Conestoga Students Incorporated
Consolidated Financial Statements
For the Year Ended April 30, 2026

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Contents

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Independent Auditor's Report

To the Board of Directors of Conestoga Students Incorporated

Opinion

We have audited the consolidated financial statements of Conestoga Students Incorporated and its subsidiaries (the Organization), which comprise the consolidated statement of financial position as at April 30, 2026, the consolidated statements of operations, changes in net assets and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Organization as at April 30, 2026, and its consolidated financial performance and cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Organization in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with Canadian accounting standards for not-for-profit organizations, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Organization'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 Organization's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Organization to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

BDO Canada LLP

Chartered Professional Accountants, Licensed Public Accountants

Windsor, Ontario
August 27, 2026

Conestoga Students Incorporated
Consolidated Statement of Financial Position

April 30,		Operating Fund		Health Plan Reserve		Operating Fund Reserve		2026 Total		2025 Total
Assets										
Current										
Cash (Note 2)	$	17,262,656	$	-	$	-	$	17,262,656	$	18,493,221
Term deposits (Note 3)		-		3,799,913		3,463,932		7,263,845		6,987,373
Accounts receivable		63,698		-		-		63,698		75,246
Inventories (Note 4)		1,183,648		-		-		1,183,648		1,356,264
Prepaid expenses (Note 5)		1,684,797		-		-		1,684,797		5,143,942
		20,194,799		3,799,913		3,463,932		27,458,644		32,056,046
Tangible capital assets (Note 6)		321,604		-		289,321		610,925		769,476
	$	20,516,403	$	3,799,913	$	3,753,253	$	28,069,569	$	32,825,522
Liabilities and Net Assets										
Current										
Accounts payable and accrued liabilities	$	952,912	$	-	$	-	$	952,912	$	413,650
Government Remittances Payable		36,181		-		-		36,181		-
Deferred revenue		4,375,445		-		-		4,375,445		9,966,887
Interfund balances		1,189,797		(1,505,061)		315,264		-		-
		6,554,335		(1,505,061)		315,264		5,364,538		10,380,537
Net Assets										
Internally restricted (Note 7)		3,469,440		5,304,974		3,148,668		11,923,082		12,295,629
Internally restricted - tangible capital assets		321,604		-		289,321		610,925		769,476
Unrestricted		10,171,024		-		-		10,171,024		9,379,880
		13,962,068		5,304,974		3,437,989		22,705,031		22,444,985
	$	20,516,403	$	3,799,913	$	3,753,253	$	28,069,569	$	32,825,522

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

Conestoga Students Incorporated
Consolidated Statement of Changes in Net Assets

For the year ended April 30,	Operating Fund	Health Plan Reserve	Operating Fund Reserve	2026 Total	2025 Total
Fund balances, beginning of the year	$13,946,347	$ 5,176,114	$ 3,322,524	$22,444,985	$ 18,327,445
Excess of revenues over expenses	15,721	128,860	115,465	260,046	4,117,540
Fund balances, end of the year	$13,962,068	$ 5,304,974	$ 3,437,989	$22,705,031	$ 22,444,985

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

Conestoga Students Incorporated
Consolidated Statement of Operations

For the year ended April 30,	Operating Fund	Health Plan Reserve	Operating Fund Reserve	2026 Total	2025 Total
Revenue (Note 8)					
Student Services	$ 20,133,789	$ 128,860	$ 147,611	$ 20,410,260	$ 36,852,303
Student Experience	4,064,132	-	-	4,064,132	6,539,773
Operations	2,944,875	-	-	2,944,875	4,788,159
	27,142,796	128,860	147,611	27,419,267	48,180,235
Expenses					
Student services	19,808,249	-	-	19,808,249	33,783,248
Student experience	3,539,480	-	-	3,539,480	5,229,839
Operations	3,729,208	-	32,146	3,761,354	5,074,040
	27,076,937	-	32,146	27,109,083	44,087,127
Excess of revenues over expenses before other income	65,859	128,860	115,465	310,184	4,093,108
Other Income					
Gain (loss) on disposal of tangible capital assets	(56,116)	-	-	(56,116)	4,500
Other income	5,978	-	-	5,978	19,932
	(50,138)	-	-	(50,138)	24,432
Excess of revenues over expenses	$ 15,721	$ 128,860	$ 115,465	$ 260,046	$ 4,117,540

