

**Centennial College  
Student Association Inc.  
Financial Statements  
For the year ended March 31, 2018**

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## Independent Auditor's Report

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### To the Members of Centennial College Student Association Inc.

We have audited the accompanying financial statements of Centennial College Student Association Inc., which comprise the statement of financial position as at March 31, 2018 and the statements of operations, changes in net assets 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.

#### **Auditor's 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 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 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 for our audit opinion.

#### **Opinion**

In our opinion, the financial statements present fairly, in all material respects, the financial position of Centennial College Student Association Inc. as at March 31, 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

Mississauga, Ontario  
REPORT DATE

**Centennial College Student Association Inc.**  
**Statement of Financial Position**

**March 31,** **2018** **2017**

**Assets**

**Current**

Cash (Note 2)	\$ 1,611,133	\$ 604,016
Restricted cash (Note 7)	1,797,893	1,443,940
Accounts receivable (Note 3)	154,854	160,756
Current portion of long-term receivable (Note 11)	-	199,178
Prepaid expenses	<u>187,043</u>	<u>160,805</u>

**3,750,923** **2,568,695**

**Capital assets (Note 4)**

**1,186,793** **1,183,569**

**\$ 4,937,716** **\$ 3,752,264**

**Liabilities and Net Assets**

**Current**

Accounts payable and accrued liabilities (Notes 3, 8, 12)	\$ 292,092	\$ 440,676
Current portion of deferred capital contributions (Note 6)	91,544	115,983
Deferred revenue	395,941	340,228
Loan payable to Centennial College (Notes 3, 11)	-	199,178

**779,577** **1,096,065**

**Deferred capital contributions (Note 6)**

**382,014** **446,053**

**Long-term accounts payable (Note 8)**

**80,000** **160,000**

**1,241,591** **1,702,118**

**Net Assets**

Invested in capital assets (Note 5)	553,235	182,355
Externally restricted (Note 7)	2,564,245	2,180,004
Unrestricted	<u>578,645</u>	<u>(312,213)</u>

**3,696,125** **2,050,146**

**\$ 4,937,716** **\$ 3,752,264**

On behalf of the Association:

\_\_\_\_\_ Director

\_\_\_\_\_ Director

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

**Centennial College Student Association Inc.**  
**Statement of Operations**

**For the year ended March 31,**

	General Fund		Externally Restricted Funds (Note 7)	
	2018	2017	2018	2017
<b>Revenue</b>				
Student fees	\$ 4,042,145	\$ 3,284,817	\$ 441,583	\$ 382,207
Student health plan	431,208	437,475	-	-
Other income (Schedule 1)	755,534	589,416	-	-
Athletic and Wellness Centre (AWC) revenue (Schedule 2)	1,923,440	1,214,579	-	-
Amortization of deferred capital contributions (Note 6)	88,478	123,265	-	-
Interest income	-	-	15,276	7,543
	<b>7,240,805</b>	5,649,552	<b>456,859</b>	389,750
<b>Student Association and Student Centre expenses</b> (Schedule 3)	<b>4,257,080</b>	4,004,059	-	-
<b>AWC expenses</b> (Schedule 4)	<b>1,611,987</b>	1,667,289	-	-
<b>Externally restricted expenses</b> (Schedule 5)	-	-	<b>182,618</b>	65,230
	<b>5,869,067</b>	5,671,348	<b>182,618</b>	65,230
<b>Excess (deficiency) of revenue over expenses for the year</b>	<b>\$ 1,371,738</b>	\$ (21,796)	<b>\$ 274,241</b>	\$ 324,520

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

**Centennial College Student Association Inc.**  
**Statement of Changes in Net Assets**

**For the year ended March 31, 2018**

	Invested in Capital Assets (Note 5)	Externally Restricted (Note 7)	Unrestricted	Total
<b>Balance, beginning of year</b>	<b>\$ 182,355</b>	<b>\$2,180,004</b>	<b>\$ (312,213)</b>	<b>\$2,050,146</b>
<b>Excess (deficiency) of revenue over expenses</b>	<b>(140,087)</b>	<b>274,241</b>	<b>1,511,825</b>	<b>1,645,979</b>
<b>Transfers - Sinking and Reserve Funds</b>	<b>-</b>	<b>110,000</b>	<b>(110,000)</b>	<b>-</b>
<b>Purchase of capital assets, net of financing</b>	<b>510,967</b>	<b>-</b>	<b>(510,967)</b>	<b>-</b>
<b>Balance, end of year</b>	<b>\$ 553,235</b>	<b>\$2,564,245</b>	<b>\$ 578,645</b>	<b>\$3,696,125</b>

