



## Financial Statements

Canadian Federation of Students - Ontario/  
Fédération Canadienne Des Étudiantes et Étudiants  
- Ontario

June 30, 2015

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# Independent Auditor's Report

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To the Voting Members of  
Canadian Federation of Students - Ontario/  
Fédération Canadienne des Étudiantes et Étudiants - Ontario

We have audited the accompanying financial statements of Canadian Federation of Students - Ontario/Fédération Canadienne des Étudiantes et Étudiants - Ontario, which comprise the statement of financial position as at June 30, 2015, and the statements of revenue and expenses, 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.

# Independent Auditor's Report (continued)

## **Opinion**

In our opinion, the financial statements present fairly, in all material respects, the financial position of Canadian Federation of Students - Ontario/Fédération Canadienne des Étudiantes et Étudiants - Ontario as at June 30, 2015, 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.

*Grant Thornton LLP*

Markham, Canada  
January 19, 2017

Chartered Professional Accountants  
Licensed Public Accountants

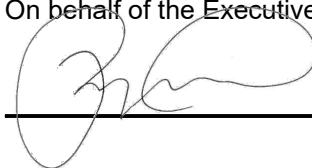
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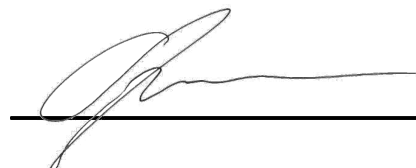
**Canadian Federation of Students - Ontario/  
Fédération Canadienne Des Étudiantes et Étudiants - Ontario**  
**Statement of Financial Position**

June 30	2015	2014
<b>Assets</b>		
Current		
Cash	\$ 1,121,193	\$ 277,691
Accounts receivable	1,589,339	1,147,145
Prepaid expenses	<u>6,708</u>	<u>18,017</u>
	2,717,240	1,442,853
Equipment (Note 3)	<u>15,485</u>	<u>17,367</u>
	<u>\$ 2,732,725</u>	<u>\$ 1,460,220</u>
<b>Liabilities</b>		
Current		
Accounts payable and accrued liabilities	\$ 1,365,980	\$ 109,037
Accrued vacation and overtime payable (Note 4)	<u>61,946</u>	<u>92,879</u>
	<u>1,427,926</u>	<u>201,916</u>
<b>Net assets</b>		
Current operations (unrestricted)	(10,905)	-
Internally designated contingency reserve	780,614	760,891
Internally designated capital fund	427,277	427,277
Internally designated net assets (Note 5)	92,328	52,769
Invested in equipment	<u>15,485</u>	<u>17,367</u>
	<u>1,304,799</u>	<u>1,258,304</u>
	<u>\$ 2,732,725</u>	<u>\$ 1,460,220</u>

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On behalf of the Executive Committee

  
\_\_\_\_\_  
Director

  
\_\_\_\_\_  
Director

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**Canadian Federation of Students - Ontario/  
Fédération Canadienne Des Étudiantes et Étudiants - Ontario**  
**Statement of Revenue and Expenses**

Year ended June 30	2015	2014
Revenue		
Members' fees	<b>\$ 2,072,513</b>	\$ 2,006,953
Componency allocation - CFS	<b>403,730</b>	368,546
General meetings	<b>54,389</b>	58,907
Interest	<b>11,044</b>	4,001
	<b><u>2,541,676</u></b>	<u>2,438,407</u>
Expenses		
Campaigns and government relations	<b>557,382</b>	578,720
Membership development and fieldwork	<b>344,379</b>	392,860
Office and administration	<b>299,722</b>	230,549
Federation services	<b>227,517</b>	224,831
General meetings and delegate preparation	<b>202,172</b>	232,852
Professional fees	<b>192,843</b>	143,432
Executive member stipends	<b>109,566</b>	106,747
Bad debts	<b>105,505</b>	31,876
Research	<b>96,185</b>	79,131
Translation	<b>89,599</b>	120,153
Communications equipment and personnel	<b>95,415</b>	113,371
Executive meetings	<b>62,677</b>	64,780
Printing	<b>23,122</b>	25,056
Office and computer supplies	<b>20,252</b>	18,272
Caucus allocations	<b>18,399</b>	14,515
Amortization of equipment	<b>13,188</b>	18,301
Constituency allocations	<b>12,622</b>	10,824
Donations and memberships	<b>10,000</b>	3,000
Coalition work	<b>8,982</b>	9,339
Designated expenses	<b>5,441</b>	3,733
Loss on sale of equipment	<b>213</b>	-
	<b><u>2,495,181</u></b>	<u>2,422,342</u>
Excess of revenue over expenses	<b><u>\$ 46,495</u></b>	<u>\$ 16,065</u>

