

**Students' Representative Council
of Bishop's University
Financial Statements
April 30, 2017**

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Raymond Chabot Grant Thornton

Review Engagement Report

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

We have reviewed the statement of financial position of Students' Representative Council of Bishop's University as at April 30, 2017 and the statements of operations, changes in net assets and cash flows for the year then ended. Our review was made in accordance with Canadian generally accepted standards for review engagements and, accordingly, consisted primarily of inquiry, analytical procedures and discussion related to information supplied to us by the Organization.

A review does not constitute an audit and, consequently, we do not express an audit opinion on these financial statements.

Based on our review, nothing has come to our attention that causes us to believe that these financial statements are not, in all material respects, in accordance with Canadian accounting standards for not-for-profit organizations.

*Raymond Chabot Grant Thornton LLP*¹

Sherbrooke
September 22, 2017

¹ CPA auditor, CA public accountancy permit no. A124217

Students' Representative Council of Bishop's University

Operations

Year ended April 30, 2017
(Unaudited)

	<u>2017</u>	<u>2016</u>
	\$	\$
Revenues		
Student health insurance fees	377,039	327,922
Student fees	330,459	338,315
Gait sales	299,513	283,715
Doolittles' sales	158,184	155,425
Other services	32,208	31,800
	<u>1,197,403</u>	<u>1,137,177</u>
Expenses		
General expenses (Schedule A)	422,513	378,801
Student health insurance premiums	377,039	327,922
Gait expenses (Schedule B)	264,173	265,632
Doolittles' expenses (Schedule C)	147,454	160,002
	<u>1,211,179</u>	<u>1,132,357</u>
Excess (deficiency) of revenues over expenses	<u>(13,776)</u>	<u>4,820</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, 2017
(Unaudited)

			2017	2016
	Restricted fund	Unrestricted	Total	Total
	\$	\$	\$	\$
Balance, beginning of year	19,680	211,057	230,737	225,917
Excess (deficiency) of revenues over expenses	10,611	(24,387)	(13,776)	4,820
Balance, end of year	<u>30,291</u>	<u>186,670</u>	<u>216,961</u>	<u>230,737</u>

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, 2017

(Unaudited)

	<u>2017</u>	<u>2016</u>
	\$	\$
OPERATING ACTIVITIES		
Excess (deficiency) of revenues over expenses	(13,776)	4,820
Non-cash items		
Amortization of tangible capital assets	18,571	13,768
Loss on disposal of tangible capital assets		667
Changes in working capital items		
Accounts receivable	34,526	(22,572)
Inventory	(4,213)	(7,226)
Prepaid expenses	18,232	(18,232)
Accounts payable and other operating liabilities	(16,330)	33,901
Cash flows from operating activities	<u>37,010</u>	<u>5,126</u>
INVESTING ACTIVITIES		
Tangible capital assets	(13,465)	(29,359)
Disposal of tangible capital assets		600
Cash flows from investing activities	<u>(13,465)</u>	<u>(28,759)</u>
Net increase (decrease) in cash	23,545	(23,633)
Cash, beginning of year	<u>140,627</u>	<u>164,260</u>
Cash, end of year	<u><u>164,172</u></u>	<u><u>140,627</u></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, 2017
(Unaudited)

	<u>2017</u>	<u>2016</u>
	\$	\$
ASSETS		
Current		
Cash	164,172	140,627
Accounts receivable	6,127	40,653
Inventory	35,753	31,540
Prepaid expenses		18,232
	<u>206,052</u>	<u>231,052</u>
Long-term		
Tangible capital assets (Note 3)	<u>51,629</u>	<u>56,735</u>
	<u><u>257,681</u></u>	<u><u>287,787</u></u>
LIABILITIES		
Current		
Accounts payable and other operating liabilities (Note 4)	40,720	57,050
NET ASSETS		
Restricted fund	30,291	19,680
Unrestricted	<u>186,670</u>	<u>211,057</u>
	<u>216,961</u>	<u>230,737</u>
	<u><u>257,681</u></u>	<u><u>287,787</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, 2017
(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 best 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 earnings. The reversal of a previously recognized impairment loss on a financial asset measured at amortized cost is recognized in earnings 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, 2017
(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>2017</u>		<u>2016</u>
	Cost	Accumulated amortization	Net carrying amount
	\$	\$	\$
Furniture and equipment	<u>92,329</u>	<u>40,700</u>	<u>51,629</u>
			<u>56,735</u>

4 - ACCOUNTS PAYABLE AND OTHER OPERATING LIABILITIES

	<u>2017</u>	<u>2016</u>
	\$	\$
Accounts payable and accrued liabilities	5,383	38,381
Salaries payable	33,018	18,669
Indirect taxes	2,319	
	<u>40,720</u>	<u>57,050</u>

Students' Representative Council of Bishop's University

Notes to Financial Statements

April 30, 2017
(Unaudited)

5 - FINANCIAL INSTRUMENTS

Financial risks

The Organization's main financial risk exposure is detailed as follows.

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.

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.

Carrying amount of financial assets by category

The Organization's financial assets, totalling \$170,299 (\$181,280 as at April 30, 2016), have all been classified as financial assets measured at amortized cost.

Students' Representative Council of Bishop's University

Schedules

Year ended April 30, 2017
(Unaudited)

	SCHEDULE A	
	<u>2017</u>	<u>2016</u>
	\$	\$
GENERAL EXPENSES		
Salaries and fringe benefits	242,145	220,639
Event expenses	69,997	49,847
Yearbook expenses	30,194	21,181
Club expenses	17,672	26,395
Insurance	13,144	13,100
Mobile application	8,200	6,500
Other expenses	5,969	5,179
Meals and travel	5,495	8,184
Office supplies and expenses	5,254	2,848
Professional fees	5,000	500
Interest and bank charges	4,744	5,200
Elections	3,879	2,800
Donations	3,266	6,082
Professional development	2,462	
Maintenance and repairs	1,128	8,500
Amortization of tangible capital assets	3,964	1,846
	<u>422,513</u>	<u>378,801</u>

	SCHEDULE B	
	<u>2017</u>	<u>2016</u>
	\$	\$
GAIT EXPENSES		
Salaries and fringe benefits	100,845	86,591
Cost of goods sold	114,316	121,958
Live entertainment expenses	11,775	9,906
Equipment and glassware	8,921	14,177
Security	6,849	10,418
Permits and licences	2,993	2,562
Other expenses	2,281	5,330
Maintenance and repairs	1,914	2,768
Amortization of tangible capital assets	14,279	11,922
	<u>264,173</u>	<u>265,632</u>

Students' Representative Council of Bishop's University

Schedules

Year ended April 30, 2017
(Unaudited)

	SCHEDULE C	
	<u>2017</u>	<u>2016</u>
	\$	\$
<i>DOOLITTLES' EXPENSES</i>		
Salaries and fringe benefits	31,136	30,560
Cost of goods sold	115,793	127,383
Permits and licences	197	195
Software expenses		1,864
Amortization of tangible capital assets	328	
	<u>147,454</u>	<u>160,002</u>

The amount of inventory recognized as expenses during the year corresponds to the cost of goods sold presented in these schedules (\$227,250 in 2017; \$249,341 in 2016).