

**Students' Representative Council
of Bishop's University
Financial Statements
April 30, 2022**

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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, 2022 and the statements of operations and net assets and of 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 the Organization as at April 30, 2022 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
September 28, 2022

¹ CPA auditor, public accountancy permit no. A124217

Students' Representative Council of Bishop's University

Operations and Net Assets

Year ended April 30, 2022

	<u>2022</u>	<u>2021</u>
	\$	\$
Revenues		
Student health insurance fees	466,493	466,012
Student fees	450,974	438,866
Other services	104,096	72,155
Gait sales	198,076	25,792
Doolittle's revenue	<u>10,000</u>	<u>17,993</u>
	<u>1,229,639</u>	<u>1,020,818</u>
Expenses		
General expenses (Schedule A)	655,581	537,671
Student health insurance premiums	431,930	455,679
Gait expenses (Schedule B)	175,596	71,843
Doolittle's expenses		<u>11,062</u>
	<u>1,263,107</u>	<u>1,076,255</u>
Deficiency of revenues over expenses before other income	(33,468)	(55,437)
Other income		
Government assistance	<u>119,337</u>	<u>202,621</u>
Excess of revenues over expenses	85,869	147,184
Net assets, beginning of year	<u>396,633</u>	<u>249,449</u>
Net assets, end of year	<u><u>482,502</u></u>	<u><u>396,633</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, 2022

	<u>2022</u>	<u>2021</u>
	\$	\$
OPERATING ACTIVITIES		
Excess of revenues over expenses	85,869	147,184
Non-cash items		
Amortization of tangible capital assets	5,005	7,581
Gain on disposal of tangible capital assets	<u>(472)</u>	<u> </u>
	<u>90,402</u>	<u>154,765</u>
Net change in working capital items		
Accounts receivable	496,908	(460,642)
Inventory	(473)	24,631
Prepaid expenses	(29,531)	(15,535)
Accounts payable and other operating liabilities	(453,501)	423,712
Deferred contributions related to expenses	<u>10,127</u>	<u>39,613</u>
	<u>23,530</u>	<u>11,779</u>
Cash flows from operating activities	<u>113,932</u>	<u>166,544</u>
INVESTING ACTIVITIES		
Tangible capital assets	(5,479)	(700)
Disposal of tangible capital assets	<u>800</u>	<u> </u>
Cash flows from investing activities	<u>(4,679)</u>	<u>(700)</u>
Net increase in cash	109,253	165,844
Cash, beginning of year	<u>428,406</u>	<u>262,562</u>
Cash, end of year	<u><u>537,659</u></u>	<u><u>428,406</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, 2022

	<u>2022</u>	<u>2021</u>
	\$	\$
ASSETS		
Current		
Cash	537,659	428,406
Accounts receivable	101,169	598,077
Inventory	13,358	12,885
Prepaid expenses	46,171	16,640
	<u>698,357</u>	<u>1,056,008</u>
Long-term		
Tangible capital assets (Note 3)	13,046	12,900
	<u>711,403</u>	<u>1,068,908</u>
LIABILITIES		
Current		
Accounts payable and other operating liabilities (Note 4)	137,816	591,317
Deferred contributions related to operations (Note 5)	91,085	80,958
	<u>228,901</u>	<u>672,275</u>
NET ASSETS	<u>482,502</u>	<u>396,633</u>
	<u>711,403</u>	<u>1,068,908</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, 2022

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 from transactions not concluded with related parties 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 related financing fees and transaction costs.

Subsequent measurement

At each reporting date, the Organization measures its financial assets and liabilities from transactions not concluded with related parties 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.

Students' Representative Council of Bishop's University

Notes to Financial Statements

April 30, 2022

2 - SIGNIFICANT ACCOUNTING POLICIES (Continued)

Contributions

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.

Gift sales and other services

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

Government assistance

Government assistance related to current expenses is accounted for as other income. Government assistance is accrued in the year in which the current expenses are incurred, provided that the Organization is reasonably certain that it will be received. Since government assistance resulting from the Canada Emergency Wage Subsidy and the Tourism and Hospitality Recovery Program may be examined by the tax authorities, retroactive application clarifications were introduced after the programs were announced and some rules may be interpreted differently by the tax authorities, it is possible that the amounts granted will differ from the amounts recorded.

Inventory valuation

The inventory is valued at the lower of cost and net realizable value. Cost is determined by the average cost 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.

Students' Representative Council of Bishop's University

Notes to Financial Statements

April 30, 2022

3 - TANGIBLE CAPITAL ASSETS

	2022		2021
	Cost	Accumulated amortization	Net carrying amount
	\$	\$	\$
Furniture and equipment	112,738	99,692	13,046
			12,900

4 - ACCOUNTS PAYABLE AND OTHER OPERATING LIABILITIES

	2022	2021
	\$	\$
Accounts payable and accrued liabilities	117,490	585,601
Salaries payable	15,615	5,716
Sales taxes payable	4,711	
	137,816	591,317

5 - DEFERRED CONTRIBUTIONS RELATED TO OPERATIONS

	2022	2021
	\$	\$
Opening balance	80,958	41,345
Amount received in the year	46,600	47,652
Amount recognized as revenue in the year	(36,473)	(8,039)
Closing balance	91,085	80,958

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

6 - 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, 2022

	SCHEDULE A	
	<u>2022</u>	<u>2021</u>
	\$	\$
GENERAL EXPENSES		
Salaries and fringe benefits	336,592	310,228
Event expenses	159,736	105,935
Club expenses	37,200	15,065
Yearbook expenses	29,119	32,267
Other expenses	19,536	16,571
Insurance	15,716	1,464
Student union fees	24,741	25,453
Donations	7,525	4,961
Professional fees	7,450	8,230
Professional development	4,823	2,002
Interest and bank charges	4,372	2,823
Office supplies and expenses	3,473	2,795
Elections	2,391	3,570
Meals and travel	1,947	3,335
Maintenance and repairs	174	
Doubtful accounts		287
Gain on disposal of tangible capital assets	(472)	
Amortization of tangible capital assets	1,258	2,685
	<u>655,581</u>	<u>537,671</u>
	<u>655,581</u>	<u>537,671</u>
	SCHEDULE B	
	<u>2022</u>	<u>2021</u>
	\$	\$
GAIT EXPENSES		
Salaries and fringe benefits	67,739	36,121
Cost of goods sold	71,940	19,216
Security	13,250	2,071
Equipment and glassware	6,389	1,969
Other expenses	5,026	2,839
Permits and licences	4,787	2,198
Maintenance and repairs	1,546	1,954
Live entertainment expenses	1,172	579
Amortization of tangible capital assets	3,747	4,896
	<u>175,596</u>	<u>71,843</u>
	<u>175,596</u>	<u>71,843</u>