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

Conestoga Students Incorporated
Consolidated Statement of Cash Flows

For the year ended April 30,	2026	2025
Cash flows from operating activities		
Excess of revenues over expenses	$ 260,046	$ 4,117,540
Items not affecting cash:		
Amortization of tangible capital assets	102,435	121,414
Amortization of franchise fees	-	516
Loss (gain) on disposal of tangible capital assets	56,116	(4,500)
	418,597	4,234,970
Changes in non-cash working capital balances:		
Accounts receivable	11,548	142,180
Inventories	172,616	(1,314,583)
Prepaid expenses	3,459,145	1,313,541
Accounts payable and accrued liabilities	575,443	(2,037,417)
Deferred revenue	(5,591,442)	(3,334,457)
	(954,093)	(995,766)
Cash flows from investing activities		
Purchase of term deposits	(2,482,062)	(648,177)
Proceeds from term deposits	2,205,590	81,063
Purchase of tangible capital assets	-	(59,163)
Proceeds on disposal of tangible capital assets	-	4,500
	(276,472)	(621,777)
Net decrease in cash during the year	(1,230,565)	(1,617,543)
Cash, beginning of the year	18,493,221	20,110,764
Cash, end of the year	$17,262,656	$ 18,493,221

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

1. Summary of Significant Accounting Policies

Nature of Organization	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. The Organization controls a wholly-owned subsidiary, Conestoga Student Services Inc., which 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.
Basis of Accounting	The consolidated financial statements include the results of the entities described in the "Basis of consolidation" policy. Except for the provisions under the subsidiary standard, the consolidated financial statements have been prepared using Canadian accounting standards for not-for-profit organizations (ASNPO).
Basis of Consolidation	These consolidated financial statements include Conestoga Students Incorporated and Conestoga Student Services Inc., a wholly-owned subsidiary. All intercompany balances and transactions have been eliminated.
Controlled Entities	Controlled profit-oriented enterprises are consolidated in the organization's financial statements.
Fund Accounting	The Operating Fund reports the assets, liabilities, revenues and expenses related to the services provided for students. 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. The Health Plan Reserve is an internally restricted fund which the board has set aside for any shortfalls in the health plan.
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.

1. Summary of Significant Accounting Policies (continued)

Inventories

Inventories include raw materials used in profit-oriented activities and student frosh kits. Raw materials are stated at the lower of cost and net realizable value. Student frosh kits are measured at the lower of cost and current replacement cost. Cost is determined on the first-in, first-out basis.

Tangible Capital Assets

Tangible capital assets are recorded at cost. Amortization based on the estimated useful life of the asset is as follows:

	Method	Rate
Computer equipment	Declining balance	25%
Furniture and fixtures	Declining balance	10%
Office equipment	Declining balance	10 - 30%
Photography equipment	Declining balance	20%
Venue	Declining balance	10%
Vehicles	Declining balance	20%
Furniture and fixtures	Declining balance	20%

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.

Intangible Assets

Purchased intangible assets with finite useful lives are amortized over their estimated useful lives as follows:

	Method	Rate
Franchise Fee	Straight-line	3 years

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 parent Organization is a not-for-profit entity and is not subject to income taxes.

Conestoga Student Services Inc. the incorporated subsidiary uses the income taxes payable method of accounting for income taxes. Under this method, the Conestoga Student Services Inc. reports as an expense (income) of the year only the cost (benefit) of current income taxes determined in accordance with the rules established by taxation authorities

1. Summary of Significant Accounting Policies (continued)

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 inventories, 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 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.

2. Cash

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

3. Term Deposits

The Organization's short-term investments are held at one chartered bank in Canadian cashable guaranteed investment certificates bearing interest at 0.45% to 5.00% (2025 - 0.05% - 6%) and maturing between May 2026 and March 2029. Included in these guaranteed investment certificates are $3,178,702 (2025 - $3,178,702) that have interest rates that increase and decrease over their three year term.

