
Non-consolidated financial
statements of
Concordia Student Union – Syndicat
des Étudiants et Étudiantes de
Concordia

May 31, 2018

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Concordia Student Union – Syndicat des Étudiants et Étudiantes de Concordia
Non-consolidated statement of operations
Year ended May 31, 2018

		2018		
		Student Space, Accessible Education, and Legal Contingency Fund	General Fund and invested in capital assets	Total
Notes		\$	\$	\$
Revenue				
		—	2,213,449	2,213,449
		556,243	—	556,243
	6	—	3,574,563	3,574,563
		556,243	5,788,012	6,344,255
Expenses				
		—	2,764,058	2,764,058
		—	2,742	2,742
		53,046	312,761	365,807
	6	—	3,296,567	3,296,567
		249,658	—	249,658
		302,704	6,376,128	6,678,832
		253,539	(588,116)	(334,577)
		191,792	153,163	344,955
		445,331	(434,953)	10,378

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

Concordia Student Union – Syndicat des Étudiants et Étudiantes de Concordia
Non-consolidated statement of operations
Year ended May 31, 2017

		2017		
		Student Space, Accessible Education, and Legal Contingency Fund	General Fund and invested in capital assets	Total
Notes		\$	\$	\$
Revenue				
	Student membership fees	—	2,102,911	2,102,911
	Student space fees	700,531	—	700,531
	Health and dental plan fees	—	3,794,368	3,794,368
6		700,531	5,897,279	6,597,810
Expenses				
	Administrative	—	2,286,624	2,286,624
	Financial	—	2,428	2,428
	Amortization	53,864	281,081	334,945
	Health plan premiums	—	3,610,955	3,610,955
6				
	Loss on disposal of investment in the subsidiary	—	1	1
	Other expenses	29,749	—	29,749
		83,613	6,181,089	6,264,702
		616,918	(283,810)	333,108
	Other revenues	460,595	289,686	750,281
	Excess of revenue over expenses	1,077,513	5,876	1,083,389

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

Concordia Student Union – Syndicat des Étudiants et Étudiantes de Concordia
Non-consolidated statement of changes in net assets
Year ended May 31, 2018

						2018
						Student Space, Accessible Education, and Legal
						Contingency Fund
						General Fund
						Invested in capital assets
						Total
						\$
						\$
						\$
						\$
						\$
Balance, beginning of year		—	9,794,252	1,169,705	2,059,990	13,023,947
Excess (deficiency) of revenue over expenses		—	445,331	(122,191)	(312,762)*	10,378
Internal allocation	7	—	(664,309)	664,309	—	—
Capital assets acquisitions		—	564,965	(583,500)	18,535	—
Balance, end of year		—	10,140,239	1,128,323	1,765,763	13,034,325

* Represents amortization of capital assets.

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

Concordia Student Union – Syndicat des Étudiants et Étudiantes de Concordia
Non-consolidated statement of changes in net assets
Year ended May 31, 2017

					2017
	Student Center Fund	Student Space, Accessible Education, and Legal Contingency Fund	General Fund	Invested in capital assets	Total
Note	\$	\$	\$	\$	\$
Balance, beginning of year	5,895,426	2,951,728	951,125	2,142,279	11,940,558
(Deficiency) excess of revenue over expenses	—	1,077,513	286,957	(281,081)*	1,083,389
Internal allocation	7 (5,895,426)	5,659,795	235,631	—	—
Capital assets acquisitions	—	105,216	(304,008)	198,792	—
Balance, end of year	—	9,794,252	1,169,705	2,059,990	13,023,947

* Represents amortization of capital assets.

