

**Students' Representative Council  
of Bishop's University  
Financial Statements  
April 30, 2020**

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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, 2020 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, 2020 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*<sup>1</sup>

Sherbrooke  
September 27, 2020

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<sup>1</sup> CPA auditor, CA public accountancy permit no. A124217

# Students' Representative Council of Bishop's University

## Operations

Year ended April 30, 2020

(Unaudited)

|   | <u>2020</u>             | <u>2019</u>      |
|---|-------------------------|------------------|
|   | \$                      | \$               |
| <b>Revenues</b>                         |                         |                  |
| Student fees                            | <b>466,523</b>          | 434,626          |
| Student health insurance fees           | <b>395,640</b>          | 384,773          |
| Gait sales                              | <b>214,415</b>          | 257,296          |
| Doolittle's sales                       | <b>127,742</b>          | 149,911          |
| Other services                          | <b>158,422</b>          | 171,621          |
|   | <u><b>1,362,742</b></u> | <u>1,398,227</u> |
| <b>Expenses</b>                         |                         |                  |
| General expenses (Schedule A)           | <b>682,270</b>          | 615,197          |
| Student health insurance premiums       | <b>395,640</b>          | 384,773          |
| Gait expenses (Schedule B)              | <b>154,822</b>          | 221,418          |
| Doolittle's expenses (Schedule C)       | <b>123,592</b>          | 149,049          |
|   | <u><b>1,356,324</b></u> | <u>1,370,437</u> |
| <b>Excess of revenues over expenses</b> | <u><b>6,418</b></u>     | <u>27,790</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, 2020

(Unaudited)

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|                                    | <u>2020</u>           | <u>2019</u>           |
|------------------------------------|-----------------------|-----------------------|
|                                    | \$                    | \$                    |
| Net assets, beginning of year      |                       |                       |
| Net assets, as previously reported | <b>280,878</b>        | 254,405               |
| Accounting change (Note 2)         | <b>(37,847)</b>       | (39,164)              |
| Net assets, as restated            | <b>243,031</b>        | 215,241               |
| Excess of revenues over expenses   | <b>6,418</b>          | 27,790                |
| Net assets, end of year            | <b><u>249,449</u></b> | <b><u>243,031</u></b> |

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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, 2020

(Unaudited)

|  | <u>2020</u>     | <u>2019</u>     |
|--|-----------------|-----------------|
|  | \$              | \$              |
| <b>OPERATING ACTIVITIES</b>                                      |                 |                 |
| Excess of revenues over expenses                                 | 6,418           | 27,790          |
| Non-cash item  |                 |                 |
| Amortization of tangible capital assets                          | <u>9,733</u>    | <u>19,477</u>   |
|  | <u>16,151</u>   | <u>47,267</u>   |
| Net change in working capital items                              |                 |                 |
| Accounts receivable  | (60,606)        | (15,678)        |
| Inventory  | 250             | (6,073)         |
| Prepaid expenses   | 124             | (1,229)         |
| Accounts payable and other operating liabilities                 | 50,777          | 4,749           |
| Deferred contributions related to expenses                       | <u>3,498</u>    | <u>(1,317)</u>  |
|  | <u>(5,957)</u>  | <u>(19,548)</u> |
| Cash flows from operating activities                             | 10,194          | 27,719          |
| <b>INVESTING ACTIVITIES</b>                                      |                 |                 |
| Tangible capital assets and cash flows from investing activities | <u>(13,161)</u> | <u>(3,025)</u>  |
| <b>Net increase (decrease) in cash</b>                           | <b>(2,967)</b>  | 24,694          |
| Cash, beginning of year  | <u>265,529</u>  | <u>240,835</u>  |
| Cash, end of year  | <u>262,562</u>  | <u>265,529</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, 2020  
(Unaudited)

|   | <u>2020</u>    | <u>2019</u>    |
|---|----------------|----------------|
|   | \$             | \$             |
| <b>ASSETS</b>   |                |                |
| Current   |                |                |
| Cash  | 262,562        | 265,529        |
| Accounts receivable                                       | 137,435        | 76,829         |
| Inventory   | 37,516         | 37,766         |
| Prepaid expenses  | 1,105          | 1,229          |
|   | <u>438,618</u> | <u>381,353</u> |
| Long-term   |                |                |
| Tangible capital assets (Note 5)                          | 19,781         | 16,353         |
|   | <u>458,399</u> | <u>397,706</u> |
| <b>LIABILITIES</b>  |                |                |
| Current   |                |                |
| Accounts payable and other operating liabilities (Note 6) | 167,605        | 116,828        |
| Deferred contributions related to operating (Note 7)      | 41,345         | 37,847         |
|   | <u>208,950</u> | <u>154,675</u> |
| <b>NET ASSETS</b>   | <u>249,449</u> | <u>243,031</u> |
|   | <u>458,399</u> | <u>397,706</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, 2020  
(Unaudited)

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### **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 changed its method of accounting for contributions for sustainable development initiatives. Previously, the Organization recognized them as internally restricted net assets, whereas it should have recognized them as deferred contributions related to operating as they are subject to external restrictions. For the year ended April 30, 2019, this change led to an increase in other services of \$1,317, the excess of revenues over expenses of \$1,317 and a decrease in net assets at the beginning of the year of \$39,164. Additionally, as at April 30, 2019, this change led to an increase in deferred contributions of \$37,847 and a decrease in net assets at the end of the year of the same amount.

