37,538) due from (to) Conestoga College. These amounts were paid subsequent to year-end.

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

	<u>2020</u>	<u>2019</u>
Chartered bus reimbursement	<u>\$ 20,000</u>	<u>\$ -</u>
Catering expenses	<u>\$ 56,355</u>	<u>\$ 49,445</u>

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).

---

---

Conestoga Students Incorporated  
Notes to Non-consolidated Financial Statements

April 30, 2020

---

6. Long Term Debt

	2020	2019
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 \$39,586	\$ 34,823	\$ 45,152
Current portion	(11,029)	(10,606)
Long-term portion of debt	\$ 23,794	\$ 34,546

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

2021	\$	11,029	
2022		11,468	
2023		12,326	
	\$	34,823	

---

7. 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.:

	2020	2019
Opening balance	\$ 320,173	\$ 274,223
Loss from investee	60,624	45,950
Ending balance	\$ 380,797	\$ 320,173

---

---

Conestoga Students Incorporated  
Notes to Non-consolidated Financial Statements

April 30, 2020

---

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

The financial summary of this unconsolidated entity as at April 30, 2020 is as follows:

	2020	2019
Total assets	\$ 378,126	\$ 414,923
Total liabilities	\$ 758,924	\$ 735,097
Shareholder's deficiency	(380,798)	(320,174)
	\$ 378,126	\$ 414,923
Revenue	\$ 694,420	\$ 763,013
Expenses	755,044	808,963
Net loss	\$ (60,624)	\$ (45,950)
Cash flow from operating activities	\$ (70,514)	\$ (61,840)
Cash flow from investing activities	-	(9,852)
Cash flow from financing activities	40,000	200,000
Net change in cash flow	\$ (30,514)	\$ 128,308

---

8. 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	\$ (616,839)	\$ 616,839	\$ -
Transfer from the Operating Fund to the Operating Reserve Fund	(176,006)	-	176,006
	\$ (792,845)	\$ 616,839	\$ 176,006

---

---

## Conestoga Students Incorporated Notes to Non-consolidated Financial Statements

April 30, 2020

---

### 9. Health Plan and Support Services

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

	2020	2019
Gross revenue received	\$12,766,549	\$ 8,730,613
Amounts received during the year related to the next fiscal year	(4,368,997)	(2,956,661)
Amortization of prior year deferred revenue	2,956,661	855,736
Gross revenue	11,354,213	6,629,688
Premiums paid	(10,278,948)	(5,924,081)
Net revenue	\$ 1,075,265	\$ 705,607

A breakdown of the net revenue included in Support Services is as follows

	2020	2019
Gross revenue received	\$ 540,648	\$ 470,376
Amounts received during the year related to the next fiscal year	(170,089)	(159,317)
Amortization of prior year deferred revenue	159,317	-
Gross revenue	529,876	311,059
Premiums paid	(457,013)	(296,757)
Net revenue	\$ 72,863	\$ 14,302

---

### 10. Grand River Transit

Included in Support Services revenue is net revenue of \$37,434 (2019 - \$145,996) for Grand River Transit passes. Gross revenue received was \$37,434 (2019 - \$3,791,908).

---

### 11. Government Assistance

During the year, the organization recorded approximately \$19,845 and \$111,690 in financial assistance through the 10% Temporary Wage Subsidy for Employers and the Canada Emergency Wage Subsidy programs, respectively.

---

### 12. Student Support Services

Included in expenses are the salaries, professional development costs and benefits for 34 full-time and 60 part-time employees.

---

---

Conestoga Students Incorporated  
Notes to Non-consolidated Financial Statements

April 30, 2020

---

13. Commitments

The organization has entered into operating leases for its equipment expiring between August 2021 and November 2022. The future minimum lease payments are as follows:

2021	\$	5,356
2022		<u>3,214</u>
	\$	<u>8,570</u>

---

14. 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

### Notes to Non-consolidated Financial Statements

April 30, 2020

---

#### 15. Economic Dependence

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

---

#### 16. Uncertainty due to COVID-19

The full impact of the COVID-19 outbreak continues to evolve as of the date of this report. As such, it is uncertain as to the full magnitude that the pandemic will have on the Organization's financial condition, liquidity, and future results of operations. Management is actively monitoring the global situation on its financial condition, liquidity, operations, suppliers, industry, and workforce. Given the daily evolution of the COVID-19 outbreak and the global responses to curb its spread, the organization is not able to estimate the effects of the COVID-19 outbreak on its results of operations, financial condition, or liquidity at this time.

---

#### 17. Comparative Amounts

In conjunction with the Student's Choice initiative and government legislation, the Organization has adjusted the presentation of revenues and expenses to coincide with the various programs and resources provided to the students. As such, where the information was available, the comparative amounts presented in the financial statements have been reclassified to conform to the current year's presentation.

---