

**Concordia Student Union -
Syndicat des étudiants et étudiantes de Concordia**
Non-Consolidated Financial Statements
May 31, 2024

Concordia Student Union - Syndicat des étudiants et étudiantes de Concordia

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For the year ended May 31, 2024

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To the Members of
Concordia Student Union - Syndicat des étudiants et étudiantes de Concordia

Opinion

We have audited the non-consolidated financial statements of Concordia Student Union - Syndicat des étudiants et étudiantes de Concordia (the Union), which comprise the non-consolidated balance sheet as at May 31, 2024, and the non-consolidated statements of operations, changes in net assets 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 Union as at May 31, 2024, and the results of its non-consolidated operations and its non-consolidated 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 Non-Consolidated Financial Statements section of our report. We are independent of the Union 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 not-for-profit organizations, 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 Union'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 Union or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Union'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 Union'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 Union'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 Union 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.

MNP LLP¹
MNP LLP

Saint-Hyacinthe, Québec
November 27, 2024

¹ By CPA auditor, public accountancy permit No. A128037

Concordia Student Union - Syndicat des étudiants et étudiantes de Concordia

Non-Consolidated Statement of Operations

For the year ended May 31, 2024

	<i>Student Space, Accessible Education, and Legal Contingency Fund</i>	<i>General Fund and Invested in capital assets</i>	<i>2024 Total</i>	<i>2023 Total</i>
Revenues				
Student membership fees	-	3,851,043	3,851,043	3,532,944
Student space fees	330,726	-	330,726	303,223
Health and dental plan fees (Note 7)	-	3,762,753	3,762,753	3,773,981
Deferred contributions related to capital assets (Note 6)	66,044	-	66,044	66,044
	396,770	7,613,796	8,010,566	7,676,192
Expenses				
Administrative	42,541	3,797,633	3,840,174	3,282,177
Financial	-	4,234	4,234	5,681
Amortization	256,477	288,100	544,577	546,041
Health plan premiums (Note 7)	-	3,989,986	3,989,986	3,728,426
Other expenses	257,230	-	257,230	760,251
	556,248	8,079,953	8,636,201	8,322,576
Deficiency of revenues over expenses	(159,478)	(466,157)	(625,635)	(646,384)
Other revenues and expenses	288,523	265,049	553,572	522,275
Deficiency of revenues over expenses	129,045	(201,108)	(72,063)	(124,109)

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

Concordia Student Union - Syndicat des étudiants et étudiantes de Concordia
Non-Consolidated Statement of Changes in Net Assets
For the year ended May 31, 2024

	<i>Student Space, Accessible Education, and Legal Contingency Fund</i>	<i>General Fund</i>	<i>Invested in capital assets</i>	<i>2024 Total</i>	<i>2023 Total</i>
Balance, beginning of year	11,357,740	1,823,143	473,617	13,654,500	13,778,609
Deficiency of revenues over expenses	129,045	61,382	(262,490)	(72,063)	(124,109)
Capital asset acquisitions net of internal allocation (Note 8)	(45,615)	42,853	2,762	-	-
Balance, end of year	11,441,170	1,927,378	213,889	13,582,437	13,654,500

