

STONG COLLEGE STUDENT GOVERNMENT
Financial Statements
Year Ended April 30, 2023

STONG COLLEGE STUDENT GOVERNMENT
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Year Ended April 30, 2023

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INDEPENDENT AUDITOR'S REPORT

To the Members of Stong College Student Government

Qualified Opinion

We have audited the financial statements of Stong College Student Government (the "organization"), which comprise the statement of financial position as at April 30, 2023, and the statements of revenues and expenditures, changes in net assets and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, except for the possible effects of the matter described in the *Basis for Qualified Opinion* section of our report, the accompanying financial statements present fairly, in all material respects, the financial position of the organization as at April 30, 2023, and the results of its operations and cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO).

Basis for Qualified Opinion

In common with many not-for-profit organizations, the Organization derives revenue from fundraising activities 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 fundraising revenue, excess of revenues over expenses, and cash flows from operations for the year ended April 30, 2023, current assets and net assets as at April 30, 2023. Our audit opinion on the financial statements for the year ended April 30, 2022 was modified accordingly because of the possible effects of this limitation of scope.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the organization in accordance with ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with ASNPO, 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.

In preparing the financial statements, management is responsible for assessing the organization's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the organization or to cease operations, or has no realistic alternative but to do so.

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Independent Auditor's Report to the Members of Stong College Student Government (*continued*)

Those charged with governance are responsible for overseeing the organization's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 organization's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the organization's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the organization to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Bassi & Karimjee LLP

Brampton, Ontario
January 29, 2024

Chartered Professional Accountants
Licensed Public Accountants

STONG COLLEGE STUDENT GOVERNMENT
Statement of Financial Position
April 30, 2023

	2023	2022
ASSETS		
CURRENT		
Cash	\$ 4,810	\$ 88,307
Accounts receivable	<u>129,332</u>	<u>53,502</u>
	134,142	141,809
CAPITAL ASSETS (Note 3)	<u>9,420</u>	<u>13,230</u>
	\$ 143,562	\$ 155,039
LIABILITIES AND NET ASSETS		
CURRENT		
Accounts payable and accrued liabilities	\$ 15,167	\$ 13,829
Sales tax payable	1,710	1,710
Courtesy account payable	<u>26,028</u>	<u>4,830</u>
	42,905	20,369
NET ASSETS	<u>100,657</u>	<u>134,670</u>
	\$ 143,562	\$ 155,039

ON BEHALF OF THE BOARD

Karyot Suri
 _____ Director

 Director

See accompanying notes to financial statements

STONG COLLEGE STUDENT GOVERNMENT
Statement of Revenues and Expenditures
Year Ended April 30, 2023

	2023	2022
REVENUES		
York University student levies	\$ 129,332	\$ 132,968
Social and cultural events	105,103	32,307
	<u>234,435</u>	<u>165,275</u>
EXPENSES		
Advertising and promotion	-	26,000
Amortization	3,811	2,611
Administration	15,214	13,024
Honorary remuneration	13,690	24,970
Social and cultural affairs	201,163	91,578
Courtesy account - expenses	26,695	7,835
Professional fees	7,875	8,306
	<u>268,448</u>	<u>174,324</u>
DEFICIENCY OF REVENUES OVER EXPENSES	\$ (34,013)	\$ (9,049)

See accompanying notes to financial statements

STONG COLLEGE STUDENT GOVERNMENT

Statement of Changes in Net Assets

Year Ended April 30, 2023

	2023	2022
NET ASSETS - BEGINNING OF YEAR	\$ 134,670	\$ 143,719
DEFICIENCY OF REVENUES OVER EXPENSES	<u>(34,013)</u>	<u>(9,049)</u>
NET ASSETS - END OF YEAR	<u>\$ 100,657</u>	<u>\$ 134,670</u>

See accompanying notes to financial statements

STONG COLLEGE STUDENT GOVERNMENT**Statement of Cash Flows****Year Ended April 30, 2023**

	2023	2022
OPERATING ACTIVITIES		
Deficiency of revenues over expenses	\$ (34,013)	\$ (9,049)
Item not affecting cash:		
Amortization of capital assets	<u>3,811</u>	<u>2,611</u>
	(30,202)	(6,438)
Changes in non-cash working capital:		
Accounts receivable	(75,830)	(47,104)
Accounts payable and accrued liabilities	1,337	7,331
Courtesy account payable	21,198	4,830
Harmonized sales tax payable	<u>-</u>	<u>4,404</u>
	(53,295)	(30,539)
Cash flow used by operating activities	<u>(83,497)</u>	<u>(36,977)</u>
INVESTING ACTIVITY		
Purchase of capital assets	<u>-</u>	<u>(12,954)</u>
DECREASE IN CASH FLOW	(83,497)	(49,931)
CASH - BEGINNING OF YEAR	<u>88,307</u>	<u>138,238</u>
CASH - END OF YEAR	<u>\$ 4,810</u>	<u>\$ 88,307</u>

See accompanying notes to financial statements

STONG COLLEGE STUDENT GOVERNMENT

Notes to Financial Statements

Year Ended April 30, 2023

1. PURPOSE OF THE ORGANIZATION

Stong College Student Government (the Organization) is a not-for-profit student organization at York University which organizes student activities and provides peer support to new students. The funds held by the Organization can only be used for social activities benefiting members of the Organization. The Organization is exempt from Income Tax under the Income Tax Act.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of presentation

The financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO).

