

**Students' Representative Council
of Bishop's University
Financial Statements
April 30, 2019**

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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, 2019 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, 2019 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 13, 2019

¹ CPA auditor, CA public accountancy permit no. A124217

Students' Representative Council of Bishop's University

Operations

Year ended April 30, 2019

(Unaudited)

	<u>2019</u>	<u>2018</u>
	\$	\$
Revenues		
Student health insurance fees	384,773	399,319
Student fees	434,626	380,536
Gait sales	257,296	251,773
Doolittles' sales	149,911	163,100
Other services	170,304	142,076
	<u>1,396,910</u>	<u>1,336,804</u>
Expenses		
General expenses (Schedule A)	615,197	539,179
Student health insurance premiums	384,773	399,319
Gait expenses (Schedule B)	221,418	206,029
Doolittles' expenses (Schedule C)	149,049	154,833
	<u>1,370,437</u>	<u>1,299,360</u>
Excess of revenues over expenses	<u>26,473</u>	<u>37,444</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, 2019

(Unaudited)

	2019			2018
	Internally restricted for sustainable development initiatives	Unrestricted	Total	Total
	\$	\$	\$	\$
Balance, beginning of year	39,164	215,241	254,405	216,961
Excess (deficiency) of revenues over expenses	(1,317)	27,790	26,473	37,444
Balance, end of year	37,847	243,031	280,878	254,405

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, 2019

(Unaudited)

	<u>2019</u>	<u>2018</u>
	\$	\$
OPERATING ACTIVITIES		
Excess of revenues over expenses	26,473	37,444
Non-cash item		
Amortization of tangible capital assets	<u>19,477</u>	<u>20,150</u>
	<u>45,950</u>	<u>57,594</u>
Net change in working capital items		
Accounts receivable	(15,678)	(55,024)
Inventory	(6,073)	4,060
Prepaid expenses	(1,229)	
Accounts payable and other operating liabilities	<u>4,749</u>	<u>71,359</u>
	<u>(18,231)</u>	<u>20,395</u>
Cash flows from operating activities	27,719	77,989
INVESTING ACTIVITIES		
Tangible capital assets and cash flows from investing activities	<u>(3,025)</u>	<u>(1,326)</u>
Net increase in cash	24,694	76,663
Cash, beginning of year	<u>240,835</u>	<u>164,172</u>
Cash, end of year	<u><u>265,529</u></u>	<u><u>240,835</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, 2019
(Unaudited)

	<u>2019</u>	<u>2018</u>
	\$	\$
ASSETS		
Current		
Cash	265,529	240,835
Accounts receivable	76,829	61,151
Inventory	37,766	31,693
Prepaid expenses	1,229	
	<u>381,353</u>	<u>333,679</u>
Long-term		
Tangible capital assets (Note 3)	16,353	32,805
	<u>397,706</u>	<u>366,484</u>
LIABILITIES		
Current		
Accounts payable and other operating liabilities (Note 4)	116,828	112,079
NET ASSETS		
Internally restricted for sustainable development initiatives	37,847	39,164
Unrestricted	243,031	215,241
	<u>280,878</u>	<u>254,405</u>
	<u>397,706</u>	<u>366,484</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, 2019
(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, 2019
(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>2019</u>			<u>2018</u>
	<u>Cost</u>	<u>Accumulated amortization</u>	<u>Net carrying amount</u>	<u>Net carrying amount</u>
	\$	\$	\$	\$
Furniture and equipment	<u>96,680</u>	<u>80,327</u>	<u>16,353</u>	<u>32,805</u>

4 - ACCOUNTS PAYABLE AND OTHER OPERATING LIABILITIES

	<u>2019</u>	<u>2018</u>
	\$	\$
Accounts payable and accrued liabilities	<u>94,717</u>	98,921
Salaries payable	<u>19,965</u>	13,158
Sales taxes payable	<u>2,146</u>	
	<u><u>116,828</u></u>	<u><u>112,079</u></u>

Students' Representative Council of Bishop's University

Notes to Financial Statements

April 30, 2019
(Unaudited)

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.

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.

Students' Representative Council of Bishop's University

Schedules

Year ended April 30, 2019
(Unaudited)

	SCHEDULE A	
	<u>2019</u>	<u>2018</u>
	\$	\$
GENERAL EXPENSES		
Salaries and fringe benefits	286,160	248,037
Event expenses	173,256	159,602
Yearbook expenses	33,646	30,083
Student union fees	23,324	
Other expenses	16,329	14,644
Club expenses	15,589	21,486
Meals and travel	12,023	11,639
Donations	9,169	7,135
Interest and bank charges	7,364	5,473
Professional fees	5,300	7,952
Elections	3,861	3,787
Office supplies and expenses	3,853	4,460
Professional development	3,810	2,585
Mobile application	3,000	2,500
Maintenance and repairs	578	593
Insurance	13,000	13,656
Amortization of tangible capital assets	4,935	5,547
	<u>615,197</u>	<u>539,179</u>

	SCHEDULE B	
	<u>2019</u>	<u>2018</u>
	\$	\$
GAIT EXPENSES		
Salaries and fringe benefits	77,746	77,072
Cost of goods sold	95,611	88,758
Other expenses	5,119	2,778
Live entertainment expenses	8,678	7,812
Security	7,907	9,415
Equipment and glassware	5,965	2,826
Permits and licences	3,770	3,623
Maintenance and repairs	3,595	848
Amortization of tangible capital assets	13,027	12,897
	<u>221,418</u>	<u>206,029</u>

Students' Representative Council of Bishop's University

Schedules

Year ended April 30, 2019
(Unaudited)

	SCHEDULE C	
	<u>2019</u>	<u>2018</u>
	\$	\$
<i>DOOLITTLES' EXPENSES</i>		
Salaries and fringe benefits	27,897	28,606
Cost of goods sold	118,258	123,037
Software expenses	1,344	1,285
Permits and licences	35	199
Amortization of tangible capital assets	1,515	1,706
	<u>149,049</u>	<u>154,833</u>

The amount of inventory recognized as expenses during the year corresponds to the cost of goods sold presented in these schedules (\$213,869 in 2019; \$211,795 in 2018).