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

Concordia Student Union – Syndicat des Étudiants et Étudiantes de Concordia
Non-consolidated balance sheet
As at May 31, 2018

	Notes	2018	2017
		\$	\$
Assets			
Current assets			
Cash		1,581,858	1,654,887
Restricted cash	6	463,177	247,170
Term deposit, bearing interest at 1.00%, maturing on December 14, 2018		876,670	867,136
Accounts receivable		27,401	68,617
Accounts receivable – Concordia University	3	395,851	516,406
Prepaid expenses		32,189	37,331
Due from the subsidiary, non-interest bearing		—	19,131
Due from a not-for-profit organization, non-interest bearing		—	5,927
		3,377,146	3,416,605
Investment (10 units of Concordia Community Solidarity Bookstore)		100	100
Portfolio investment		8,648,906	8,467,080
Capital assets	5	2,157,072	2,260,216
		14,183,224	14,144,001
Liabilities			
Current liabilities			
Accounts payable and accrued liabilities		326,209	213,557
Health care plan liability		817,736	897,431
Government remittances payable		4,954	9,066
		1,148,899	1,120,054
Commitments	8		
Net assets			
Student Space, Accessible Education, and Legal Contingency Fund		10,140,239	9,794,252
General Fund		1,128,323	1,169,705
Invested in capital assets		1,765,763	2,059,990
		13,034,325	13,023,947
		14,183,224	14,144,001

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

Approved by the Board

_____, Director

_____, Director

Concordia Student Union – Syndicat des Étudiants et Étudiantes de Concordia
Non-consolidated statement of cash flows
Year ended May 31, 2018

	2018	2017
	\$	\$
Operating activities		
Excess of revenue over expenses	10,378	1,083,389
Items not affecting cash		
Amortization	365,807	334,945
Loss on disposal of investment in the subsidiary	—	1
	376,185	1,418,335
Changes in non-cash operating working capital items	541,653	28,932
	917,838	1,447,267
Investing activities		
Purchase of capital assets	(583,500)	(304,008)
Change in term deposits	(9,534)	2,880,089
Change in portfolio investments	(181,826)	—
	(774,860)	2,576,081
Transfer of short-term investment in portfolio investment	—	(3,427,727)
Net increase in cash and cash equivalents	142,978	595,621
Cash and cash equivalents, beginning of year	1,902,057	1,306,436
Cash and cash equivalents, end of year	2,045,035	1,902,057
<i>Non-cash transaction:</i>		
Accounts receivable applied in reduction of capital assets	320,837	—

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

1. Description of the business

Concordia Student Union – Syndicat des Étudiants et Étudiantes de Concordia (the “Union”) was founded under Part III of the *Companies Act* (Quebec). The Union’s main purpose is to represent its members and to promote their interests, particularly respecting teaching, educational methods, student services and the administration of Concordia University. It provides students with orientation seminars, the handbook, and funds of various groups and associations. It is accredited since December 20, 2000, pursuant to *An Act Respecting the Accreditation and Financing of Students’ Associations* and is thereby recognized as the representative of its members and entitled to have its membership fees collected by Concordia University. The Union is a tax-exempt organization according to the *Income Tax Act*.

2. Accounting policies

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

Fund accounting

The Union follows the Restricted Fund of accounting for contributions.

The General Fund accounts for and reports all unrestricted operating activities of the Union. The activities include program delivery, administrative and general operations, and the management of an insurance plan.

The Student Center Fund accounts for all the revenues and expenses in connection with the future construction of the new building connected to the University. The fee levy for this fund was discontinued as of December 31, 2011.

The Student Space, Accessible Education, and Legal Contingency Fund was created as of January 1, 2012 (a fee levy of \$1.50 per credit).