**For the year ended March 31, 2017**

	Invested in Capital Assets (Note 5)	Externally Restricted (Note 7)	Unrestricted	Total
<b>Balance, beginning of year</b>	<b>\$ -</b>	<b>\$ 1,745,484</b>	<b>\$ 1,938</b>	<b>\$ 1,747,422</b>
<b>Excess (deficiency) of revenue over expenses</b>	<b>(115,669)</b>	<b>324,520</b>	<b>93,873</b>	<b>302,724</b>
<b>Transfers - Sinking and Reserve Funds</b>	<b>-</b>	<b>110,000</b>	<b>(110,000)</b>	<b>-</b>
<b>Purchase of capital assets, net of financing</b>	<b>298,024</b>	<b>-</b>	<b>(298,024)</b>	<b>-</b>
<b>Balance, end of year</b>	<b>\$ 182,355</b>	<b>\$2,180,004</b>	<b>\$ (312,213)</b>	<b>\$2,050,146</b>

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

**Centennial College Student Association Inc.**  
**Statement of Cash Flows**

For the year ended March 31,

2018

2017

**Cash provided by (used in)**

**Operating activities**

Excess (deficiency) of revenue over expenses for the year:		
General Fund	\$ 1,371,738	\$ (21,796)
Externally Restricted Funds	274,241	324,520
Adjustments to reconcile excess (deficiency) of revenue over expenses to net cash provided by operating activities:		
Amortization	228,565	238,934
Amortization of deferred capital contributions (Note 6)	(88,478)	(123,265)
Changes in non-cash working capital balances:		
Accounts receivable	5,902	(18,157)
Current portion of long-term receivable	199,178	194,572
Prepaid expenses	(26,238)	(92,496)
Accounts payable and accrued liabilities	(148,584)	120,162
Deferred revenue	55,713	28,938
	<u>1,872,037</u>	<u>651,412</u>

**Investing activities**

Purchase of capital assets	(231,789)	(132,724)
Decrease (increase) in long-term receivable	-	199,178
	<u>(231,789)</u>	<u>66,454</u>

**Financing activities**

Repayments of (advances from) long-term accounts payable	(80,000)	(80,000)
Repayment to Centennial College	(199,178)	(393,750)
(Increase) decrease in restricted cash	(353,953)	(466,763)
	<u>(633,131)</u>	<u>(940,513)</u>

**Decrease in cash during the year**

1,007,117      (222,647)

**Cash, beginning of year**

604,016      826,663

**Cash, end of year**

\$ 1,611,133      \$ 604,016

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

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# Centennial College Student Association Inc.

## Notes to Financial Statements

March 31, 2018

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### 1. Summary of Significant Accounting Policies

#### Nature of Business

The Centennial College Student Association Inc., (the "Association") is incorporated, without share capital, under the laws of the Province of Ontario to act as the representative body and to administer the affairs for all Association members attending Centennial College of Applied Arts and Technology (the "College").

The Association is a not-for-profit organization and, as such, is exempt from income tax.

#### Basis of Accounting

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations

#### Use of Estimates

The preparation of financial statements in accordance 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 at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from management's best estimates as additional information becomes available in the future.

#### Revenue Recognition

The Association follows the restricted fund method of accounting for revenue. Under this method, externally restricted revenue is recognized as revenue in the respective restricted fund in the year in which the related expenses are recognized. Unrestricted revenue is recognized as revenue in the General Fund when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured. Externally restricted contributions for which there is no existing externally restricted fund are deferred and recognized as revenue in the year in which the related expenses are recognized. Similarly, externally restricted contributions for the purchase of capital assets are deferred and amortized into revenue at a rate corresponding with the amortization rate for the related capital assets.

Student fees are included in income of the General Fund on a pro-rata basis over the membership year to which they relate.

Student levies collected for the purpose of funding the activities of the externally restricted funds are recognized on an accrual basis and are recorded in the respective restricted fund.

Student health plan revenue, other revenue, and revenue from the Athletic Wellness Centre are recognized in the General Fund when the related goods or services have been provided to the customer and collection is reasonably assured.

Interest income is recognized as revenue when earned.

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# Centennial College Student Association Inc.

