STONG COLLEGE STUDENT GOVERNMENT

Independent Auditors' Report

Financial Statements

April 30, 2018
INDEPENDENT AUDITORS’ REPORT

To the members of Stong College Student Government:

We have audited the accompanying financial statements of Stong College Student Government ("the Organization"), which comprise of the statement of financial position as at April 30, 2018, the statements of revenue, expenses and changes in net assets and cash flows for the year ended April 30, 2018 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.

Auditors’ Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we 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 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 auditors consider internal control 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 control. 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.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis of our qualified audit opinion.
Basis for Qualified Opinion

In common with many non-profit organizations, the Organization derives a portion of its receipts from social and cultural events, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, verification of these revenues was limited to the amounts recorded in the records of the Organization. Therefore, we were not able to determine whether any adjustments might be necessary to social and cultural revenue, excess of expenses over revenues and cash flows from operations for the years ended April 30, 2018 and 2017, current assets as at April 30, 2018 and 2017, deficiency of net assets as at April 30, 2018, and net assets as at April 30, 2017 and May 1, 2016. Our audit opinion on the financial statements for the year ended April 30, 2018 was modified accordingly because of the possible effects of this limitation in scope.

Qualified Opinion

In our opinion, except for the possible effect of matters described in the Basis for Qualified Opinion paragraph, the financial statements present fairly, in all material respects, the financial position of Strong College Student Government 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.

CHARTERED PROFESSIONAL ACCOUNTANTS, Licensed Public Accountants

Vaughan, Canada
August 22, 2018
### STONG COLLEGE STUDENT GOVERNMENT

**Statement of Financial Position**

**April 30, 2018**

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
</table>

#### Assets

Current assets

- **Cash**
  - $29,704
  - $66,864

- **Due from other York University colleges**
  - 2,852
  - 2,076

- **Total Current assets**
  - 32,556
  - 68,940

Capital assets (note 2)

- 4,395
- 5,644

- **Total Assets**
  - 36,951
  - 74,584

#### Liabilities

Current liabilities

- **Accounts payable and accrued liabilities**
  - $45,137
  - $51,357

- **Deferred levy revenue**
  - 6,395
  - -

- **Total Current liabilities**
  - 51,532
  - 51,357

(Deficiency of) net assets

- (14,581)
- 23,227

- **Total Liabilities**
  - 36,951
  - 74,584

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**ON BEHALF OF THE ORGANIZATION**

_________________________ Chair

_________________________ Treasurer

See accompanying notes.
STONG COLLEGE STUDENT GOVERNMENT
Statement of Revenue, Expenses and Changes in Net Assets
year ended April 30, 2018

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Student levy</td>
<td>$147,425</td>
<td>$153,820</td>
</tr>
<tr>
<td>Social and cultural events</td>
<td>102,157</td>
<td>111,359</td>
</tr>
<tr>
<td></td>
<td>249,582</td>
<td>265,179</td>
</tr>
<tr>
<td>Operating expenses</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Advertising and promotion</td>
<td>3,091</td>
<td>2,845</td>
</tr>
<tr>
<td>Amortization of capital assets</td>
<td>1,249</td>
<td>1,626</td>
</tr>
<tr>
<td>Bad debts</td>
<td>2,076</td>
<td>-</td>
</tr>
<tr>
<td>Executive</td>
<td>5,324</td>
<td>19,464</td>
</tr>
<tr>
<td>Honoraria</td>
<td>29,466</td>
<td>29,178</td>
</tr>
<tr>
<td>Merchant fees</td>
<td>7,350</td>
<td>9,560</td>
</tr>
<tr>
<td>Office and general</td>
<td>31,189</td>
<td>28,639</td>
</tr>
<tr>
<td>Professional fees</td>
<td>8,927</td>
<td>6,893</td>
</tr>
<tr>
<td>Social and cultural events</td>
<td>198,718</td>
<td>182,959</td>
</tr>
<tr>
<td></td>
<td>287,390</td>
<td>281,164</td>
</tr>
<tr>
<td>Excess of expenses over revenue</td>
<td>(37,808)</td>
<td>(15,985)</td>
</tr>
<tr>
<td>Net assets, beginning of the year</td>
<td>23,227</td>
<td>39,212</td>
</tr>
<tr>
<td>(Deficiency of) net assets, end of the year</td>
<td>$ (14,581)</td>
<td>$ 23,227</td>
</tr>
</tbody>
</table>

See accompanying notes.
STONG COLLEGE STUDENT GOVERNMENT  
Statement of Cash Flows  
year ended April 30, 2018

