

BASSI & KARIMJEE LLP

CHARTERED
PROFESSIONAL
ACCOUNTANTS
Licensed Public Accountants

December 16, 2024
Confidential

New College Council
Atkinson College Room 105
4700 Keele Street
Toronto Ontario M3J 1P3

Attention: Nebiyu Abraha, Vice President Finance

Dear Nebiyu:

Re: Client enclosure letter

ENCLOSURES

We are enclosing:

Financial statements

- A PDF of your audited financial statements of New College Council for the year ended April 30, 2024.

Invoice enclosed

- Our invoice, which we trust you will find in order.

Year end adjusting entries enclosed

- Our year-end journal entries and other relevant working papers are being provided to assist you in updating your accounting system. If you find after inputting our year-end entries that your general ledger does not agree to our closing balances, please contact our office so we may help you rectify the problem.

Management letter

- A PDF of the management letter.

OTHER MATTERS

Items requiring a signature

Below is a list of documents that require your immediate signature. These documents will be sent for electronic signature. Please sign where indicated and click on the links in the emails and digitally sign off each of the following:

- Engagement Letter;
- Management representation letter;
- Financial statements;
- Adjusting Journal Entries;

CLOSING COMMENTS

We have relied on you to provide us with the necessary information in a form sufficiently complete to enable us to prepare the financial statements.

We thank you for the opportunity to be of service to you and trust everything is in order. If you have any questions or concerns, please contact us by email at joozer@bkllp.ca or call 905-595-9600.

Yours truly,

A handwritten signature in blue ink, appearing to read 'Joozer Karimjee', with a stylized flourish at the end.

Joozer Karimjee, CPA, CA
Partner
joozer@bkllp.ca

Encl.

NEW COLLEGE COUNCIL
Financial Statements
Year Ended April 30, 2024

NEW COLLEGE COUNCIL
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Year Ended April 30, 2024

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INDEPENDENT AUDITOR'S REPORT

To the Members of New College Council

Qualified Opinion

We have audited the financial statements of New College Council (the "organization"), which comprise the statement of financial position as at April 30, 2024, 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, 2024, 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, 2024, current assets and net assets as at April 30, 2024. Our audit opinion on the financial statements for the year ended April 30, 2023 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 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.

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

(continues)

Independent Auditor's Report to the Members of New College Council (*continued*)

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.



Brampton, Ontario
December 16, 2024

Chartered Professional Accountants
Licensed Public Accountants

NEW COLLEGE COUNCIL
Statement of Financial Position
April 30, 2024

| | 2024 | 2023 |
|---|------------|------------|
| ASSETS | | |
| CURRENT | | |
| Cash | \$ 94,011 | \$ 66,988 |
| York university levy recievable | 59,596 | 139,508 |
| Accounts receivable | 4,721 | 7,101 |
| | 158,328 | 213,597 |
| PROPERTY, PLANT AND EQUIPMENT <i>(Note 3)</i> | 3,327 | 4,752 |
| | \$ 161,655 | \$ 218,349 |
| LIABILITIES AND NET ASSETS | | |
| CURRENT | | |
| Accounts payable and accrued liabilities | \$ 7,853 | \$ 8,250 |
| Courtesy account payable | 8,540 | 10,902 |
| | 16,393 | 19,152 |
| NET ASSETS | 145,262 | 199,197 |
| | \$ 161,655 | \$ 218,349 |

ON BEHALF OF THE BOARD

_____ *Nbiyu Ibrahima* Director

_____ Director

See accompanying notes to financial statements

NEW COLLEGE COUNCIL
Statement of Revenues and Expenditures
Year Ended April 30, 2024

| | 2024 | 2023 |
|---|--------------------|--------------------|
| REVENUES | | |
| York University student levies | \$ 142,531 | \$ 139,508 |
| Trip revenue | 21,474 | 22,718 |
| Frosh week sales | 28,700 | 23,191 |
| Formal event revenue | 4,109 | 4,925 |
| Other revenue | 2,892 | 1,383 |
| | <u>199,706</u> | <u>191,725</u> |
| EXPENSES | | |
| Amortization | 1,426 | 839 |
| Bad debts | 2,380 | - |
| Administration | 4,021 | 9,124 |
| Frosh week | 83,468 | 96,912 |
| Honorary remuneration | 21,236 | 19,424 |
| Formal event | 34,474 | 35,876 |
| Social and cultural affairs | 19,387 | 21,882 |
| Professional fees | 10,382 | 8,958 |
| Courtesy account - expenses | 8,540 | 15,378 |
| Trip expenses | 68,327 | 64,419 |
| | <u>253,641</u> | <u>272,812</u> |
| DEFICIENCY OF REVENUES OVER EXPENSES | \$ (53,935) | \$ (81,087) |

See accompanying notes to financial statements

NEW COLLEGE COUNCIL
Statement of Changes in Net Assets
Year Ended April 30, 2024

| | 2024 | 2023 |
|---------------------------------------|-------------------|-------------------|
| NET ASSETS - BEGINNING OF YEAR | \$ 199,197 | \$ 280,284 |
| DEFICIENCY OF REVENUES OVER EXPENSES | <u>(53,935)</u> | <u>(81,087)</u> |
| NET ASSETS - END OF YEAR | \$ 145,262 | \$ 199,197 |

See accompanying notes to financial statements

NEW COLLEGE COUNCIL
Statement of Cash Flows
Year Ended April 30, 2024

| | 2024 | 2023 |
|---|------------------|------------------|
| OPERATING ACTIVITIES | | |
| Deficiency of revenues over expenses | \$ (53,935) | \$ (81,087) |
| Item not affecting cash: | | |
| Amortization of capital assets | 1,426 | 839 |
| | <u>(52,509)</u> | <u>(80,248)</u> |
| Changes in non-cash working capital: | | |
| York Levy receivable | 79,912 | 65,628 |
| Accounts receivable | 2,380 | (6,271) |
| Accounts payable and accrued liabilities | (398) | (5,544) |
| Courtesy accounts receivable | (2,362) | 12,468 |
| | <u>79,532</u> | <u>66,281</u> |
| Cash flow from (used by) operating activities | <u>27,023</u> | <u>(13,967)</u> |
| INVESTING ACTIVITY | | |
| Purchase of capital assets | - | (5,591) |
| INCREASE (DECREASE) IN CASH FLOW | 27,023 | (19,558) |
| CASH - BEGINNING OF YEAR | <u>66,988</u> | <u>86,546</u> |
| CASH - END OF YEAR | \$ 94,011 | \$ 66,988 |

See accompanying notes to financial statements

NEW COLLEGE COUNCIL
Notes to Financial Statements
Year Ended April 30, 2024

1. PURPOSE OF THE ORGANIZATION

New College Council (the Organization) 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 and the accrued liabilities.

