

**Students' Representative Council
of Bishop's University
Financial Statements
April 30, 2018**

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Independent Practitioner's Review Engagement Report

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To the Directors of
Students' Representative Council of Bishop's University

We have reviewed the accompanying financial statements of Students' Representative Council of Bishop's University, which comprise the statement of financial position as at April 30, 2018 and the statements of operations, changes in net assets and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's responsibility for the financial statements

Management is responsible for the preparation and fair presentation of these 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 financial statements that are free from material misstatement, whether due to fraud or error.

Practitioner's responsibility

Our responsibility is to express a conclusion on these financial statements based on our review. We conducted our review in accordance with Canadian generally accepted standards for review engagements, which require us to comply with relevant ethical requirements.

A review of financial statements in accordance with Canadian generally accepted standards for review engagements is a limited assurance engagement. The practitioner performs procedures, primarily consisting of making inquiries of management and others within the entity, as appropriate, and applying analytical procedures, and evaluates the evidence obtained.

The procedures performed in a review are substantially less in extent than, and vary in nature from, those performed in an audit conducted in accordance with Canadian generally accepted auditing standards. Accordingly, we do not express an audit opinion on these financial statements.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that these financial statements do not present fairly, in all material respects, the financial position of Students' Representative Council of Bishop's University as at April 30, 2018 and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

*Raymond Chabot Grant Thornton LLP*¹

Sherbrooke
August 22, 2018

¹ CPA auditor, CA public accountancy permit no. A124217

Students' Representative Council of Bishop's University

Operations

Year ended April 30, 2018
(Unaudited)

	<u>2018</u>	<u>2017</u>
	\$	\$
Revenues		
Student health insurance fees	399,319	377,039
Student fees	380,536	330,459
Gait sales	251,773	299,513
Doolittles' sales	163,100	158,184
Other services	142,076	123,902
	<u>1,336,804</u>	<u>1,289,097</u>
Expenses		
General expenses (Schedule A)	539,179	514,207
Student health insurance premiums	399,319	377,039
Gait expenses (Schedule B)	206,029	264,173
Doolittles' expenses (Schedule C)	154,833	147,454
	<u>1,299,360</u>	<u>1,302,873</u>
Excess (deficiency) of revenues over expenses	<u>37,444</u>	<u>(13,776)</u>

The accompanying notes and schedules are an integral part of the financial statements.

Students' Representative Council of Bishop's University

Changes in Net Assets

Year ended April 30, 2018
(Unaudited)

	2018	2017
	Internally restricted for sustainable development initiatives \$ 30,291 8,873 39,164	Unrestricted \$ 186,670 28,571 215,241
	Total \$ 216,961 37,444 254,405	Total \$ 230,737 (13,776) 216,961
Balance, beginning of year		
Excess (deficiency) of revenues over expenses		
Balance, end of year		

The accompanying notes and schedules are an integral part of the financial statements.

Students' Representative Council of Bishop's University

Cash Flows

Year ended April 30, 2018
(Unaudited)

	<u>2018</u>	<u>2017</u>
	\$	\$
<i>OPERATING ACTIVITIES</i>		
Excess (deficiency) of revenues over expenses	37,444	(13,776)
Non-cash item		
Amortization of tangible capital assets	<u>20,150</u>	<u>18,571</u>
	<u>57,594</u>	<u>4,795</u>
Net change in working capital items		
Accounts receivable	(55,024)	34,526
Inventory	4,060	(4,213)
Prepaid expenses		18,232
Accounts payable and other operating liabilities	<u>71,359</u>	<u>(16,330)</u>
	<u>20,395</u>	<u>32,215</u>
Cash flows from operating activities	77,989	37,010
<i>INVESTING ACTIVITIES</i>		
Tangible capital assets and cash flows from investing activities	<u>(1,326)</u>	<u>(13,465)</u>
Net increase in cash	76,663	23,545
Cash, beginning of year	<u>164,172</u>	<u>140,627</u>
Cash, end of year	<u>240,835</u>	<u>164,172</u>

The accompanying notes and schedules are an integral part of the financial statements.

Students' Representative Council of Bishop's University

Financial Position

April 30, 2018
(Unaudited)

	<u>2018</u>	<u>2017</u>
	\$	\$
ASSETS		
Current		
Cash	240,835	164,172
Accounts receivable	61,151	6,127
Inventory	<u>31,693</u>	<u>35,753</u>
	333,679	206,052
Long-term		
Tangible capital assets (Note 3)	<u>32,805</u>	<u>51,629</u>
	<u><u>366,484</u></u>	<u><u>257,681</u></u>
LIABILITIES		
Current		
Accounts payable and other operating liabilities (Note 4)	112,079	40,720
NET ASSETS		
Internally restricted for sustainable development initiatives	39,164	30,291
Unrestricted	<u>215,241</u>	<u>186,670</u>
	<u><u>254,405</u></u>	<u><u>216,961</u></u>
	<u><u>366,484</u></u>	<u><u>257,681</u></u>

The accompanying notes and schedules are an integral part of the financial statements.

