

Report of the
National Treasurer

Thunder Bay
May 1994

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BACKGROUND FINANCIAL INFORMATION

HISTORY

The Canadian Federation of Students (-Services) was founded in 1981 to unite under a single name (and membership structure) the National Services, Political, and Provincial student organizations. Each of these Components were separately incorporated and a fee was established at \$3.00 CFS National and \$1.00 Canadian Federation of Students-Services, and a varying provincial fee as determined by the provincial membership.

STRUCTURE

The Canadian Federation of Students and the Canadian Federation of Students-Services operate as independent entities under the direction of the National Executive and the membership. Maintaining independence accommodates the difference in the operational nature and staff structure of the two organizations: as well as, protects the Canadian Federation of Students from the solvency risk inherent in the business of the Canadian Federation of Students -Services. The Canadian Federation of Students-Services is based upon a group of programmes operating in a market-place environment exclusive of sales and operational cost forecasts reported in the Estimates document. This is a financial dynamic which differs significantly from the Canadian Federation of Students which operationally relies on membership fees and transfers for the yearly budget. Because of this significant difference in dynamic, the financial mandate of each organization differs significantly.

However, there still exists, for practical purposes, a strong financial relationship between the Canadian Federation of Students and the Canadian Federation of Students-Services. On occasion, the membership has transferred monies to cover operational deficits for Canadian Federation of Students. Presumably, should the occasion ever exist, it is possible that a reverse transfer could be made in order to support an operational deficit in Canadian Federation of Students-Services. To date, such a case has simply not occurred. This financial inter-relationship recognizes that certain areas of operations are beneficial to both incorporated entities, for example, fieldworkers represent both the Canadian Federation of Students and the Canadian Federation of Students-Services to members, costs associated with General and National Executive meetings, and costs associated with referenda held across Canada. In addition, the members have transferred monies from the Canadian Federation of Students-Services and Travel CUTS based upon revenue earned through the sale of International Student Identity Cards (ISIC) to the Canadian Federation of Students.

Both the budgets of the Canadian Federation of Students and the Canadian Federation of Students-Services are under the democratic control of the membership. Prior to the May meeting, draft budgets are prepared in consultation with Ottawa and Toronto staffs, and the National Executive. Particular care must be taken to ensure that the market forces facing Canadian Federation of Students-Services are taken into account when establishing the Services annual budget. Following, in May, Budget Committee meets to recommend the year's Budget allocations to Plenary. It then becomes the responsibility of the National Executive and the management of Services to administer the budgets in such a way as to reflect the will of Plenary.

In addition to these relationships between the Canadian Federation of Students and the Canadian Federation of Students-Services there also exists a financial relationship with Travel CUTS, the wholly owned subsidiary of the Canadian Federation of Students-Services. Because regulations governing the travel industry prohibit not-for-profit associations from selling travel products, CUTS exists as a separately incorporated commercial entity and must maintain an arms length relationship with the Canadian Federation of Students-Services. There are, however, two significant inter-company transactions which must be noted: a referral fee and an arrangement with respect to advertising.

Referral Fee

In 1980, Revenue Canada authorized a referral fee to be paid to the Association of Students' Councils (AOSC, now the CFS-Services) from Travel CUTS on the assumption that the student business conducted by CUTS was referred by the AOSC (CFS-Services). As a result of this agreement, the Canadian Federation of Students-Services is entitled to receive 1% of CUTS' gross student sales. Further, the Canadian Federation of Students-Services is permitted to charge CUTS 50% of the price charged to arms-length parties for advertisements in the Canadian Federation of Students-Services' publications (e.g. the Students Traveller).

Share Purchases

In order to optimize the benefit of the Agreement, the maximum allowable amount of the referral fee is transferred from CUTS to the Canadian Federation of Students-Services each year. The result seriously depletes CUTS' overall capital position and requires a means by which to re-capitalize the company in order to meet the requirements of the travel industry

regulations. Each year this is accomplished by the purchase of additional shares in CUTS by the Canadian Federation of Students-Services.

The Canadian Federation of Students

The financial structure of the Canadian Federation of Students is relatively simple. There are only two sources of revenue: membership fees and Canadian Federation of Students-Services transfers. Spending priorities for the Canadian Federation of Students are democratically determined by the membership at General Meetings. Currently, expenditures are made in the areas of: staffing, campaigns, component allocations, international relations, national office operations, constituency groups, general and national executive meetings, and communications. Some spending allocations are pre-determined through contractual obligations, such as: rent, office equipment leases, and salaries. It is the budget allocations of the Canadian Federation of Students that most directly impact on the lobby/campaign work of the Federation.

Long Term Financial Planning
The Canadian Federation of Students

The status of the financial situation of the Canadian Federation of Students has been, to say the least, a point of vigorous debate among the members of the Federation over the past three years. However, in an attempt to raise all participants of the debate to a common level of understanding, the following information was distributed to members of the National Executive in September 1993.

Establishing the Starting Point

Since the fiscal year ending 1990, CFS has incurred successive operating deficits. The trend was somewhat upset in the fiscal year ending 1993 with the achievement of a break-even year of operations. However, there continues to be a question of an accumulated deficit exceeding \$100,000. The result of this accumulated deficit is that CFS is in an equity (or capital) deficient situation.

Is the Canadian Federation of Students in a poor financial position?

The simple answer to this question is "yes". However, it hardly delves deeply enough into the problem to address the real decisions which will have to be made by the membership as we attempt to improve the situation in the next few years. In many ways, the CFS has been behaving like a credit card user over the past two/three years. Most members will be familiar with the following scenario:

A student has a VISA card. In an attempt to make ends meet, pay tuition, damage deposits, books, etc., the student uses her VISA from the end of August until Student Loans are available in September. However, the student quickly finds that she does not have enough money to pay for everything necessary for school and still payoff the VISA card. As a result, the student has incorporated her credit limit as part of her normal resources. When unable to repay the VISA bill, the student finds that she is in a position of maintaining a loss over the year-- until such a time as she can repay the VISA bill.

Like this student, for the fiscal years 1990-1992, the CFS maintained an operating deficit. This operating deficit means that we simply spent more money than we collected in revenue. In order to finance this overspending, the Federation has come to rely on a bank loan (or line of credit) and the Canadian Federation of Students-Services.

Is a deficit a bad thing?

A deficit is not inherently evil, but it does compromise the financial autonomy of the Federation and negatively impact upon our ability to manage our cashflow cycle. For example, in a typical year, the Federation begins its fiscal year July 1. However, no substantial membership fees will be collected until November 1. It is not reasonable to expect that the Federation simply cease all operations over the summer, so it becomes necessary to find outside sources of funding for four (4) months. A financial model of this would look like the following example:

Expenses July 1 - October 31 = \$80,000/month, totalling \$320,000

1 Income July 1 - October 31 = \$0

Outside source would therefore need to supply \$320,000 in order to maintain the operations of the Federation over these cash weak periods.

In addition, any deficit from the previous year also acts in a cumulative way; thus, the borrowing requirements for 1993 have been $\$320,000 + \$114,000 = \$434,000$. Prior to 1991, the need for the same dollars existed, however, the Federation maintained an equity surplus of nearly \$200,000 in addition to a \$120,000 demand loan from the Toronto Dominion Bank. Currently, to meet the need for outside revenue over periods of cash weaknesses, the Federation is forced to borrow from CFS-Services as the current demand loan has been reduced to \$70,000.

To Whom do we owe Money?

Over the course of the year, the actual debt of the CFS will fluctuate according to cashflow. However, in immediate terms, the most pressing concern is monies owed to the Toronto Dominion Bank for our demand loan (line of credit). Of course, the amount owing will also fluctuate over the course of the fiscal year as membership fees are received. In the fiscal year 1992 there was rarely a time period in which at least \$100,000 was not outstanding to the Bank. Should this demand loan be called in the Federation would be liable for all outstanding loans. Due to decreased credit availability, the demand loan is held to \$70,000 currently. Again, if the loan were called we would be liable for the total amount outstanding as well as the ongoing costs of operations. Shortfalls in cash due to limited lending means that additional cash must be sought from the CFS-Services (which in turn means borrowing from Travel CUTS) which is later offset against shared costs.

The important question to whom we owe is as relevant as the overall question of how we ensure that funding is available at all times of the cash flow cycle. Ultimately, the Federation's finances are most secure if there is a well maintained contingency fund. The auditor's notes to the 1992 audit sum up the situation well:

These financial statements have been prepared on a going concern basis which contemplates that the Organization will be able to realize assets and discharge liabilities in the normal course of operations. The Organization has incurred expenses in excess of revenues in each of the past two fiscal years and has an accumulated deficit and working capital deficiency at June 30, 1992. The organization's ability to continue operations is dependent upon its ability to obtain financing through external sources, and upon the success of future operations.

Although the fiscal year ending June 30, 1993 was essentially break even, it is crucial to realize that this does little to correct the current financial problem. Unless there is a concerted and successful attempt to have excess revenue over expenses then there can be no improvement over the past financial performance of the Federation. Future budgeting and financial planning must look beyond a single year of operations.

What is the current impact of the Demand Loan on Federation finances?

As noted above, the Federation has been financing nearly 10% of its annual expenses through the use of a credit line with the bank (for 1993-94 this has decreased somewhat due to decreased lending levels). Such a situation negatively impacts the Federation's finances in several ways:

1. *It creates a reliance on an income source that is in no way secure.*
2. *The Federation's reliance on credit means that high interest is continually incurred on a substantial amount of money.*
3. *The Federation fails to reduce its operations (or significantly increase revenue) by the amount of over expenditure as long as outside financing is available.*

Ultimately, the Federation needs to build a substantial contingency fund which ends our reliance on outside financing (i.e. the bank)-- how the building of that contingency is achieved is the primary debate and decision which must be taken by this executive and recommended to the membership.

What happens if the demand loan is revoked?

As already noted, the Federation has come to heavily rely upon the external funding of the Bank. The loss of the credit line would force the Federation not only to pay immediately the \$70,000 owing, but also to secure another source of funding. Already the trend has been to increase the pressures on the CFS-S. However, the report from Arthur Andersen assessing the equity needs of the CFS-S clearly demonstrates that this in and of itself will not provide a long term or successful solution to the financial problems faced by the CFS.

Why would the CFS-S and Travel CUTS be considered insecure sources of income?