Cash and cash equivalents

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

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 3), 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.

(continues)

NEW COLLEGE COUNCIL
Notes to Financial Statements
Year Ended April 30, 2024

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

Revenue recognition

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.

In the past, separate statements of operations have been presented for essential and non-essential operations. The essential fund includes only those revenues and expenses considered as essential such as academic support, athletics and recreation, career services, health and counselling and student buildings. The non-essential fund includes all other revenues and expenses, which are nonessential or administrative in nature. In August 2021, the Court of Appeal for Ontario dismissed the government's appeal and as a consequence, the Student Choice Initiative (SCI) was discontinued. On a going forward basis there will not be the need to distinguish and track expenditures against essential and non-essential levy earned during SCI.

Capital assets

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

| | |
|------------------------|-----|
| Furniture and fixtures | 20% |
|------------------------|-----|

The organization regularly reviews its capital assets to eliminate obsolete items. Government grants 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.

(continues)

NEW COLLEGE COUNCIL
Notes to Financial Statements
Year Ended April 30, 2024

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

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.

3. PROPERTY, PLANT AND EQUIPMENT

| | Cost | Accumulated amortization | 2024 Net book value | 2023 Net book value |
|------------------------|----------|-----------------------------|------------------------------------|---------------------------|
| Furniture and fixtures | \$ 5,591 | \$ 2,264 | \$ 3,327 | \$ 4,752 |

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.

NEW COLLEGE COUNCIL
Notes to Financial Statements
Year Ended April 30, 2024

5. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

| | 2024 | 2023 |
|--|----------|----------|
| Accounts payable and accrued liabilities | \$ 7,853 | \$ 8,250 |

6. COURTESY ACCOUNT

The Organization has a courtesy account with York University in which York University expenses/overhead allocation is recorded.

7. ECONOMIC DEPENDENCE

The organization derives 71% (2023 73%) of its revenue from York University, as student levies. Should York University substantially change it's dealings with the Organization, the Organization is of the opinion that continued viable operation of the organization would be doubtful.

8. 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, 2024.

(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 fulfil 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.

9. COMPARATIVE FIGURES

Certain of the comparative figures have been reclassified to conform to the current year's presentation.

New College Council
Year End: April 30, 2024
Adjusting Journal Entries
Date: 5/1/2023 To 4/30/2024

| | | | |
|-------------|-------------|----------------|-------------------|
| Prepared by | Reviewed by | Senior Manager | Partner |
| | | | JMK 12/16/2024 |

AE. 1

| Number | Date | Name | Account No | Reference | Annotation | Debit | Credit | Recurrence | Misstatement |
|--------|-----------|--|--------------------------|-----------|------------|--------------------|-------------------|------------|--------------|
| 1 | 4/30/2024 | Merchandise sold to constituents | 1213 | | | | 156,773.28 | | |
| 1 | 4/30/2024 | Retained earnings | 3989 | | | 156,773.28 | | | |
| | | To adjust balances for reconciling Retained earnings | | | | | | | |
| 2 | 4/30/2024 | Due to/from York University-Levy | 2501 | | | 59,595.80 | | | |
| 2 | 4/30/2024 | Levy income-Non-essential | 4050 | | | | 59,595.80 | | |
| | | To record levy receivable | | | | | | | |
| 3 | 4/30/2024 | Due to/from York University: Courtesy account | 2500 | | | | 8,540.24 | | |
| 3 | 4/30/2024 | Courtesy account expense | 9251 | | | 8,540.24 | | | |
| | | To record courtesy account balances | | | | | | | |
| 4 | 4/30/2024 | Accounts Receivable (A/R) | 1212 | | | | 2,379.56 | | |
| 4 | 4/30/2024 | Bad Debts | 5000 | | | 2,379.56 | | | |
| | | To write off AR to bad debts | | | | | | | |
| 5 | 4/30/2024 | Acc. Amortization Furnitures | 1550 | | | | 1,425.71 | | |
| 5 | 4/30/2024 | Amortization cost | 5196 | | | 1,425.71 | | | |
| | | To record amortization | | | | | | | |
| | | | | | | 228,714.59 | 228,714.59 | | |
| | | | Net Income (Loss) | | | (53,934.98) | | | |

APPROVED BY: Abiyu Abiraka

New College Council
Year End: April 30, 2024
Trial balance by map number

| | | | |
|-------------|-------------|----------------|-------------------|
| Prepared by | Reviewed by | Senior Manager | Partner |
| | | | JMK 12/16/2024 |

