

**Algoma University Students' Union**  
**Financial Statements**  
For the year ended April 30, 2012

---

**Contents**

<b>Independent Auditor's Report</b>	<b>2</b>
<b>Financial Statements</b>	
Statement of Financial Position	3
Statement of Operations and Net Assets (Deficit)	4
Statement of Cash Flows	5
Summary of Significant Accounting Policies	6
Notes to Financial Statements	8



Tel: 705 945 0990  
Fax: 705 942 7979  
Toll-free: 800 520 3005  
www.bdo.ca

BDO Canada LLP  
747 Queen Street E  
PO Box 1109  
Sault Ste. Marie ON P6A 5N7 Canada

---

## Independent Auditor's Report

---

### To the Members of Algoma University Students' Union

We have audited the accompanying financial statements of Algoma University Students' Union, which comprise the statement of financial position as at April 30, 2012 and the statement of operations and net assets (deficit) and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

#### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian generally accepted accounting principles, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

#### **Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on conducting the audit in accordance with Canadian generally accepted auditing standards. Because of the matters described in the Basis for Disclaimer of Opinion paragraph, however, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion.

#### **Basis for Disclaimer of Opinion**

The organization was not able to provide satisfactory audit evidence with respect to its expenses. Accordingly, we were unable to confirm or verify by alternative means that all the expenses of the organization have been properly recorded. As a result of this matter, we were unable to determine whether any adjustments might be necessary to expenses, accounts payable and accrued liabilities and net assets (deficit).

In addition, the organization derives revenue from fund raising 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 other revenue, excess of revenue over expenses and net assets (deficit).

#### **Disclaimer of Opinion**

Because of the significance of the matters described in the Basis for Disclaimer of Opinion paragraph, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion. Accordingly, we do not express an opinion on the financial statements.

*BDO Canada LLP*

Chartered Accountants, Licensed Public Accountants

Sault Ste. Marie, Ontario  
July 17, 2013

---

**Algoma University Students' Union**  
**Statement of Financial Position**

<b>April 30</b>	<b>2012</b>	<b>2011</b>
<b>Assets</b>		
<b>Current</b>		
Cash	\$ 10,014	\$ 20,496
Due from Algoma University	<u>41,201</u>	<u>1,853</u>
	<b>\$ 51,215</b>	<b>\$ 22,349</b>
<b>Liabilities and Net Assets (Deficit)</b>		
<b>Current</b>		
Accounts payable and accrued liabilities	<u>\$ 12,167</u>	<u>\$ 3,603</u>
<b>Net Assets</b>	<u><b>39,048</b></u>	<u><b>18,746</b></u>
	<b>\$ 51,215</b>	<b>\$ 22,349</b>

The accompanying summary of significant accounting policies and notes are an integral part of these financial statements.

**Algoma University Students' Union**  
**Statement of Operations and Net Assets (Deficit)**

<b>For the year ended April 30</b>	<b>2012</b>	<b>2011</b>
<b>Revenue</b>		
Student fees	\$ 159,347	\$ 150,687
Events	11,487	6,465
Other	1,505	1,467
	<u>172,339</u>	<u>158,619</u>
<b>Expenses</b>		
Advertising	1,003	4,391
Bank charges and interest	695	165
Brampton student fees	5,343	-
Cable	939	839
Clubs	10,084	11,580
Conferences and travel	10,736	8,102
Donations	9,779	9,900
Entertainment	14,314	3,987
Events	23,554	2,172
Furniture and equipment	2,472	-
Honorariums	19,500	18,700
Licenses, fees and dues	12,290	15,207
Miscellaneous	2,363	1,454
Orientation	10,779	14,028
Postage, stationery and office supplies	3,802	7,514
Professional fees	4,384	4,728
Shingwauk Aboriginal Students' Association	20,000	20,000
Wages	-	14,492
	<u>152,037</u>	<u>137,259</u>
<b>Excess of revenues over expenses</b>	<b>20,302</b>	<b>21,360</b>
<b>Net assets (deficit), beginning of year</b>	<b>18,746</b>	<b>(2,614)</b>
<b>Net assets, end of year</b>	<b>\$ 39,048</b>	<b>\$ 18,746</b>

The accompanying summary of significant accounting policies and notes are an integral part of these financial statements.

