

**Algoma University Students' Union**  
**Financial Statements**  
For the year ended April 30, 2022

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## Independent Auditor's Report

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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, 2022 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, 2022 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 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.

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## Independent Auditor's Report (continued)

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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.



Chartered Professional Accountants, Licensed Public Accountants  
Sault Ste. Marie, Ontario  
April 6, 2023

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

April 30	2022	2021
<b>Assets</b>		
<b>Current</b>		
Cash	\$ 57,320	\$ 176,596
Accounts receivable	241	4,121
Due from Algoma University	1,591,593	804,997
	1,649,154	985,714
Property, plant and equipment (Note 2)	45,279	-
	\$ 1,694,433	\$ 985,714
<b>Liabilities and Net Assets</b>		
<b>Current</b>		
Accounts payable and accrued liabilities	\$ 149,193	\$ 16,437
Due to Algoma University	304,199	178,564
	453,392	195,001
Net assets (Note 4)	1,241,041	790,713
	\$ 1,694,433	\$ 985,714

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

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

<b>For the year ended April 30</b>	<b>2022</b>	<b>2021</b>
<b>Revenue</b>		
Student fees	\$ 570,348	\$ 345,682
Insurance premiums	1,023,045	518,690
Events	220	160
Other	23,400	2,717
	<b>1,617,013</b>	<b>867,249</b>
<b>Expenses</b>		
Amortization	7,990	-
Clubs and services	676	-
Conferences and travel	17,275	8,393
Donations and sponsorships	1,744	12,085
Events	49,947	19,514
Honorariums	15,400	5,050
Insurance, fees and dues	7,660	6,266
Minor capital	6,780	28
Orientation	34,348	1,198
Postage, stationery and office supplies	9,345	12,291
Professional fees	10,889	8,613
Satellite campuses - student life programming	-	772
Student health plan	699,925	329,767
Vehicles	444	-
Wages and benefits	304,262	177,060
	<b>1,166,685</b>	<b>581,037</b>
<b>Excess of revenues over expenses</b>	<b>450,328</b>	<b>286,212</b>
<b>Net assets, beginning of year</b>	<b>790,713</b>	<b>504,501</b>
<b>Net assets, end of year</b>	<b>\$ 1,241,041</b>	<b>\$ 790,713</b>

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

<b>For the year ended April 30</b>	<b>2022</b>	<b>2021</b>
<b>Cash flows from operating activities</b>		
Excess of revenue over expenses	\$ 450,328	\$ 286,212
Item not involving cash		
Amortization	7,990	-
	<u>458,318</u>	286,212
<b>Changes in non-cash working capital balances</b>		
Accounts receivable	3,880	(4,121)
Due from Algoma University	(786,596)	(502,917)
Accounts payable and accrued liabilities	132,756	(21,841)
Due to Algoma University	<u>125,635</u>	<u>125,362</u>
	(66,007)	(117,305)
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment	<u>(53,269)</u>	-
<b>Decrease in cash</b>	<b>(119,276)</b>	<b>(117,305)</b>
<b>Cash, beginning of year</b>	<u>176,596</u>	<u>293,901</u>
<b>Cash, end of year</b>	<b>\$ 57,320</b>	<b>\$ 176,596</b>

# Algoma University Students' Union

## Notes to Financial Statements

April 30, 2022

### 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 at cost and are amortized using the declining balance method using the rates as follows:

Vehicles            30%

In the year of acquisition, tangible capital assets are amortized at one-half of the above rates.

**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. Property, plant and equipment

	2022		2021	
	Cost	Accumulated Amortization	Cost	Accumulated Amortization
Vehicles	\$ 53,269	\$ 7,990	\$ -	\$ -
Net book value		\$ 45,279		\$ -



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## Algoma University Students' Union Notes to Financial Statements

**April 30, 2022**

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**3. Government remittances payable**

There were no government remittances payable at year end.

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**4. Net assets**

	<u>2022</u>		<u>2021</u>
Insurance premium stabilization fund	\$ 694,191	\$	370,830
Unrestricted net assets	501,571		419,883
Equity in tangible capital assets	45,279		-
	<u>\$ 1,241,041</u>	<u>\$</u>	<u>790,713</u>

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**5. 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.

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**6. 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.