MAPTB. 1

| Account | Prelim | Adj's | Reclass | Rep | Annotation | Rep 04/23 | %Chg |
|---|---------------------|---------------------|-------------|---------------------|------------|---------------------|--------------|
| 1060 Chequing (-155) | 94,010.58 | 0.00 | 0.00 | 94,010.58 | | 66,987.61 | 40 |
| 1213 Merchandise sold to constituents | 156,773.28 | (156,773.28) | 0.00 | 0.00 | | 0.00 | 0 |
| 111.1000 Cash | 250,783.86 | (156,773.28) | 0.00 | 94,010.58 | | 66,987.61 | 40 |
| 1212 Accounts Receivable (A/R) | 7,101.00 | (2,379.56) | 0.00 | 4,721.44 | | 7,101.00 | (34) |
| 115.1060 Accounts receivable | 7,101.00 | (2,379.56) | 0.00 | 4,721.44 | | 7,101.00 | (34) |
| 2501 Due to/from York University-Levy | 0.00 | 59,595.80 | 0.00 | 59,595.80 | | 139,507.98 | (57) |
| 115.1064 York Levy receivable | 0.00 | 59,595.80 | 0.00 | 59,595.80 | | 139,507.98 | (57) |
| 2502 Due to/from York University: Courte | 0.00 | 0.00 | 0.00 | 0.00 | | (10,901.74) | (100) |
| 115.1067 Courtesy accounts receiva | 0.00 | 0.00 | 0.00 | 0.00 | | (10,901.74) | (100) |
| 1500 Furnitures | 5,591.01 | 0.00 | 0.00 | 5,591.01 | | 5,591.01 | 0 |
| 1550 Acc. Amortization Furnitures | (838.65) | (1,425.71) | 0.00 | (2,264.36) | | (838.65) | 170 |
| 157.1787 Furniture and fixtures | 4,752.36 | (1,425.71) | 0.00 | 3,326.65 | | 4,752.36 | (30) |
| 2140 Accounts payable and accrued liabi | (7,850.77) | 0.00 | 0.00 | (7,850.77) | | (8,250.77) | (5) |
| 215.2620 Accounts payable and acci | (7,850.77) | 0.00 | 0.00 | (7,850.77) | | (8,250.77) | (5) |
| 2500 Due to/from York University: Courte | 0.00 | (8,540.24) | 0.00 | (8,540.24) | | 0.00 | 0 |
| 215.2630 Courtesy account payable | 0.00 | (8,540.24) | 0.00 | (8,540.24) | | 0.00 | 0 |
| 3989 Retained earnings | (143,911.86) | 156,773.28 | 0.00 | 12,861.42 | | (186,565.16) | (107) |
| 3999 Opening Balance Equity | (212,059.86) | 0.00 | 0.00 | (212,059.86) | | (93,718.40) | 126 |
| 274.3660 Retained earnings (Deficit) | (355,971.72) | 156,773.28 | 0.00 | (199,198.44) | | (280,283.56) | (29) |
| NETINC Net Income (Loss) NETINC | 101,185.27 | (47,250.29) | 0.00 | 53,934.98 | | 81,087.12 | (33) |
| 275.3680 Net income (Loss) | 101,185.27 | (47,250.29) | 0.00 | 53,934.98 | | 81,087.12 | (33) |
| 4225 Small Social Event Income | (1,692.12) | 0.00 | 0.00 | (1,692.12) | | (413.34) | 309 |
| 4226 Merch to constituents | 0.00 | 0.00 | 0.00 | 0.00 | | (970.15) | (100) |
| 4232 Sponsorship income | (1,200.00) | 0.00 | 0.00 | (1,200.00) | | 0.00 | 0 |
| 311.8000 Other revenue | (2,892.12) | 0.00 | 0.00 | (2,892.12) | | (1,383.49) | 109 |
| 4200 Montreal Trip Income | (15,141.01) | 0.00 | 0.00 | (15,141.01) | | (13,646.72) | 11 |
| 4230 Niagara Trip Sales | (5,392.01) | 0.00 | 0.00 | (5,392.01) | | (4,340.00) | 24 |
| 4244 Refunds-Allowances | (940.99) | 0.00 | 0.00 | (940.99) | | (4,731.30) | (80) |
| 311.8000.02 Trip revenue | (21,474.01) | 0.00 | 0.00 | (21,474.01) | | (22,718.02) | (5) |
| 4231 Orientation Week Income | (28,700.00) | 0.00 | 0.00 | (28,700.00) | | (23,191.33) | 24 |
| 311.8000.03 Frosh week sales | (28,700.00) | 0.00 | 0.00 | (28,700.00) | | (23,191.33) | 24 |
| 4220 Formal Sales | (4,109.01) | 0.00 | 0.00 | (4,109.01) | | (4,925.00) | (17) |
| 311.8000.04 Formal event revenue | (4,109.01) | 0.00 | 0.00 | (4,109.01) | | (4,925.00) | (17) |
| 4050 Levy income-Non-essential | (82,934.77) | (59,595.80) | 0.00 | (142,530.57) | | (139,507.98) | 2 |
| 311.8000.06 York University student | (82,934.77) | (59,595.80) | 0.00 | (142,530.57) | | (139,507.98) | 2 |
| 5000 Bad Debts | 0.00 | 2,379.56 | 0.00 | 2,379.56 | | 0.00 | 0 |
| 515.8590 Bad debts | 0.00 | 2,379.56 | 0.00 | 2,379.56 | | 0.00 | 0 |
| 5196 Amortization cost | 0.00 | 1,425.71 | 0.00 | 1,425.71 | | 838.65 | 70 |
| 521.8670 Amortization | 0.00 | 1,425.71 | 0.00 | 1,425.71 | | 838.65 | 70 |
| 5115 Promotional | 241.35 | 0.00 | 0.00 | 241.35 | | 701.14 | (66) |

APPROVED BY: Mehique Albralia

New College Council
Year End: April 30, 2024
Trial balance by map number

| | | | |
|-------------|-------------|----------------|-------------------|
| Prepared by | Reviewed by | Senior Manager | Partner |
| | | | JMK 12/16/2024 |

MAPTB. 1-1

| Account | Prelim | Adj's | Reclass | Rep | Annotation | Rep 04/23 | %Chg |
|--|-------------------|--------------------|-------------|------------------|------------|------------------|-------------|
| 5130 Bank charges | 182.20 | 0.00 | 0.00 | 182.20 | | 291.15 | (37) |
| 5141 AGM Expense | 250.00 | 0.00 | 0.00 | 250.00 | | 75.00 | 233 |
| 5190 Miscellaneous | 790.99 | 0.00 | 0.00 | 790.99 | | 0.00 | 0 |
| 5195 Merchandise expense | 27.00 | 0.00 | 0.00 | 27.00 | | 6,499.31 | (100) |
| 5240 Office expenses | 1,851.03 | 0.00 | 0.00 | 1,851.03 | | 0.00 | 0 |
| 5242 Domain Expense | 96.96 | 0.00 | 0.00 | 96.96 | | 420.91 | (77) |
| 5247 Web expenses | 0.00 | 0.00 | 0.00 | 0.00 | | 654.92 | (100) |
| 5260 Quickbooks Charges | 581.95 | 0.00 | 0.00 | 581.95 | | 423.75 | 37 |
| 5264 Shipping adn Delivery expenses | 0.00 | 0.00 | 0.00 | 0.00 | | 59.44 | (100) |
| 529.8810 Administration | 4,021.48 | 0.00 | 0.00 | 4,021.48 | | 9,125.62 | (56) |
| 5466 Audit Fee Expense | 10,381.88 | 0.00 | 0.00 | 10,381.88 | | 8,958.08 | 16 |
| 531.8860 Professional fees | 10,381.88 | 0.00 | 0.00 | 10,381.88 | | 8,958.08 | 16 |
| 5257 Orientation Week Expense | 74,098.86 | 0.00 | 0.00 | 74,098.86 | | 92,638.94 | (20) |
| 5410 Frosh Week expense | 9,369.05 | 0.00 | 0.00 | 9,369.05 | | 4,272.61 | 119 |
| 581.9270.01 Frosh week | 83,467.91 | 0.00 | 0.00 | 83,467.91 | | 96,911.55 | (14) |
| 5430 Montreal Expense | 38,326.29 | 0.00 | 0.00 | 38,326.29 | | 35,734.91 | 7 |
| 5431 Niagara Trip | 30,000.62 | 0.00 | 0.00 | 30,000.62 | | 28,683.71 | 5 |
| 581.9270.02 Trip expenses | 68,326.91 | 0.00 | 0.00 | 68,326.91 | | 64,418.62 | 6 |
| 5040 honorarium | 21,236.00 | 0.00 | 0.00 | 21,236.00 | | 19,424.00 | 9 |
| 581.9270.05 Honorary remuneration | 21,236.00 | 0.00 | 0.00 | 21,236.00 | | 19,424.00 | 9 |
| 5120 Formal expense | 34,474.01 | 0.00 | 0.00 | 34,474.01 | | 35,876.20 | (4) |
| 581.9270.07 Formal event | 34,474.01 | 0.00 | 0.00 | 34,474.01 | | 35,876.20 | (4) |
| 5140 Affiliated Clubs Expenses | 321.66 | 0.00 | 0.00 | 321.66 | | 150.00 | 114 |
| 5142 Charitable Donation | 220.00 | 0.00 | 0.00 | 220.00 | | 753.73 | (71) |
| 5263 Welcome Week | 3,559.52 | 0.00 | 0.00 | 3,559.52 | | 901.58 | 295 |
| 5265 Council Event expenses | 271.00 | 0.00 | 0.00 | 271.00 | | 2,851.91 | (90) |
| 5266 Council related expenses | 8,755.40 | 0.00 | 0.00 | 8,755.40 | | 9,571.06 | (9) |
| 5620 Social small events | 4,953.78 | 0.00 | 0.00 | 4,953.78 | | 5,926.97 | (16) |
| 8900 Athletics expense | 1,305.63 | 0.00 | 0.00 | 1,305.63 | | 1,726.94 | (24) |
| 581.9270.08 Social and cultural affai | 19,386.99 | 0.00 | 0.00 | 19,386.99 | | 21,882.19 | (11) |
| 9251 Courtesy account expense | 0.00 | 8,540.24 | 0.00 | 8,540.24 | | 15,378.03 | (44) |
| 581.9270.09 Courtesy account - expe | 0.00 | 8,540.24 | 0.00 | 8,540.24 | | 15,378.03 | (44) |
| | <u>101,185.27</u> | <u>(47,250.29)</u> | <u>0.00</u> | <u>53,934.98</u> | | <u>81,087.12</u> | <u>(33)</u> |