The answer to this question is risk. Both the CFS-S and Travel CUTS operate in a market environment. Such an environment means that there are several "scenarios" which can occur at any given time which can effectively limit the ability of either organization from being in any position to support the CFS through periods of cash weakness. Further, both Travel CUTS and the CFS-S have significant equity needs of their own. As of May 1993 the membership reaffirmed its commitment to ensuring that the CFS-S maintains, in cash, its share purchase agreement with Travel CUTS (further detail included in the Travel CUTS section of this report).

So where do we go from here?

This is really the fundamental question facing the Federation at this point in time. The National Executive has established "surplus" levels to be attained in the next five (5) years, which are as follows:

1994-95	1995-96	1996-97	1997-98	1998-99
\$40,000	\$50,000	\$50,000	\$50,000	\$50,000
Net	(\$74,000)	(\$24,000)	\$26,000	\$76,000

The estimates for 1994-95 have been built upon the assumption that the following targets will be endorsed by the membership. It should also be noted that there is the potential of eliminating the current operational deficit through one year; however, the National Executive felt that such an action could potentially damage the yearly operations of the Federation.

Long Term Planning
Canadian Federation of Students -Services

Report Issued by: Arthur Andersen

Introduction to Report

Upon the completion of the 1993 audit, Arthur Andersen recommended that the membership of the Canadian Federation of Students- Services undertake a review of the programmes in regards to basic questions of risk management and capital requirements. As a result of this recommendation, a study was undertaken and the results follow in this section of the Treasurer's Report.

It should be noted, that further work needs to be done in terms of assessing specific direction for our larger programmes (specifically, Health Insurance). The Report, as requested from Arthur Andersen, provides only an initial summary of areas of concern with limited direction to the membership. It is important to recognize that the Report indicates a need for our organization to approach programmes from a longer-term view than simply one fiscal year.

Financial Relationship with Travel CUTS

**Report is updated from the
Original (issued April 1993)
by the Treasurer and President of CUTS**

**All changes pertain to the most recent
audited statements and statutory changes.**

Travel CUTS' Board of Directors 1993-94

Jaimie McEvoy, Travel CUTS Chairperson

Sandra Rein, Board of Directors Treasurer

José François, member-at-large

Robin Squires, member-at-large

Carl Gillis, member-at-large

Robert Keddy, CUTS Staff representative

Joanne Taylor, CUTS Staff representative

Rod Hurd, President Travel CUTS (exofficio)

David Jones, Executive Director CFS-S (exofficio)

What is Travel CUTS?

The national student organization has been providing travel services to Canadian students for more than 30 years, first as a function of the National Federation of Canadian University Students (NFCUS), as its successor CUS, and then as the Association of Student Councils (Canada) (AOSC). In 1974, changes to government and licensing regulations required the incorporation of Canadian Universities Travel Service (Travel CUTS/Voyages Campus) to continue this function.

In 1982, the national student movement was organized to become the Canadian Federation of Students (CFS) and the Canadian Federation of Students-Services (CFS-S), two separate incorporations with congruent membership, and today Travel CUTS is wholly owned by CFS-S.

Travel CUTS is one of the last remaining student-owned travel companies in the world, currently providing travel services annually to approximately 200,000 Canadian Students through 38 offices across Canada, employing over 170 full time staff, Travel CUTS also owns "Senate Travel" and "Travel CUTS-United Kingdom."

How does CUTS contribute to the Student Movement?

In addition to providing literally millions of dollars to Canadian students in savings on airfares, etc, Travel CUTS has contributed heavily to the financial support of the Canadian student movement by providing both cash support to the movement in times of cash flow weakness, and capitol to support existing operations.

The capital support is provided directly to CFS-S by means of a payment of 1% of all sales to students (termed a referral fee). CFS-S, in return makes a share purchase in Travel CUTS in order to improve the company's equity position so that it may continue to maintain its operations.

TOTAL TRANSFERS BETWEEN TRAVEL CUTS AND CFS-S SINCE 1982

	1982-1990	1991	1992	1993	TOTAL
Referral Fee	2,430,000	379,839	386,000	413,000	3,610,000
Dividend	180,000				180,000
Cross Support	744,000	230,000	175,000	160,000	1,309,000
Total To CFS-S	3,354,000	609,000	561,000	575,000	5,099,000
Reinvested in CUTS (SHARE PURCHASE)	1,755,000	335,000	345,000	370,000	2,805,000
				NET	2,294,000
CFS-S Membership Fees	1982-1993				2,030,000

Why Should I be concerned about Travel CUTS finances?

After a reasonably strong financial performance for several years, CUTS has essentially moved from a break-even position to a deficit for the year ending June 30, 1992. In addition, the Canadian Federation of Students also had moved from a surplus position to a deficit position for the same fiscal year and the Canadian Federation of Students-Services has continued to demonstrate an increasing need for capitalization in its growing programmes. Although there has been a relative decline industry wide, some of the longer term problems facing Travel CUTS have merely been exasperated by a poor financial performance for the past years and the increasing need for additional resources for the Canadian Federation of Students and the Canadian Federation of Students-Services. It also indicates that CUTS as a whole needs to focus much more upon cash management as well as the building of a stable base upon which the Company may continue to build.

So why should you care? As student owners, it is our responsibility to ensure that this business/service continues to be available to students across Canada. Further, a financially sound Company will allow CUTS to continue to provide financial support to the student movement.

So, What's the Problem?

The increased reliance of the Federation as a whole on the financial resources of Travel CUTS combined with its own capital requirements have left the company with significantly reduced levels of working capital. Notably, although the Federation membership has continually reaffirmed the need for a reinvestment of the Finder's Fee in order to recapitalize Travel CUTS the real resources have not been available to complete the entire share-purchase at year end. The past three fiscal years bear-out this trend:

Share Purchase Shortfall Schedule

	1982-1990	1991	1992	1993	Total
Share Purchase Actual available Resources	1,755,000	335,000	345,000	370,000	2,805,000
	1,655,000	288,000	134,000	247,000	2,324,000
Shortfall	100,000	147,000	211,000	123,000	481,000

Shortfall continues to grow.

The shortfall which has resulted between the share commitment by CFS-Services compared to the resources actually available at year-end to make the purchase has created an on-going situation of undercapitalization for Travel CUTS.

Further to the need for working capital, Travel CUTS is also required to maintain an adequate equity base in order to fulfil the mandate of our credit institution and the international licensing board. The legal requirements for capital retention are summarized below:

Minimum Legal Requirements

IATA-International Air Transport Association

Travel CUTS is required to maintain paid-in capital and working balances to ensure its ability to maintain IATA licenses throughout the year.

(a) Minimum paid in Capital

\$35,000 plus \$5,000 per branch is required as a minimum, for a total of \$35,000 (CUTS UK) and \$35,000 (CUTS Canada) plus 34 branch offices x \$5,000/ea. = \$240,000.

(b) Ratio Tests

IATA and other licensing bodies have a series of ratio tests to judge financial reliability. These include:

1)	Current Ratio	$\frac{\text{Current Assets}}{\text{Current Liabilities}}$
2)	Quick Ratio	$\frac{\text{Cash & Accounts Receivable}}{\text{Current Liabilities}}$
3)	Activity Ratio	$\frac{\text{A/c Recvable & # Days Operation}}{\text{Gross Sales}}$
4)	Debt Ratio	$\frac{\text{Total Debt}}{\text{Net Tangible Assets}}$
5)	Profitability Ratio	$\frac{\text{Net Profit After Tax} \times 100}{\text{Tangible Net Worth}}$

Travel Cuts and its shareholders, CFS-S, are required to guarantee that there will be no withdrawals by or payments to the shareholder which would result in the impairment of the capital requirements or a drop in the 15 point requirement of the ratio tests at any time.

The requirements of the governments and SATA/ISTC are similar to IATA requirements.

As at June 30, 1992, the company appears to score 15 points on of 30 possible which is the minimum requirement for approval. As at June 30 1993, the company appears to score 18 points. However the company's owner CFS-S only scores 14 points.

The problem arises as CFS-S has been eroding its capital base (fund balance) to about 500,000 below its "paper" investment in its wholly owned subsidiary (Travel CUTS, Ltd.). Any knowledge of CFS-S

financial position on the part of licensing authorities would put CUTS' approval in doubt.

In addition, Travel CUTS' score 18 points is only made possible by its classification of a \$750,000 bank loan as long term debt. The bank wishes to maintain a 3:1 debt to equity ration to continue the loan and has requested CFS-S statements to be included in the evaluation process.

The Seasonal Business Cycle

The seasonal business cycle of Travel CUTS means that Travel CUTS operates at a loss for a portion of the year even when it is fortunate to wind up the year-end with a "book" profit. Calculated simply, the business regularly produces about 40% of its sales in the six months July to December, 17% of its sales from January to March, and 43% of its sales from April to June.

This year, with a relatively tight budget, the operating losses are budgeted to reach \$900,000-plus (\$700,000 Canada + \$200,000 UK) by the February/March period.

Thus, the company's stated equity showing at \$2,641,000 at June 30th is reduced substantially:

Stated equity	2,641,000
CFS-S Tangible gap	(500,000)
Travel CUTS' gap	(900,000)
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Almost all of this 1,241,000 is held in fixed assets.

The reduction in equity means that the working capital of the company is reduced substantially from a high of approximately \$2,304,000 in June to a low of 100,000.

Start	2,304,000
Reduction in equity	(1,400,000)
Current bank loan	(800,000)
<hr/>	
Current capital	104,000

This seasonal fluctuation means that we may not pass the ratio tests in low season.

Further Complications

Travel CUTS has further restraining commitments which do not appear on the balance sheet per se but further complicate the mobility of cash:

- (a) Receivable "lag" of about \$300,000 +.
- (b) The requirement of law to keep monies in Trust in Quebec and B.C. (\$1,000,000 to \$3,000,000 out of immediate circulation). In addition Travel CUTS needs to anticipate the potential increase of bonding/trust requirements now under consideration for the Province of Ontario and in the U.K.

- (c) Performance deposits and bonds with airlines to back up arrangements (approximately \$1,000,000-plus). The increasing insecurity of various airlines is forcing an attempt to secure bonds for air tickets issued to Travel CUTS. An inability to purchase the necessary bond (generally issued on a 1:1 ratio) would literally terminate Travel CUTS' ability to negotiate exclusive student tickets with the various airlines (e.g. Air Canada, British Airways, Canadian, Varig, and Lufthansa).