### **3 - IMPACTS RESULTING FROM THE COVID-19 PANDEMIC**

In March 2020, the decree of a COVID-19 state of pandemic and the numerous measures put in place by the federal, provincial and municipal governments to protect the public had impacts on the Organization's operations. These measures resulted in the complete closure of the Organization's retail facilities as of March 25, due to directives issued by the Quebec government. This crisis is likely to cause significant changes to the assets or liabilities in the coming year or have a significant impact on future operations.

#### **Subsequent events**

The Organization initiated its deconfinement process on August 10, 2020 which consists in a return to work for all essential staff. Resumption of operations took place on September 5, 2020 as the university's operations resumed. As of the date of completion of the financial statements, management was not able to assess how quickly the Organization's activities will get back to normal or the financial impact of these events at this time.

Among the measures designed to alleviate the repercussions of this crisis, the Organization is eligible for a grant under the Canada Emergency Wage Subsidy program and has applied for a \$43,954 subsidy for the March 15, 2020 to August 1, 2020 period. Of this amount, \$4,250 was recorded in revenues as at April 30, 2020.

### **4 - SIGNIFICANT ACCOUNTING POLICIES**

#### **Basis of presentation**

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

# Students' Representative Council of Bishop's University

## Notes to Financial Statements

April 30, 2020  
(Unaudited)

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### **4 - SIGNIFICANT ACCOUNTING POLICIES (Continued)**

#### **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**

##### *Contributions*

The Organization follows the deferral method of accounting for contributions. Under this method, contributions restricted for future period expenses are deferred and are recognized as revenue in the year in which the related expenses are incurred. Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Moreover, the Organization recognizes contributed supplies and services when the fair value of these contributions can be reasonably estimated and if it would have had to otherwise acquire these supplies and services for its normal operations.

##### *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 Doolittle's 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, 2020  
(Unaudited)

### 4 - 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 tangible capital assets, their cost is equal to their fair value at the contribution date plus all costs directly attributable to the acquisition of the tangible capital assets, or at a nominal value if fair value cannot be reasonably determined.

#### 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 | 3 to 5 years |

#### Write-down

When conditions indicate that a tangible capital asset is impaired, the net carrying amount of the tangible capital asset is written down to the tangible capital asset's fair value or replacement cost. The write-down is accounted for in the statement of operations and cannot be reversed.

### 5 - TANGIBLE CAPITAL ASSETS

|                         | <u>2020</u>    |                             | <u>2019</u>            |
|-------------------------|----------------|-----------------------------|------------------------|
|                         | Cost           | Accumulated<br>amortization | Net carrying<br>amount |
|                         | \$             | \$                          | \$                     |
| Furniture and equipment | <u>109,841</u> | <u>90,060</u>               | <u>16,353</u>          |

### 6 - ACCOUNTS PAYABLE AND OTHER OPERATING LIABILITIES

|  | <u>2020</u>           | <u>2019</u>           |
|--|-----------------------|-----------------------|
|  | \$                    | \$                    |
| Accounts payable and accrued liabilities | <u>151,033</u>        | 94,717                |
| Salaries payable                         | <u>16,572</u>         | 19,965                |
| Sales taxes payable                      |                       | <u>2,146</u>          |
|  | <u><u>167,605</u></u> | <u><u>116,828</u></u> |

# Students' Representative Council of Bishop's University

## Notes to Financial Statements

April 30, 2020  
(Unaudited)

### 7 - DEFERRED CONTRIBUTIONS RELATED TO OPERATING

|  | <u>2020</u>     | <u>2019</u>     |
|--|-----------------|-----------------|
|  | \$              | \$              |
| Opening balance                          | 37,847          | 39,164          |
| Amount received in the year              | 13,528          | 14,616          |
| Amount recognized as revenue in the year | <u>(10,030)</u> | <u>(15,933)</u> |
| Closing balance                          | <u>41,345</u>   | <u>37,847</u>   |

Deferred contributions represent unused resources which, as a result of external restrictions, are intended to cover expenses for sustainable development initiatives.

### 8 - 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.

### 9 - SUBSEQUENT EVENT

Subsequent to year-end, the Organization ceased operations of Doolittle's.



# Students' Representative Council of Bishop's University

## Schedules

Year ended April 30, 2020  
(Unaudited)

|   | <b>SCHEDULE C</b>     |                |
|---|-----------------------|----------------|
|   | <u>2020</u>           | <u>2019</u>    |
|   | \$                    | \$             |
| <b><i>DOOLITTLE'S EXPENSES</i></b>      |                       |                |
| Salaries and fringe benefits            | <b>26,229</b>         | 27,897         |
| Cost of goods sold                      | <b>95,307</b>         | 118,258        |
| Software expenses                       | <b>1,228</b>          | 1,344          |
| Permits and licences                    | <b>172</b>            | 35             |
| Amortization of tangible capital assets | <b>656</b>            | 1,515          |
|   | <u><b>123,592</b></u> | <u>149,049</u> |

The amount of inventory recognized as expenses during the year corresponds to the cost of goods sold presented in these schedules (\$162,533 in 2020; \$213,869 in 2019).