# THE HONOURS BUSINESS ADMINISTRATION ASSOCIATION
# RICHARD IVEY SCHOOL OF BUSINESS, WESTERN UNIVERSITY
# INDEX TO THE UNAUDITED FINANCIAL STATEMENTS
# AS AT APRIL 30, 2012

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REVIEW ENGAGEMENT REPORT

TO: THE MEMBERS OF THE EXECUTIVE OF THE HONOURS BUSINESS ADMINISTRATION ASSOCIATION, RICHARD IVEY SCHOOL OF BUSINESS, WESTERN UNIVERSITY

I have reviewed the statement of financial position of The Honours Business Administration Association, Richard Ivey School of Business, Western University as at April 30, 2012 and the statements of operations and changes in net assets and cash flows for the year then ended. My review was made in accordance with Canadian generally accepted standards for review engagements and accordingly consisted primarily of enquiry, analytical procedures and discussion related to information supplied to me by the Association.

A review does not constitute an audit and consequently, I do not express an audit opinion on these financial statements.

Based on my review, nothing has come to my attention that causes me to believe that these financial statements are not, in all material respects, in accordance with Canadian generally accepted accounting principles.

Gary E Mason

London, Ontario
December 6, 2012

GARY E. MASON, C.A.
Licensed Public Accountant

# THE HONOURS BUSINESS ADMINISTRATION ASSOCIATION
# RICHARD IVEY SCHOOL OF BUSINESS, WESTERN UNIVERSITY
## STATEMENT OF FINANCIAL POSITION
## AS AT APRIL 30, 2012
## WITH 2011 COMPARATIVES
## "UNAUDITED "

### ASSETS

| | 2012 | 2011 |
|---|---|---|
| CURRENT ASSETS | | |
| Cash | $ 11,266 | $ -0- |
| Accounts Receivable | 2,800 | 6,000 |
| | 14,066 | 6,000 |
| TOTAL ASSETS | $ 14,066 | $ 6,000 |

### LIABILITIES & NET ASSETS

| | | |
|---|---|---|
| CURRENT LIABILITIES | | |
| Bank Overdraft | $ -0- | $ 3,632 |
| Accounts Payable & Accrued Liabilities | 4,844 | 6,966 |
| | 4,844 | 10,598 |
| NET ASSETS (DEFICIT) | 9,222 | (4,598) |
| TOTAL LIABILITIES & NET ASSETS | $ 14,066 | $ 6,000 |

See accompanying notes to financial statements.

On behalf of the Association

_____ President

_____ Vice President Finance

THE HONOURS BUSINESS ADMINISTRATION ASSOCIATION
RICHARD IVEY SCHOOL OF BUSINESS, WESTERN UNIVERSITY
STATEMENT OF OPERATIONS AND CHANGES IN NET ASSETS
FOR THE YEAR ENDED APRIL 30, 2012
WITH 2011 COMPARATIVES
"UNAUDITED"

| | 2012 | 2011 |
|---|---|---|
| REVENUE | | |
| Student fees | $ 212,000 | $ 208,400 |
| Ivey Endowment | 4,007 | -0- |
| | 216,007 | 208,400 |
| EXPENSES | | |
| Student Affairs & Social Events | 121,667 | 137,699 |
| President & Office | 20,201 | 33,842 |
| Communication & Year Book | 19,915 | 19,734 |
| Finance & Merchandising | 18,529 | 7,248 |
| Academics & Conferences | 18,207 | 31,442 |
| University Affairs | 3,668 | 8,031 |
| | 202,187 | 237,996 |
| EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES | 13,820 | (29,596) |
| NET ASSETS (DEFICIT) - BEGINNING OF THE YEAR | (4,598) | 24,998 |
| NET ASSETS (DEFICIT) - END OF THE YEAR | $ 9,222 | $ (4,598) |

See accompanying notes to financial statements.