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

Concordia Student Union - Syndicat des étudiants et étudiantes de Concordia

Non-Consolidated Balance Sheet

May 31, 2024

	2024	2023
Assets		
Current		
Cash	1,990,895	1,417,605
Restricted cash (Note 7)	316,682	543,915
Accounts receivable	55,389	95,688
Accounts receivable - Concordia University	696,577	596,302
Due from the subsidiary, non-interest-bearing	90,546	841
Due from not-for-profit organizations, non-interest-bearing	16,771	14,726
Prepaid expenses	84,774	79,243
	3,251,634	2,748,320
Investment (10 units of Concordia Community Solidarity Bookstore)	100	100
Portfolio investments	3,531,139	4,277,900
Capital assets (Note 4)	7,469,547	7,463,890
Intangible assets (Note 5)	206,186	85,367
	14,458,606	14,575,577
Liabilities		
Current		
Accounts payable and accrued liabilities	668,709	655,596
Health care plan liability	35,083	14,089
Government remittances payable	48,544	31,515
Canada Emergency Business Account loan, repaid during the year	-	30,000
	752,336	731,200
Deferred contributions related to capital assets (Note 6)	123,833	189,877
	876,169	921,077
Net assets		
Student Space, Accessible Education, and Legal Contingency Fund	11,441,170	11,357,740
General Fund	1,927,378	1,823,143
Invested in capital assets	213,889	473,617
	13,582,437	13,654,500
	14,458,606	14,575,577

Contingencies (Note 9)

Commitments (Note 10)

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

Approved on behalf of the Board

Director

Director

Concordia Student Union - Syndicat des étudiants et étudiantes de Concordia

Non-Consolidated Statement of Cash Flows

For the year ended May 31, 2024

	2024	2023
Operating activities		
Deficiency of revenues over expenses	(72,063)	(124,109)
Non-cash items:		
Amortization of capital assets	518,967	531,633
Amortization of intangible assets	25,610	14,408
Deferred contributions related to capital assets	(66,044)	(66,044)
	406,470	355,888
Net change in non-cash items related to operating activities	(106,121)	(303,450)
	300,349	52,438
Investing activities		
Purchase of capital assets	(524,624)	(260,323)
Purchase of intangible assets	(146,429)	(99,775)
Change in restricted cash	227,233	(45,555)
Change in term deposits	-	562,925
Change in portfolio investments	746,761	700,926
	302,941	858,198
Financing activity		
Repayment of Canada Emergency Business Account loan	(30,000)	-
Increase in cash	573,290	910,636
Cash, beginning of year	1,417,605	506,969
Cash, end of year	1,990,895	1,417,605

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

Concordia Student Union - Syndicat des étudiants et étudiantes de Concordia

Notes to the Non-Consolidated Financial Statements

May 31, 2024

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 the 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 Union applies the Canadian accounting standards for not-for-profit organizations.

Fund accounting

The General Fund accounts for and reports 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 operating of 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;
- 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;

Concordia Student Union - Syndicat des étudiants et étudiantes de Concordia

Notes to the Non-Consolidated Financial Statements

May 31, 2024

2. Accounting policies (continued)

Fund accounting (continued)

- 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 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 Fund.

Cash and cash equivalents

The Union's policy is to present bank balances under cash and cash equivalents, including bank overdrafts when bank balances that fluctuate frequently from being positive to overdrawn, and term deposits with a maturity period of three months or less from the date of acquisition.

Financial instruments

Initial measurement

The Union initially measures its financial assets and liabilities originated or exchanged in arm's length transactions at fair value. Financial assets and liabilities originated or exchanged in related party transactions, except for those that involve parties whose sole relationship with the Union is in the capacity of management, are initially measured at cost, with the exception of investments in equity instruments quoted in an active market, which are measured at fair value.

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

Subsequent measurement

The Union subsequently measures all its financial assets and liabilities at cost or amortized cost, except for investments in equity instruments that are quoted in an active market, which are measured at fair value. Changes in fair value of these financial instruments are measured in net income in the period incurred.

Financial assets and liabilities from a related party are measured at cost.

Other financial assets and liabilities are measured at amortized cost.

Transaction costs

Transaction costs attributable to financial instruments subsequently measured at fair value and to those originated or exchanged in a related party transaction are recognized in net income in the period incurred. Transaction costs related to financial instruments originated or exchanged in an arm's length transaction that are subsequently measured at cost or amortized cost are recognized in the original cost of the instrument. When the instrument is measured at amortized cost, transaction costs are recognized in net income over the life of the instrument using the effective interest method.

