

**TRENT CENTRAL STUDENT ASSOCIATION**  
**FINANCIAL STATEMENTS**  
**AUGUST 31, 2019**

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## INDEPENDENT PRACTITIONER'S REVIEW ENGAGEMENT REPORT

**To the Directors of  
Trent Central Student Association**

We have reviewed the accompanying financial statements of the Trent Central Student Association that comprise the statement of financial position as at August 31, 2019 and the statements of operations and changes in fund balances 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 the accompanying 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 the financial statements do not present fairly, in all material respects, the financial position of the Trent Central Student Association as at August 31, 2019 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.

### *Other Matter*

The financial statements of the Organization for the year ended August 31, 2018 were reviewed by another practitioner who expressed an unmodified conclusion on those statements on February 11, 2019.

## ***Baker Tilly KDN LLP***

Chartered Professional Accountants  
Licensed Public Accountants

Peterborough, Ontario  
January 26, 2020

**ASSURANCE • TAX • ADVISORY**

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# TRENT CENTRAL STUDENT ASSOCIATION

## STATEMENT OF FINANCIAL POSITION As at August 31, 2019

	General Fund 2019	Student Centre 2019	Health & Dental Fund 2019	Transit Fund 2019	Total 2019	Total 2018
	\$	\$	\$	\$	\$	\$
<b>ASSETS</b>						
<b>Current assets</b>						
Cash	103,697	611,656	712,175	811,921	2,239,449	2,845,218
Cash - contingency fund (note 8)	66,362	-	-	-	66,362	63,039
Accounts receivable	120,354	-	-	-	120,354	25,778
Prepaid expenses	-	-	-	-	-	37,460
Interfund advances (note 6)	209,360	(89,959)	(89,790)	(29,611)	-	-
<b>Total current assets</b>	499,773	521,697	622,385	782,310	2,426,165	2,971,495
<b>Tangible capital assets (note 3)</b>	5,811	9,893,100	-	-	9,898,911	10,245,801
<b>Fair value of interest rate swap (note 7)</b>	-	(582,348)	-	-	(582,348)	678,386
<b>Total assets</b>	505,584	9,832,449	622,385	782,310	11,742,728	13,895,682

The accompanying notes are an integral part of these financial statements

# TRENT CENTRAL STUDENT ASSOCIATION

## STATEMENT OF FINANCIAL POSITION, continued As at August 31, 2019

	General Fund 2019	Student Centre 2019	Health & Dental Fund 2019	Transit Fund 2019	Total 2019	Total 2018
	\$	\$	\$	\$	\$	\$
<b>LIABILITIES AND FUND BALANCES</b>						
<b>Current liabilities</b>						
Accounts payable and accrued liabilities (note 9)	26,669	-	-	-	26,669	360,384
Current portion of long-term debt (note 4)	-	268,751	-	-	268,751	233,254
<b>Total current liabilities</b>	<b>26,669</b>	<b>268,751</b>	<b>-</b>	<b>-</b>	<b>295,420</b>	<b>593,638</b>
<b>Long-term debt (note 4)</b>	<b>-</b>	<b>8,870,720</b>	<b>-</b>	<b>-</b>	<b>8,870,720</b>	<b>10,133,690</b>
<b>Total liabilities</b>	<b>26,669</b>	<b>9,139,471</b>	<b>-</b>	<b>-</b>	<b>9,166,140</b>	<b>10,727,328</b>
<b>Fund balances</b>						
Unrestricted	409,230	-	-	-	409,230	545,110
Net assets externally restricted	3,323	692,978	622,385	782,310	2,100,996	2,560,205
Net assets internally restricted	66,362	-	-	-	66,362	63,039
<b>Total fund balances</b>	<b>478,915</b>	<b>692,978</b>	<b>622,385</b>	<b>782,310</b>	<b>2,576,588</b>	<b>3,168,354</b>
<b>Total liabilities and fund balances</b>	<b>505,584</b>	<b>9,832,449</b>	<b>622,385</b>	<b>782,310</b>	<b>11,742,728</b>	<b>13,895,682</b>