THE HONOURS BUSINESS ADMINISTRATION ASSOCIATION
RICHARD IVEY SCHOOL OF BUSINESS, WESTERN UNIVERSITY
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED APRIL 30, 2012
WITH 2011 COMPARATIVES
"UNAUDITED "

| | 2012 | 2011 |
|---|---|---|
| CASH PROVIDED BY (USED IN): | | |
| Operating Activities: | | |
| Excess (Deficiency) of revenues over expenses | $ 13,820 | $ (29,596) |
| Changes in non-cash working capital balances: | | |
| Decrease in accounts receivable | 3,200 | 12,045 |
| Decrease in accounts payable & accrued liabilities | (2,122) | (10,454) |
| | 14,898 | (28,005) |
| CASH - BEGINNING OF THE YEAR (OVERDRAFT) | (3,632) | 24,373 |
| CASH - END OF THE YEAR (OVERDRAFT) | $ 11,266 | $ (3,632) |

See accompanying notes to financial statements.

# THE HONOURS BUSINESS ADMINISTRATION ASSOCIATION
# RICHARD IVEY SCHOOL OF BUSINESS, WESTERN UNIVERSITY
# NOTES TO FINANCIAL STATEMENTS
# AS AT APRIL 30, 2012
# "UNAUDITED "

The Honours Business Administration Association (the "Association") was organized to provide support to students of the Richard Ivey School of Business, Western University (the "University") as they pursue their degree in honours business administration. The Association is exempt from income tax under the Income Tax Act.

1. **Basis of presentation:**

   The financial statements of the Association have been prepared in accordance with Canadian generally accepted accounting principles.

2. **Significant accounting policies:**

   The significant accounting policies adopted by the Association are summarized below:

   (a.) Revenue Recognition:

   Student fees and other income are recognized in the academic year for which they are earned.

   (b.) Expense Recognition:

   Expenses are recorded net of their offsetting revenues (sponsorships and fundraising activities).

   (c.) Use of Estimates:

   The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the year. Actual results could differ from these estimates.

# Honours Business Administration Association (HBAA)

## Compulsory, Non-Tuition-Related Fee Approval and Proposed Budget Approval by the Property & Finance Committee

*As of March 12, 2013

Prepared by:
Dhruv Vyas (VP Finance); dvyas.hba2014@ivey.ca

# Agenda

- Who is the HBAA?
- Proposal Intent
- Financial Overview
  - Revenues
  - Expenses
  - Summary
- Student Satisfaction
- Administration Feedback
- Controls
- Proposed Budget (2013/2014)
- Summary

# Who is the HBAA?

- The HBAA is the Student Council for the undergraduate students of the Richard Ivey School of Business
  - Over 50 students serve directly on the council

- It organizes program-wide events and services that define a student's experience while in the Ivey HBA program

