

**Students' Representative Council
of Bishop's University
Financial Statements
April 30, 2016**

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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, 2016 and the statements of operations and 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.

The Organization has not presented an opening balance sheet at the date of transition nor has it presented the information relating to the initial application of Canadian accounting standards for not-for-profit organizations. In this regard, the financial statements are not in accordance with Canadian accounting standards for not-for-profit organizations.

Except for the effects of the matter described in the preceding paragraph, 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.

The financial statements of Students' Representative Council of Bishop's University for the year ended April 30, 2015 were not audited or reviewed.

*Raymond Chabot Grant Thornton LLP*¹

Sherbrooke
September 1, 2016

¹ CPA auditor, CA public accountancy permit no. A124217

Students' Representative Council of Bishop's University

Operations and Net Assets

Year ended April 30, 2016

(Unaudited)

	<u>2016</u>	<u>2015</u>
	\$	\$
Revenues		
Student fees	338,315	333,695
Student health insurance fees	327,922	288,467
Gait sales	283,715	227,557
Doolittles' sales	155,425	148,825
Other services	31,800	19,266
	<u>1,137,177</u>	<u>1,017,810</u>
Expenses		
General expenses (Schedule A)	378,801	295,681
Student health insurance premiums	327,922	288,467
Gait expenses (Schedule B)	265,632	205,164
Doolittles' expenses (Schedule C)	160,002	143,252
	<u>1,132,357</u>	<u>932,564</u>
Excess of revenues over expenses	4,820	85,246
Net assets, beginning of year	<u>225,917</u>	<u>140,671</u>
Net assets, end of year	<u><u>230,737</u></u>	<u><u>225,917</u></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, 2016

(Unaudited)

	<u>2016</u>	<u>2015</u>
	\$	\$
OPERATING ACTIVITIES		
Excess of revenues over expenses	4,820	85,246
Non-cash items		
Amortization of tangible capital assets	13,768	8,360
Loss on disposal of tangible capital assets	667	
Changes in working capital items		
Accounts receivable	(22,572)	8,921
Inventory	(7,226)	(24,212)
Prepaid expenses	(18,232)	
Accounts payable and other operating liabilities	33,901	10,289
Cash flows from operating activities	<u>5,126</u>	<u>88,604</u>
INVESTING ACTIVITIES		
Tangible capital assets	(29,359)	(34,865)
Disposal of tangible capital assets	600	
Cash flows from investing activities	<u>(28,759)</u>	<u>(34,865)</u>
Net increase (decrease) in cash	(23,633)	53,739
Cash, beginning of year	<u>164,260</u>	<u>110,521</u>
Cash, end of year	<u>140,627</u>	<u>164,260</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, 2016
(Unaudited)

	<u>2016</u>	<u>2015</u>
	\$	\$
ASSETS		
Current		
Cash	140,627	164,260
Accounts receivable	40,653	18,081
Inventory	31,540	24,314
Prepaid expenses	<u>18,232</u>	<u> </u>
	231,052	206,655
Long-term		
Tangible capital assets (Note 4)	<u>56,735</u>	<u>42,411</u>
	<u>287,787</u>	<u>249,066</u>
LIABILITIES		
Current		
Accounts payable and other operating liabilities (Note 5)	57,050	23,149
UNRESTRICTED NET ASSETS	<u>230,737</u>	<u>225,917</u>
	<u>287,787</u>	<u>249,066</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, 2016
(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 - ACCOUNTING CHANGE

During the year, the Organization retrospectively corrected an error by recognizing the revenues and expenses related to student health insurance. For the year ended April 30, 2015, this change led to an increase in student health insurance fees revenues and an increase in student health insurance premium expenses of \$288,467 and an increase in accounts receivable and an increase in accounts payable of \$12,860. This change had no impact on the net assets at the beginning of the year or on the net assets at the end of the year.

3 - 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.

Students' Representative Council of Bishop's University

Notes to Financial Statements

April 30, 2016
(Unaudited)

3 - SIGNIFICANT ACCOUNTING POLICIES (Continued)

Revenue recognition

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.

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 diminishing balance 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.

4 - TANGIBLE CAPITAL ASSETS

	<u>2016</u>	<u>2015</u>		
	Cost	Accumulated amortization	Net carrying amount	Net carrying amount
	\$	\$	\$	\$
Furniture and equipment	<u>78,863</u>	<u>22,128</u>	<u>56,735</u>	<u>42,411</u>

Students' Representative Council of Bishop's University

Notes to Financial Statements

April 30, 2016
(Unaudited)

5 - ACCOUNTS PAYABLE AND OTHER OPERATING LIABILITIES

	<u>2016</u>	<u>2015</u>
	\$	\$
Accounts payable and accrued liabilities	38,381	12,860
Salaries payable	18,669	10,289
	<u>57,050</u>	<u>23,149</u>

6 - 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 balance sheet.

Carrying amount of financial assets by category

The Organization's financial assets, totalling \$181,280 (\$182,341 as at April 30, 2015), have all been classified as financial assets measured at amortized cost.

Students' Representative Council of Bishop's University

Schedules

Year ended April 30, 2016
(Unaudited)

	SCHEDULE A	
	<u>2016</u>	<u>2015</u>
	\$	\$
GENERAL EXPENSES		
Salaries and fringe benefits	220,639	189,509
Event expenses	49,847	46,969
Club expenses	26,395	12,342
Yearbook expenses	21,181	(1,400)
Insurance	13,100	13,091
Maintenance and repairs	8,500	1,590
Meals and travel	8,184	2,184
Mobile application	6,500	6,500
Donations	6,082	3,395
Interest and bank charges	5,200	4,760
Other expenses	5,179	3,870
Office supplies and expenses	2,848	7,256
Elections	2,800	1,640
Professional fees	500	3,975
Amortization of tangible capital assets	1,846	
	<u>378,801</u>	<u>295,681</u>

	SCHEDULE B	
	<u>2016</u>	<u>2015</u>
	\$	\$
GAIT EXPENSES		
Salaries and fringe benefits	86,591	74,586
Cost of goods sold	121,958	93,810
Equipment and glassware	14,177	8,175
Security	10,418	7,599
Live entertainment expenses	9,906	4,761
Other expenses	5,330	2,208
Maintenance and repairs	2,768	1,580
Permits and licences	2,562	4,085
Amortization of tangible capital assets	11,922	8,360
	<u>265,632</u>	<u>205,164</u>

Students' Representative Council of Bishop's University

Schedules

Year ended April 30, 2016
(Unaudited)

	SCHEDULE C	
	<u>2016</u>	<u>2015</u>
	\$	\$
<i>DOOLITTLES' EXPENSES</i>		
Salaries and fringe benefits	30,560	30,915
Cost of goods sold	127,383	111,547
Software expenses	1,864	599
Permits and licences	195	191
	<u>160,002</u>	<u>143,252</u>

The amount of inventory recognized as expenses during the year corresponds to the cost of goods sold presented in these schedules (\$249,341 in 2016; \$205,357 in 2015).