On behalf of the Board,

Director

Director

Students' Representative Council of Bishop's University

Notes to Financial Statements

April 30, 2018
(Unaudited)

1 - GOVERNING STATUTES AND PURPOSE OF THE ORGANIZATION

The Organization was incorporated under Part III of the Companies Act (Quebec) for the purpose of representing the students of Bishop's University. It is a not-for-profit organization under the Income Tax Act.

2 - SIGNIFICANT ACCOUNTING POLICIES

Basis of presentation

The Organization's financial statements are prepared in accordance with Canadian accounting standards for not-for-profit organizations.

Accounting estimates

The preparation of financial statements requires management to make estimates and assumptions that affect the amounts recorded in the financial statements, notes to financial statements and schedules. These estimates are based on management's knowledge of current events and actions that the Organization may undertake in the future. Actual results may differ from these estimates.

Financial assets and liabilities

Initial measurement

Upon initial measurement, the Organization's financial assets and liabilities are measured at fair value, which, in the case of financial assets or financial liabilities that will be measured subsequently at amortized cost, is increased or decreased by the amount of the transaction costs.

Subsequent measurement

At each reporting date, the Organization measures its financial assets and liabilities at amortized cost (including any impairment in the case of financial assets).

With respect to financial assets measured at amortized cost, the Organization assesses whether there are any indications of impairment. When there is an indication of impairment, and if the Organization determines that during the year there was a significant adverse change in the expected timing or amount of future cash flows from a financial asset, it will then recognize a reduction as an impairment loss in operations. The reversal of a previously recognized impairment loss on a financial asset measured at amortized cost is recognized in operations in the year the reversal occurs.

Revenue recognition

Student health insurance fees and student fees

Revenue is recognized when a contract specifying periods and fees is signed by Bishop's University, services have been rendered and collection is reasonably assured.

Gait and Doolittles' sales and other services

Revenue is recognized at the time of sale or at the time the service is rendered.

Students' Representative Council of Bishop's University

Notes to Financial Statements

April 30, 2018
(Unaudited)

2 - SIGNIFICANT ACCOUNTING POLICIES (Continued)

Inventory valuation

The inventory is valued at the lower of cost and net realizable value. Cost is determined using the first in, first out method.

Tangible capital assets

Tangible capital assets acquired are recorded at cost. When the Organization receives contributions of capital assets, their cost is equal to their fair value at the contribution date.

Amortization

Tangible capital assets are amortized over their estimated useful lives according to the straight-line method at the following annual rates:

	<u>Rates</u>
Furniture and equipment	20% and 30%

Write-down

When the Organization recognizes that a tangible capital asset no longer has any long-term service potential, the excess of net carrying amount of the tangible capital asset over its residual value is recognized as an expense in the statement of operations.

3 - TANGIBLE CAPITAL ASSETS

	<u>2018</u>	<u>2017</u>
	Cost	Accumulated amortization
	Net carrying amount	Net carrying amount
	\$	\$
Furniture and equipment	<u>93,655</u>	<u>60,850</u>
	<u>32,805</u>	<u>51,629</u>

4 - ACCOUNTS PAYABLE AND OTHER OPERATING LIABILITIES

	<u>2018</u>	<u>2017</u>
	\$	\$
Accounts payable and accrued liabilities	98,921	5,383
Salaries payable	13,158	33,018
Indirect taxes	<u>2,319</u>	<u>2,319</u>
	<u>112,079</u>	<u>40,720</u>

5 - FINANCIAL RISKS

Credit risk

The Organization is exposed to credit risk regarding the financial assets recognized in the statement of financial position. The Organization has determined that the financial assets with more credit risk exposure are accounts receivable since failure of any of these parties to fulfil their obligations could result in significant financial losses for the Organization.

Students' Representative Council of Bishop's University

Notes to Financial Statements

April 30, 2018
(Unaudited)

5 - FINANCIAL RISKS (Continued)

Liquidity risk

The Organization's liquidity risk represents the risk that the Organization could encounter difficulty in meeting obligations associated with its financial liabilities. The Organization is, therefore, exposed to liquidity risk with respect to all of the financial liabilities recognized in the statement of financial position.

6 - COMPARATIVE FIGURES

Certain comparative figures have been reclassified to conform with the presentation adopted in the current year. Consequently, other services and general expenses in the statement of operations for the year ended April 30, 2017 were increased by \$91,694.

Students' Representative Council of Bishop's University

Schedules

Year ended April 30, 2018
(Unaudited)

	SCHEDULE C	
	<u>2018</u>	<u>2017</u>
	\$	\$
<i>DOOLITTLES' EXPENSES</i>		
Salaries and fringe benefits	28,606	31,136
Cost of goods sold	123,037	115,793
Software expenses	1,285	
Permits and licences	199	197
Amortization of tangible capital assets	<u>1,706</u>	<u>328</u>
	<u><u>154,833</u></u>	<u><u>147,454</u></u>

The amount of inventory recognized as expenses during the year corresponds to the cost of goods sold presented in these schedules (\$211,795 in 2018; \$230,109 in 2017).