---

**Algoma University Students' Union**  
**Statement of Cash Flows**

<b>For the year ended April 30</b>	<b>2012</b>	<b>2011</b>
<b>Cash flows from operating activities</b>		
Excess of revenue over expenses	\$ 20,302	\$ 21,360
Changes in non-cash working capital balances		
Due to/from Algoma University	(39,348)	(13,585)
Accounts payable and accrued liabilities	<u>8,564</u>	<u>(1,450)</u>
<b>Increase (decrease) in cash and equivalents</b>	<b>(10,482)</b>	<b>6,325</b>
<b>Cash and cash equivalents, beginning of year</b>	<b><u>20,496</u></b>	<b><u>14,171</u></b>
<b>Cash and cash equivalents, end of year</b>	<b>\$ 10,014</b>	<b>\$ 20,496</b>

The accompanying summary of significant accounting policies and notes are an integral part of these financial statements.

---

## Algoma University Students' Union Summary of Significant Accounting Policies

**April 30, 2012**

---

<b>Nature of Operations</b>	The organization is 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.
<b>Revenue Recognition</b>	The association 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. Endowment contributions are recognized as direct increases in net assets.
<b>Capital Assets</b>	Capital assets are recorded as expenses at the time of purchase. In the current year, furniture and equipment totaling \$2,472 were purchased and expensed.
<b>Use of Estimates</b>	The preparation of financial statements in accordance with Canadian generally accepted accounting principles 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.
<b>Financial Instruments</b>	<p>The organization classifies its financial instruments into one of the following categories based on the purpose for which the asset was acquired. The organization's accounting policy for each category is as follows:</p> <p>a) Held for trading</p> <p>Financial instruments are classified under this category if they are:</p> <ul style="list-style-type: none"><li>(i) acquired principally for the purpose of selling or repurchasing in the near term;</li><li>(ii) part of a portfolio of identified financial instruments that are managed together and for which there is evidence of a recent actual pattern of short-term profit-taking;</li><li>(iii) a derivative, except for a derivative that is a financial guarantee contract or a designated effective hedging instrument; or</li><li>(iv) designated at fair value using the fair value option ("FVO")</li></ul> <p>Financial instruments cannot be transferred into or out of the held for trading category after inception. For designation at fair value using the FVO option, reliable fair values must be readily available.</p> <p>Financial instruments included in this category are cash and bank. These instruments are carried in the balance sheet at fair value with changes in fair value recognized in the Statement of Operations. Transaction costs related to instruments classified as held for trading are expensed as incurred.</p>

---

## Algoma University Students' Union Summary of Significant Accounting Policies

**April 30, 2012**

---

**Financial Instruments**  
(continued)

b) Loans and receivables

Loans and receivables are non-derivative financial assets resulting from the delivery of cash or other assets by a lender to a borrower in return for a promise to repay on a specified date or dates, or on demand. They arise principally through the provision of goods and services to customers, but also incorporate other types of contractual monetary assets. These financial instruments are initially recognized at fair value and subsequently carried at amortized cost, using the effective interest rate method, less any provision for impairment. Transaction costs related to loans and receivables are included in the amount initially recognized. Accounts receivable has been classified as loans and receivables.

c) Other financial liabilities

Other financial liabilities includes all financial liabilities other than those classified as held for trading and comprises accounts payable and accrued liabilities. These instruments are initially recognized at fair value including direct and incremental transaction costs. They are subsequently measured at amortized cost using the effective interest rate method.

---

# Algoma University Students' Union

## Notes to Financial Statements

April 30, 2012

---

### 1. Net assets

The organization considers its capital to be its net assets. The organization's objectives when managing its capital are to safeguard its ability to continue as a going concern so it can continue to promote student endeavours, protect educational interests of its members and to foster student spirit. Annual budgets are developed and monitored to ensure the organization's capital is maintained at an appropriate level.

---

### 2. Economic dependence

Algoma University Students' Union has an agreement with Algoma University whereby student fees are collected and paid to the Algoma University Students' Union. The funds are used to administer its operations and provide services to its members.