Approved on behalf of the Board:

\_\_\_\_\_, Director

\_\_\_\_\_, Director

*The accompanying notes are an integral part of these financial statements*



# TRENT CENTRAL STUDENT ASSOCIATION

## STATEMENT OF OPERATIONS AND CHANGES IN FUND BALANCES For the Year Ended August 31, 2019

	General Fund 2019	Student Centre 2019	Health & Dental Fund 2019	Transit Fund 2019	Total 2019	Total 2018
	\$	\$	\$	\$	\$	\$
<b>Revenue</b>						
Health and dental plan levy	-	-	3,075,501	-	3,075,501	2,811,844
Transit levy	-	-	-	2,256,476	2,256,476	2,098,057
Clubs and groups levy	75,119	-	-	-	75,119	67,481
Operations levy	312,081	-	-	-	312,081	257,969
Student centre levy	-	757,259	-	-	757,259	695,397
Operations revenue	144,355	37,116	-	-	181,471	134,883
<b>Total revenue</b>	<b>531,555</b>	<b>794,375</b>	<b>3,075,501</b>	<b>2,256,476</b>	<b>6,657,907</b>	<b>6,065,631</b>

The accompanying notes are an integral part of these financial statements

# TRENT CENTRAL STUDENT ASSOCIATION

## STATEMENT OF OPERATIONS AND CHANGES IN FUND BALANCES, continued For the Year Ended August 31, 2019

	General Fund 2019	Student Centre 2019	Health & Dental Fund 2019	Transit Fund 2019	Total 2019	Total 2018
	\$	\$	\$	\$	\$	\$
<b>Expenses</b>						
Amortization	2,490	344,400	-	-	346,890	265,527
Bank charges	2,648	-	-	-	2,648	3,523
Board	10,410	-	-	-	10,410	12,532
Campaign	45,977	-	-	-	45,977	29,081
Clubs and groups	54,453	-	-	-	54,453	60,060
Community outreach	25,460	-	-	-	25,460	32,622
Events and services	128,628	-	2,838,377	-	128,628	81,635
Health plan premiums	-	-	-	-	2,838,377	2,778,354
Interest on long-term debt	-	267,807	-	-	267,807	235,259
Operations	29,535	98,560	-	-	128,095	127,287
Professional fees	13,380	-	-	-	13,380	9,860
Transportation	-	-	-	1,771,585	1,771,585	1,808,887
Wages, benefits and honoraria	355,229	-	-	-	355,229	319,910
<b>Total expenses</b>	<b>668,210</b>	<b>710,767</b>	<b>2,838,377</b>	<b>1,771,585</b>	<b>5,988,939</b>	<b>5,764,537</b>
<b>Excess (deficiency) of revenue over expenses for the year</b>	<b>(136,655)</b>	<b>83,608</b>	<b>237,124</b>	<b>484,891</b>	<b>668,968</b>	<b>301,094</b>
<b>Unrealized gain (loss) on fair value of interest rate swap</b>	<b>-</b>	<b>(1,260,734)</b>	<b>-</b>	<b>-</b>	<b>(1,260,734)</b>	<b>678,386</b>
<b>Excess (deficiency) of revenue over expenses for the year</b>	<b>(136,655)</b>	<b>(1,177,126)</b>	<b>237,124</b>	<b>484,891</b>	<b>(591,766)</b>	<b>979,480</b>
<b>Fund balances - beginning of year</b>	<b>615,570</b>	<b>1,870,104</b>	<b>385,261</b>	<b>297,419</b>	<b>3,168,354</b>	<b>2,188,874</b>
<b>Fund balances - end of year</b>	<b>478,915</b>	<b>692,978</b>	<b>622,385</b>	<b>782,310</b>	<b>2,576,588</b>	<b>3,168,354</b>

