

Algoma University Students' Union
Financial Statements
For the year ended April 30, 2013

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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, 2013, April 30, 2012 and May 1, 2011 and the statements of operations and net assets and cash flows for the years ended April 30, 2013 and April 30, 2012, and other explanatory information.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. 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.

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.

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
January 17, 2014

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

April 30	2013	2012	May 1, 2011
Assets			
Current			
Cash	\$ 47,356	\$ 10,014	\$ 20,496
Due from Algoma University	66,229	41,201	1,853
	\$ 113,585	\$ 51,215	\$ 22,349
Liabilities and Net Assets			
Current			
Accounts payable and accrued liabilities	\$ 19,353	\$ 12,167	\$ 3,603
Deferred health care costs	19,393	-	-
	38,746	12,167	3,603
Net Assets	74,839	39,048	18,746
	\$ 113,585	\$ 51,215	\$ 22,349

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	2013	2012
Revenue		
Student fees	\$ 195,276	\$ 159,347
Events	7,296	11,487
Other	1,502	1,505
	<u>204,074</u>	<u>172,339</u>
Expenses		
Advertising	-	1,003
Bank charges and interest	376	695
Brampton student fees	1,006	5,343
Cable	1,094	939
Clubs	6,064	10,084
Conferences and travel	16,111	10,736
Donations	6,750	9,779
Entertainment	20,200	14,314
Events	19,623	23,554
Furniture and equipment	17,736	2,472
Honorariums	20,825	19,500
Licenses, fees and dues	14,772	12,290
Miscellaneous	1,626	2,363
Orientation	16,040	10,779
Postage, stationery and office supplies	1,358	3,802
Professional fees	4,702	4,384
Shingwauk Aboriginal Students' Association	20,000	20,000
	<u>168,283</u>	<u>152,037</u>
Excess of revenues over expenses	35,791	20,302
Net assets, beginning of year	<u>39,048</u>	<u>18,746</u>
Net assets, end of year	<u>\$ 74,839</u>	<u>\$ 39,048</u>

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	2013	2012
Cash flows from operating activities		
Excess of revenue over expenses	\$ 35,791	\$ 20,302
Changes in non-cash working capital balances		
Due to/from Algoma University	(25,028)	(39,348)
Accounts payable and accrued liabilities	7,186	8,564
Deferred health care costs	19,393	-
Increase (decrease) in cash and equivalents	37,342	(10,482)
Cash and cash equivalents, beginning of year	10,014	20,496
Cash and cash equivalents, end of year	\$ 47,356	\$ 10,014

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

Algoma University Students' Union

Notes to Financial Statements

April 30, 2013

1. Summary of significant accounting policies

- Nature of Operations** 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.
- 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. Endowment contributions are recognized as direct increases in net assets.
- Capital Assets** Capital assets are recorded as expenses at the time of purchase. In the current year, furniture and equipment totaling \$17,736 were purchased and expensed.
- 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. First time adoption

Effective May 1, 2012, the Algoma University Students' Union adopted the new accounting framework, Canadian Accounting Standards for Not-For-Profit Organizations (ASNPO) or Part III of the Canadian Institute of Chartered Accountants (CICA) Handbook - Accounting. These are the organization's first financial statements prepared in accordance with this framework and the transitional provisions of Section 1501, First-time Adoption have been applied. Section 1500 requires retrospective application of the accounting standards with certain elective exemptions and retrospective exceptions. The accounting policies set out in Note 1 - significant accounting policies have been applied in preparing the financial statements for the year ended April 30, 2013, the comparative information presented in these financial statements for the year ended April 30, 2012 and in the preparation of an opening ASNPO balance sheet at the date of transition of May 1, 2011.

The organization issued financial statements for the year ended April 30, 2012 using generally accepted accounting principles prescribed by the CICA Handbook - Accounting Part V - Pre-changeover Accounting Standards. The adoption of ASNPO resulted in no adjustments to the previously reported assets, liabilities, net assets, excess of revenue over expenses and cash flows of the organization, nor were there any changes to net assets at the date of transition of May 1, 2011.

Algoma University Students' Union

Notes to Financial Statements

April 30, 2013

3. 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.

4. 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.

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 company'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 cash and accounts receivable. The cash is held at a reputable institution. The organization is also 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.