

Algoma University Students' Union
Financial Statements
For the year ended April 30, 2019

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Independent Auditor's Report

To the Members of
Algoma University Students' Union

Opinion

We have audited the financial statements of Algoma University Students' Union (the organization) which comprise the statement of financial position as at April 30, 2019 and the statements of operations and 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, the accompanying financial statements present fairly, in all material respects, the financial position of the organization as at April 30, 2019 and its results of operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Basis for Opinion

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 the 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 these financial statements in accordance with Canadian accounting standards for not-for-profit organizations, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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:

Independent Auditor's Report (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.

Chartered Professional Accountants, Licensed Public Accountants
Sault Ste. Marie, Ontario
January 7, 2020

Algoma University Students' Union
Statement of Financial Position

April 30	2019	2018
Assets		
Current		
Cash	\$ 132,471	\$ 161,612
Due from Algoma University	67,725	1,534
	\$ 200,196	\$ 163,146
Liabilities and Net Assets		
Current		
Accounts payable and accrued liabilities	\$ 19,570	\$ 11,495
Due to Algoma University	27,343	20,681
	46,913	32,176
Net assets (Note 3)	153,283	130,970
	\$ 200,196	\$ 163,146

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

Algoma University Students' Union Statement of Operations and Net Assets

For the year ended April 30	2019	2018
Revenue		
Student fees	\$ 190,407	\$ 168,524
Insurance premiums	291,690	175,530
Events	2,162	4,474
Other	11,735	15,987
	495,994	364,515
Expenses		
Conferences and travel	17,504	16,342
Donations and sponsorships	780	3,774
Events	28,056	17,379
Furniture and equipment	589	1,302
Honorariums	6,925	9,400
Insurance, fees and dues	1,706	2,786
Orientation	14,372	13,527
Postage, stationery and office supplies	12,243	8,220
Professional fees	6,695	5,630
Satellite campuses - student life programming	6,771	6,177
Shingwauk Aboriginal Students' Association	30,000	30,000
Student health plan	261,947	169,178
Wages and benefits	86,093	76,562
	473,681	360,277
Excess of revenues over expenses	22,313	4,238
Net assets, beginning of year	130,970	126,732
Net assets, end of year	\$ 153,283	\$ 130,970

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

Algoma University Students' Union Statement of Cash Flows

For the year ended April 30	2019	2018
Cash flows from operating activities		
Excess of revenue over expenses	\$ 22,313	\$ 4,238
Changes in non-cash working capital balances		
Due from Algoma University	(66,191)	128
Accounts payable and accrued liabilities	8,075	6,434
Due to Algoma University	6,662	20,681
Increase (decrease) in cash	(29,141)	31,481
Cash, beginning of year	161,612	130,131
Cash, end of year	\$ 132,471	\$ 161,612

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

Algoma University Students' Union

Notes to Financial Statements

April 30, 2019

1. Summary of significant accounting policies

Nature of Operations The organization was incorporated without share capital under the laws of Ontario. Its objectives are to promote student endeavours, protect educational interests of its members and to foster student spirit. The organization has claimed exemption from taxation pursuant to section 149 of the Income Tax Act.

Basis of Accounting The financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations.

Revenue Recognition The organization follows the deferral method of accounting for contributions. Restricted contributions are recognized as revenue in the year in which the related expenses are incurred. Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Tangible Capital Assets Tangible capital assets are recorded as expenses at the time of purchase. Major categories of tangible capital assets not recorded in these financial statements include furniture, equipment and computers.

Use of Estimates The preparation of financial statements in accordance with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements, and the reported revenues and expenses during the reporting period. Actual results could differ from management's best estimates as additional information becomes available in the future.

Financial Instruments Financial instruments are recorded at fair value when acquired or issued. In subsequent periods, they are reported at cost or amortized cost less impairment, if applicable. Financial assets are tested for impairment when changes in circumstances indicate the asset could be impaired.

2. Government remittances payable

There were no government remittances payable at year end.

3. Net assets

	<u>2019</u>		<u>2018</u>
Insurance premium stabilization fund	\$ 111,915	\$	81,333
Unrestricted net assets	<u>41,368</u>		<u>49,637</u>
	<u>\$ 153,283</u>	\$	<u>130,970</u>

Algoma University Students' Union

Notes to Financial Statements

April 30, 2019

4. Economic dependence

Algoma University Students' Union has an agreement with Algoma University to collect student fees on behalf of the Algoma University Students' Union. The funds are used to administer its operations and provide services to its members.

5. Financial instrument risks

The organization's management monitors, evaluates and manages the principal risks assumed with financial instruments on a daily basis. The risks that arise from transacting financial instruments include liquidity risk, credit and concentration of credit risk.

Liquidity risk

Liquidity risk arises from the organization's management of accounts payable. It is the risk that the organization will encounter difficulty in meeting its financial obligations as they fall due. The organization's policy to minimize this risk is to monitor their daily cash flow in order to meet its financial obligations. Algoma University will also advance the organization funds to cover expenses if necessary.

Credit and concentration of credit risk

Credit risk arises principally from the organization's accounts receivable. The organization is exposed to normal credit risk resulting from the possibility that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. All of the organization's receivables are from student fees collected by Algoma University on the organization's behalf.