NEW COLLEGE COUNCIL

Atkinson College Room 105
4700 Keele Street
Toronto, Ontario
M3J 1P3

Confidential

Bassi and Karimjee LLP
504 - 7900 Hurontario Street
Brampton Ontario L6Y 0P6

Attention: Joozer Karimjee, CPA, CA

Dear Sir:

Re: Client representation letter

This representation letter is provided in connection with your audit of the financial statements of New College Council for the year ended April 30, 2024 for the purpose of expressing an opinion as to whether the financial statements are presented fairly, in all material respects, in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO).

In making the representations outlined below, we took the time necessary to appropriately inform ourselves on the subject matter through inquiries of entity personnel with relevant knowledge and experience, and, where appropriate, by inspecting supporting documentation.

We confirm that (to the best of our knowledge and belief):

Financial Statements

We have fulfilled our responsibilities as set out in the terms of the audit engagement dated December 16, 2024 for:

- a) Preparing and fairly presenting the financial statements in accordance with ASNPO;
- b) Providing you with:
 - i. Access to all information of which we are aware that is relevant to the preparation of the financial statements, such as:
 - A. Accounting records, supporting data and other relevant documentation,
 - B. Minutes of meetings (such as shareholders, board of directors and audit committees) or summaries of actions taken for which minutes have not yet been prepared, and
 - C. Information on any other matters, of which we are aware, that is relevant to the preparation of the financial statements;
 - ii. Additional information that you have requested from us for the purpose of the audit; and
 - iii. Unrestricted access to persons within the entity from whom you determine it necessary to obtain audit evidence.
- c) Ensuring that all transactions have been recorded in the accounting records and are reflected in the financial statements; and
- d) Designing and implementing such internal control as we determined is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. We have also communicated to you any deficiencies in the design and implementation or the maintenance of internal control over financial reporting of which management is aware.

Fraud and Non Compliance

We have disclosed to you:

(continued)

- a. All of our knowledge in relation to actual, alleged or suspected fraud affecting the entity's financial statements involving:
 - i. Management;
 - ii. Employees who have significant roles in internal control; or
 - iii. Others where the fraud could have a material effect on the financial statements;
- b. All of our knowledge in relation to allegations of fraud or suspected fraud communicated by employees, former employees, analysts, regulators or others;
- c. All known instances of non-compliance or suspected non-compliance with laws and regulations, including all aspects of contractual agreements that should be considered when preparing the financial statements;
- d. All known, actual, or possible litigation and claims that should be considered when preparing the financial statements; and
- e. The results of our risk assessments regarding possible fraud or error in the financial statements.

Related Parties

We confirm that there were no related-party relationships or transactions that occurred during the period.

Estimates

We acknowledge our responsibility for determining the accounting estimates required for the preparation of the financial statements in accordance with ASNPO. Those estimates reflect our judgment based on our knowledge and experience of past and current events, and on our assumptions about conditions we expect to exist and courses of action we expect to take. We confirm that the methods, significant assumptions and the data used by us in making accounting estimates and related financial statement disclosures, including those measured at fair value, are appropriate to achieve recognition, measurement or disclosure that is in accordance with ASNPO.

Subsequent Events

All events subsequent to the date of the financial statements and for which ASNPO requires adjustment or disclosure have been adjusted or disclosed.

Commitments and Contingencies

There are no commitments, contingent liabilities/assets or guarantees (written or oral) that should be disclosed in the financial statements. This includes liabilities arising from contract terms, illegal acts or possible illegal acts, and environmental matters that would have an impact on the financial statements.

Adjustments

We have reviewed, approved and recorded all of your proposed adjustments to our accounting records. This includes journal entries, changes to account coding, classification of certain transactions and preparation of, or changes to, certain accounting records.

Misstatements

The effects of uncorrected misstatements are immaterial, individually and in aggregate, to the financial statements as a whole. A list of the uncorrected misstatements, including the reasons why they were not corrected, is attached to this letter.

Accounting policies

All significant accounting policies are disclosed in the financial statements and are consistent with those used in the previous period.

Fair values

We confirm that the significant assumptions used in arriving at the fair values of financial instruments as measured and disclosed in the financial statements are reasonable and appropriate in the circumstances.

Future plans

We have no plans or intentions that may materially affect the carrying value or classification of assets and liabilities reflected in the financial statements.

(continued)

Liabilities and contingencies

All liabilities and contingencies, including those associated with guarantees, whether written or oral, have been disclosed to you and are appropriately reflected in the financial statements.

Material measurement uncertainties

The nature of all material measurement uncertainties has been appropriately disclosed in the financial statements, including all estimates where it is reasonably possible that the estimate will change in the near term and the effect of the change could be material to the financial statements.

Subsequent events

There have been no events between the balance sheet date and the date of this letter that would require recognition or disclosure in the financial statements.

There have been no events subsequent to the balance sheet date of the comparative financial statements that would require adjustment or disclosure in the current financial statements.