Summary

Travel CUTS therefore faces two problems:

- 1) Cash flow in the low season
- 2) Insufficient long term capital to ensure the continuity of business.

The cash flow gap of \$1,200,000 to \$2,000,000 is at the amount being covered by a bank loan and more significantly a delay in payable to Air Canada and Canadian for student tickets. However, a recent decision on the part of IATA/SATA to implement an increased tracking system on student tickets will potentially eliminate much of the payable which CUTS has been able to employ as a means of maintaining working capital.

Further, the bridging loan from the bank is only secure against the value of property (187 College Street in Toronto at \$800,000) and further loans from the bank depend heavily on the quarterly balance sheet performance. The delayed payable approach is not secure in that the bonding can diminish its liquidity and the current confidence in continuing the student ticket arrangement is increasingly compromised by IATA interference and the current financial crises in Air Canada and Canadian Airlines. It is reasonable to expect that the current level of instability between Canadian and Air Canada will continue into the next fiscal year. The increased dependence on domestic ticket sales and the potential loss of an airline necessitates the provision of working capital in order to protect both Travel CUTS and the student passengers it serves.

Increasing long term capital is the logical solution and an amount of about \$1,300,000 would be needed to reach a secure level for 1994-95.

Self-Generated Capital

When CFS and CFS-S were created in 1982, Travel CUTS continued to support CFS-S with profits earned. The "real" value of these profits paid to CFS-S through referral (finder's) fees and providing financial support for other income and expenses through ISIC, SWAP, and Administration is approximately \$5,000,000 of which CFS-S has agreed to reinvest \$2,800,000 in share purchases, but have been about \$400,000-\$500,000 short. The balance (\$2,300,000 +) has been spent by CFS-S services including payments to CFS to sustain existing operations. To recapitalize the Federations must reduce their overall dependency on the financial resources of Travel CUTS.

What's the Solution?

In order to address the growing concern over the capital position of CUTS, the Board of Directors have implemented (as of April 1993) the following decisions in the interests of best safeguarding Travel CUTS:

1. The Board will endeavour to secure 1/3 of the Travel CUTS annual expenses in reserve in order to meet capital requirements as outlined above. One-third has been established as the dollar figure to be set up against the capital requirements and risk associated with owning a travel company. It should be emphasized that the target of 1/3 expenses has not been reached in the two fiscal years in which the gap between the required level of reserve and the actual resources available was as follows:

	1991	1992	1993
capital requirement	3,198,000	3,390,000	3,479,000
actual capital retained	2,290,000	2,297,000	2,641,000
Shortfall	<u>(96,000)</u>	<u>(384,000)</u>	<u>(439,000)</u>
	2,194,000	1,913,000	2,202,000
Gap	1,004,000	1,477,000	1,277,000

2. The Board will endeavour to ensure repayment of all outstanding loans from due to Travel CUTS by CFS-Services at December 1 of each fiscal year. Further, for sound accounting, and to avoid potential tax liability, all future lending will be documented, have interest applied, and have established terms of repayment.
3. Before future lending to the Canadian Federation of Students-Services will be undertaken, the Board will request that CFS-Services cashflow requirement and expectations be submitted to the Board for review prior to May 31 of each year.
4. In order to clarify the financial relationship between CUTS and CFS-Services, expenses for shared facilities and services will be paid on the basis of the actual expense incurred. As a result, the budgets for CUTS and CFS-Services will be built around the real costs of operation.
5. ISIC and SWAP income will be attributed at a rate of 50% to CFS-Services and 50% to Travel CUTS. Liability for shortfall in each of these areas of operation will also be shared at 50%. Accounting income and liability in this way reflects more accurately the expense incurred by each organization for the operation of these programs.

In addition to the Board undertaking these steps, the Directors also made the following recommendations to the membership:

1. Members must make a firm commitment to ensuring that the resources are available to reinvest 90% of the Finder's Fee at the end of each year. In order to fulfil this commitment, the CFS-Services budget must reflect a year-end surplus which enables the share purchase.
2. Members must approach financial planning for the Federations on the basis of both financial administration and long term equity needs for all programmes and operations. This will necessarily involve the careful consideration of both cashflow management as well as capital needs.

Auditor's Comment on Amalgamation

Overview

Recognizing that the whole issue of Amalgamation would be revisited at this General Meeting, I submitted the following letter to Ken Morell of Arthur Andersen & Co.

Mr. Morell has worked with the CFS and the CFS-Services since their formation. Notably, it was Mr. Morell who negotiated the first Bank financing arrangement for the CFS. I should also note that Mr. Morell has attended CFS(S) General Meetings and is very familiar with our structure as it was originally formed and as it has more recently evolved.



Arthur Andersen & Co.

Ken Morell

Toronto, Ontario

BY FAX

March 14, 1994

Dear Ken,

I am writing to you in the hopes of receiving your professional analysis in regards to a proposed structural change to the Canadian Federation of Students -Services. At our last General Meeting in May of 1993, the membership referred a question to the National Executive concerning the winding-down of CFS-Services and the transfer of all assets to the Canadian Federation of Students. In addition to seeking a legal opinion on these issues, I am very interested in the financial/accounting/business implications of such a membership decision within our organization. As a result, I was hoping that you would offer comment on the following four areas of concern:

1. Accounting/Reporting
2. Taxation and Non-Profit Status
3. Commercial Risk/Legal Liability
4. Financing/Banking

If you require more information, please do not hesitate in contacting me at the number listed below. Thank you for your time and attention in this matter.

Sincerely,

Sandra Rein
National Treasurer

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March 28, 1994

Arthur Andersen & Co.
Chartered Accountants

PRIVATE & CONFIDENTIAL

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Dear Sandra:

We are writing to you in response to your letter of March 14, 1994. The questions that you have asked us to comment on are quite complex and would require more detailed analysis than what we will provide here. We have, however, provided some initial thoughts in this letter to you.

We have provided certain comments on the issue of winding-down of CFS-Services ("CFSS") and the transfer of all assets to the Canadian Federation of Students ("CFS") under the following categories:

(a) Accounting/Reporting/Management:

The effect of amalgamating these entities should theoretically not affect the accounting for, the reporting of and the management of the various separate activities that are currently carried out.

What sometimes occurs in an amalgamation of legal entities, however, is a blurring of accountability and a breakdown in control. For this reason, most organizations separate, not integrate, the accounting and reporting activities of its separate organizational units as they grow. Both CFSS and its subsidiary, Canadian University Travel Services ("CUTS") have organized their affairs to separately track operating activities regardless of the legal entity status of each. In the past, however, CFS has experienced significant difficulties in its accounting and reporting functions. We would, therefore, be concerned that an amalgamation of these two entities would bring with it a merging of accounting and reporting responsibilities with an uncertain outcome. For example, it is a fact that the financial reporting of CFS' affairs have at times taken several months after year-end to figure out. A similar situation in CFSS and/or CUTS could threaten the continuation of commercial activities - the operating results, the financing needs and resultant risks involved are complex and need to be known and acted upon in a real-time fashion. This has become apparent over the years as CFSS/CUTS commercial activities evolved from being fairly small to the current combined approximate \$70,000,000 sales volume. This is now a large and sophisticated commercial enterprise.

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Ms. Sandra Rein
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Our understanding of the historic separation of these two entities related to the different aspects of serving the student constituency - one being a lobby/research activity, the other providing commercial services to students. The historic separation of these activities as separate legal entities has, therefore, been consistent with separate accountability and reporting.

(b) Taxation/Not-for-Profit Status:

Amalgamation of these two entities would cause a potential for change in the current Not-for-Profit Status of CFS and CFSS. One of the reasons CUTS was initially placed in a separate corporation was to separate its commercial nature from the remaining Not-for-Profit activities of CFSS. We believe that a similar situation is evolving related to the health insurance programs within CFSS and more separation may be advisable. Simply stated, the amalgamation of the entities into one would bring all of the activities closer together from a tax point of view and may increase the risk of the non-commercial activities of CFS and CFSS being subject to income tax.

(c) Commercial Risk/ Legal Liability:

Amalgamating the entities into one would expose all of the assets of the new entity to the commercial risk and legal liabilities of any individual part. For example, we have historically advised that the business activities of CUTS and, more recently, the health insurance program (operations with the largest amount of commercial risk) are generally more favourably structured as separate limited liability corporations. Additionally, it is of concern that the shares of CUTS and accordingly all of the assets of CUTS are exposed to any difficulties which might arise within the newly amalgamated entity, including any continuance of the financial difficulties of CFS. Prior to other considerations, the separation of activities in just about any organization into separate legal entities is the most logical structure.

Supplemental advice from legal counsel would be appropriate on this issue.

(d) Regulatory:

CUTS is currently subject to various regulatory bodies. Regulatory requirements have made it desirable to have CUTS as a separate legal entity for reporting purposes. This has been advantageous in that it is not certain whether CUTS would have met the various financial requirements of a travel agency had the combined affairs of CFSS and CUTS, let alone CFS, been reported. Meeting these regulatory requirements is a premise upon which the CUTS

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travel agency is allowed by law to operate. A similar situation may be evolving for the health insurance program in CFSS.

Meeting these requirements, however, is not totally discrete from the financial affairs of CUTS' owner. Regulators look closely at receivable and payable balances with affiliates. Prior to amalgamating CFS and CFSS one would need to consider carefully the impact on regulatory requirements.

(e) Financing/Banking Relationships:

The three entities collectively have two separate banking relationships. One relationship is with the Toronto-Dominion Bank in Ottawa and relates solely to the operations of CFS. The second relationship, which we were primarily involved in establishing, is with the CIBC in Toronto and relates to the operations of CUTS with only some involvement of CFSS as owner. The banking relationship in Ottawa is smaller, but we have seen through our first hand experience during past CFS audits that the relationship has been strained at times. The banking relationship in Toronto, established three years ago, is an integral part of the capital financing requirements of CUTS with a total available borrowing capacity of \$1.5 million. This relationship has operated in a satisfactory manner.

We could not accurately predict whether the CIBC banking relationship could be maintained, in full or in part, should the proposed amalgamation take place. Specifically, we are not sure how the CIBC would view this new amalgamated parent company with a widely varying financial track record due to the inclusion of the operating results of both CFS and CFSS in an amalgamation. Obtaining this financing for CUTS, as a travel agency, was difficult to achieve in the first place. Banks seldom lend money to businesses with no securable assets other than the possibility of future cashflows. Banks have also historically been cautious in lending to travel agencies. Introducing more complexity into the financial affairs of CUTS' parent entity could impose a further difficulty. One might also speculate that the T-D Bank might use this as an opportunity to pay out their line of credit.

