
**THE STUDENTS COMMISSION OF
CANADA / LA COMMISSION DES
ETUDIANTS DU CANADA**

FINANCIAL STATEMENTS

DECEMBER 31, 2017

INDEPENDENT AUDITOR'S REPORT

To the Members,
The Students Commission of Canada / La commission des etudiants du Canada

We have audited the accompanying financial statements of The Students Commission of Canada / La commission des etudiants du Canada, which comprise the statement of financial position as at December 31, 2017, and the statements of operations and 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 organization'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 organization'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 The Students Commission of Canada / La commission des etudiants du Canada as at December 31, 2017, 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 Students Commission of Canada / La commission des etudiants du Canada as at and for the year ended December 31, 2016 were audited by another auditor who expressed an unqualified opinion on those financial statements on May 31, 2017.

Pennylegion Chung LLP

Chartered Professional Accountants
Licensed Public Accountants

August 30, 2018
Toronto, Ontario

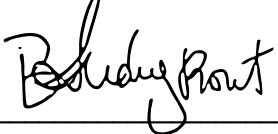
**THE STUDENTS COMMISSION OF CANADA /
LA COMMISSION DES ETUDIANTS DU CANADA**

STATEMENT OF FINANCIAL POSITION

AS AT DECEMBER 31, 2017

	2017	2016
ASSETS		
Current assets		
Guaranteed investment certificates (note 3)	\$ 86,703	\$ 85,778
Amounts receivable	167,166	11,000
HST recoverable	20,180	16,684
Prepaid expenses	<u>-</u>	<u>47,588</u>
	<u>\$ 274,049</u>	<u>\$ 161,050</u>
LIABILITIES AND NET ASSETS		
Current liabilities		
Bank indebtedness (resulting from outstanding cheques)	\$ 96,841	\$ 60,630
Accounts payable and accrued liabilities (note 6)	80,038	10,413
Deferred contributions (note 4)	<u>77,813</u>	<u>72,045</u>
	<u>254,692</u>	<u>143,088</u>
Net assets		
Unrestricted	<u>19,357</u>	<u>17,962</u>
	<u>\$ 274,049</u>	<u>\$ 161,050</u>

Approved on behalf of the Board:


_____, Director


_____, Director

see accompanying notes

**THE STUDENTS COMMISSION OF CANADA /
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STATEMENT OF OPERATIONS AND CHANGES IN NET ASSETS

FOR THE YEAR ENDED DECEMBER 31, 2017

	2017	2016
REVENUE		
Fee for service	\$ 821,645	\$ 806,885
Contributions	500,292	369,000
Conference	43,927	33,240
Interest and other	<u>2,397</u>	<u>3,678</u>
	<u>1,368,261</u>	<u>1,212,803</u>
EXPENSES		
Personnel	694,234	514,363
Youth travel and accommodations	220,808	188,294
Program	165,962	210,827
Occupancy	73,917	69,069
Partnerships	61,363	52,106
Information technology	59,676	70,675
Office and general	53,493	33,573
Telephone and internet	22,738	19,761
Insurance	9,474	9,290
Professional fees	<u>5,201</u>	<u>32,605</u>
	<u>1,366,866</u>	<u>1,200,563</u>
EXCESS OF REVENUE OVER EXPENSES FOR THE YEAR	1,395	12,240
Net assets, beginning of year	<u>17,962</u>	<u>5,722</u>
NET ASSETS, END OF YEAR	<u>\$ 19,357</u>	<u>\$ 17,962</u>

see accompanying notes

**THE STUDENTS COMMISSION OF CANADA /
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STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED DECEMBER 31, 2017

	2017	2016
OPERATING ACTIVITIES		
Excess of revenue over expenses for the year	\$ 1,395	\$ 12,240
Net change in non-cash working capital items (see below)	<u>(36,681)</u>	<u>16,128</u>
Cash generated from operating activities	(35,286)	28,368
INVESTING ACTIVITIES		
Purchase of guaranteed investment certificates	<u>(925)</u>	<u>(936)</u>
NET CASH INCREASE (DECREASE) IN THE YEAR	(36,211)	27,432
Bank indebtedness (resulting from outstanding cheques), beginning of year	<u>(60,630)</u>	<u>(88,062)</u>
BANK INDEBTEDNESS (RESULTING FROM OUTSTANDING CHEQUES), END OF YEAR	<u>\$ (96,841)</u>	<u>\$ (60,630)</u>
Net change in non-cash working capital items:		
Decrease (increase) in current assets-		
Amounts receivable	\$ (156,166)	\$ 10,895
HST recoverable	(3,496)	(3,082)
Prepaid expenses	47,588	6,373
Increase (decrease) in current liabilities-		
Accounts payable and accrued liabilities	69,625	20,797
Deferred contributions	<u>5,768</u>	<u>(18,855)</u>
	<u>\$ (36,681)</u>	<u>\$ 16,128</u>