None of the members were in debt to the organization

None of the members were in debt to the organization, other than in the ordinary course of business at the period-end or at any time during the period.

Acknowledged and agreed on behalf of New College Council by:

Nebiyu Abraha

Mr. Nebiyu Abraha, Vice President
Finance

12/16/2024

Date signed

BASSI & KARIMJEE LLP

CHARTERED
PROFESSIONAL
ACCOUNTANTS

Licensed Public Accountants

December 16, 2024

Confidential

New College Council
Atkinson College Room 105
4700 Keele Street
Toronto Ontario M3J 1P3

Attention: Nebiyu Abraha, Vice President Finance

Dear Nebiyu:

Re: Engagement letter

The Objective and Scope of the Audit

You have requested that we audit the financial statements of New College Council (the "organization"), which comprise the statement of financial position as at April 30, 2024, 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).

We are pleased to confirm our acceptance and our understanding of the nature, scope and terms of this audit engagement, and all services related thereto, by means of this letter (the "Engagement").

The objectives of our audit 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.

The Responsibilities of the Auditor

We will conduct our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements. 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:

- a. 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.
- b. 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 entity's internal control. However, we will communicate to you in writing concerning any significant deficiencies in internal control relevant to the audit of the financial statements that we have identified during the audit.
- c. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- d. 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 '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 to cease to continue as a going concern.
- e. 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.

Because of the inherent limitations of an audit, together with the inherent limitations of internal control, there is an unavoidable risk that some material misstatements may not be detected, even though the audit is properly planned and performed in accordance with Canadian generally accepted auditing standards.

Form and Content of Audit Opinion

Unless unanticipated difficulties are encountered, our report will be substantially in the following form contained in Appendix A to this letter.

The Responsibilities of Management

Our audit will be conducted on the basis that management and, where appropriate, those charged with governance / oversight acknowledge and understand that they have responsibility:

1. For the preparation and fair presentation of the financial statements in accordance with ASNPO.
2. For the design and implementation of 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.
3. To provide us with timely:
 - i. Access to all information of which management is aware that is relevant to the preparation of the financial statements, such as records, documentation and other matters;
 - ii. Information about all known or suspected fraud, any allegations of fraud or suspected fraud and any known or probable instances of non-compliance with legislative or regulatory requirements;
 - iii. Additional information that we may request from management for the purpose of the audit; and
 - A. Copies of all minutes of meetings of shareholders, directors and committees of directors;
 - B. Information relating to any known or probable instances of non-compliance with legislative or regulatory requirements, including financial reporting requirements;
 - C. Information relating to any illegal or possibly illegal acts, and all facts related thereto;
 - D. A listing of all related parties and related-party transactions and information pertaining to the measurement and disclosure of transactions with those related parties;
 - E. An assessment of the reasonableness of significant assumptions underlying fair value measurements and disclosures in the financial statements;
 - F. Any plans or intentions that may affect the carrying value or classification of assets or liabilities;
 - G. An assessment of all areas of measurement uncertainty known to management that are required to be disclosed in accordance with *MEASUREMENT UNCERTAINTY, Section 1508* of the CPA Canada Handbook - Accounting, Part II;
 - H. Information relating to claims and possible claims, whether or not they have been discussed with New College Council's legal counsel;
 - I. Information relating to other liabilities and contingent gains or losses, including those associated with guarantees, whether written or oral, under which New College Council is contingently liable;
 - J. Information on whether New College Council has satisfactory title to assets, whether liens or encumbrances on assets exist, and whether assets are pledged as collateral;

- K. Information relating to compliance with aspects of contractual agreements that may affect the financial statements; and

Information concerning subsequent events.

- iv. Unrestricted access to persons within New College Council from whom we determine it necessary to obtain audit evidence.

As part of our audit process:

- b. We will make inquiries of management about the representations contained in the financial statements. At the conclusion of the audit, we will request from management [and, where appropriate, those charged with governance] written confirmation concerning those representations. If such representations are not provided in writing, management acknowledges and understands that we would be required to disclaim an audit opinion.
- c. We will communicate any misstatements identified during the audit other than those that are clearly trivial. We request that management correct all the misstatements communicated.

Use of Information

It is acknowledged that we will have access to all information about identified individuals ("personal information") in your custody that we require to complete our Engagement. Our services are provided on the basis that:

- a. You represent to us that management has obtained any required consents for our collection, use, disclosure, storage, transfer and process of personal information required under applicable privacy legislation and professional regulation; and
- b. We will hold all personal information in compliance with our Privacy Statement.

File Inspections

In accordance with professional regulations (and by our firm's policy), our client files may be periodically reviewed by practice inspectors and by other engagement file reviewers to ensure that we are adhering to our professional and firm standards. File reviewers are required to maintain confidentiality of client information.

Confidentiality

One of the underlying principles of the profession is a duty of confidentiality with respect to client affairs. Each professional accountant must preserve the secrecy of all confidential information that becomes known during the practice of the profession. Accordingly, we will not provide any third party with confidential information concerning the affairs of New College Council unless:

- a. We have been specifically authorized with prior consent;
- b. We have been ordered or expressly required by law or by the Ontario *Code of Professional Conduct/Code of Ethics*; or
- c. The information requested is (or enters into) public domain.

Use and Distribution of Our Report

The examination of the financial statements and the issuance of our audit report are solely for the use of New College Council and those to whom our report is specifically addressed by us. We make no representations or warranties of any kind to any third party in respect of these financial statements or our audit report, and we accept no responsibility for their use by any third party or any liability to anyone other than New College Council.

For greater clarity, our audit will not be planned or conducted for any third party or for any specific transaction. Accordingly, items of possible interest to a third party may not be addressed and matters may exist that would be assessed differently by a third party, including, without limitation, in connection with a specific transaction. Our audit report should not be circulated (beyond New College Council) or relied upon by any third party for any purpose, without our prior written consent.

You agree that our name may be used only with our prior written consent and that any information to which we have attached a communication be issued with that communication, unless otherwise agreed to by us in writing.

If you require our consent in this regard, management agrees to provide, on a timely basis, a draft of the other information for our review prior to the issuance of the audit report.

Reproduction of Auditor's Report

If reproduction or publication of our audit report (or reference to our report) is planned in an annual report or other document, including electronic filings or posting of the report on a website, a copy of the entire document should be submitted to us in sufficient time for our review and approval in writing before the publication or posting process begins.

Should some of the information in the annual report not be available until after the date of the auditor's report, we will request management to provide a written representation that the final version of the document(s) will be provided to us when available (and prior to its issuance) so we can complete our required procedures.

Management is responsible for the accurate reproduction of the financial statements, the auditor's report and other related information contained in an annual report or other public document (electronic or paper-based). This includes any incorporation by reference to either full or summarized financial statements that we have audited.