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash flows (used in) from operating activities</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash receipts</td>
<td>$255,201</td>
<td>$269,935</td>
</tr>
<tr>
<td>Cash paid</td>
<td>(292,361)</td>
<td>(258,302)</td>
</tr>
<tr>
<td></td>
<td>(37,160)</td>
<td>11,633</td>
</tr>
<tr>
<td>(Decrease) increase in cash</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash, beginning</td>
<td>66,864</td>
<td>55,231</td>
</tr>
<tr>
<td>Cash, ending</td>
<td>$29,704</td>
<td>$66,864</td>
</tr>
</tbody>
</table>

See accompanying notes.
Purpose of the organization

The Stong College Student Government ("the Organization"), is a non-profit organization without share capital. It is an elected Council of students of Stong College ("the College") at York University, Toronto ("the University"). Their mandate is to organize various social and cultural programs for members of the College.

1. Summary of significant accounting policies

Basis of accounting

These financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations and are in accordance with Canadian generally accepted accounting principles.

Revenue recognition

Student levy revenue is recognized as income once the student enrolment numbers have been finalized and approved by the University.

Social and cultural events revenue is recognized as revenue in the period in which the related services and expenses are incurred.

Contributed services

Volunteers contribute many hours to assist the Organization in carrying out its service delivery activities. Because of the difficulty of determining their fair value, contributed services are not recognized in the financial statements.

Financial instruments

Measurement of financial instruments

Financial instruments are financial assets or liabilities of the Organization where the Organization has the right to receive cash or another financial asset from another party or has the obligation to pay cash or other financial assets to another party or equity instruments of another entity.

The Organization initially measures its financial instruments at fair value, except for certain non-arm's length transactions that are measured at the exchange amount. The Organization's financial instruments that are subsequently measured at cost or amortized cost are cash, due from other York University colleges and accounts payable and accrued liabilities.

Fair value estimates, where applicable, are made at a specific point in time, based on relevant cash flows, market discount rates and information about the financial instrument. These estimates are subjective in nature and involve uncertainties and significant matters of judgment and therefore, cannot be determined with precision. Changes in assumptions could significantly affect the estimates.

Impairment

Financial assets that are measured at cost or amortized cost are assessed for impairment at each reporting date, to determine whether there are indicators that the asset may be impaired. The previously recognized impairment loss may be reversed to the extent of the improvement, directly or by adjusting the allowance account. The reversal may be recorded provided it is no greater than the amount that had been previously reported as a reduction in the asset and it does not exceed original cost. The amount of the write-down and reversal, if any, are recognized in excess of revenues over expenses in the year in which these occur.
1. Summary of significant accounting policies, continued

Capital assets

Capital assets are recorded at cost. Amortization of capital assets is provided on the declining balance basis using the following annual rates:

- Furniture and equipment: 20%
- Leasehold improvements: 20%
- Computer equipment: 30%

Contributed capital assets are recorded at fair value at the date of contribution. Where the fair value of contributed capital assets is not determinable at the date of contribution, these are recorded at nominal value.

Measurement uncertainty

The preparation of financial statements in conformity with Canadian accounting standards for not-for-profit organizations 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 revenues and expenses during the year. Estimates are used when accounting for useful life of capital assets and provisions and contingencies. Actual results could differ from these estimates.

2. Capital assets

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Cost</td>
<td>Accumulated Amortization</td>
</tr>
<tr>
<td>Furniture and equipment</td>
<td>$43,997</td>
<td>$40,512</td>
</tr>
<tr>
<td>Leasehold improvements</td>
<td>$60,348</td>
<td>$60,278</td>
</tr>
<tr>
<td>Computer equipment</td>
<td>$28,216</td>
<td>$27,376</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$132,561</strong></td>
<td><strong>128,166</strong></td>
</tr>
</tbody>
</table>

3. Financial instruments risks and uncertainties

The main risks the Organization's financial instruments are exposed to are credit risk and liquidity risk each of which is discussed below.

Credit risk

The financial instrument that potentially subjects the Organization to a credit risk is cash. The Organization maintains cash balances with Canadian chartered banks, which from time to time, exceed the federally insured limits and expose the Organization to credit risk from concentration of cash. The Organization limits this risk by transacting with reputable financial institutions.

Liquidity risk

Liquidity risk is the risk that the Organization will encounter difficulty in meeting its obligations associated with financial liabilities. The financial liabilities on its balance sheet consist of accounts payable and accrued liabilities. The Organization's exposure to liquidity risk is minimal, as it maintains sufficient levels of liquid assets to meet its obligations as they come due.
4. Comparative figures

The presentation of certain accounts of the previous year has been changed to conform to the presentation adopted for the current year. There is no impact on the net income for the prior year on account of these reclassifications.