The accompanying notes are an integral part of these financial statements

# TRENT CENTRAL STUDENT ASSOCIATION

## STATEMENT OF CASH FLOWS For the Year Ended August 31, 2019

	2019	2018
	\$	\$
<b>CASH PROVIDED FROM (USED FOR):</b>		
<b>Operating activities</b>		
Excess of revenue over expenditures for the year	(591,766)	979,480
Non-cash charges to operations		
Amortization	346,890	265,527
Fair value of interest rate swap contract	1,260,734	(678,386)
	<u>1,015,858</u>	<u>566,621</u>
Changes in non-cash working capital items:		
Accounts receivable	(94,576)	4,512
Prepaid expenses	37,460	(37,460)
Accounts payable and accrued liabilities	(333,715)	176,852
	<u>(390,831)</u>	<u>143,904</u>
Net increase in cash from operating activities	<u>625,027</u>	<u>710,525</u>
<b>Investing activities</b>		
Redemptions of investments	-	334,498
Additions to tangible capital assets	-	(4,769,638)
Net decrease in cash from investing activities	<u>-</u>	<u>(4,435,140)</u>
<b>Financing activities</b>		
Repayment of long-term debt	(1,227,473)	(133,056)
Long-term debt issued	-	4,767,152
Net increase/(decrease) in cash from financing activities	<u>(1,227,473)</u>	<u>4,634,096</u>
Increase (decrease) in cash	(602,446)	909,481
Cash - beginning of year	<u>2,908,257</u>	<u>1,998,776</u>
Cash - end of year	<u>2,305,811</u>	<u>2,908,257</u>
<b>Comprised of:</b>		
Cash	2,239,449	2,845,218
Contingency Fund	66,362	63,039
	<u>2,305,811</u>	<u>2,908,257</u>

The accompanying notes are an integral part of these financial statements



# TRENT CENTRAL STUDENT ASSOCIATION

## NOTES TO THE FINANCIAL STATEMENTS For the Year Ended August 31, 2019

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### 1. NATURE OF OPERATIONS

The Trent Central Student Association (the "Association") is a non-profit organization incorporated without share capital under the laws of Ontario. The purpose of Trent Central Student Association is to provide services to the students of Trent University (the "University") and represent the interest of its members to all levels of government and university administration. The Trent Central Student Association is committed to bringing about necessary educational, administrative, and legislative changes in areas affecting students.

### 2. SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Association are the representation of management prepared in accordance with accounting policies set out below to comply with Canadian Accounting Standards for Not-for-Profit Organizations.

#### (a) Fund accounting

The Association reports on a restricted fund accounting basis. The four funds maintained are the General Fund, Student Centre Fund, Health & Dental Fund, and the Transit Fund.

The funds are described as follows:

- (i) The General Fund accounts for the Association's operating and administrative activities. This fund reports unrestricted resources as well as the contingency fund as described in note 8.
- (ii) The Student Centre Fund reports the assets, liabilities, revenues, and expenses related to the Trent Central Student Association's Student Centre.
- (iii) The Health & Dental Fund reports only restricted resources that are to be used for Health & Dental purposes.
- (iv) The Transit Fund reports only restricted resources that are to be used for Transit purposes.

#### (b) Tangible capital assets

Tangible capital assets are stated at cost less accumulated amortization. Amortization is based on the estimated useful life of the asset and is calculated as follows:

	<u>Method</u>	<u>Rate</u>
Building	Straight-line	40 years
Equipment	Declining balance	30%

#### (c) Recognition of revenue and expenditures

Health & dental, transit, and student centre levies are recognized as revenue of the appropriate restricted fund when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured. Restricted contributions for clubs and group levies are recognized as revenue of the General Fund in the year in which the related expenses are incurred.