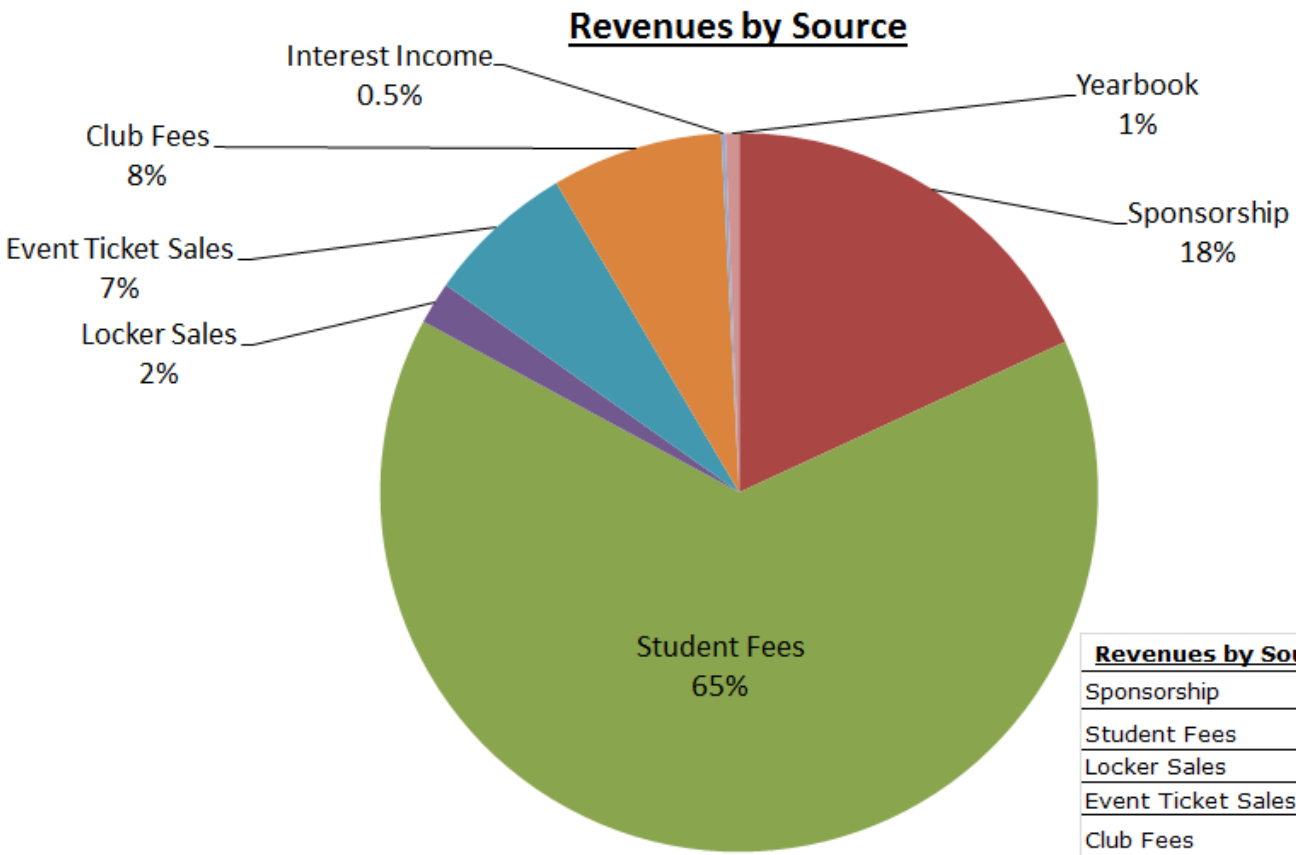
*"The HBAA stands to aid in the development of the goals of the Mission Statement of the Richard Ivey School of Business, foster the pride and character of the HBA student body, and serve to communicate, interact and cooperate with HBA students and undergraduate business students across Canada and around the world."*

# Proposal Intent

- Provide assurance to the Property and Finance Committee that the HBAA fee is justified as a compulsory, non-tuition-related ancillary fee
  - Requesting a continuation of the same arrangements and fee of $400 per student for the 2013/2014 school year
  - Student fee is currently collected by Western University and distributed to the HBAA through the HBA Program Office in two payments
  - The HBAA has sufficient controls for responsible management of student fee revenue