What would likely occur as the result of an amalgamation is a total restructuring of all banking relationships. Our view would be that this restructuring would be difficult to achieve.

As I hope the above illustrates, a proposed amalgamation has considerable impact on both internal and external interests. Further analysis of the impact would be warranted prior to an amalgamation. We would also like to point out that many of the matters discussed in this letter have important commercial significance to the operations of the three entities and may be

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harmful if broadly discussed and/or misinterpreted in any public way. We would, therefore, advise that this letter be treated with normal commercial discretion by both you and other members of the National Executive.

Please contact us if we can assist in any way.

Yours very truly,

ARTHUR ANDERSEN & CO.

By

Kenneth C. Morell

RH

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ESTIMATES 1994-95

1993-94 DRAFT ANNUAL BUDGET / ESTIMATIONS BUDGETAIRES POUR 1993-94							
	Audited 1991-92	Budget 1991-92	Budget 1992-93	June 30 1992-93	Budget 1993-94	Year-to-Date 08-31-94 Unadjusted	Estimate 1994-95
REVENUE							
Membership Fees	\$841,270	\$830,986	\$880,346	\$875,500	\$934,937		\$1,027,100
ISIC Income	\$65,000	\$65,000	\$100,000	\$100,000	\$0		
Interest Income		\$5,000	\$4,000		\$0		
Transfer					\$53,699		
TOTAL REVENUE	\$906,270	\$900,986	\$984,346	\$975,500	\$988,636	\$527,818	\$1,027,100
EXPENSES							
SALARIES							
Office Staff		\$275,022	\$295,129	\$294,071	\$296,310	\$202,247	\$308,906
Fieldstaff		\$110,933	\$100,827	\$133,709	\$84,074	\$80,777	\$135,000
Chair		\$16,000	\$15,000	\$15,485	\$15,000	\$21,923	\$16,250
Deputy Chair		\$16,000	\$15,000	\$15,711	\$15,000	\$21,923	\$16,250
Treasurer		\$5,000	\$5,000	\$5,367	\$5,000	\$7,500	\$5,250
TOTAL SALARIES	\$508,594	\$422,955	\$430,956	\$464,343	\$415,384	\$334,370	\$481,656
OVERTIME ALLOWANCE							
Office Staff		\$5,996	\$21,704	\$21,555	\$17,719	\$9,537	\$18,144
Fieldstaff		\$2,327	\$8,063	\$10,462	\$4,481	\$1,759	\$6,804
TOTAL OVERTIME	n/a	\$8,323	\$29,767	\$32,017	\$22,200	\$11,296	\$24,948
BENEFITS	n/a	\$57,933	\$54,790	\$65,960	\$56,886	\$54,141	\$77,151
FIELDWORK							
Travel and Accommodation							
NE and General Meetings		\$7,650	\$5,500		\$3,713	\$2,006	\$5,500
Fieldwork		\$12,600	\$10,000		\$7,890	\$8,250	\$7,500
Accommodation		\$591	\$1,000		n/a	\$1,573	\$1,500
Sub-total		\$20,841	\$16,500	\$16,887	\$11,603	\$11,829	\$14,500
Per diem							

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	Audited 1991-92	Budget 1991-92	Budget 1992-93	June 30 1992-93	Budget 1993-94	Year-to-Date 08-31-94 Unadjusted	Estimate 1994-95
NE and General Meetings		\$2,685	\$2,993		\$2,520	\$2,370	\$4,725
Fieldwork		\$4,003	\$4,000		\$2,550	\$2,983	\$5,250
Sub-total		\$6,688	\$6,993	\$4,369	\$5,070	\$5,353	\$9,975
Communications							
Telephone/fax		\$3,150	\$6,000		\$1,000	\$4,190	\$3,750
CFS-NET		\$210	\$150		\$500	\$530	\$750
Sub-total		\$3,360	\$6,150	\$7,197	\$1,500	\$4,719	\$4,500
Meeting Fees		\$375	\$200	\$132	\$300	\$70	\$200
Supplies			\$1,750	\$2,402	\$1,500	\$1,242	\$1,875
Miscellaneous		\$500	\$500	\$2,006	\$1,000		\$1,000
PROVINCIAL FIELDWORKERS							
Travel and Accommodation							
NE and General Meetings		\$3,488	\$3,500		\$3,848	\$600	\$1,200
Fieldwork			\$3,750		\$3,000	\$549	\$1,000
Accommodation				n/a		\$62	\$200
Sub-total		\$3,488	\$7,250	\$4,118	\$6,848	\$1,211	\$2,400
Per diem							
NE and General Meetings		\$2,014	\$2,993		\$1,260	\$843	\$1,260
Fieldwork			\$750		\$525	\$275	\$525
Sub-total		\$2,014	\$3,743		\$1,785	\$1,117	\$1,785
TOTAL FIELDWORK	\$41,000	\$37,266	\$43,086	\$37,112	\$29,606	\$25,541	\$36,235
NATIONAL OFFICE							
Travel and Accommodation							
NE and General Meetings		\$5,475	\$4,725		\$10,000	\$5,460	\$8,000
Other		\$2,000	\$2,000		\$1,000	\$2,543	\$2,500
Sub-total		\$7,475	\$6,725	\$4,992	\$11,000	\$8,003	\$10,500
Per diem							
NE and General Meetings		\$9,845	\$8,978		\$5,040	\$3,833	\$5,040
Other		\$488	\$500		\$840	\$560	\$1,000
Sub-total		\$10,333	\$9,478	\$1,147	\$5,880	\$4,393	\$6,040

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	Audited 1991-92	Budget 1991-92	Budget 1992-93	June 30 1992-93	Budget 1993-94	Year-to-Date 08-31-94 Unadjusted	Estimate 1994-95
Accommodation		\$525	\$300				
Meeting Fees		\$375	\$400	\$46		\$35	
Miscellaneous		\$500	\$500	\$975			
TOTAL NATIONAL OFFICE	\$8,526	\$19,208	\$17,403	\$7,160	\$16,880	\$12,395	\$16,540
NEGOTIATIONS		\$500	\$0		\$6,176	\$711	\$5,000
PROFESSIONAL DEVELOPMENT							
Education Allowance	\$1,000	\$1,500			\$1,000		\$500
Professional development	\$1,000	\$1,000			\$1,000		\$500
TOTAL PROF. DEVELOPMENT	\$2,000	\$2,500			\$2,000	\$0	\$1,000
NATIONAL EXECUTIVE							
Travel							
Chair		\$2,500	\$2,500		\$2,200	\$6,620	\$3,000
Deputy Chair		\$0	\$750		\$1,500	\$3,317	\$1,500
Treasurer		\$1,500	\$1,500		\$1,200	\$2,421	\$1,500
At-Large (+elect)		\$1,638	\$1,000		\$1,500		\$1,500
Provincial Reps (elect)	\$10,238	\$10,000			\$12,250	\$10,057	\$15,000
Commissioners' Chair			\$750		\$1,100		\$1,400
Constituency Reps	\$1,800	\$2,400			\$3,600		\$4,200
Sub-total		\$17,676	\$18,900	\$40,024	\$23,350	\$22,416	\$28,100
Meeting Rooms		\$1,750	\$1,000	\$346	\$1,800	\$963	\$3,000
Accommodation		\$7,015	\$8,400		\$2,400	\$6,219	\$7,000
Per Diem		\$3,318	\$3,702	\$17,701	\$6,739	\$9,385	\$10,000
Meeting Fees		\$300	\$300	\$49		\$892	\$1,000
Travel Allowance		\$945	\$2,363		\$1,500	\$608	\$1,500
Other		\$1,000	\$1,000		\$1,000	\$3,106	\$1,500
Telephone		\$1,313	\$1,500		\$2,000	\$3,814	\$4,000
CFSNET		\$295	\$150		\$400	\$1,297	\$2,000
Childcare					\$400	\$750	\$1,000
TOTAL NATIONAL EXECUT	\$84,733	\$33,612	\$37,315	\$58,120	\$39,589	\$49,450	\$59,100
OFFICE SUPPLIES	\$22,998	\$12,000	\$16,500	\$18,403	\$15,000	\$9,115	\$18,000
PRINTING							

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	Audited 1991-92	Budget 1991-92	Budget 1992-93	June 30 1992-93	Budget 1993-94	Year-to-Date 08-31-94 Unadjusted	Estimate 1994-95
Photocopying		\$21,384	\$19,000	\$14,815	\$18,000		\$20,000
Contract Printing		\$2,000	\$4,200		\$6,000		\$4,000
Research		\$1,000			\$7,000		\$2,000
TOTAL PRINTING		\$24,384	\$23,200	\$14,815	\$31,000	\$14,948	\$26,000
OFFICE RENT	\$41,209	\$38,860	\$38,100	\$43,146	\$45,000	\$34,332	\$47,000
POSTAGE		\$9,369	\$13,500	\$11,095	\$15,000	\$8,927	\$18,000
PROFESSIONAL FEES		\$15,500					
Audit Fees	\$25,000		\$15,000	\$26,750	\$25,000	\$18,750	\$21,000
Legal Fees	\$17,645		\$5,500	\$481	\$8,000	\$18,063	\$12,000
TOTAL PROFESSIONAL FE	\$42,645	\$15,500	\$20,500	\$27,231	\$33,000	\$36,813	\$33,000
OFFICE COMMUNICATIONS							
Telephone		\$17,076	\$19,400	\$15,056	\$15,000	\$10,215	\$15,000
Fax		\$1,523	\$2,000	\$2,589	\$3,000	\$4,837	\$7,000
CFSNET		\$1,444	\$500		\$500	\$266	\$800
TOTAL OFFICE COMMUNICATIONS		\$20,043	\$21,900	\$17,645	\$18,500	\$15,318	\$22,800
CAPITAL EXPENDITURES		\$5,624	\$1,000		\$3,200	\$564	\$4,000
MAINTENANCE		\$0	\$0		\$3,000	\$174	\$2,000
SUBSCRIPTIONS		\$1,500	\$2,000	\$1,624	\$1,800	\$1,009	\$2,000
GENERAL MEETINGS							
Delegate Fee Revenue							
Members		(\$22,880)	(\$18,673)	(\$59,097)	(\$14,250)		(\$28,500)
Small Budget Members		(\$10,560)	(\$5,625)	(\$4,882)	(\$2,185)		(\$5,000)
Constituency Members		(\$16,500)	(\$13,832)		(\$8,390)		(\$8,906)
Observers		(\$17,920)	(\$970)		\$0		
SBM Travel Subsidy		\$6,000	\$4,950	\$7,898	\$1,500	209.87	\$2,500
Accommodation		\$36,750	\$35,250	\$59,073	\$18,000		\$42,900
Meals		\$27,750	\$25,375	\$11,929			\$24,750
Disability Needs Fund		\$1,500	\$1,500	\$55	\$375		\$300
Childcare		\$1,250	\$1,625	\$1,447	\$813	455	\$1,500
Vehicle Leasing		\$1,100	\$1,100	\$695	\$1,000		\$1,500