We are not required to read the information contained in your website or to consider the consistency of other information in the electronic site with the original document.

Preparation of Schedules

We understand that you will prepare certain schedules and locate specified documents for our use before our Engagement is planned to commence.

The requested schedules and documents are as follows:

- a. Schedules and analyses; and
- b. Other specified documents.

This assistance will facilitate our work and help to minimize our costs. Any failure to provide these working papers or documents on a timely basis may impede our services and require us to suspend our services or even withdraw from the Engagement.

Communications

In performing our services, we will send messages and documents electronically. As such communications can be intercepted, misdirected, infected by a virus or otherwise used or communicated by an unintended third party, we cannot guarantee or warrant that communications from us will be properly delivered only to the addressee. Therefore, we specifically disclaim, and you release us from, any liability or responsibility whatsoever for interception or unintentional disclosure of communications transmitted by us in connection with the performance of this Engagement. In that regard, you agree that we shall have no liability for any loss or damage to any person or entity resulting from such communications, including any that are consequential, incidental, direct, indirect, punitive, exemplary or special damages (such as loss of data, revenues, or anticipated profits).

If you do not consent to our use of electronic communications, please notify us in writing.

Ownership

The working papers, files, other materials, reports and work created, developed or performed by us during the course of the Engagement are the property of our firm, constitute our confidential information and will be retained by us in accordance with our firm's policies and procedures.

During the course of our work, we may provide, for your own use, certain software, spreadsheets and other intellectual property to assist with the provision of our services. Such software, spreadsheets and other intellectual property must not be copied, distributed or used for any other purpose. We also do not provide any warranties in relation to these items and will not be liable for any lost or corrupted data or other damage or loss suffered or incurred by you in connection with your use of them.

We retain the copyright and all intellectual property rights in any original materials provided to you.

Other Services

In addition to the audit services referred to above, we will, as allowed by the Ontario *Code of Professional Conduct/Code of Ethics*, prepare other regulatory forms required by the organization as agreed upon. Unless expressly agreed in a separate engagement letter, we will have no involvement with or responsibility for the preparation or filing of HST returns or any other (including foreign) information returns, source deductions, information returns, slips, elections, designations, certificates or reports. Management will, on a timely basis, provide the information necessary to complete the regulatory forms and will review and file them with the appropriate authorities on a timely basis.

Governing Legislation

This engagement letter is subject to, and governed by, the laws of the Province of Ontario. The Province of Ontario will have exclusive jurisdiction in relation to any claim, dispute or difference concerning this engagement letter and any matter arising from it. Each party irrevocably waives any right it may have to object to any action being brought in those courts, to claim that the action has been brought in an inappropriate forum or to claim that those courts do not have jurisdiction.

Accounting Advice

Except as outlined in this letter, this Engagement does not contemplate the provision of specific accounting advice or opinions or the issuance of a written report on the application of accounting standards to specific transactions and to the facts and circumstances of the entity. Such services, if requested, would be provided under a separate engagement letter.

Dispute Resolution

You agree that any dispute that may arise regarding the meaning, performance or enforcement of this Engagement will, prior to resorting to litigation, be submitted to mediation.

Any mediation initiated as a result of this Engagement shall be administered within the Province of Ontario by [name of mediation organization], according to its mediation rules, and any ensuing litigation shall be conducted within such province, according to provincial law. The results of any such mediation shall be binding only upon agreement of each party to be bound. The costs of any mediation proceeding shall be shared equally by the participating parties.

Indemnity

New College Council hereby agrees to indemnify, defend (by counsel retained and instructed by us) and hold harmless our firm (and its partners, agents and employees) from and against any and all losses, costs (including solicitors' fees), damages, expenses, claims, demands and liabilities arising out of (or in consequence of):

- a. The breach by New College Council, or its directors, officers, agents or employees, of any of the covenants or obligations of New College Council herein, including, without restricting the generality of the foregoing, the misuse of, or the unauthorized dissemination of, our engagement report or the financial statements in reference to which the engagement report is issued, or any other work product made available to you by our firm.
- b. A misrepresentation by a member of your management or the board of directors.

Time Frames

We will use all reasonable efforts to complete the Engagement as described in this letter within the agreed upon time frames.

However, we shall not be liable for failures or delays in performance that arise from causes beyond our reasonable control, including any delays in the performance by New College Council of its obligations.

Fees at Regular Billing Rate

Our professional fees will be based on our regular billing rates, plus direct out-of-pocket expenses and applicable HST, and are due when rendered. Fees for any additional services will be established separately.

Billing

Our fees and costs will be billed monthly and are payable upon receipt. Invoices unpaid 30 days past the billing date may be deemed delinquent and are subject to an interest charge of 1.50% per month. We reserve the right to suspend our services or to withdraw from this Engagement in the event that any of our invoices are deemed delinquent. In the event that any collection action is required to collect unpaid balances due to us, you agree to reimburse us for our costs of collection, including lawyers' fees.

Termination

Management acknowledges and understands that failure to fulfill its obligations as set out in this engagement letter will result, upon written notice, in the termination of the Engagement.

Either party may terminate this agreement for any reason upon providing written notice to the other party [*not less than 30 calendar days before the effective date of termination*]. If early termination takes place, New College Council shall be responsible for all time and expenses incurred up to the termination date.

If we are unable to complete the audit or are unable to form, or have not formed, an opinion on the financial statements, we may withdraw from the audit before issuing an auditor's report, or we may disclaim an opinion on the financial statements. If this occurs, we will communicate the reasons and provide details.

Survival of Terms

This engagement letter will continue in force for subsequent audits unless terminated by either party by written notice prior to the commencement of the subsequent audit.

Consequential Loss

Our firm and its partners, officers or employees will not be responsible for any consequential loss, injury or damages suffered by the client including but not limited to loss of use, earnings and business interruption, or the unauthorized distribution of any confidential document or report prepared by or on behalf of our firm, including the partners, officers or employees of the accounting firm for the exclusive use of the client.

Relevant Parties

The client will not assert any claim for damages against our firm unless the client has concurrently or previously asserted a claim against all other persons who might reasonably be liable in relation to that claim. Any release, waiver, or covenant to otherwise not sue or enforce any remedy known to law given by the client to a third party shall be deemed to apply in favour of our firm.

Third Parties

The financial documents are prepared solely for the use of the client with whom we have entered into a contract and there are no representations of any kind made by us to any party with whom we have not entered into a written contract.

Conclusion

This engagement letter includes the relevant terms that will govern the Engagement for which it has been prepared. The terms of this letter supersede any prior oral or written representations or commitments by or between the parties. Any material changes or additions to the terms set forth in this letter will only become effective if evidenced by a written amendment to this letter, signed by all of the parties.