# Financial Overview - Revenues

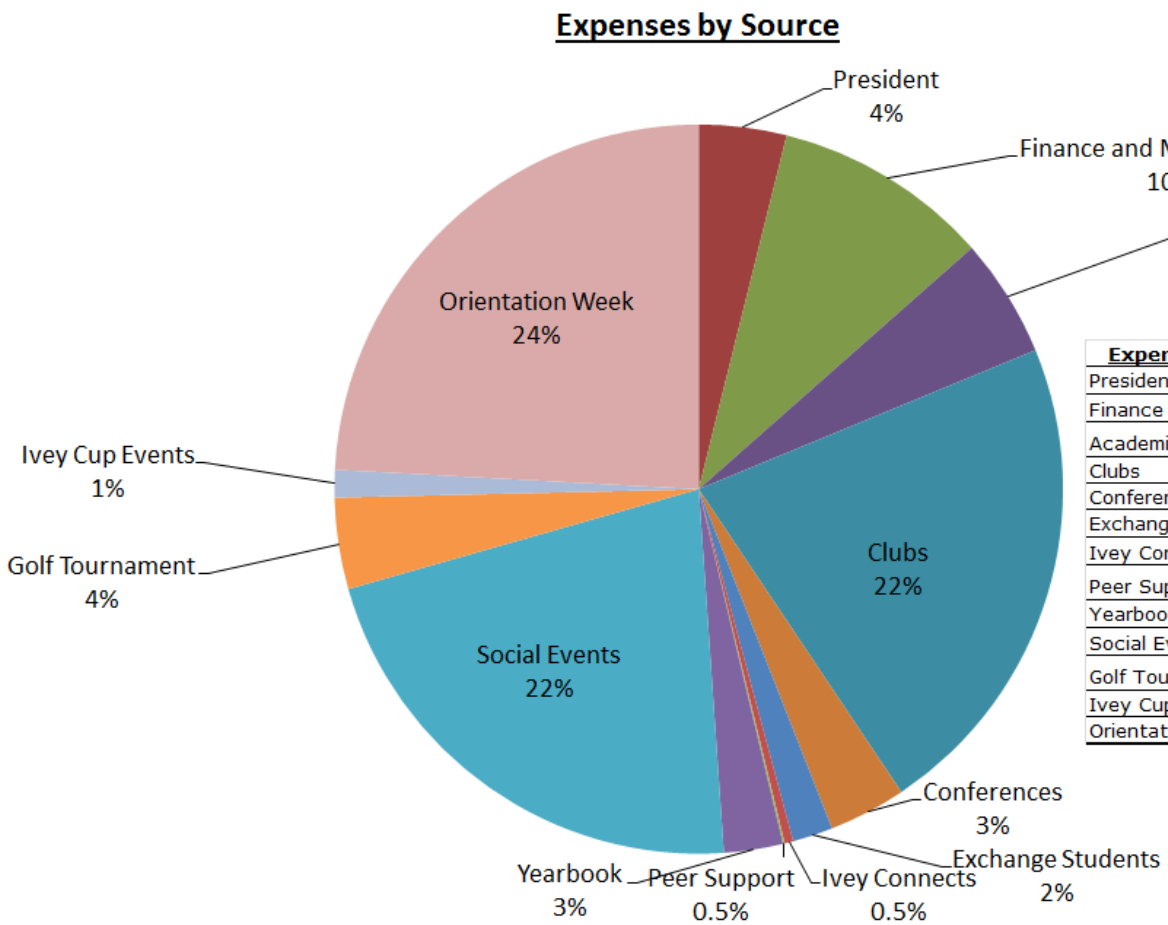
- Our primary source of revenues are student fees, which make up 65% of the 2012/2013 total revenues to date




| Revenues by Source (2012/2013) | |
|---|---|
| Sponsorship | $58,450 |
| Student Fees | $208,800 |
| Locker Sales | $6,145 |
| Event Ticket Sales | $21,622 |
| Club Fees | $24,869 |
| Interest Income | $577 |
| Yearbook | $2,000 |

# Financial Overview - Expenses

- Our primary source of expenses is our Orientation Week, accounting for 24% of the 2012/2013 total expenses to date




| Expenses by Source (2012/2013) | |
|---|---|
| President | $9,324 |
| Finance and Merchandising | $23,051 |
| Academic | $12,670 |
| Clubs | $52,390 |
| Conferences | $8,222 |
| Exchange Students | $4,289 |
| Ivey Connects | $915 |
| Peer Support | $191 |
| Yearbook | $6,276 |
| Social Events | $52,017 |
| Golf Tournament | $9,720 |
| Ivey Cup Events | $2,929 |
| Orientation Week | $57,945 |