## Notes to Financial Statements

**March 31, 2018**

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### 1. Summary of Significant Accounting Policies (continued)

#### Capital Assets

Capital assets are recorded at cost less accumulated amortization. Amortization is calculated on the declining balance basis using the following annual rates:

Furniture and fixtures	- 20%
Equipment	- 20%
Computer hardware	- 30%
Computer software	- 30%
Website	- 20%
Building improvements	- Over the term of the lease

#### Net Assets

Invested in capital assets represent capital assets purchased, net of amortization charged on such assets and any capital assets purchased by way of debt or external contributions.

Externally restricted assets reflect various funds restricted by way of agreements between the College and the Association. The interest income earned on these funds is to remain in the respective funds.

Unrestricted net assets reflect funds provided for the normal operating activities involved in providing services to the Association's members.

#### Contributed Services

Volunteers contribute their time to assist the Association 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

Financial instruments are recorded at fair value when acquired or issued. In subsequent periods, financial instruments are reported at cost or amortized cost less impairment, if applicable. Financial assets are tested for impairment when changes in circumstances indicate an asset could be impaired. Transaction costs on the acquisition, sale or issue of financial instruments are charged to the financial instrument for those measured at amortized cost.



**Centennial College Student Association Inc.**  
**Notes to Financial Statements**

**March 31, 2018**

**2. Banking Facilities**

The Association has an undrawn unsecured line of credit up to a maximum of \$50,000 bearing interest at prime.

**3. Balances with Centennial College and Centennial College Alumni Association**

Included in accounts receivable is \$97,006 (2017 - \$123,386) relating to student fees and other charges receivable from the College and \$43,013 (2017 - \$26,777) receivable from Centennial College Alumni Association (the "Alumni").

In addition, included in accounts payable and accrued liabilities is \$515 (2017 - \$118,113) of amounts owing to the College and \$nil (2017 - \$nil) to the Alumni.

The \$nil (2017 - \$199,178) loan payable to the College is unsecured, non-interest bearing and is due on demand.

**4. Capital Assets**

	2018		2017	
	Cost	Accumulated Amortization	Cost	Accumulated Amortization
Furniture and fixtures	\$ 191,743	\$ 163,363	\$ 185,825	\$ 156,268
Equipment	2,096,283	1,617,317	1,980,611	1,460,230
Computer hardware	401,356	358,418	372,882	340,016
Computer software	75,954	44,411	46,486	30,893
Website	83,353	48,530	53,973	39,824
Building improvements	657,538	87,395	634,662	63,639
	<b>\$ 3,506,227</b>	<b>\$ 2,319,434</b>	<b>\$ 3,274,439</b>	<b>\$ 2,090,870</b>
Net book value		<b>\$ 1,186,793</b>		<b>\$ 1,183,569</b>

**Centennial College Student Association Inc.**  
**Notes to Financial Statements**

**March 31, 2018**

**5. Investment In Capital Assets**

Investment in capital assets represents the following:

	2018	2017
Capital assets	\$ 1,186,793	\$ 1,183,569
Less amounts financed by:		
Loan from Centennial College applicable to net investment in capital assets	-	(199,178)
Deferred capital contributions (Note 6)	(473,558)	(562,036)
Accrued liabilities applicable to net investment in capital assets	(160,000)	(240,000)
	<b>\$ 553,235</b>	<b>\$ 182,355</b>
Balance, end of year	<b>\$ 553,235</b>	<b>\$ 182,355</b>

**6. Deferred Capital Contributions**

Deferred capital contributions represent the unamortized amount of contributions received for the purchase of capital assets. The amortization of capital contributions is recorded as revenue in the statement of operations. The changes in the deferred capital contributions balances are as follows:

	2018	2017
Balance, beginning of year	\$ 562,036	\$ 685,301
Add: contributions for capital purposes	-	-
Less: amortization of deferred capital contributions	(88,478)	(123,265)
Balance, end of year	<b>\$ 473,558</b>	<b>\$ 562,036</b>

During the year, the Association transferred \$nil (2017 - \$nil) of the deferred contributions into deferred capital contributions as the funds were utilized for capital purposes.