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**Canadian Federation of Students - Ontario/  
Fédération Canadienne Des Étudiantes et Étudiants - Ontario  
Statement of Changes in Net Assets**

Year ended June 30

	Current operations (unrestricted)	Internally designated contingency reserve	Internally designated capital fund	Internally designated net assets (Note 5)	Invested in equipment	<b>Total 2015</b>	Total 2014
Net assets, beginning of year	\$ -	\$ 760,891	\$ 427,277	\$ 52,769	\$ 17,367	<b>\$ 1,258,304</b>	\$ 1,242,239
Excess (deficiency) of revenue over expenses	65,337	-	-	(5,441)	(13,401)	<b>46,495</b>	16,065
Purchase of equipment	(11,519)	-	-	-	11,519	-	-
Transfer from contingency reserve	(19,723)	19,723	-	-	-	-	-
Transfer to election preparedness fund	(25,000)	-	-	25,000	-	-	-
Transfer to accessibility fund	(5,000)	-	-	5,000	-	-	-
Transfer to childcare fund	(5,000)	-	-	5,000	-	-	-
Transfer to capital fund	<u>(10,000)</u>	<u>-</u>	<u>-</u>	<u>10,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net assets, end of year	<b><u>\$ (10,905)</u></b>	<b><u>\$ 780,614</u></b>	<b><u>\$ 427,277</u></b>	<b><u>\$ 92,328</u></b>	<b><u>\$ 15,485</u></b>	<b><u>\$ 1,304,799</u></b>	<b><u>\$ 1,258,304</u></b>

See accompanying notes to the financial statements.

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**Canadian Federation of Students - Ontario/  
Fédération Canadienne Des Étudiantes et Étudiants - Ontario**  
**Statement of Cash Flows**

Year ended June 30	2015	2014
Increase (decrease) in cash		
<b>Operating</b>		
Excess of revenue over expenses	\$ 46,495	\$ 16,065
Items not affecting cash		
Amortization of equipment	13,188	18,301
Loss on sale of equipment	<u>213</u>	<u>-</u>
	<b>59,896</b>	34,366
Change in non-cash working capital items		
Accounts receivable	(442,194)	(318,394)
Prepaid expenses	11,309	(12,387)
Accounts payable and accrued liabilities	1,256,943	20,914
Accrued vacation and overtime payable	<u>(30,933)</u>	<u>59,866</u>
	<b>855,021</b>	(215,635)
<b>Investing</b>		
Purchase of equipment	<u>(11,519)</u>	<u>(6,035)</u>
Increase (decrease) in cash	<b>843,502</b>	(221,670)
Cash		
Beginning of year	<u>277,691</u>	<u>499,361</u>
End of year	<b><u>\$ 1,121,193</u></b>	<b><u>\$ 277,691</u></b>

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# Canadian Federation of Students - Ontario/ Fédération Canadienne Des Étudiantes et Étudiants - Ontario

## Notes to the Financial Statements

June 30, 2015

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### 1. Purpose and governing statutes

The purpose of the Canadian Federation of Students - Ontario/Fédération Canadienne des Étudiantes et Étudiants - Ontario (the "Federation") is to help build an accessible, high-quality system of post-secondary education by lobbying, conducting research, mobilizing members and organizing campaigns.

The Federation is incorporated under the laws of the province of Ontario as a not-for-profit organization without share capital. The Federation is classified as a not-for-profit organization under the Canadian Income Tax Act and is exempt from income tax.

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### 2. Significant accounting policies

The financial statements have been prepared by management in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO), the more significant of which are outlined below.

#### **Net assets**

The Federation's net assets are maintained in accordance with the following purposes:

##### *Current operations (unrestricted)*

Net assets allocated for current operations represent working capital necessary for the day-to-day operations of the Federation.

##### *Internally designated contingency reserve*

Being reliant on membership fees and in the absence of external funding, the Executive Committee ("Executive") has considered it appropriate to designate a portion of the surplus of the Federation as a contingency reserve. The reserve is funded by cash which could be used to finance special, unforeseeable expenses. It is the objective of the Executive to transfer up to an amount equal to half the annual operating revenue from operations to the contingency reserve. All interfund transfers are approved by the Executive.

##### *Internally designated capital fund*

The capital fund has been set up by the Executive to accumulate base funds to be used towards the purchase of real property to be used as office and meeting space for the Federation.

##### *Internally designated net assets*

The Executive internally designates net assets to be held for specific purposes. These internally designated amounts are not available for other purposes without the approval of the Executive.