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	Audited	Budget	Budget	June 30	Budget	Year-to-Date 08-31-94	Estimate
	1991-92	1991-92	1992-93	1992-93	1993-94	Unadjusted	1994-95
Equipment Leasing		\$4,000	\$3,000	\$9,471	\$1,500		\$6,000
Additional Staff		\$2,500	\$3,750	\$4,354	\$2,955		\$5,200
Speakers		\$1,250	\$0				\$1,000
Translation							
Simultaneous		\$17,000	\$20,000	\$7,700	\$7,500	7782.09	\$10,000
Contract		\$1,500	\$1,500	\$1,497			\$1,800
Other				\$1,156			\$1,800
Materials/printing		\$2,500	\$2,750		\$3,000	\$1,927	\$2,500
Miscellaneous		\$1,000	\$1,500	\$6,011	\$2,000	\$706	\$2,000
TOTAL GENERAL MEETING	\$79,000	\$36,240	\$63,200	\$47,308	\$13,818	\$11,080	\$61,344
NATIONAL CONFERENCE						\$15,877	
CONSTITUENCIES							
Aboriginal Students		\$1,308	\$2,750		\$2,000	\$2,647	\$2,750
Fine Arts Students			\$1,000		\$200		
Fracophone Students		\$387	\$1,500		\$775	\$328	
International Students			\$1,125		\$1,550		
Lesbians/Gays/Bisexuals		\$1,800	\$2,000		\$2,750	(\$694)	
Students w/ Disabilities		\$975	\$1,750		\$250		
Women		\$1,518	\$2,500		\$1,400	\$1,596	
Students of Colour		\$450	\$1,750		\$1,700	\$53	
Part-time & Mature					\$250		
TOTAL CONSTITUENCIES	\$14,351	\$6,438	\$14,375	\$9,884	\$10,875	\$3,929	\$2,750
NATIONAL GRADUATE COUNCIL	\$14,254	\$20,244	\$20,554	\$20,001		\$16,062	\$27,000
KEVIN COLEMAN FUND		\$0					
REFERENDA	\$5,318	\$6,250	\$6,500	\$27,250	\$8,000	\$14,134	\$8,000
HIRING		\$5,500	\$6,000		\$0	\$747	
BANK CHARGES/INT.	\$3,361	\$5,583	\$3,500	\$7,111	\$14,000	\$4,075	\$8,000
BAD DEBT	\$46,611	\$13,335	\$7,500	\$17,330	\$10,000	\$0	\$10,000
CAMPAIGNS							

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	Audited 1991-92	Budget 1991-92	Budget 1992-93	June 30 1992-93	Budget 1993-94	Year-to-Date 08-31-94 Unadjusted	Estimate 1994-95
PSE General		\$8,200	\$1,700			\$2,826	
If you love education...			\$3,000		\$2,000	\$1,568	
Election Readiness			\$24,300		\$13,000	\$17,059	
National Student Day			\$5,000		\$300		
No Means No		\$6,000	\$3,000		\$0		
Aboriginal Students		\$2,000			\$2,000	\$3,628	
L/G/B Awareness		\$2,000			\$1,000	\$1,166	
Anti-Racism		\$2,000			\$1,000		
AIDS		\$4,000					
International Students		\$200			\$300		
Womens		\$600			\$6,000	\$6,360	
Grad Tax Reform					\$3,000		
Anti-NAFTA T-shirt					\$200		
Postage					\$2,000		
TOTAL CAMPAINGS		\$25,000	\$37,000	\$5,905	\$30,800	\$32,606	\$25,000
COALITIONS							
Travel and Per diem			\$4,250			\$153	
Memberships		\$1,000	\$750		\$2,900	\$1,700	
TOTAL COALITIONS		\$1,000	\$5,000	\$1,293	\$2,900	\$1,853	\$2,500
COMMUNICATIONS							
Annual Report		\$1,000	\$1,000		\$1,250		
Members' Handbook		\$20,000	\$2,000		\$1,000		
Members' Video			\$750		\$500		
Student Ad.		\$4,625	\$2,000		\$9,550	\$15,626	
TOTAL COMMUNICATIONS	\$134,436	\$25,625	\$5,750		\$12,300	\$15,626	\$10,000
DEPRECIATION	\$6,977	\$2,300	\$4,250	\$7,289	\$3,000	\$320	\$8,000
DONATIONS		\$750	\$500		\$0	\$0	
TRANSLATION		\$0	\$6,500		\$0	\$0	
BILINGUALISM FUND		\$0	\$0		\$0	\$0	
COMPONENT ALLOCATIONS							
Alberta			\$3,000				
British Columbia		\$30,035	\$26,594		\$32,540	\$19,626	\$27,507

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	Audited	Budget	Budget	June 30	Budget	Year-to-Date	Estimate
	1991-92	1991-92	1992-93	1992-93	1993-94	08-31-94	
						Unadjusted	1994-95
Manitoba			\$2,250				
PEI/NB		\$3,975	\$2,775				\$2,250
Ontario					\$58,829	\$5,484	\$77,794
TOTAL COMP.ALL.	\$19,496	\$34,010	\$34,619	\$32,294	\$91,369	\$25,109	\$107,551
INTERNATIONAL AFFAIRS							
IUS Membership dues		\$250	\$500		\$500		\$500
Int'l Student Foundation		\$100	\$250				
IUS Congresses							
Travel		\$1,415	\$875		\$1,650		
Expenses		\$158	\$250				
Fees		\$187	\$250				
Other					\$400		
TOTAL INTERNATIONAL A	\$3,361	\$2,110	\$2,125		\$2,550	\$36	\$500
MADATORY SURPLUS		\$13,515	\$14,765		\$14,398	\$7,917	\$15,407
TOTAL EXPENSES	\$1,062,616	\$900,987	\$984,345	\$974,887	\$988,231	\$758,477	\$1,160,481
REVENUE/ (EXPENSE)	(\$156,346)	(\$1)	\$1	\$613	\$405	(\$230,659)	(\$133,381)

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MEMBERSHIP FEE REVENUE ESTIMATES FOR 1994-95/DROITS D'ADHESION - BUDGET 1994-5								
MEMBER/ MEMBRE	BUDGET CFS/FCEE	1993-94 CFSS/FCEES	ACTUALS CFS/FCEE	1992-93 CFSS/FCEES	MARCH CFS/FCEE	31, 1994 CFSS/FCEES	ESTIMATE CFS/FCEE	1994-95 CFSS/FCEES
CAMOSUN*	\$19,265	\$6,422	\$12,920	\$4,239		\$3,643	\$19,458	\$6,486
CAPILANO*	\$14,486	\$4,829	\$14,372			\$2,204	\$14,631	\$4,877
CARIBOO*	\$11,427	\$3,809	\$10,933	\$3,644			\$21,000	\$7,000
CITY CENTER*	\$12,042	\$4,014	\$2,006	\$669	\$6,665	\$2,222	\$11,250	\$3,750
DOUGLAS	\$17,388	\$5,796					\$17,562	\$5,854
EMILY CARR	\$2,130	\$710	\$2,100	\$700		\$312	\$2,500	\$833
KALAMALKA			\$1,020	\$340				
KING EDWARD*	\$18,750	\$6,250	\$15,900	\$5,625		\$1,667	\$18,938	\$6,313
KWANTLEN	\$13,866	\$4,622					\$14,005	\$4,668
LANGARA	\$31,209	\$10,403	\$13,158	\$25,071			\$0	\$0
MALSPINA	\$12,648	\$4,216	\$20,234	\$10,201		\$561	\$13,500	\$4,500
NORTH ISLAND*	\$4,200	\$1,400	\$3,426	\$1,142	\$3,331	\$1,147	\$4,242	\$1,414
NORTHWEST*	\$5,250	\$1,750		\$1,179	\$3,121	\$1,040	\$5,303	\$1,768
SELKIRK								
SIMON FRASER	\$58,995	\$19,665	\$57,720	\$12,001		\$6,345	\$57,000	\$19,000
Uof VICTORIA	\$33,366	\$11,122	\$46,776	\$1,232		\$3,954	\$33,000	\$11,000
AUGUSTANA*	\$4,275	\$1,425	\$3,000				\$4,000	\$2,000
Uof LETHBRIDGE*	\$11,700	\$3,900	\$11,911	\$3,970			\$18,045	\$6,015
MT. ROYAL*							\$20,250	\$6,750
REGINA	\$21,360	\$7,120	\$20,397	\$6,799			\$21,574	\$7,191
Uof SASK			\$40,373	\$13,733				
BRANDON	\$8,655	\$2,885	\$8,139	\$2,713	\$7,784	\$2,595	\$8,742	\$2,914
ST BONIFACE*	\$3,105	\$1,035	\$2,052	\$684			\$3,136	\$1,045
Uof WINNIPEG*	\$22,946	\$7,649	\$14,897	\$4,966	\$33,258	\$11,086	\$23,175	\$7,725
ALGOMA*							\$5,400	\$1,800
CARLETON	\$48,900	\$16,300	\$50,141	\$16,713	\$44,574	\$14,858	\$49,389	\$16,463