If you have any questions about the contents of this letter, please raise them with us. If the services outlined are in accordance with your requirements, and if the above terms are acceptable to you, please sign the attached copy of this letter in the space provided and return it to us.

We appreciate the opportunity of continuing to be of service to your organization.

Yours truly,



Joozer Karimjee, CPA, CA
Partner
joozer@bklp.ca

Acknowledged and agreed to on behalf of New College Council by:

Nebiyu Abraha

Mr. Nebiyu Abraha, Vice President
Finance

12/16/2024

Date signed

Appendix A - Expected Form of Report

To the Members of New College Council

Qualified Opinion

We have audited the financial statements of New College Council (the "organization"), which comprise the statement of financial position as at April 30, 2024, 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, 2024, and the results of its operations and cash flow for the period then ended in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO).

Basis for Qualified Opinion

[Enter details of basis for qualified opinion for current period] Our audit opinion on the financial statements for the year ended April 30, 2023 was modified because of the effects of this departure from Canadian accounting standards for not-for-profit organizations.

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.

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:

Appendix A *(continued)*

- 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

CHARTERED
PROFESSIONAL
ACCOUNTANTS
Licensed Public Accountants

New College Council
Atkinson College Room 105
4700 Keele Street
Toronto Ontario M3J 1P3

Attention: Nebiyu Abraha, Vice President Finance

Dear Nebiyu:

Re: Management letter

During the course of our audit of New College Council for the year ended April 30, 2024, we identified matters that may be of interest to management. The objective of an audit is to obtain reasonable assurance whether the financial statements are free of material misstatement and it is not designed to identify matters that may be of interest to management. Accordingly, an audit would not usually identify all such matters.

1. Honorarium

Weakness Noted and Implications

All Honorarium paid during the year have written approval by the Board of Directors. However, T4A slips have not been prepared.

Recommendations

All the remuneration paid to the individuals has to be reported on T4A slips as long as the aggregated payment in any calendar year is more than \$500.

Conclusion

This communication is prepared solely for the information of management and is not intended for any other purpose. We accept no responsibility to a third party who uses this communication.

We trust you will implement our recommendations; however, should you require further clarification or information, please contact the undersigned.

Yours truly,



Joozer Karimjee, CPA, CA
Partner
joozer@bkllp.ca

NEW COLLEGE COUNCIL

**Atkinson College Room 105
4700 Keele Street
Toronto, Ontario
M3J 1P3**

RESOLUTION OF THE BOARD OF DIRECTORS

OF

NEW COLLEGE COUNCIL

BE IT RESOLVED THAT:

1. The Audit Committee, or a designated person(s) from the Board of Directors is/are hereby given specific authorization on behalf of New College Council to accept and approve the draft financial statements as accepted and approved by the Board, subject to any material changes.

CERTIFIED:

This document to be true copy of a resolution passed by the Board of Directors of New College Council, and which resolution is in full force and effect.

DATED:

As of December 16, 2024.

NEW COLLEGE COUNCIL

Nebiyu Abraha

Nebiyu Abraha - Vice President Finance

BASSI & KARIMJEE LLP

CHARTERED
PROFESSIONAL
ACCOUNTANTS

Licensed Public Accountants

December 16, 2024

Confidential

New College Council
Atkinson College Room 105
4700 Keele Street
Toronto Ontario M3J 1P3

Attention: Nebiyu Abraha, Vice President Finance

Dear Nebiyu:

We are writing this letter in connection with our audit of the financial statements for the year ending April 30, 2024.

Our purpose in writing is to ensure effective two-way communication between us in our role as auditors and yourselves with the role of overseeing the financial reporting process. In this letter we will:

- a. Address our responsibilities as independent auditors and provide information about the planned scope and timing of our audit.
- b. Request a response to some audit questions and any additional information you may have that could be relevant to our audit.

Auditor Responsibilities

The respective responsibilities of ourselves and of management in relation to the audit of financial statements are set out in the engagement letter that was signed by management on April 14, 2024. This engagement letter is attached as an appendix to this letter.

Planned Scope and Timing of Our Audit

Our objective as auditors is to express an opinion on whether the financial statements are prepared, in all material respects, in accordance with Canadian accounting standards for not-for-profit organizations.

In developing our audit plan, we worked with management to understand the nature of New College Council and to identify and assess the risks of material misstatement in the financial statements, whether due to fraud or error. Our audit plan has been designed to focus on the identified areas of risk.

Materiality

For the current year, we have determined an overall materiality amount of \$4,000. We have also considered misstatements that could be material in qualitative financial statement disclosures. Materiality will be used to:

- a. Plan and perform the audit; and,
- b. Evaluate the effects of identified and uncorrected misstatements on the audit procedures performed as well as on the financial statements.

The materiality amount will be reassessed prior to the end of the engagement to ensure it remains appropriate.

Significant Changes During Period

The significant changes that we addressed in planning the audit for the current year are set out below:

- a. organization operations and personnel;

Significant Changes During Period *(continued)*

- b. Accounting and control systems;
- c. Accounting and auditing standards; and
- d. Other.

Internal Control

To help identify and assess the risks of material misstatement in the financial statements, we obtain an understanding of internal control relevant to the audit. This understanding is used in the design of appropriate audit procedures. It is not used for the purpose of expressing an opinion on the effectiveness of internal control. Should we identify any significant deficiencies in the internal control and accounting systems, we will communicate them to you in our audit findings letter.

Significant Risks

In planning our audit, we identify significant financial reporting risks that, by their nature, require special audit consideration. The significant risks we have identified and our proposed audit response is outlined below:

| Description of each significant risk | Proposed Audit Response |
|--------------------------------------|---|
| Revenue recognition and completeness | Analytical procedures Substantive testing of revenues, including the consistent application of accounting policies Review of cut-off procedures |
| Management override | Inquiries of management Review of journal entries Review of related-party transactions and management estimates |
| Accounts payable - completeness | Analytical procedures Substantive testing or tests of control Review of Cut-off procedures |
| Accounts receivable - existence | Confirmation of receivable balances Tests of controls over revenues Review of cut-off procedures Other |

If there are specific areas that warrant our particular attention during the audit or where you would like us to undertake some additional procedures, please let us know.

Uncorrected Misstatements

Where we identify uncorrected misstatements during our audit, we will communicate them to management and request that they be corrected. If not corrected by management, we will then request that you correct them. If not corrected by you, we will also communicate the effect that they may have individually, or in aggregate, on our audit opinion.