**Centennial College Student Association Inc.  
Notes to Financial Statements**

**March 31, 2018**

**7. Externally Restricted Net Assets**

	March 31, 2017	Student Levies	Interest Income	Fund Expenditures	Transfers	March 31, 2018
Student Association Operating Reserve	\$ 300,000	\$ -	\$ -	\$ -	\$ 25,000	\$ 325,000
Student Centre Operating Reserve	175,289	-	-	-	25,000	200,289
Student Centre Sinking Fund	173,801	-	2,914	-	10,000	186,715
Green Fee Fund	247,963	-	476	-	-	248,439
Transforming the Future Fund	1,079,196	441,583	9,858	(182,618)	-	1,348,019
Building Sinking Fund	202,153	-	2,028	-	50,000	254,181
Other appropriations	1,602	-	-	-	-	1,602
	<b>\$ 2,180,004</b>	<b>\$ 441,583</b>	<b>\$ 15,276</b>	<b>\$ (182,618)</b>	<b>\$ 110,000</b>	<b>\$ 2,564,245</b>

	March 31, 2016	Student Levies	Interest Income	Fund Expenditures	Transfers	March 31, 2017
Student Association Operating Reserve	\$ 275,000	\$ -	\$ -	\$ -	\$ 25,000	\$ 300,000
Student Centre Operating Reserve	150,289	-	-	-	25,000	175,289
Student Centre Sinking Fund	162,203	-	1,598	-	10,000	173,801
Green Fee Fund	247,632	-	331	-	-	247,963
Transforming the Future Fund	757,660	382,207	4,559	(65,230)	-	1,079,196
Building Sinking Fund	151,098	-	1,055	-	50,000	202,153
Other appropriations	1,602	-	-	-	-	1,602
	<b>\$ 1,745,484</b>	<b>\$ 382,207</b>	<b>\$ 7,543</b>	<b>\$ (65,230)</b>	<b>\$ 110,000</b>	<b>\$ 2,180,004</b>

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## Centennial College Student Association Inc. Notes to Financial Statements

**March 31, 2018**

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### 7. Externally Restricted Net Assets (continued)

Restricted cash on the Statement of Financial Position is restricted for the externally restricted funds.

The Student Association Operating Reserve is restricted through an agreement with the College to fund unforeseen future expenditures of the Student Association. An amount of \$179,500 (2017 - \$179,500) due from the general fund has been netted in the statement of financial position. As required by the agreement, the Association transferred \$25,000 (2017 - \$25,000) to this fund.

The Student Centre Operating Reserve is restricted through an agreement with the College to fund unforeseen future expenditures of the Student Centre. An amount of \$179,500 (2017 - \$179,500) due from the general fund has been netted in the statement of financial position. As required by the agreement, the Association transferred \$25,000 (2017 - \$25,000) to this fund.

The Student Centre Sinking Fund is restricted through an agreement with the College to complete structural repairs, replacements or major works at the Student Centre Building. During the year, the Association transferred \$10,000 (2017 - \$10,000) to this fund as required under the Student Centre Operating Agreement.

The Green Fee Fund is restricted through an agreement with the College for any improvement or activity that benefits the environment. An amount of \$200,870 (2017 - \$200,870) due from the general fund has been netted in the statement of financial position.

The Transforming The Future Fund is restricted through an agreement with the College for any improvement or activity that benefits future generations. An amount of \$206,485 (2017 - \$176,197) due from the general fund has been netted in the statement of financial position.

The Building Sinking Fund is restricted through an agreement with the College to complete structural repairs, replacements or major works at the Athletic and Wellness Centre. As required by the agreement, the Association transferred \$50,000 (2017 - \$50,000) to this fund.

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### 8. Commitments

The Association has the following commitments:

- a) In fiscal 2013, the Association committed to contribute \$4,000,000 towards the Ashtonbee Campus Renewal Project. The Association has contributed \$2,650,000 to date which includes a \$350,000 payment made during the year. The timing and amount of these contributions are under the discretion of the Association.
- b) The Association is committed to \$80,000 of scheduled annual payments from May 1, 2016 to May 1, 2019 to a vendor for services relating to its building improvements. At the discretion of management, any or all of the scheduled payments may be paid to the vendor in advance of the payment schedule. The Association has accrued \$160,000 of which \$80,000 is current and is included in accounts payable and accrued liabilities.

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## Centennial College Student Association Inc. Notes to Financial Statements

**March 31, 2018**

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### **9. Contingent Liability**

The Association has guaranteed certain indebtedness of the College related to the construction of the Student Centre and the Athletic and Wellness Centre in the amount of \$1,692,000 (2017 - \$1,880,000) and \$11,428,244 (2017 - \$12,480,215). A Student Centre Building Levy and an Athletic and Wellness Centre Levy is being charged to the students to cover the financing of the Student Centre and the Athletic and Wellness Centre and any shortfall would be the responsibility of the Association.

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### **10. Financial Instrument Risks**

The Association is subject to the following risks on its financial instruments:

#### Credit risk

Credit risk is the risk of loss associated with a counterparty's inability to fulfil its payment obligations. The Association is subject to credit risk on its accounts receivable and long-term receivable. This risk has not changed from the prior year.