Measurement uncertainty

The preparation of financial statements in conformity with ASNPO requires management to make estimates and assumptions that affect the reported amount of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Such estimates are periodically reviewed and any adjustments necessary are reported in earnings in the period in which they become known. Actual results could differ from these estimates.

The main estimates relate to impairment of financial assets, the useful life of capital assets, and the accrued liabilities.

Cash and cash equivalents

Cash consists primarily of cash held at a Canadian chartered bank.

Revenue recognition and fund accounting

The Organization receives levies from York University which are recorded as revenue when they have been received or approved by York University. Other sources of revenue include sale of frosh kits, tickets for various events and members trips, which are recorded as revenue when received, specifically when all the following conditions are met:

- services are provided and delivered to the members
- there is clear evidence that an arrangement exists
- amounts are fixed or can be determined
- the ability to collect is reasonably assured.

Contributed services and materials

The Organization would not be able to carry out its activities without the assistance of volunteers and considerable amount of hours donated. These contributed services, except for honorariums (Note 6), are not recognized in the financial statements due to the difficulty in record keeping and valuation. Contributed materials are recorded, when received, at their fair value.

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STONG COLLEGE STUDENT GOVERNMENT

Notes to Financial Statements

Year Ended April 30, 2023

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Capital assets

Capital assets are stated at cost less accumulated amortization. Capital assets are amortized over their estimated useful lives on a declining balance basis at the following rates and methods:

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

The organization regularly reviews its capital assets to eliminate obsolete items. Any government grants for capital assets are treated as a reduction of capital assets cost.

Capital assets acquired during the year but not placed into use are not amortized until they are placed into use. In the year of acquisition, capital assets are amortized at 50% of the above annual rates.

Financial instruments policy

Measurement of financial instruments

The Organization initially measures its financial assets and liabilities at fair value, except for certain non-arm's length transactions. The Organization subsequently measures all its financial assets and financial liabilities at amortized cost.

Financial assets measured at amortized cost consist of cash and accounts receivable.

Financial liabilities measured at amortized cost consist of accounts payable and accrued liabilities.

Impairment

Financial assets measured at cost are tested for impairment when there are indicators of impairment. The amount of the write-down is recognized in net income. The previously recognized impairment loss may be reversed to the extent of the improvement, directly or by adjusting the allowance account, provided it is no greater than the amount that would have been reported at the date of the reversal had the impairment not been recognized previously. The amount of the reversal is recognized in net income.

Transaction costs

The Organization recognizes its transaction costs in statement of revenues and expenditures in the period incurred. However, financial instruments that will not be subsequently measured at fair value are adjusted by the transaction costs that are directly attributable to their origination, issuance or assumption.

STONG COLLEGE STUDENT GOVERNMENT**Notes to Financial Statements****Year Ended April 30, 2023****3. CAPITAL ASSETS**

	Cost	Accumulated amortization	2023 Net book value	2022 Net book value
Computer equipment	\$ 41,896	\$ 33,745	\$ 8,151	\$ 11,645
Furniture and equipment	44,177	42,931	1,246	1,557
Leasehold improvements	60,348	60,325	23	28
	<u>\$ 146,421</u>	<u>\$ 137,001</u>	<u>\$ 9,420</u>	<u>\$ 13,230</u>

4. RELATED PARTY TRANSACTIONS

The Organization's Board of Directors donate their time while serving on the Board and Board Committees. Other than honorariums, no other remuneration was paid to the Board Members during the year.

The transactions were made in the normal course of business and are measured at exchange amount, which is the amount of consideration established and agreed to by the related parties.

5. ECONOMIC DEPENDENCE

The organization derived 55% (2022 80%) of its revenue from York University, as student levies. Should York University substantially change its dealings with the Organization, the Organization is of the opinion that continued viable operation of the Organization would be doubtful.

6. FINANCIAL INSTRUMENTS

The organization is exposed to various risks through its financial instruments and has a comprehensive risk management framework to monitor, evaluate and manage these risks. The following analysis provides information about the organization's risk exposure and concentration as of April 30, 2023.

(a) Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The Organization is exposed to this risk mainly in respect of its receipt of funds and other related sources, and accounts payable and accrued liabilities. The Organization manages exposure through its normal operating and financing activities. The Organization prepares budget and cash forecast to ensure it has sufficient funds to fulfill its obligations. There has been no significant change to the liquidity risk exposure from the previous year.

Unless otherwise noted, it is management's opinion that the organization is not exposed to significant credit risk, interest rate risk, currency risk and other price risks arising from these financial instruments.