Timing

The proposed timing of our audit (as discussed with management) is as follows:

| Action | Planned Date |
|---|-------------------|
| Planning meeting with <i>[directors-audit committee]</i> | November 1, 2024 |
| Start of audit field work | November 6, 2024 |
| End of audit field work | November 15, 2024 |
| Present audit findings letter to <i>[directors-audit committee]</i> | November 18, 2024 |
| Approval of financial statements by the Board of Directors | November 18, 2024 |
| Provide the audit opinion on financial statements | November 18, 2024 |

Engagement Team

Our engagement team for this audit will consist of the following personnel:

| Name | Role | Contact Details |
|--------------------------|--------------------|-----------------|
| Joozer Karimjee, CPA, CA | Engagement Partner | |
| Manjeet Mehngar | Staff Accountant | |
| | | |
| | | |
| | | |
| | | |

Audit Findings

At the conclusion of our audit, we will prepare an audit findings letter to assist you with your review of the financial statements. This letter will include our views and comments on matters such as:

- a. Significant matters, if any, arising from the audit that were discussed with management;
- b. Significant difficulties, if any, encountered during the audit;
- c. Qualitative aspects of the organization’s accounting practices, including accounting policies, accounting estimates and financial statement disclosures;
- d. Uncorrected misstatements; and
- e. Any other audit matters of governance interest.

Audit Questions and Requests

Fraud

To help us in identifying and responding to the risks of fraud within the organization, we would appreciate your responses to the following questions:

Audit Questions and Requests *(continued)*

Fraud *(continued)*

1. What oversight, if any, do you provide over management's processes for identifying and responding to fraud risks? Management's processes could include policies, procedures, programs or controls that serve to prevent, detect and deter fraud.
2. Do you have any knowledge of any actual, suspected or alleged fraud, including misappropriation of assets or manipulation of the financial statements, affecting the organization? If so, please provide details and how the fraud or allegations of fraud were addressed.

Other Matters

Would you please bring to our attention any significant matters or financial reporting risks, of which you are aware, that may not have been specifically addressed in our proposed audit plan. This could include such matters as future plans, contingencies, events, decisions, non-compliance with laws and regulations, potential litigation, specific transactions (such as with related parties or outside of the normal course of business) and any additional sources of audit evidence that might be available.

Fees

Our proposed audit fee of \$-, for the year ending April 30, 2024, is based on the nature, extent and timing of our planned audit procedures as described above.

We recognize your significant role in the oversight of the audit and would welcome any observations on our audit plan.

This letter was prepared for the sole use of those charged with governance of New College Council to carry out and discharge their responsibilities. The content should not be disclosed to any third party without our prior written consent, and we assume no responsibility to any other person.

Yours truly,



Joozer Karimjee, CPA, CA
Partner
joozer@bkllp.ca

Encl.

BASSI & KARIMJEE LLP

CHARTERED
PROFESSIONAL
ACCOUNTANTS
Licensed Public Accountants

December 16, 2024

Confidential

New College Council
Atkinson College Room 105
4700 Keele Street
Toronto Ontario M3J 1P3

Attention: Nebiyu Abraha, Vice President Finance

Dear Nebiyu:

This letter has been prepared to assist you with your review of the financial statements of New College Council for the year ending April 30, 2024. We look forward to meeting with you and discussing the matters outlined below.

Audit Status

We have completed the audit of the financial statements, with the exception of the following items:

- a. Receipt of a signed representation letter by management;
- b. Receipt of a letter from your external legal counsel regarding any litigation or claims;
- c. Completing our discussions with the *[Board of Directors - Audit Committee]*;
- d. Obtaining evidence of the Board's approval of the financial statements;
- e. *[Other – specify.]*

Once these items have been completed, we will date and sign our auditor's report.

Comments on Accounting Practices

Accounting Policies

The significant accounting policies used by the entity are outlined in Note X to the financial statements.

- a. There were no significant changes in accounting policies.
- b. We did not identify any alternative accounting policies that would have been more appropriate in the circumstances.
- c. We did not identify any significant accounting policies in controversial or emerging areas.

Significant Accounting Estimates

The following significant estimates/judgments are contained in the financial statements:

- a. Allowanced for doubtful accounts;
- b. Accrued liabilities;
- c. Book value of capital assets; and

Based on audit work performed, we are satisfied with the estimates made by management.

Comments on Accounting Practices *(continued)*

Significant Financial Statement Disclosures

We did not identify any financial statement disclosures that are particularly significant, sensitive or require significant judgments, that we believe should be specifically drawn to your attention.

Significant Deficiencies in Internal Control

A deficiency in internal control exists when a risk is not treated by a control or when a control is designed, implemented or operated in such a way that it is unable to prevent, or detect and correct, misstatements in the financial statements on a timely basis, or when a control necessary to prevent, or detect and correct, misstatements in the financial statements on a timely basis is missing.

A significant deficiency in internal control is defined as a deficiency or combination of deficiencies in internal control that, in the auditor's professional judgment, is of sufficient importance to merit the attention of TCWG.

To identify and assess the risks of material misstatement in the financial statements, we are required to obtain an understanding of internal control relevant to the audit. This understanding is used for the limited purpose of designing appropriate audit procedures. It is not used for the purpose of expressing an opinion on the effectiveness of internal control and, as a result, we do not express any such opinion. The limited purpose also means that there can be no assurance that all significant deficiencies in internal control, or any other control deficiencies, will be identified during our audit.

We did not identify any control deficiencies that, in our judgment, would be considered significant deficiencies, apart from those outlined below:

| # | Nature of significant deficiency | Implication for the financial statements | Recommendation |
|---|---|---|---|
| 1 | The audit committee does not currently have any members who could be described as financially literate. | The effectiveness of the committee in exercising oversight of the financial reporting process may be compromised. | Develop a charter for the audit committee that requires at least one member to be financially literate. |
| <p>Management response: Agreed. We will work with the audit committee to develop a charter that will address financial literacy.</p> | | | |
| 2 | When hiring new employees who will have some accounting responsibilities, we noted that resume information and reference checks were not being performed. | People may be hired without the qualifications or integrity required to perform well. | Implement a policy to check resume information and references before making an offer of employment. |
| <p>Management response: Agreed. A new policy will be implemented</p> | | | |
| 3 | Other | | |
| <p>Management response:</p> | | | |

Written Representations

In a separate communication, as attached, we have requested a number of written representations from management in respect to their responsibility for the preparation of the financial statements in accordance with Canadian accounting standards for not-for-profit organizations.

Other Audit Matters of Governance Interest

We did not identify any other matters to bring to your attention at this time.

We would like to thank management and staff for the assistance they provided to us during the audit.

We hope the information in this audit findings letter will be useful. We would be pleased to discuss them with you and respond to any questions you may have.

This letter was prepared for the sole use of TCWG of New College Council to carry out and discharge their responsibilities. The content should not be disclosed to any third party without our prior written consent, and we assume no responsibility to any other person.

Yours truly,



Joozer Karimjee, CPA, CA
Partner
joozer@bkllp.ca

Encl.

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