see accompanying notes

THE STUDENTS COMMISSION OF CANADA / LA COMMISSION DES ETUDIANTS DU CANADA

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2017

The Students Commission of Canada / La commission des etudiants du Canada (the organization) is incorporated without share capital and continued under the Canada Not-for-profit Corporations Act. The organization is exempt from income tax in Canada as a registered charitable organization under the Income Tax Act (Canada).

The organization's mandate is to assist youth to prevent, address and overcome economic, social and academic issues faced by youth.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Management is responsible for the preparation of these financial statements in accordance with Canadian accounting standards for not-for-profit organizations. Outlined below are those policies considered particularly significant:

Revenue recognition

The principal sources of revenue and recognition of these revenues for financial statement purposes are as follows:

Contributions

The organization follows the deferral method of revenue recognition for contributions.

Externally restricted contributions, including grants and restricted donations, related to current expenses are recognized as revenue in the current year. Externally restricted contributions received in the year for expenses to be incurred in the following year are recorded as deferred contributions. Unrestricted contributions, including donations and amounts received from fundraising, is recorded when received.

Contributed materials and services

Contributed materials and services which are normally purchased by the organization are not recorded in the accounts.

Fee for service

Fee for service revenue is recognized in the period in which the services are performed.

Conference revenue

Conference revenue is recognized in the period in which the conference takes place.

Interest income

Interest income is recognized as revenue over the term of the guaranteed investment certificates.

2. FINANCIAL INSTRUMENTS

The organization's financial instruments include guaranteed investment certificates, amounts receivable, bank indebtedness (resulting from outstanding cheques), accounts payable and accrued liabilities. Guaranteed investment certificates are recorded at cost plus accrued interest. Amounts receivable, bank indebtedness, accounts payable and accrued liabilities are initially recorded at fair value and are subsequently recorded net of any provisions for impairment in value.

3. GUARANTEED INVESTMENT CERTIFICATES

Guaranteed investment certificates are issued and held by a major Canadian chartered bank, bear interest at a rate of 1.00% and mature in April 2020. The guaranteed investment certificate is used to secure the organization's operating bank account overdraft protection (see note 5)

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NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2017

4. DEFERRED CONTRIBUTIONS

Continuity of deferred contributions for the year is as follows:

	2017	2016
Deferred contributions, beginning of year	\$ 72,045	\$ 90,900
Add cash received from contributions	506,060	350,145
Less contributions recognized	<u>(500,292)</u>	<u>(369,000)</u>
Deferred contributions, end of year	<u>\$ 77,813</u>	<u>\$ 72,045</u>

5. OVERDRAFT PROTECTION ON OPERATING BANK ACCOUNT

The organization has overdraft protection on its operating bank account to a maximum of \$80,000 which bears an annual interest rate the bank's prime plus 5%. The overdraft protection is secured by the organization's guaranteed investment certificate (see note 3) and is repayable on demand. As at December 31, 2017, the operating bank account was in an overdraft position of \$23,958 (\$47,088 overdraft position as at December 31, 2016).

6. TRANSACTIONS WITH RELATED PARTIES

Office rental

The organization rents office and programming space on a month-to-month basis in Toronto, Ontario. The space is 50% owned by the former executive director, who is now a member of senior management. Total payments made by the organization to the former executive director in respect of rent for the year were \$24,476 (\$24,476 in 2016). Rent payments to the former executive director are recorded at the exchange value. It is management's opinion that the organization's rental costs are at or below market value.

Operating loans from former executive director and the current executive director

During the year, the former executive director and the current executive director made loans to the organization to assist with funding operations as follows:

- In 2017, the former executive director loaned the organization \$6,000, none of which was repaid as at December 31, 2017 (\$nil loaned to the organization in 2016).
- In 2017, the current executive director loaned the organization \$42,500, all of which was repaid as at December 31, 2017 (\$nil loaned to the organization in 2016).

As at December 31, 2017, \$6,000 was payable to related parties in respect of operating loans (\$nil as at December 31, 2016). All amounts due to related parties are unsecured and payable on demand. Amounts due to the former executive director bear no interest.

7. COMPARATIVE AMOUNTS

Certain comparative amounts as at December 31, 2016 and for the year then ended have been reclassified to conform with the current year's financial statement presentation.