The $3,799,913 (2025 - $3,452,302) of short-term investments held under the Health Plan Reserve consists of $3,482,662 (2025 - $3,346,258) categorized as Health Plan short-term investments and $317,251 categorized as International (CIHIP) Health Plan short-term investments.

4. Inventories

	2026	2025
Student frosh kits	$ 1,148,470	$ 1,323,869
Raw materials	35,179	32,396
	$ 1,183,649	$ 1,356,265

5. Prepaid Expenses

	2026	2025
Student health plan	$ 1,627,226	$ 5,054,500
Other prepaid expenses	57,571	89,442
	$ 1,684,797	$ 5,143,942

6. Tangible Capital Assets

	2026		2025	
	Cost	Accumulated Amortization	Cost	Accumulated Amortization
Operating Fund				
Computer equipment	$ 1,185	$ 1,121	$ 1,185	$ 1,099
Furniture and fixtures	79,648	45,995	294,059	203,071
Office equipment	184,196	144,996	187,736	143,611
Photography equipment	-	-	23,585	23,175
Vehicles	831,367	582,680	831,367	520,509
	1,096,396	774,792	1,337,932	891,465
		$ 321,604		$ 446,467

Operating Fund Reserve				
Office equipment	$ 99,449	$ 74,052	$ 164,826	$ 135,065
Furniture and fixtures	213,953	167,507	213,953	162,347
Venue	1,101,232	883,754	1,101,232	859,590
	1,414,634	1,125,313	1,480,011	1,157,002
		$ 289,321		$ 323,009

Amortization expense for the year is $102,435 (2025 – $121,930) which is included in academic support services.

7. Internally Restricted Funds

The following items have been internally restricted (under the Operating Fund) by the Board of Directors for the following initiatives:

Future capital projects	$ 2,860,458
2026 stability funding	608,982
Total funds reallocated to the 2026-2027 budget	$ 3,469,440

8. Economic Dependence

The Organization derives 75% (2025 - 75%) of its revenue from student fees levied through Conestoga College Institute of Technology and Advances Learning.

9. Income Taxes

Conestoga Student Services Inc. has available to it losses of approximately $493,000 which can be used to reduce income taxes in future periods which expire 2046. These tax benefits have not been recognized in the financial statements.

10. Financial Instruments

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, term deposits 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. The Organization's financial instruments that are exposed to concentrations of credit risk relate primarily to its accounts receivable which is primarily due from Conestoga College.

Liquidity risk

Liquidity risk is the risk that the Organization will encounter 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. The Organization is exposed to this risk mainly in respect of its accounts payable and accrued liabilities.

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 interest rate risk on its term deposits. The Organization holds investments which involves risk of price changes due to, without limitation, such factors as interest rates and general economic conditions.

The exposure to the above risks remain unchanged from the prior year.

11. Comparative figures

The prior year balances have been reformatted to the current year presentation.

Conestoga Students Incorporated
Consolidated Expenses

For the year ended April 30,	2026	2025
Student services		
Health plan	$17,395,975	$ 30,071,992
Food service salaries	587,233	701,505
Food and beverage cost	520,939	632,474
Salaries	497,858	766,348
Wages - part time	360,203	309,774
Welcome kits	218,208	525,808
Food service operations	112,670	180,533
Transportation services	61,753	375,964
Funding support	30,000	93,800
Pita Pit operations	23,410	29,532
Wellness services	-	95,518
	$19,808,249	$ 33,783,248
Student experiences		
Salaries - full time	$ 1,549,849	$ 1,818,108
Student events	640,672	721,303
Advocacy and governance	434,209	613,273
Wages - part time	367,614	851,215
Student spaces	199,543	235,803
Student led programs	108,881	147,539
Student nutrition access program	91,780	605,443
Marketing	64,453	116,464
Student development	49,657	73,531
Production	32,822	38,959
Operational committee initiatives		8,197
	$ 3,539,480	$ 5,229,835
Operations		
Salaries - full time	$ 1,848,658	$ 2,974,357
CSI operations	1,036,962	516,289
Wages - part time	615,401	1,252,239
Corporate compliance and insurance	182,817	179,689
Human resources	77,516	151,465
	$ 3,761,354	$ 5,074,039