# Financial Overview - Summary

- Overall, our financial summary to date for the 2012/2013 year can be categorized into the following 6 functions:

| 2012-2013 Academic Year | | | | |
|---|---|---|---|---|
| | Revenues | Expenses | Net | Total |
| **President** | 4,750 | 8,996 | -4,246 | |
| CRO | 0 | 327 | -327 | **-4,574** |
| **VP Finance** (and Merchandising) | 215,522 | 23,051 | 192,471 | **192,471** |
| **VP Academic** | 10,000 | 12,670 | -2,670 | |
| Clubs Coordinators | 51,269 | 52,390 | -1,121 | |
| Conference Coordinator | 900 | 8,222 | -7,322 | |
| Exchange Coordinators | 0 | 4,289 | -4,289 | **-15,403** |
| **VP University Affairs** | 0 | 0 | 0 | |
| Sustainability | 0 | 0 | 0 | |
| Ivey Connects | 150 | 915 | -765 | |
| Peer Support | 0 | 191 | -191 | **-956** |
| **VP Communications** | 2,000 | 0 | 2,000 | |
| Yearbook Coordinator | 0 | 6,276 | -6,276 | **-4,276** |
| **VP Social** | 25,292 | 52,017 | -26,725 | |
| Golf Tournament Coordinator | 2,180 | 9,720 | -7,540 | |
| Ivey Cup Coordinator | 0 | 2,929 | -2,929 | |
| Orientation Week | 10,400 | 57,945 | -47,545 | |
| Sports Coordinator | 0 | 0 | 0 | **-84,740** |
| **NET TOTAL** | 322,462 | 239,940 | | **82,523** |

# Student Satisfaction

- Orientation Week – prestigious Opening Gala, case study method introduction, and team/leadership-building activities
  - Includes wet and dry events
- Three formals (HBA1, HBA2/MBA, Ivey Connects), two year-end banquets, a golf tournament, and other social events
- Seventeen student-run clubs—the HBAA Clubs activities include guest speakers, panel discussions, industry workshops, and much more
  - Clubs are an excellent way to meet fellow students outside of the assigned sections, and allow for networking opportunities, resume and interview tips, and career advice
- Charitable initiatives (via Ivey Connects), effective peer and academic support, and efficiently-run student clubs
- Yearbook distribution, academic conference reimbursements, and international exchange program

# Administration Feedback

- The program is effective in promoting the brand image and experience of the HBA program
  - Ivey Cup events, Orientation Week, student clubs, representation at conferences
- External promotions of the HBA Program through the Pre-Business Students' Network (PBSN)
- Balance between wet and dry events
- Efficient and effective allocation of student funds