2. Accounting policies (continued)

Financial instruments (continued)

Impairment

For financial assets measured at cost or amortized cost, the Union determines whether there are indications of possible impairment. When there are, and the Union determines that a significant adverse change has occurred during the period in the expected timing or amount of future cash flows, a write-down is recognized in net income. If the indicators of impairment have decreased or no longer exist, the previously recognized impairment loss may be reversed to the extent of the improvement. The carrying amount of the financial asset may not be greater than the amount that would have been reported at the date of the reversal had the impairment not been recognized previously. The amount of the reversal is recognized in net income.

Capital assets

Capital assets are accounted for at cost. Amortization is calculated on their respective estimated useful lives using the following methods, rates and periods:

	Methods	Rates and periods
Building in progress	Declining balance	4%
Building improvements	Straight-line method	Term of the lease
Computer equipment	Declining balance	30%
Office furniture and fixtures	Declining balance	20%
TV equipment	Declining balance	20%
Leasehold improvements - Daycare	Straight-line method	Term of the lease
Equipment - Daycare	Declining balance	20%

Building in progress is measured at cost and amortized from the date it is put into service.

Intangible assets

Software is accounted for at cost. Amortization is calculated using the declining balance method at the rate of 30%.

Government assistance

Government assistance related to current expenses is included in the determination of net income for the period. The Union has elected to present it as a deduction from the related expenses.

The Union recognizes only the portion of the government assistance it expects to receive, provided there is reasonable assurance that it has complied and will continue to comply with the government assistance conditions.

Revenue recognition

Revenue recognition

Revenues are recognized when there is persuasive evidence that an arrangement exists, the price is fixed or determinable and collection is reasonably assured. Member fees are recognized as revenue proportionately over the fiscal year to which they relate.

Accounting for contributions

Contributions are recognized using the deferral method. Restricted contributions are recognized as revenue in the year in which the related expenses are incurred. Unrestricted contributions are recognized as revenue when they are received or receivable if the amount can be reasonably estimated and receipt is reasonably assured.

Contributions for the acquisition of depreciable long-term assets are recorded as deferred contributions and are amortized in the same manner as the related assets.

Concordia Student Union - Syndicat des étudiants et étudiantes de Concordia

Notes to the Non-Consolidated Financial Statements

May 31, 2024

2. Accounting policies (continued)

Use of estimates

The preparation of non-consolidated financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the amounts recognized as revenues and expenses for the periods covered. Actual results may differ from these estimates. The critical estimates relate to the useful lives of long-term assets and some provisions related to accrued liabilities.

3. Investment in the subsidiary

CSU Daycare and Nursery

The Union controls the CSU Daycare and Nursery because it appoints the majority of the board of directors. The 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 centre for children of student parents at Concordia University.

The controlled not-for-profit organization has not been consolidated in the Union's financial statements.

The financial summary of CSU Daycare and Nursery as at May 31, 2024, is as follows:

	2024	2023
Statement of Operations		
Revenues	691,001	705,086
Expenses	(876,526)	(767,752)
Deficiency of revenues over expenses	(185,525)	(62,666)
Statement of Financial Position		
Total assets	275,369	291,991
Total liabilities	222,367	53,464
Net assets	53,002	238,527
	275,369	291,991

4. Capital assets

	Cost	Accumulated amortization	2024 Net book value	2023 Net book value
Land	2,249,218	-	2,249,218	2,231,994
Building in progress	4,474,399	-	4,474,399	3,969,760
Building improvements	2,737,927	2,625,509	112,418	344,959
Computer equipment	385,767	356,803	28,964	38,026
Office furniture and fixtures	661,994	553,403	108,591	135,738
TV equipment	277,167	237,681	39,486	49,358
Leasehold improvements - Daycare	1,566,308	1,180,231	386,077	606,063
Equipment - Daycare	213,318	142,924	70,394	87,992
	12,566,098	5,096,551	7,469,547	7,463,890

Concordia Student Union - Syndicat des étudiants et étudiantes de Concordia

Notes to the Non-Consolidated Financial Statements

May 31, 2024

4. Capital assets (continued)

The net book value is presented in these two funds:

- Student Space, Accessible Education, and Legal Contingency Fund: \$7,255,658 (\$6,990,273 in 2023).
- Invested in capital assets: \$213,889 (\$473,617 in 2023).

