

# DRAFT

**FOUNDERS COLLEGE STUDENT COUNCIL**

**FINANCIAL STATEMENTS**

**APRIL 30, 2018**

**FOUNDERS COLLEGE STUDENT COUNCIL**

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## INDEPENDENT AUDITOR'S REPORT

**To the Members of  
Founders College Student Council**

**I have audited the accompanying financial statement of Founders College Student Council ("the Council"), which comprise the statement of financial position as at April 30, 2018, the statement of operations and changes in net assets, the statement 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 controls as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.**

### *Auditor's Responsibility*

**My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.**

**An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal controls relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.**

**I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.**

## INDEPENDENT AUDITOR'S REPORT (Continued)

### *Basis for Qualified Opinion*

In common with many not-for-profit organizations, the Council derives revenue from social and cultural events, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, my verification of these amounts was limited to the amounts recorded in the Council's accounting records and I was not able to determine whether any adjustments might be necessary to the social and cultural events revenue.

### *Qualified Opinion*

In my opinion, except for the possible effects of the matter described in the basis for qualified opinion paragraph, the financial statements present fairly, in all material respects, the financial position of the Council, as at April 30, 2018, 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.

**FOUNDERS COLLEGE STUDENT COUNCIL**

**STATEMENT OF FINANCIAL POSITION**

**AS AT APRIL 30, 2018**

**ASSETS**

	<u>2018</u>	<u>2017</u> (Note 4)
<b><u>CURRENT</u></b>		
Cash	\$ 15,005	\$ 21,557
Accounts Receivable	<u>44,104</u>	<u>-</u>
	<u>\$ 59,109</u>	<u>\$ 21,557</u>

**LIABILITIES AND NET ASSETS**

<b><u>CURRENT</u></b>		
Accounts Payable and Accrued Liabilities	\$ 20,501	\$ 9,293
Due to York University	<u>12,565</u>	<u>-</u>
	<u>33,066</u>	<u>9,293</u>
 <b><u>NET ASSETS</u></b>	 <u>26,043</u>	 <u>12,264</u>
	<u>\$ 59,109</u>	<u>\$ 21,557</u>

**APPROVED BY THE BOARD:**

\_\_\_\_\_ Director

\_\_\_\_\_ Director

*(See Accompanying Notes)*

**FOUNDERS COLLEGE STUDENT COUNCIL**

**STATEMENT OF OPERATIONS AND CHANGES IN NET ASSETS**

**FOR THE YEAR ENDED APRIL 30, 2018**

	<u>2018</u>	<u>2017</u> (Note 4)
<b><u>REVENUE</u></b>		
Student Levy	\$ 75,486	\$ 66,959
Social and Cultural	57,863	58,340
	<u>133,349</u>	<u>125,299</u>
<b><u>EXPENSES</u></b>		
Athletics	130	20,867
Office and General	17,006	15,141
Professional Fees	7,315	6,800
Honorarium	17,300	14,450
Social and Cultural	77,819	78,477
	<u>119,570</u>	<u>135,735</u>
<b><u>EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES</u></b>	13,779	( 10,436 )
<b><u>NET ASSETS, Beginning of the Year</u></b>	<u>12,264</u>	<u>22,700</u>
<b><u>NET ASSETS, End of the Year</u></b>	<u>\$ 26,043</u>	<u>\$ 12,264</u>

*(See Accompanying Notes)*

FOUNDERS COLLEGE STUDENT COUNCIL

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED APRIL 30, 2018

	<u>2018</u>	<u>2017</u> (Note 4)
<b><u>CASH PROVIDED BY OPERATING ACTIVITIES</u></b>		
Excess (Deficiency) of Revenue over Expenses	\$ <u>13,779</u>	\$ <u>( 10,436 )</u>
<b><u>CHANGES IN NON-CASH OPERATING WORKING CAPITAL</u></b>		
Accounts Receivable	( 44,104 )	5,749
Accounts Payable and Accrued Liabilities	11,208	2,513
Due to York University	<u>12,565</u>	<u>-</u>
	<u>( 20,331 )</u>	<u>8,262</u>
<b><u>NET DECREASE IN CASH DURING YEAR</u></b>	( 6,552 )	( 2,174 )
<b><u>CASH, Beginning of the Year</u></b>	<u>21,557</u>	<u>23,731</u>
<b><u>CASH, End of the Year</u></b>	<u>\$ 15,005</u>	<u>\$ 21,557</u>