# Controls

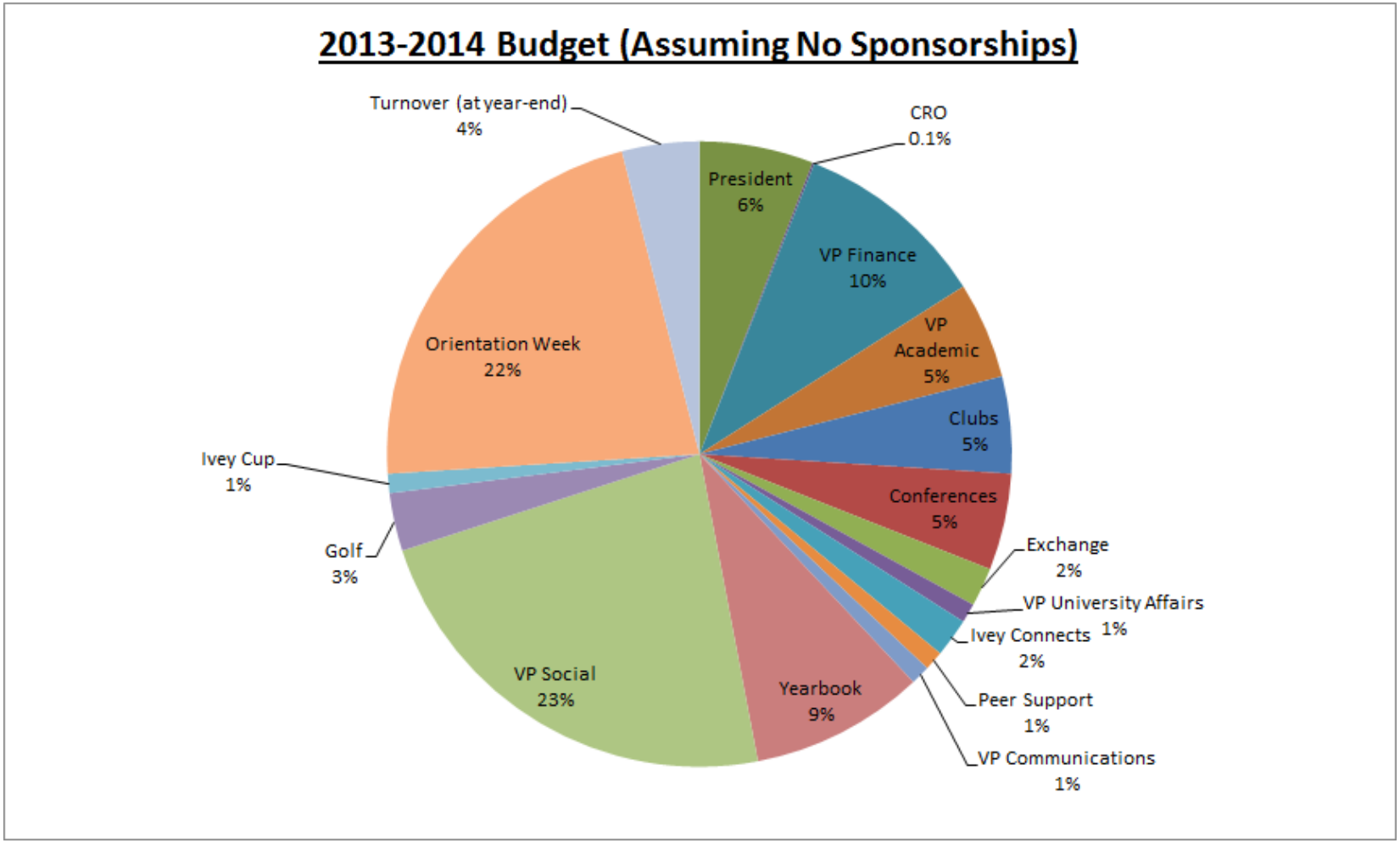
- Physical Controls
  - Use of safe, locks, and filing cabinets in HBAA office
- Banking Control
  - Two signing authorities on all issued cheques
- Budgeting Control
  - Full executive involvement for unbiased financial advisory
  - Full transparency
- Accounting Systems
  - All transactions recorded on Excel and Sage Simply Accounting
- Control of Financial Outflows
  - Mandatory cheque requisition forms to fill out
- Control of Financial Inflows
  - Mandatory deposit forms to fill out

# Proposed Budget (2013/2014)

- Overall, the proposed $240,000 in student fees (assuming no sponsorships) will be budgeted as follows:

| Domain | 2013-2014 Budget (%) | 2013-2014 Budget (Assuming No Sponsorships) |
|---|---|---|
| | | |
| President | 5.9 | $14,160 |
| CRO | 0.1 | $240 |
| VP Finance | 10 | $24,000 |
| VP Academic | 5 | $12,000 |
| Clubs | 5 | $12,000 |
| Conferences | 5 | $12,000 |
| Exchange | 2 | $4,800 |
| VP University Affairs | 1 | $2,400 |
| Ivey Connects | 2 | $4,800 |
| Peer Support | 1 | $2,400 |
| VP Communications | 1 | $2,400 |
| Yearbook | 9 | $21,600 |
| VP Social | 23 | $55,200 |
| Golf | 3 | $7,200 |
| Ivey Cup | 1 | $2,400 |
| Orientation Week | 22 | $52,800 |
| Turnover (at year-end) | 4 | $9,600 |

# Proposed Budget (2013/2014)



# Summary

- The current fee is reasonable and provides real value for students, administration and the HBA program experience
- The HBAA events and services are well-received and available to all students of the HBA Program
- The HBAA has sufficient internal controls to collect and administer all appropriate funds in a responsible and efficient manner