#### Liquidity risk

The Association is exposed to liquidity risk which is the risk the Association encounters difficulty in meeting its obligations associated with financial liabilities. Liquidity risk includes the risk that the Association will not have sufficient funds to settle a transaction on the due date; will be forced to sell financial assets at a value which is less than what they are worth; or may be unable to settle or recover a financial asset. The Association is exposed to liquidity risk relating to its accounts payable and accrued liabilities, loan payable and commitments.

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### **11. Long-Term Receivable**

The Association purchased and installed Audio Visual equipment at the Athletic and Wellness Centre. The equipment was initially financed by the College through an interest-free loan (Note 3) and was ultimately repaid through an annual levy collected from full-time students. The long-term portion of \$nil (2017 - \$nil) and the current portion of \$nil (2017 - \$199,178), represent the future student levies to be collected. As these levies are collected by the College and the receivable is drawn down, the related loan payable to the College is also reduced.

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### **12. Government Remittances**

Included in accounts payable and accrued liabilities are government remittances of \$8,274 (2017 - \$71,024).

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**Centennial College Student Association Inc.**  
**Schedule of Other Income**  
**Schedule 1**

<b>For the year ended March 31</b>	<b>2018</b>	<b>2017</b>
Advertising	\$ 25,928	\$ 26,180
Arcade and video games	8,903	9,997
Convenience store	27,500	27,500
Facility rental and vendors	242,718	64,397
Food and beverage services	386,109	396,082
Interest	11,844	5,474
Miscellaneous	15,905	16,533
Operating costs recovery	13,227	9,952
Photocopy and fax	1,303	637
Special events	22,097	32,664
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	\$ 755,534	\$ 589,416

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DRAFT - SUBJECT TO CHANGE

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**Centennial College Student Association Inc.**  
**Schedule of AWC Revenue**  
**Schedule 2**

<b>For the year ended March 31</b>	<b>2018</b>	<b>2017</b>
AWC student levy	\$ 1,128,080	\$ 956,030
Fitness revenue	84,601	91,576
Gym rental and concessions	683,224	128,896
Interest	18	16
Spa services	27,517	38,061
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	\$ 1,923,440	\$ 1,214,579

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DRAFT - SUBJECT TO CHANGE

**Centennial College Student Association Inc.**  
**Schedule of Student Association and Student Centre Expenses**  
**Schedule 3**

<b>For the year ended March 31</b>	<b>2018</b>	<b>2017</b>
Accounting and audit	\$ 11,998	\$ 11,247
Amortization	130,275	112,990
Conferences	44,452	43,256
Donations	31,003	20,567
Food services costs	339,956	370,633
Handbook	26,597	24,041
Honorariums	204,866	152,589
Legal services	61,352	53,816
Media	33,410	67,040
Office and general	328,244	262,339
Salaries and benefits	1,886,297	1,838,326
Security	114,015	106,842
Student activities and special events	265,616	273,087
Student centres costs	101,803	111,203
Student health plan	452,032	387,526
Telephone	23,354	19,230
Training	73,585	30,364
Travel	20,378	11,468
Utilities	107,847	107,495
	<b>\$ 4,257,080</b>	<b>\$ 4,004,059</b>



**Centennial College Student Association Inc.**  
**Schedule of AWC Expenses**  
**Schedule 4**

<b>For the year ended March 31</b>	<b>2018</b>	<b>2017</b>
Accounting and audit	\$ 7,999	\$ 9,756
Amortization	98,290	125,944
Donations	4,841	23
Fitness and spa supplies	122,192	89,339
Maintenance	191,504	169,131
Marketing	700	1,865
Office and general	72,603	80,425
Salaries and benefits	750,272	775,000
Security	114,015	106,842
Telephone	7,755	7,117
Training	738	25,454
Travel	10,350	11,622
Utilities	230,728	264,771
	<b>\$ 1,611,987</b>	<b>\$ 1,667,289</b>

DRAFT - SUBJECT TO CHANGE

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**Centennial College Student Association Inc.**  
**Schedule of Externally Restricted Expenses**  
**Schedule 5**

<b>For the year ended March 31</b>	<b>2018</b>	<b>2017</b>
Administrative support	\$ 43,616	\$ 43,392
Donations to Centennial College	96,039	20,686
General	42,963	1,152
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	<b>\$ 182,618</b>	<b>\$ 65,230</b>

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DRAFT - SUBJECT TO CHANGE