5. Intangible assets

	<i>Cost</i>	<i>Accumulated amortization</i>	<i>2024 Net book value</i>	<i>2023 Net book value</i>
Software	246,204	40,018	206,186	85,367

6. Deferred contributions related to capital assets

Contributions received for the purchase of capital assets are recognized in the non-consolidated statement of operations using the same method and the same amortization rates used to amortize the related capital assets.

	<i>2024</i>	<i>2023</i>
Balance, beginning of year	189,877	255,921
Amount amortized to revenue during the year	(66,044)	(66,044)
Balance, end of year	123,833	189,877

7. 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 non-consolidated balance sheet. The following figures show the plan's performance for the fiscal year:

	<i>2024</i>	<i>2023</i>
Reserve fund - beginning balance	543,915	498,360
Health and dental fees	3,762,753	3,773,981
Administrative fees	60,000	61,000
Health plan premiums	(3,989,986)	(3,728,426)
Administrative fees	(60,000)	(61,000)
Reserve fund - ending balance	316,682	543,915

8. Internal allocation

During the year, the Council approved the transfer of an amount of \$45,615 from the Student Space, Accessible Education, and Legal Contingency Fund to the General Fund to finance General Fund (an amount of \$92,134 in 2023).

Concordia Student Union - Syndicat des étudiants et étudiantes de Concordia

Notes to the Non-Consolidated Financial Statements

May 31, 2024

9. Contingencies

The Union is currently facing a class action filed in Superior Court regarding allegations of anti-Semitic remarks and events at Concordia University. Neither the possible outcome nor the amount of possible settlement can be foreseen. Therefore, no provision has been recognized in the financial statements.

10. Commitments

The commitments of the Union under lease agreements aggregate to \$248,138. The instalments over the next two years are the following:

2025	169,149
2026	78,989

11. Financial instruments

Credit risk

Credit risk is the risk that one party to a financial asset will cause a financial loss for the Union by failing to discharge an obligation. The Union's credit risk is mainly related to accounts receivable.

The Union provides credit to its clients in the normal course of its operations. It carries out, on a continuing basis, credit checks on its clients and maintains provisions for contingent credit losses which, once they materialize, are consistent with management's forecasts. The Union does not normally require a guarantee.

Liquidity risk

Liquidity risk is the risk that the Union will encounter difficulty in meeting obligations associated with financial liabilities. The Union is exposed to this risk mainly in respect of its accounts payable and accrued liabilities and its health care plan liability.

Concordia Student Union - Syndicat des étudiants et étudiantes de Concordia

Non-Consolidated Additional Information

For the year ended May 31, 2024

Appendix A - Non-Consolidated Statement of Operations of 2023 (detailed by fund)

	<i>Student Space, Accessible Education, and Legal Contingency Fund</i>	<i>General Fund and Invested in capital assets</i>	<i>2023 Total</i>
Revenues			
Student membership fees	-	3,532,944	3,532,944
Student space fees	303,223	-	303,223
Health and dental plan fees (Note 7)	-	3,773,981	3,773,981
Deferred contributions related to capital assets (Note 6)	66,044	-	66,044
	369,267	7,306,925	7,676,192
Expenses			
Administrative	78,423	3,203,754	3,282,177
Financial	-	5,681	5,681
Amortization	265,600	280,441	546,041
Health plan premiums (Note 7)	-	3,728,426	3,728,426
Other expenses	760,251	-	760,251
	1,104,274	7,218,302	8,322,576
Deficiency of revenues over expenses	(735,007)	88,623	(646,384)
Other revenues and expenses	246,492	275,783	522,275
Deficiency of revenues over expenses	(488,515)	364,406	(124,109)