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MEMBER/	BUDGET	1993-94	ACTUALS	1992-93	MARCH	31, 1994	ESTIMATE	1994-95
MEMBRE	CFS/FCEE	CFSS/FCEES	CFS/FCEE	CFSS/FCEES	CFS/FCEE	CFSS/FCEES	CFS/FCEE	CFSS/FCEES
CARLETON GRADS*	\$7,574	\$2,525	\$210	\$70	\$2,956	\$985	\$7,650	\$2,550
LAKEHEAD*	\$22,950	\$7,650	\$16,500	\$5,500	\$23,655	\$3,898	\$23,180	\$7,727
LAURENTIAN*	\$11,123	\$3,708	\$10,890	\$3,630	\$10,111	\$3,370	\$16,686	\$5,562
MCMASTER*	\$35,694	\$11,898	\$35,292	\$11,764	\$31,289	\$10,430	\$46,935	\$15,645
MCMASTER GSA								
NIPPISSING	\$3,900	\$1,300	\$1,746	\$582	\$1,558	\$519	\$3,939	\$1,313
O.C.A.	\$4,200	\$1,400					\$4,242	\$1,414
OTTAWA	\$46,608	\$15,536	\$44,394	\$15,587	\$34,037	\$11,336	\$47,074	\$15,691
QUEEN'S GSS	\$5,485	\$1,828					\$5,540	\$1,846
RYERSON	\$32,063	\$10,688	\$32,565	\$10,855	\$27,278	\$9,093	\$32,384	\$10,795
TORONTO GSU*	\$35,843	\$11,948	\$24,263	\$8,088	\$19,653	\$6,551	\$36,201	\$12,067
TRENT*	\$11,409	\$3,803	\$6,708	\$2,236	\$9,000	\$3,000	\$13,500	\$4,500
GUELPH*	\$34,200	\$11,400	\$32,615	\$10,872	\$27,312	\$9,104	\$50,400	\$16,800
GUELPH GRADS*	\$4,384	\$1,461	\$6,173	\$2,058	\$1,780	\$593	\$4,428	\$1,476
WATERLOO FEDS	\$45,158	\$15,053	\$44,570	\$14,856			\$45,610	\$15,204
WATERLOO GRADS	\$4,971	\$1,657	\$5,039	\$1,680	\$2,918	\$973	\$5,021	\$1,674
WESTERN SOGS	\$4,570	\$1,523	\$4,500	\$1,500	\$4,105	\$1,368	\$4,616	\$1,538
WINDSOR	\$31,500	\$10,500	\$31,600	\$10,534	\$30,015	\$10,005	\$31,815	\$10,605
WINDSOR GRADS*	\$3,038	\$1,013	\$2,067	\$689			\$3,068	\$1,023
WINFRED LAURIER	\$909	\$303	\$1,089	\$363			\$918	\$306
YORK*	\$99,000	\$33,000	\$68,900	\$22,967	\$66,881	\$22,294	\$99,000	\$33,000
MONCTON	\$12,285	\$4,095	\$6,321	\$2,107	\$13,361	\$4,454	\$0	\$0
MT ALLISON*	\$6,150	\$2,050	\$9,915	\$3,305	\$6,612	\$2,204	\$9,225	\$3,075
SHIPPAGAN*	\$1,800	\$600					\$1,800	\$600
ST L. MAILLET*	\$1,836	\$612	\$2,307	\$769	\$2,013	\$671	\$1,836	\$612
ST THOMAS*	\$7,925	\$2,642	\$7,263	\$2,421	\$7,628	\$2,543	\$7,925	\$2,642
UNB FRED*	\$31,662	\$10,554	\$22,596	\$7,012	\$30,668	\$10,223	\$31,662	\$10,554
UNB SJ*	\$6,750	\$2,250	\$7,221	\$2,407			\$10,800	\$3,600
UNB GRADS								
ST ANDREWS*								

OC

MEMBER/	BUDGET	1993-94	ACTUALS	1992-93	MARCH	31, 1994	ESTIMATE	1994-95
MEMBRE	CFS/FCEE	CFSS/FCEES	CFS/FCEE	CFSS/FCEES	CFS/FCEE	CFSS/FCEES	CFS/FCEE	CFSS/FCEES
ACADIA	\$11,136	\$3,712	\$32,582	\$10,854			\$11,247	\$3,749
DALHOUSIE	\$27,924	\$9,308	\$27,414	\$9,138	\$27,564	\$9,188	\$28,203	\$9,401
KINGS	\$4,500	\$1,500	\$3,240	\$1,080			\$4,545	\$1,515
MT ST VINCENT	\$5,748	\$1,916					\$3,801	\$1,267
NSCAD*	\$2,660	\$887		\$581	\$2,745	\$915	\$2,687	\$896
STE ANNE	\$1,071	\$357	\$1,744				\$1,082	\$361
HOLLAND COLL	\$1,584	\$528	\$3,075	\$1,025			\$1,600	\$533
U PEI*	\$12,096	\$4,032	\$8,537	\$2,846	\$12,069	\$4,023	\$12,217	\$4,072
U PEI GRADS	\$135	\$45					\$136	\$45
MARINE INST.	\$2,331	\$777					\$1,500	\$500
MEMORIAL*	\$30,879	\$10,293	\$31,363	\$10,455	\$30,593	\$10,198	\$46,800	\$15,600
SR WIL GRENFEL*	\$1,524	\$508	\$3,130	\$1,043	\$3,288	\$1,096	\$2,309	\$770
MCGILL GRADS	\$20,700	\$6,900					\$20,907	\$6,969
UBC GRADS			\$1,680					
TOTAL	\$1,011,238	\$337,082	\$887,304	\$294,495	\$527,819	\$190,667	\$1,068,585	\$356,864
LESS RESERVES	\$76,413	\$25,921					\$41,485	\$13,828
FINAL ESTIMATE	\$934,825	\$311,161					\$1,027,100	\$343,036
FINAL (ADJUSTED)			\$872,573	\$294,029				

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SCHEDULE OF SHARED COSTS			
DRAFT 1994-95	CFS (S)	CFS	TOTAL
REVENUE			
Membership Fees	\$343,036	\$1,027,100	\$1,369,467
Transfer			
TOTAL REVENUE	\$343,036	\$1,027,100	\$1,369,467
EXPENSES			
Salaries			
Fieldstaff	\$45,000	\$135,000	\$180,000
Chair	\$16,250	\$16,250	\$32,500
Deputy Chair	\$16,250	\$16,250	\$32,500
Treasurer	\$5,250	\$5,250	\$10,500
Overtime			
Fieldstaff	\$2,268	\$6,804	\$9,072
TOTAL	\$85,018	\$179,554	\$264,572
BENEFITS	\$9,576	\$28,729	\$38,305
Fieldwork			
Travel	\$4,833	\$14,500	\$19,333
Per Diem	\$3,325	\$9,975	\$13,300
Communications	\$1,500	\$4,500	\$6,000
Meeting Fees	\$67	\$200	\$267
Supplies	\$625	\$1,875	\$2,500
Miscellaneous	\$333	\$1,000	\$1,333
Provincial			
Travel	\$800	\$2,400	\$3,200
Per Diem	\$595	\$1,785	\$2,380
TOTAL FIELDWORK	\$12,078	\$36,235	\$48,313
NATIONAL EXECUTIVE			
Travel	\$28,100	\$28,100	\$56,200
Meeting Rooms	\$3,000	\$3,000	\$6,000
Accommodations	\$7,000	\$7,000	\$14,000
Per Diems	\$10,000	\$10,000	\$20,000
Meeting Fees	\$1,000	\$1,000	\$2,000
Travel Allowance	\$1,500	\$1,500	\$3,000
Other	\$1,500	\$1,500	\$3,000
Telephone	\$4,000	\$4,000	\$8,000
CFSNET	\$2,000	\$2,000	\$4,000
Childcare	\$1,000	\$1,000	\$2,000
TOTAL N. EXEC	\$59,100	\$59,100	\$118,200
GENERAL MEETINGS			
Delegate Fees			
Expenses			
TOTAL GEN. MTGS.	\$61,344	\$61,344	\$122,688
CONSTITUENCIES	\$2,750	\$2,750	\$5,500

<u>SCHEDULE OF SHARED COSTS</u>			
DRAFT 1994-95	CFS (\$)	CFS	TOTAL
NAT'L GRAD COUNCIL	\$9,000	\$27,000	\$36,000
<u>COMPONENT ALLOCATIONS</u>			
British Columbia	\$9,169	\$27,507	\$36,676
Ontario	\$25,931	\$77,794	\$103,725
New Brunswick	\$750	\$2,250	\$3,000
TOTAL COMPONENT ALLOC	\$35,850	\$107,551	\$143,401
REFERENDA	\$8,000	\$8,000	\$16,000
COMMUNICATIONS	\$10,000	\$10,000	\$20,000
INTERNATIONAL AFFAIRS	\$500	\$500	\$1,000
Transfer			
TOTAL EXPENSES	\$279,217	\$505,263	\$784,480