An extract of the Special By-Law I describes this fund:

“The Council of Representatives of the Union is authorized to incur expenses from the Student Space, Accessible Education, and Legal Contingency Fund, with the utmost transparency and diligence, to:

- a) Carry out such studies, make such inquiries, retain such professionals, contractors and other service providers and make any decisions and enter into any transactions or agreements, and generally take any and all other actions that the Council of Representatives of the Union considers desirable from time to time in its discretion to improve the facilities available to students for use as student spaces, including without limitation:
 - (i) the construction, acquisition, disposal, replacement, renovation of, and/or repairs to, such lands and buildings (or parts thereof) located at one or more sites considered suitable by the Council of Representatives of the Union to serve as student centres;
 - (ii) acquiring, maintaining and/or disposing of ownership or other occupancy rights in such lands and buildings (or parts thereof) and the operation thereof, including without limitation the leasing, subleasing or use of space by persons carrying on commercial and/or non-commercial activities beneficial or useful to the students, engaging such contractors, building managers and other service providers desirable for the operation, maintenance, repair and/or renovation of such lands and buildings (or parts thereof) and including the payment of all fees and expenses associated with the foregoing (including for greater certainty any rents, taxes, management fees and other costs);
 - (iii) the obtaining of any financing (in capital and interest and secured or unsecured) contracted for the purposes set forth in this paragraph 4, according to terms and conditions determined by the Council of Representatives of the Union; and the use of the funds forming part of the Union Building Fund for any or all of the above purposes as may be authorized from time to time by the Council of Representatives of the Union;

2. Accounting policies (continued)

Fund accounting (continued)

- b) With permission of a two-thirds (2/3) majority vote of the Council of Representatives, to satisfy a judgment or to settle a legal action where the cost to the Student Union would compromise the general operations of the Union;
- c) Limited exclusively to the annual interest accrued on the fund from the previous fiscal year, for the provision of additional resources and to accommodate costs needed in case of a binding strike mandate approved by the membership at a duly convened Special General Meeting specifically for the purpose of protecting the accessibility of postsecondary education.”

In November 2016, the Council has decided to merge the Student Center Fund with the Student Space, Accessible Education, and Legal Contingency Fund. The fund was named Student Space, Accessible Education, and Legal Contingency.

Financial instruments

Financial assets and financial liabilities, except for accounts receivable – Concordia University, due from subsidiary and accounts payable – Concordia University, are initially recognized at fair value when the Union becomes a party to the contractual provisions of the financial instrument. Subsequently, all financial instruments are measured at amortized cost, except for the following instruments:

- a) Investment in the Concordia Community Solidarity Bookstore and CSU Daycare and Nursery which is measured at cost less any reduction for impairment.
- b) Investments in listed shares, which are measured at fair value at the non-consolidated balance sheet date. The fair value of listed shares is based on the latest closing price.

Interest earned on term deposit, dividends, unrealized gains and losses on listed shares and realized gains and losses on listed shares are included in other revenues in the non-consolidated statement of operations.

Transaction costs related to other financial instruments are added to the carrying value of the asset or netted against the carrying value of the liability and are then recognized over the expected life of the instrument using the effective interest method. Any premium or discount related to an instrument measured at amortized cost is amortized over the expected life of the item using the effective interest method and recognized in net earnings as interest income or expense.

With respect to financial assets measured at cost or amortized cost, the Union recognizes in net earnings an impairment loss, if any, when there are indicators of impairment and it determines that a significant adverse change has occurred during the period in the expected timing or amount of future cash flows. When the extent of impairment of a previously written-down asset decreases and the decrease can be related to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed to net earnings in the period the reversal occurs.

Cash and cash equivalents

Cash and cash equivalents comprise cash and short-term investments with a term to maturity of three months or less at the date of acquisition.

2. Accounting policies (continued)

Capital assets (continued)

Capital assets are recorded at cost. Amortization is based on their estimated useful life using the following methods and rates or terms:

Building improvements	Straight-line	Term of the lease
Computer equipment	Declining balance	30%
Office furniture and fixtures	Declining balance	20%
TV equipment	Declining balance	20%

They should also be tested for impairment.

Capital assets in progress are not depreciated until they can be operated in the manner intended by management.

Revenue recognition

The Union used the restricted fund method. Restricted contributions related to general operations are recognized as revenue of the General Fund in the year in which the related expenses are incurred. All other restricted contributions are recognized as revenue of the appropriate restricted fund.

Unrestricted contributions are recognized as revenue of the General Fund in the year received or receivable if the amount to be received can be reasonably estimated and collection reasonably assured.