Unrestricted contributions, including the operations levy and other non-restricted operating revenue, are recognized as revenue of the General Fund in the year received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

# TRENT CENTRAL STUDENT ASSOCIATION

## NOTES TO THE FINANCIAL STATEMENTS For the Year Ended August 31, 2019

### 2. SIGNIFICANT ACCOUNTING POLICIES, continued

(d) *Income taxes*

The Association is a qualifying non-profit corporation under section 149 of the Income Tax Act and is therefore not subject to corporate income taxes.

(e) *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 revenues and expenses during the year.

(f) *Measurement of financial instruments*

The Association initially measures its financial assets and financial liabilities at fair value adjusted by, in the case of a financial instrument that will not be measured subsequently at fair value, the amount of transaction costs directly attributable to the instrument.

The Association subsequently measures its financial assets and financial liabilities at amortized cost except for interest rate swap contracts, which are measured at fair value. Changes in fair value are recognized in the statement of operations.

(g) *Contributed services*

Volunteers contribute many hours per year to assist the Association in carrying out its activities. Due to the difficulty of determining their fair value, contributed services are not recognized in the financial statements.

### 3. TANGIBLE CAPITAL ASSETS

Tangible capital assets consist of the following:

	Cost \$	Accumulated amortization \$	2019 \$	2018 \$
Building	10,500,000	(606,900)	9,893,100	10,237,500
Equipment	23,749	(17,937)	5,811	8,301
	10,523,749	(624,837)	9,898,911	10,245,801

The amount shown as the building represents the Association's agreed share of construction costs related to the Trent Student Centre which it occupies under an operating agreement with the University which expires on September 30, 2047, with an option to renew.

# TRENT CENTRAL STUDENT ASSOCIATION

## NOTES TO THE FINANCIAL STATEMENTS For the Year Ended August 31, 2019

### 4. LONG-TERM DEBT

Long-term debt consists of:

	2019	2018
	\$	\$
Loan, interest calculated at a rate of 2.825% based on the interest rate swap as described in Note 7, maturing on September 2047, secured by small business banking security agreement and guaranteed by Trent University	9,139,471	10,366,944
Less current portion	(268,751)	(233,254)
Due beyond one year	8,870,720	10,133,690

The principal and interest payments due in each of the next five years are as follows:

	Principal	Interest	Total
	\$	\$	\$
2020	268,751	254,365	523,116
2021	276,442	246,674	523,116
2022	284,354	238,762	523,116
2023	292,492	230,624	523,116
2024	300,862	222,254	523,116

### 5. FINANCIAL INSTRUMENTS

#### (a) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Association is exposed to interest rate risk on its financial instruments. Fixed interest instruments subject the Association to a fair value risk. The Association has mitigated interest rate risk on its financial instruments by entering into an interest rate swap as described in Note 7.

#### (b) Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Association's financial instruments that are exposed to concentrations of credit risk relate to its accounts receivable. The majority of the accounts receivable are from Trent University, reducing the overall risk.

# TRENT CENTRAL STUDENT ASSOCIATION

## NOTES TO THE FINANCIAL STATEMENTS For the Year Ended August 31, 2019

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### 6. INTERFUND ADVANCES

Advances between funds are non-interest bearing and have no specific terms of repayment.

### 7. INTEREST RATE SWAP

The Association has entered into an interest rate swap contract with notional principal equal to the outstanding balance of the loan described in Note 4 whereby it has agreed to pay at fixed interest rates and receive at variable interest rates based on the Bankers' Acceptance rates for one month. The swap contract matures in 2047 and has a fixed interest rate of 2.165% plus a stamping fee of 0.66%. The fair value of the swap as at August 31, 2019 is \$582,348.

### 8. CONTINGENCY FUND

Each year the Association's Standing Committee on Finance and Operations budget 5% of the total year's revenue to be allocated to the Contingency Fund. Withdrawal of funds from the Contingency Fund may only be approved by a two-thirds majority vote of the Association's Board of Directors.

### 9. GOVERNMENT REMITTANCES

Included in accounts payable and accrued liabilities are government remittances payable of \$10,798 (2018 - \$13,851).