*(See Accompanying Notes)*

## FOUNDERS COLLEGE STUDENT COUNCIL

### NOTES TO THE FINANCIAL STATEMENTS

#### FOR THE YEAR ENDED APRIL 30, 2018

#### **PURPOSE OF ORGANIZATION:**

Founders College Student Council ("the Council") is an unincorporated not-for-profit student organization which promotes the welfare and interest of the students of Founders College at York University ("the University") by providing academic, cultural, recreational and social programs and publications.

#### **1. SIGNIFICANT ACCOUNTING POLICIES:**

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations. Outlined below are those policies that are considered particularly significant.

##### **a) Revenue Recognition**

The Council follows the deferral method of accounting for contributions. Under the deferral method, restricted contributions for expenses 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.

Student levy revenue is recognized as income once the student enrollment numbers have been finalized and approved by the University, and recorded as revenue in the year in which the student levy relates.

Amounts collected from social and cultural events are recognized as revenue in the period in which the related services and expenses are incurred.

##### **b) Capital Assets**

Under the Canadian Accounting Standards for Not-for-Profit Organizations, an entity with average annual revenues less than \$500,000 for the current and preceding period may choose to write off tangible capital assets in the year of purchase, and disclose the details thereto in the notes. The Council has opted to use this approach.

The major categories of tangible capital assets not recorded in the statement of financial position include computer equipment and furniture.

## FOUNDERS COLLEGE STUDENT COUNCIL

### NOTES TO THE FINANCIAL STATEMENTS

#### FOR THE YEAR ENDED APRIL 30, 2018

#### 1. SIGNIFICANT ACCOUNTING POLICIES: (Continued)

##### c) Financial Instruments

The Council initially records all financial instruments at fair market value, and subsequently records them at amortized cost.

The Council's financial instruments consist of cash, accounts receivable, bank advances, accounts payable and accrued liabilities.

##### d) Use of Estimates

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

##### e) Income Taxes

The Council is a not-for-profit organization under the Income Tax Act (Canada) and, as such, is exempt from income taxes.

#### 2. CONTRIBUTED SERVICES:

Volunteers contribute significant time to assist the organization in carrying out its services and activities. Because of the difficulty of determining their fair value, contributed services are not recognized in the financial statements.

#### 3. FINANCIAL INSTRUMENTS - RISK MANAGEMENT:

##### a) Interest Rate Risk

Interest rate risk is the risk of potential financial loss caused by fluctuations in their fair value of future cash flow of financial instruments due to changes in market interest rates. The Council is currently not exposed to any significant interest rate risks.

##### b) Credit Risk

Credit risk is the potential for financial loss should a counter-party in a transaction fail to meet its obligations. Due to the nature of the contributions and general operations, the Council does not face any significant concentration of credit risk.

**FOUNDERS COLLEGE STUDENT COUNCIL**

**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED APRIL 30, 2018**

**3. FINANCIAL INSTRUMENTS - RISK MANAGEMENT: (Continued)**

**c) Liquidity Risk**

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The Council manages this risk by preparing and monitoring detailed forecasts of cash flows from operations, anticipating investing and financing activities and holding assets that can be readily converted into cash.

The organization's financial instruments consist of cash, accounts receivable, accounts payable and accrued liabilities. Unless otherwise noted, it is management's opinion that the organization is not exposed to significant interest, credit or liquidity risks. The fair value of these financial instruments approximates their carrying values.

**4. RECLASSIFICATION OF COMPARATIVE FIGURES:**

The 2017 comparative figures were prepared by the organization's former auditor.