CANADIAN FEDERATION OF STUDENTS-SERVICES
ACTUAL Mar. 31, 1994

	ADMINISTRATION			CANADIAN PROGRAMMING SERVICE			CFS-NET		
	Mar.31	Budget	Mar.31	Mar.31	Budget	Mar.31	Mar.31	Budget	Mar.31
	1994	93/94	%	1993	1994	93/94	1993	1994	93/94
Income									
Sales c/s					319,654	650,000	49.18%	400,072	
					219,599	507,000	43.31%	312,056	
Net Income	0	0	0	0	100,055	143,000	69.97%	88,016	
Prog.Income	15,293							485	3,900 12.44%
Memb. Fees	235,011	307,746	76.37%	195,933					
Referral Fees	298,632	440,000	67.87%						
ISIC	67,338	110,000	61.22%	74,929					
Directory	(1,919)	2,000	-95.93%	1,913					
SWAP	0	15,000	0.00%						
Interest	863	3,000	28.77%	3,909	662	4,000	16.56%	979	
Advertising	3,669								
Other	4,840	3,000	161.34%	3,082	90	2,000		1,280	37
Total Income	623,748	880,746	70.82%	279,766	100,808	149,000	67.66%	90,275	523 3,900 13.40% 0
Expenses									
Salaries	121,158	148,500	81.59%	110,506	56,960	85,000	66.23%	53,428	
Chair	11,250	15,000	75.00%	11,250					
Dep. Chair	11,250	15,000	75.00%	11,250					
Treasurer	3,750	5,000	75.00%	3,750					
Office:									
Rent	6,030	21,000	28.71%	11,698	6,030	5,000	120.60%	5,000	
Supplies	4,704	4,500	104.54%	3,445	2,983	1,500	198.88%	1,652	
Expense	5,983	6,000	99.71%	4,071	8,340	2,500	333.80%	1,422	
Equipmnt	3,715	4,000	92.88%	3,522		3,000	0.00%	2,822	
Admin/Accntng	15,000	20,000	75.00%	17,730	4,860	10,000	46.60%	6,000	
Communication:									
Phone	6,015	7,000	85.92%	3,991	4,559	6,500	70.13%	5,614	1,349 3,000 44.95% 3,256
Postage	1,882	3,500	53.77%	1,280	2,272	2,500	90.88%	1,348	200
Cour/Del	3,660	5,000	73.20%	5,024	1,801	2,000	90.05%	1,520	45
Travel Expense	3,769	6,800	55.42%	5,894	350	3,000	11.65%	4,127	
Advert/Promo	1,424	2,500	56.95%	334	10,795	10,000	107.95%	15,135	200
Print/Prod.	1,076	6,000	17.93%	3,781	0	2,000	0.00%		633 300 210.96%
Translation	635	6,000	13.92%	3,037	38.88	2,000	1.94%	45	276 200 138.00%
General Mtg	10,364	13,818	75.00%	47,400	0				
National Exec.	29,692	39,589	75.00%	27,986	0				
Fieldwork	33,557	44,742	75.00%	40,980	0				
Referenda	6,000	8,000	75.00%	4,875	0				
Component All.	17,399	30,456	57.13%	3,655	0				
Nat.Grad.Cncil	5,000	6,667	75.00%	5,026	0				
Fed.Shard Exp.	25,294	33,725	75.00%	16,688	0				
ISIC Grant	26,437	35,249	75.00%	75,000	0				
Proff.Fees	13,100	20,000	65.50%	6,024	0			2,452	
Bad Debts	0	15,000	0.00%		0	10,000			220
Depreciation	0	2,500	0.00%		0				
Interest	964	3,000	32.13%	55	27	1,000	2.69%	(29)	
Other	623	2,000	31.16%	822	0			2,761	
Total Expenses	369,929	530,546	69.73%	429,074	99,016	147,000	67.36%	103,297	2,303 3,900 59.05% 3,476
Net Income	253,819	350,200		(149,308)	1,793	2,000		(13,022)	(1,780) 0 (3,476)

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CANADIAN FEDERATION OF STUDENTS-SERVICES
ACTUAL Mar. 31, 1994

	INSURANCE						DISCOUNT						TOTAL							
	Mar.31		Budget		Mar.31		Mar.31		Budget		Mar.31		Mar.31		Budget		Mar.31			
	1994	93/94	%	1993	1994	93/94	%	1993	1994	93/94	%	1993	1994	93/94	%	1993	1994	93/94	%	
Income																				
Sales	17,111	18,000	95.06%	41,615	11,774	60,000	19.62%		348,540	728,000	47.88%	441,687								
c/s	3,249	4,000	81.22%	34,551	9,747	44,000	22.15%		232,594	555,000	41.91%	346,607								
Net Income	13,863	14,000	99.02%	7,064	2,027	16,000	12.67%		115,945	173,000	67.02%	95,080								
Prog.Income	261,190	340,000	76.82%	300,000				29,379	276,969	343,900	80.54%	329,379								
Memb. Fees													235,011	307,746	76.37%	195,933				
Referral Fees													298,632	440,000	67.87%					
ISIC													67,338	110,000	61.22%	74,929				
Directory													(1,919)	2,000	-95.93%	1,913				
SWAP													0	15,000	0.00%	0				
Interest													1,526	7,000	21.79%	4,888				
Advertising								48,227	25,000	192.91%	26,675		51,916	25,000	207.67%	26,675				
Other	29,500	35,000		33,500									34,468	40,000	86.17%	37,862				
Total Income	304,553	389,000	78.29%	340,564	50,254	41,000	122.57%	56,054	1,079,885	1,463,646	73.78%	766,659								
Expenses																				
Salaries	117,378	141,299	83.07%	93,233	36,255	34,500	105.09%	34,792	331,752	410,299	80.86%	291,959								
Chair													11,250	15,000	76.00%	11,250				
Dep.Chair													11,250	15,000	75.00%	11,250				
Treasurer													3,750	5,000	75.00%	3,750				
Office:																				
Rent	12,517	18,500	67.66%	14,730	4,523	6,000	75.38%	5,317	29,100	50,500	57.62%	36,745								
Supplies	3,050	6,500	46.93%	3,174	1,631	1,000	163.08%	201	12,368	13,500	91.62%	8,472								
Expense	6,849	4,000	171.21%	5,002	3,445	1,000	344.53%	721	24,816	13,500	182.34%	11,218								
Equipmnt	6,838	6,000	113.97%	4,238	2,363	2,500	94.50%	1,835	12,916	15,500	83.33%	12,417								
Admin/Accntng	6,075	9,000	67.50%	6,343	3,645	7,500	48.60%	4,406	29,580	46,500	63.61%	34,479								
Communication:																				
Phone	9,076	11,000	82.51%	5,645	3,375	3,000	112.50%	1,669	24,373	30,500	79.91%	20,175								
Postage	2,340	3,500	66.86%	105	1,412	1,000	141.17%	277	7,906	10,700	73.88%	3,010								
Cour/Del	1,480	4,000	37.00%	2,099	237	2,000	11.85%	1,161	7,223	13,000	55.56%	9,804								
Travel Expense	9,457	11,000	85.97%	7,224	2,120	1,500	141.33%	68	15,695	22,300	70.38%	17,313								
Advert/Promo	4,513	11,000	41.03%	2,140	2,653	4,000	66.32%		19,385	27,700	69.98%	17,609								
Print/Prod.	22,792	39,500	57.70%	22,385	35,687	30,000	118.96%	67,031	60,187	77,800	77.36%	93,197								
Translation	248	3,400	7.30%	1,951	190.5	3,000	6.35%	1,742	1,588	14,600	10.88%	6,775								
General Mtg													10,364	13,818	75.00%	47,400				
National Exec.													29,692	39,589	75.00%	27,986				
Fieldwork													33,557	44,742	75.00%	40,980				
Referenda													6,000	8,000	75.00%	4,875				
Component All.													17,399	30,456	57.13%	3,655				
Nat.Grad.Cncil													5,000	6,667	75.00%	5,026				
Fed.Shard Exp.													25,294	33,725	75.00%	16,688				
ISIC Grant													26,437	35,249	75.00%	75,000				
Prof.Fees	172							8,000	13,272	28,000	47.40%	8,601								
Bad Debts													0	25,000	0.00%	220				
Depreciation													0	2,500	0.00%	0				
Interest													991	4,000	24.77%	26				
Other	600	12,500	4.80%	403	1,358			6,388	2,581	14,500	17.80%	10,374								
Total Expenses	203,385	281,199	72.33%	168,672	98,693	105,000	94.18%	125,733	773,525	1,067,645	72.45%	830,252								
Net Income	101,168	107,801		171,892	(48,639)	(64,000)		(69,679)	306,361	396,001	77.36%	(63,593)								
	101,168								Share purcha	396,000	396,000									
									Surplus	(89,639)	1									

CANADIAN FEDERATION OF STUDENTS-SERVICES
Draft Budget 94/95

	ADMINISTRATION ::			CANADIAN PROGRAMMING ::			CFS-NET ::		
	Jun 30 1993	Budget 93/94	Budget 94/95	Jun 30 1993	Budget 93/94	Budget 94/95	Jun 30 1993	Budget 93/94	Budget 94/95
Income									
Sales				357,902	650,000	675,000			
c/s				281,743	507,000	513,000			
Net Income	0	0	0	76,159	143,000	162,000			
Prog. Income							1,023	3,900	
Memb. Fees	294,029	307,746	343,036						
Referral Fees		440,000	460,000						
ISIC	125,420	110,000	93,381						
Directory	293	2,000	1,000						
SWAP	26,506	15,000	15,000						
Interest	8,647	3,000	3,000	1,473	4,000	1,200			
Advertising									
Other	688	3,000	1,000	19,490	2,000	8,000			
Total Income	455,583	880,746	916,417	97,122	149,000	171,200	1,023	3,900	
Expenses									
Salaries	138,663	148,500	143,500	80,470	86,000	98,383			
Chair	17,156	15,000	16250						
Dep. Chair	17,797	15,000	16250						
Treasurer	5,417	5,000	5250						
Office:									
Rent	24,500	21,000	24,328	4,000	5,000	7,668			
Supplies	3,900	4,500	4,440	1,374	1,500	2,500			
Expense	5,025	6,000	6,080	1,354	2,500	3,000			
Equipmnt	6,600	4,000	8,000	2,000	3,000	3,000			
Admin/Accntng	26,000	20,000	19,000	6,000	10,000	8,500			
Communication:									
Phone	5,321	7,000	9,000	5,924	6,500	6,500	7,044	3,000	3,000
Postage	1,780	3,500	2,460	1,500	2,500	2,500		200	200
Cour/Del	3,705	5,000	5,000	1,254	2,000	2,500			
Travel Expense	9,216	6,800	8,000	3,142	3,000	3,000			
Advert/Promo	334	2,500	3,000	11,914	10,000	15,000		200	200
Print/Prod.	7,441	6,000	6,000		2,000	2,500		300	300
Translation	4,930	6,000	8,000	485	2,000	2,000		200	200
General Mtg	54,225	13,818	61,344						
National Exec.	57,146	39,589	59,100						
Fieldwork	54,958	44,742	59,346						
Referenda	17,943	8,000	8,000						
Component All.	9,873	30,456	35,850						
Nat. Grad. Cncil		6,667	9,000						
Fed. Shard Exp.	17,942	33,725							
ISIC Grant	100,000	35,249							
Proff. Fees	9,854	20,000	20,000	2,452					
Bad Debts	7,500	15,000	10,000		10,000	8,000	220		
Depreciation	10,371	2,500	2,500	83		100			
Interest	66	3,000	4,000	(452)	1,000				
Other	1,446	2,000	2,000	3,103		3,000			
Total Expenses	619,108	530,546	555,698	124,603	147,000	168,151	7,264	3,900	3,900
Net Income	(163,525)	350,200	360,719	(27,481)	2,000	3,049	(6,241)	0	(3,900)

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CANADIAN FEDERATION OF STUDENTS-SERVICES
Draft Budget 94/95