##### *Invested in equipment*

Net assets invested in equipment are not liquid and are separately presented.

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# Canadian Federation of Students - Ontario/ Fédération Canadienne Des Étudiantes et Étudiants - Ontario

## Notes to the Financial Statements

June 30, 2015

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### 2. Significant accounting policies (continued)

#### Use of estimates

The preparation of financial statements in conformity with ASNPO 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 statement of financial position date and the reported amounts of revenues and expenses during the fiscal year. The most significant estimates relates to the estimate of allowance for doubtful accounts receivable, amortization of equipment, and accrual of liabilities. Actual results could differ from these estimates.

#### Revenue recognition

The Federation follows the deferral method of accounting for contributions. Restricted contributions are recognized as revenue in the fiscal year in which the related expenses are incurred.

Member fees are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured. In the event that member fees are outstanding as a result of certain member locals not remitting fees at the proper per student rates, the amounts are allowed for as doubtful accounts. Management continues to monitor these allowed for accounts receivable which if collected are included in members' fees revenue in the fiscal year received.

#### Equipment

Equipment is recorded at cost and is being amortized over its estimated useful life on a straight-line basis. The annual amortization rates are as follows:

Furniture and fixtures	5 years
Computer equipment	3 years

#### Financial instruments

The Federation considers any contract creating a financial asset, liability or equity instrument as a financial instrument. The Federation's financial instruments are comprised of cash, accounts receivable and accounts payable.

Financial assets or liabilities are initially measured at their fair value and subsequently measured at amortized cost.

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**Canadian Federation of Students - Ontario/  
Fédération Canadienne Des Étudiantes et Étudiants - Ontario**  
**Notes to the Financial Statements**

June 30, 2015

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**3. Equipment**

	<u>Cost</u>	<u>Accumulated Amortization</u>	<u>2015 Net Book Value</u>	<u>2014 Net Book Value</u>
Furniture and fixtures	\$ 144,862	\$ 139,333	<b>\$ 5,529</b>	\$ 6,876
Computer equipment	<u>51,688</u>	<u>41,732</u>	<u><b>9,956</b></u>	<u>10,491</u>
	<u><b>\$ 196,550</b></u>	<u><b>\$ 181,065</b></u>	<u><b>\$ 15,485</b></u>	<u><b>\$ 17,367</b></u>

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**4. Accrued vacation and overtime payable**

In accordance with a collective agreement between the Federation and its employees, employees are entitled to accumulate vacation and overtime approved annually by the chairperson of the Executive. This accumulated time may then be taken as paid days off. As at year end, the estimated obligation of the Federation for such vacation and overtime pay is \$61,946 (2014 - \$92,879).

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**5. Internally designated net assets**

	<u>Balance, July 1, 2014</u>	<u>Transfers from current operations</u>	<u>Designated expenses</u>	<u>Balance, June 30, 2015</u>
Accessibility fund	\$ 18,417	\$ 5,000	\$ 1,701	<b>\$ 21,716</b>
Childcare fund	9,352	5,000	3,740	<b>10,612</b>
Election preparedness fund	25,000	25,000	-	<b>50,000</b>
Capital fund	<u>-</u>	<u>10,000</u>	<u>-</u>	<u><b>10,000</b></u>
	<u><b>\$ 52,769</b></u>	<u><b>\$ 45,000</b></u>	<u><b>\$ 5,441</b></u>	<u><b>\$ 92,328</b></u>

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**6. Financial instruments**

The Federation's main financial instrument risk exposures are detailed as follows:

(a) 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 meet its obligation. This risk is mitigated by the Federation through ensuring revenue is derived from qualified sources. The allowance for doubtful accounts in relation to accounts receivable is \$188,728 (2014 - \$83,223).

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# Canadian Federation of Students - Ontario/ Fédération Canadienne Des Étudiantes et Étudiants - Ontario

## Notes to the Financial Statements

June 30, 2015

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### 6. Financial instruments (continued)

#### (b) Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The Federation is exposed to liquidity risk with respect to its accounts payable. The Federation reduces its exposure to liquidity risk related to accounts payable by ensuring that it documents when authorized payments are due and maintaining adequate cash reserves to meet obligations. Included in accounts payable and accrued liabilities are government remittances owing of \$Nil (2014 - \$Nil).

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### 7. Lease commitment

The Federation is committed under an operating lease for rental of its office premises and photocopier extending to May 31, 2022 and June 30, 2021, respectively. Minimum annual payments required over the next 5 fiscal years are as follows:

2016	\$	13,744
2017		26,522
2018		85,230
2019		85,230
2020		85,230

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