

Algoma University Students' Union
Financial Statements
For the year ended April 30, 2024

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Tel: (705) 945-0990
Fax: +(705) 942-7979

www.bdo.ca

BDO Canada LLP
747 Queen Street East
P.O. Box 1109
Sault Ste. Marie, Ontario
P6A 5N7

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, 2024 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, 2024 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.

Independent Auditor's Report (continued)

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.

BDO Canada LLP

Chartered Professional Accountants, Licensed Public Accountants
Sault Ste. Marie, Ontario
December 19, 2024

Algoma University Students' Union
Statement of Financial Position

April 30	2024	2023
Assets		
Current		
Cash	\$ 2,337,996	\$ 1,933,419
Accounts receivable	241	241
Due from Algoma University	3,681,033	1,988,517
Due from 1000653146 Ontario Inc.(Note 7)	558,070	-
	6,577,340	3,922,177
Investment in controlled entity (Note 7)	35,310	-
Property, plant and equipment (Note 2)	24,079	34,398
	\$ 6,636,729	\$ 3,956,575
Liabilities and Net Assets		
Current		
Accounts payable and accrued liabilities	\$ 25,632	\$ 819,944
Due to Algoma University	653,371	644,305
	679,003	1,464,249
Net assets (Note 4)	5,957,726	2,492,326
	\$ 6,636,729	\$ 3,956,575

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	2024	2023
Revenue		
Student fees	\$ 2,447,671	\$ 1,057,869
Insurance premiums	5,024,242	2,315,536
Events	7,599	5,479
Other	32,288	19,995
	7,511,800	3,398,879
Expenses		
Amortization	10,319	14,060
Advertising	26,524	12,248
Clubs and services	204,974	44,774
Conferences and travel	20,224	40,255
Donations and sponsorships	30,950	4,300
Events	117,051	109,105
Honorariums	8,550	7,272
Insurance, fees and dues	11,234	7,713
Minor capital	3,297	1,225
Orientation	9,896	38,484
Postage, stationery and office supplies	31,643	7,195
Professional fees	110,210	21,457
Satellite campuses - student life programming	1,226	747
Student health plan	2,483,596	1,375,015
Vehicles	2,377	2,772
Wages and benefits	659,639	460,972
	3,731,710	2,147,594
Income before loss in controlled entity	3,780,090	1,251,285
Loss in controlled entity	(314,690)	-
Excess of revenues over expenses	3,465,400	-
Net assets, beginning of year	2,492,326	1,241,041
Net assets, end of year	\$ 5,957,726	\$ 2,492,326

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	2024	2023
Cash flows from operating activities		
Excess of revenue over expenses	\$ 3,465,400	\$ 1,251,285
Item not involving cash		
Amortization	10,319	14,060
	3,475,719	1,265,345
Changes in non-cash working capital balances		
Due from Algoma University	(1,692,516)	(396,924)
Accounts payable and accrued liabilities	(794,312)	670,751
Due to Algoma University	9,066	340,106
Due to 1000653146 Ontario Inc.	(558,070)	-
	439,887	1,879,278
Cash flows from investing activities		
Purchase of property, plant and equipment	-	(3,179)
Investment in 1000653146 Ontario Inc.	(35,310)	-
	(35,310)	(3,179)
Increase in cash	404,577	1,876,099
Cash, beginning of year	1,933,419	57,320
Cash, end of year	\$ 2,337,996	\$ 1,933,419

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

Algoma University Students' Union

Notes to Financial Statements

April 30, 2024

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.

Controlled Entities Controlled profit-oriented enterprises are accounted for by the equity method in the organization's financial statements.

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%
Computer	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.

Algoma University Students' Union Notes to Financial Statements

April 30, 2024

2. Property, plant and equipment

	2024		2023	
	Cost	Accumulated Amortization	Cost	Accumulated Amortization
Vehicles	\$ 53,269	\$ 31,082	\$ 53,269	\$ 21,574
Computer hardware	3,180	1,288	3,180	477
	\$ 56,449	\$ 32,370	\$ 56,449	\$ 22,051
Net book value		\$ 24,079		\$ 34,398

3. Government remittances payable

There were no government remittances payable at year end.

4. Net assets

	2024	2023
Insurance premium stabilization fund	\$ 4,216,939	\$ 1,651,321
Unrestricted net assets	1,716,709	806,607
Equity in tangible capital assets	24,078	34,398
	\$ 5,957,726	\$ 2,492,326

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.

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.

Algoma University Students' Union

Notes to Financial Statements

April 30, 2024

6. Financial instrument risks (continued)

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.

There have not been any changes in the risk from the prior year.

7. Investment in controlled entity

During the year Algoma University Students' Union started 1000653146 Ontario Inc., which it has 100% ownership of, to operate a restaurant at Algoma University. The company is a for profit entity. The financial information below for 1000653146 Ontario are not consolidated in these financial statements.

The summary financial statements for 1000653146 Ontario Inc. for the period ended April 30, 2024 is as follows:

	<u>2024</u>
Balance Sheet	
Assets	<u>\$ 648,428</u>
Liabilities	<u>\$ 603,637</u>
Net assets	<u>44,791</u>
	<u>\$ 648,428</u>
Statement of Operations	
Revenue	<u>\$ 594,253</u>
Expenses	<u>899,462</u>
Deficiency of revenue over expenses	<u>\$ (305,209)</u>
Cash Flows	
Cash flows from operating activities	<u>\$ 287,983</u>
Cash flows from investing activities	<u>-</u>
Increase in cash	<u>287,983</u>
Cash, beginning of year	<u>-</u>
Cash, end of year	<u>\$ 287,983</u>

Included in liabilities above is \$558,070 due to Algoma University Students' Union.