	INSURANCE				DISCOUNT				TOTAL			
	Jun 30	Budget	Budget	Jun 30	Budget	Budget	Jun 30	Budget	Budget	Budget	Jun 30	Budget
	1993	93/94	94/95	1993	93/94	94/95	1993	93/94	94/95	1993	93/94	94/95
Income												
Sales	38,887	18,000	15,000	::	60,000	::	396,789	728,000	690,000	::	::	::
c/s	38,113	4,000	1,750	::	44,000	::	319,856	555,000	514,750	::	::	::
Net Income	774	14,000	13,250	::	16,000	::	76,933	173,000	175,250	::	::	::
Prog.Income	386,996	340,000	365,000	::	29,125	::	10,000	417,144	343,900	375,000	::	::
Memb. Fees								294,029	307,748	343,036	::	::
Referral Fees								0	440,000			::
ISIC								125,420	110,000	93,381	::	::
Directory								293	2,000	1,000	::	::
SWAP								26,506	15,000	15,000	::	::
Interest								10,120	7,000	4,200	::	::
Advertising								30,995	25,000	25,000	10,000	::
Other	33,500	35,000	29,500	::				53,678	40,000	38,500	::	::
Total Income	421,270	389,000	407,750	::	60,120	41,000	20,000	1,035,118	1,463,646	1,515,367	::	::
Expenses												::
Salaries	138,759	141,299	182,736	::	40,116	34,500	19,650	398,008	410,299	444,269	::	::
Chair								17,156	15,000	16,250	::	::
Dep.Chair								17,797	15,000	16,250	::	::
Treasurer								5,417	5,000	5,250	::	::
Office:												::
Rent	18,479	18,500	19,340	::	4,000	6,000	5,778	50,979	50,500	57,114	::	::
Supplies	2,112	6,500	9,250	::	326	1,000	2,000	7,712	13,500	18,190	::	::
Expense	4,228	4,000	8,200	::	977	1,000	2,500	11,584	13,500	19,780	::	::
Equipmnt	6,134	6,000	5,000	::	2,446	2,500	3,000	17,180	15,500	19,000	::	::
Admin/Accntng	8,457	9,000	12,500	::	2,446	7,500	6,000	42,903	46,500	46,000	::	::
Communication:												::
Phone	5,354	11,000	8,600	::	2,260	3,000	3,500	25,903	30,500	30,600	::	::
Postage	1,500	3,500	3,400	::	369	1,000	1,500	5,149	10,700	10,060	::	::
Cour/Del	1,987	4,000	3,350	::	1,517	2,000	2,500	8,463	13,000	13,350	::	::
Travel Expense	8,807	11,000	11,000	::	1,835	1,500	2,000	23,000	22,300	24,000	::	::
Advert/Promo	7,924	11,000	11,300	::	2,558	4,000	4,000	22,730	27,700	33,500	::	::
Print/Prod.	29,066	39,500	32,900	::	60,143	30,000	25,000	96,650	77,800	66,700	::	::
Translation	2,766	3,400	1,850	::	2,746	3000	1,500	10,927	14,600	13,350	::	::
General Mtg								54,225	13,818	61,344	::	::
National Exec.								57,146	39,589	59,100	::	::
Fieldwork								54,958	44,742	59,346	::	::
Referenda								17,943	8,000	8,000	::	::
Component All.								9,873	30,456	35,850	::	::
Nat.Grad.Cncil									6,667	9,000	::	::
Fed.Shard Exp.								17,942	33,725			::
ISIC Grant								100,000	35,249			::
Prof.Fees					230	8,000	2,500	12,536	28,000	22,500	::	::
Bad Debts								7,720	25,000	18,000	::	::
Depreciation								10,454	2,500	2,600	::	::
Interest								(386)	4,000	4,000	::	::
Other	15,846	12,500	12,500	::	7,141			27,536	14,500	17,500	::	::
Total Expenses	251,419	281,199	321,726	::	129,110	105,000	81,428	1,131,504	1,067,645	1,130,903	::	::
Net Income	169,851	107,801	86,024	::	(68,990)	(64,000)	(61,428)	(96,386)	396,001	384,464	::	::
									396,000	414,000	share allocation	
										1	(29,536) Net funds after share purchase at 90%	

1994-95 BUDGET ESTIMATES
NOTES

ADMINISTRATION INCOME

1. Membership Fees

A Projection of membership fees based upon actual fees paid by each voting member in the 1993-94 academic year plus a 1% projected enrolment increase. The figure is adjusted to accommodate all changes in membership status.

2. Referral Fees

Amount paid by CUTS to CFS-Services at financial year end as per an agreement for revenue sharing based upon 1% of gross student sales. This amount is calculated and reflected at year end on the basis of actual sales.

3. ISIC

Projected sales of the International Student Identity Card through Cuts offices and other sales agents. The figure is net of direct cost of sales items including ISIC Association charges, shipping, administration, point of sale materials, the cost of free cards to members, and commissions to sales agents.

Revenue from the sales of the ISIC is split on a 50/50 basis with CUTS reflecting the fact that over 75% of all cards are sold by Cuts offices.

4. Directory

Income from sales of the National Student Association Directory net of printing and direct administration, staffing and production costs.

5. SWAP

Income derived from registration and hosting fees net of direct costs for programme promotion, hosting, the services of overseas organizations, visas and partial staffing. Swap is a programme administered jointly By CFS-Services and CUTS. Many expenses for staffing and head office administration are covered by CUTS. Due to the close interrelationship of the programme expenses, income is reported as a net amount and split on a 50/50 basis with CUTS.

ADMINISTRATION EXPENSES

1. Salaries

Salaries and benefits for non programme administration staff: the Executive Director, Communications/Project officer, Administrative Assistant, Design\Production, temporary part-time and seasonal staff as required.

2. Office

Amounts for the costs of occupancy, equipment, supplies and office expense not relating directly to any programme.

3. Administration/Accounting

Amounts to reflect the costs of admin (reception) and accounting services not relating directly to any programme.

4. Communication

Amounts to reflect the costs for Communication and delivery services not relating directly to any programme.

5. Travel Expense

Costs for staff travel to Federation Meetings and other travel and local expenses not relating directly to any programme.

6. Advertising/Promotion

General Federation promotion (ie. listings in directories, specialized materials) and the costs for advertising vacant staff positions.

7. Printing

All CFS-Services printing costs not relating directly to any programme.

8. Translation

All CFS-Services translation costs not relating directly to any programme.

9. Professional Fees

The costs for CFS-Services legal counsel and Audit Authority.

10. Bad Debts

Estimate of bad debts not related directly to any programme.

11. Depreciation

Standard depreciation allowance: Buildings 5%, Furniture and equipment 25%.

13. Interest

Interest and other related non-programme finance and bank charges.

CANADIAN PROGRAMMING SERVICE

CPS INCOME

1. Sales

Estimate of annual speaker engagement revenue.

2. Cost of Sales

Speakers fees and direct speaker related costs estimated at 80% (speaker revenue less 20% average commission). Does not include the costs of travel and engagement expenses or event promotion.

3. Net Income

The net income derived from sales less costs of speakers fees (estimate at 20%).

CPS EXPENSES

1. Salaries

Salaries for two full time staff.

2. Office

Allowance for office costs based upon estimate of actual use.

3. Administration/Accounting

Allowance for services of receptionist and administration, and accounting staff.

4. Communication

Telephone, fax, CFSNET, courier and delivery charges relating specifically to the programme.

5. Travel Expense

Travel expenses of CPS Staff to meetings events, conferences and showcases related to the sales of speakers and the administration of speaking engagements..

6. Advertising Promotion

The costs of catalogues, mailings, pamphlets, speakers publicity, event promotion, CPS trade promotion, etc.

7. Printing

All non promotional printing. -

8. Translation

All costs of translation of printed materials.

9. Bad Debts

Annual allowance for bad debts.

CFSNET

CFSNET has been reinstated with new software in both English and French. Projection are based on the costs to CFS-Services for setup and initial implementation of the re-established network, as well as the initial cost to the network administrator. A third party billing arrangement has been instituted whereby all CFS users are billed directly by Mediatele, the host carrier.

..... INSURANCE

INCOME

1. Sales

Sales figure represents income to be derived from existing contracts and sales in 1993-94 of the voluntary dental plan.

2. Cost of Sales

Cost of sales are expenses associated with the maintenance of the Voluntary Dental programme.

3. Programme Income

Figure represents a projected estimate on the fees to be derived from campus health plans operating through the National Student Health Network.

4. Other

Income derived for services of the Health plan administration office operated by CFS-Services under contract at the University of Calgary.

EXPENSES

1. Salaries

Four full-time, one 3/4 time, and one 1/2 time staff involved in the operation of the National Student Health Network. (Director, National Administrator, Coordinator-Administrative support and record maintenance, Calgary Office Administrator, 3/4 time Calgary Admin Assistant, allowance for 1/2 marketing position)

2. Office

Allowance based upon head office costs incurred in the operations of Health plans. Includes all actual University of Calgary office expenses.

3. Administration/Accounting

Allowance based upon the costs of head office administration and accounting services for operations of Health plans.

4. Communication

Allowance based upon the communication and delivery costs for Head office operations and the U of C office.

5. Travel Expense

Travel Expenses incurred by programme staff in the sales and operations of health plans.

6. Advertising/Promotion

Expenses for the general advertising and promotion of the Network and marketing of health plans. Includes campus promotions and cooperative promotions campaigns with other campus health organizations.

7. Printing/Translation

Expenses for translation and printing of Benefit description pamphlets (150,000) waiver forms, Benefit booklets, local campus Posters and flyers, and other materials as requested by Network campuses.

STUDENTSAYER

INCOME

1. Sales

Represents an estimate on projected income from the sales of the Studentsaver High School programme.

2. Cost of Sales

All Studentsaver high school programme costs including staffing, office, communication, administration, accounting and printing/translation and production costs.

3. Advertising

Represents an estimate of revenue, net of agency and sales rep commissions for advertising and sponsorship in Studentsaver publications.

EXPENSES

1. Salaries

Includes salaries, and benefits for the Director and seasonal/part time staff assistance.

2. Office

Allowance for office costs based upon estimate of actual use.

3. Administration/Accounting

Allowance for services of receptionist, administration and accounting support staff.

4. Communication

Allowance based upon estimated use of these services.

5. Travel Expense

Travel Expenses of Studentsaver staff to attend meetings, trade shows etc. relating directly to the administration and sales of the Studentsaver programme.

6. Advertising/Promotion

Estimate of costs for programme information, and general trade promotion of the programme. Includes advertising for staff or commissioned representatives.

7. Printing/Translation

Estimate based on the printing of 250,000 member/studentsaver cards.

8. Professional Fees

Commissions paid to local representatives for the solicitation of Studentsaver discounts.