Use of estimates

The preparation of non-consolidated financial statements in conformity 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 and disclosures of contingent assets and liabilities at the date of the non-consolidated financial statements and the reported amounts of revenue and expenses during the reporting period. Key components of the non-consolidated financial statements requiring management to make estimates include the useful life of long-lived assets and some provisions related to accrued liabilities. Actual results could differ from these estimates.

3. Accounts receivable – Concordia University

	2018	2017
	\$	\$
Accounts receivable	75,014	516,406
Special contribution	320,837 ⁽¹⁾	—
	395,851	516,406

⁽¹⁾ During the year, the Union signed a contract with the Concordia University to support the Union with the renovation costs of the Daycare project. The contribution is related to demolition costs and base building costs. An amount of \$320,837 is presented as an account receivable in the financial statements. Also, an additional amount related to contingency fees of up to 15% will be received when the project will be finished.

4. Investment in the subsidiary

CSU Daycare and Nursery

CSU Daycare and Nursery is incorporated under Part 3 of the *Business Corporations Act* (Québec), and was created with the sole purpose to operate a daycare center for children.

The financial summary of the subsidiary as at May 31, 2018 is as follows:

	2018	2017
	\$	\$
Statement of operations		
Revenue	185,455	90,000
Expenses	7,261	86,631
Excess of revenue over expenses	178,194	3,369
Balance sheet		
Total assets	182,908	22,500
Total liabilities	1,345	19,131
Net assets	181,563	3,369
	182,908	22,500

5. Capital assets

	2018			2017
	Cost	Accumulated amortization	Net book value	Net book value
	\$	\$	\$	\$
Building improvements	2,737,927	1,031,445	1,706,482	1,918,022
Computer equipment	303,516	235,275	68,241	91,917
Office furniture and fixtures	469,581	399,892	69,689	74,614
TV equipment	183,479	174,553	8,926	7,963
Capital assets in progress	303,734	—	303,734	167,700
	3,998,237	1,841,165	2,157,072	2,260,216

The net book value is presented in these two funds:

- Student Space, Accessible Education, and Legal Contingency Fund: \$385,257 (\$198,264 in 2017).
- Invested in capital assets: \$1,771,815 (\$2,061,952 in 2017).

6. Health and dental plan

The Council has decided to restrict the amount related to the administration of the Health and Dental plan. The balance will be kept in a reserve fund presented as Restricted cash in the balance sheet. The following figures show the plan's performance for the fiscal year:

	2018	2017
	\$	\$
Health and dental fees	3,574,563	3,794,368
Health plan premiums	3,296,567	3,610,955
Excess of revenue over expenses	277,996	183,413
Administrative fees	61,989	58,941
Reserve fund	216,007	124,472
Reserve fund – Beginning balance	247,170	122,698
Reserve fund – Ending balance	463,177	247,170

7. Internal allocation

During the year, the Council approved the transfer of an amount of \$664,309 (\$235,631 in 2017) from the Student Space, Accessible Education, and Legal Contingency Fund to the General Fund.

8. Commitments

The Union is committed under an operating lease contract effective from March 1, 2016 and expires on February 29, 2026. Future payments overall rental of \$697,500 and include amounts payable over the next five years:

	\$
2019	90,000
2020	90,000
2021	90,000
2022	90,000
2023	90,000

Also, the Council approved with a contribution of \$25,000 per year from 2020 to 2022 to help and support a public entity.

9. Financial instruments

Credit risk

The Union provides credit to its customers in the normal course of its operations. It carries out, on a continuing basis, credit checks on its clients and maintains provisions for doubtful accounts, if necessary.

Liquidity risk

The Union's objective is to have sufficient liquidity to meet its liabilities when due. The Union monitors its cash balances and cash flows generated from operations to meet its requirements. As at May 31, 2018, the most significant financial liabilities are the accounts payable and accrued liabilities and the health care plan liability.