

Nipissing University
Student Union
Financial Statements
For the year ended April 30, 2015

**Nipissing University Student Union
Financial Statements
For the year ended April 30, 2015**

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Independent Auditor's Report

To the Members of Nipissing University Student Union

We have audited the accompanying financial statements of Nipissing University Student Union, which comprise the statement of financial position as at April 30, 2015, and the statements of changes in net assets, operations 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 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. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained in our audit is sufficient and appropriate to provide a basis for our qualified audit opinion.

Basis for Qualified Opinion

In common with other similar organizations, the organization derives revenue from social events, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, our verification of these revenues was limited to the amounts recorded in the records of the organization. We were unable to determine whether any adjustments might be necessary to revenue, excess of revenue over expenses, cash flow from operations and net assets. Our audit opinion on the financial statements for the year ended April 30, 2014 was modified accordingly because of the possible effects of this limitation in scope.

Qualified Opinion

In our opinion, except for the effects of the matter described in the Basis for Qualified Opinion paragraph the financial statements present fairly, in all material respects, the financial position of Nipissing University Student Union as at April 30, 2015 and the results of its operations and its cash flows for the year then ended in accordance with the Canadian accounting standards for not-for-profit organizations.

BDO Gnode LLP

Chartered Professional Accountants, Licensed Public Accountants

North Bay, Ontario
September 28, 2015

**Nipissing University Student Union
Statement of Financial Position**

April 30			2015	2014
	Operating Fund	Building Fund	Total	Total
Assets				
Current Assets				
Cash and cash equivalents	\$ 339,448	\$ -	\$ 339,448	\$ 500,352
Accounts receivable (Note 2)	1,054	-	1,054	13,953
Prepaid expenses	34,718	-	34,718	24,153
Funds in trust	-	6,500,009	6,500,009	5,638,390
	375,220	6,500,009	6,875,229	6,176,848
Capital assets (Note 3)	527,541	-	527,541	398,167
	\$ 902,761	\$ 6,500,009	\$ 7,402,770	\$ 6,575,015

Liabilities and Net Assets

Current				
Accounts payable and accrued liabilities (Note 4)	\$ 216,741	\$ -	\$ 216,741	\$ 140,982
Current portion of long-term debt (Note 5)	13,610	-	13,610	8,305
	230,351	-	230,351	149,287
Long-term debt (Note 5)	258,046	-	258,046	249,778
	488,397	-	488,397	399,065
Net Assets				
Unrestricted - operating fund	414,364	-	414,364	537,560
Externally restricted - building fund	-	6,500,009	6,500,009	5,638,390
	414,364	6,500,009	6,914,373	6,175,950
	\$ 902,761	\$ 6,500,009	\$ 7,402,770	\$ 6,575,015

Commitments (Note 6)

On behalf of the Board:

_____ Director

_____ Director

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

Nipissing University Student Union Statement of Changes in Net Assets

For the year ended April 30	2015			2014	
	Operating Fund	Building Fund	Total	Total	
Balance, beginning of year	\$ 537,560	\$ 5,638,390	\$ 6,175,950	\$ 5,345,333	
Excess of revenues over expenses for the year	(144,583)	883,006	738,423	830,617	
Interfund transfer	21,387	(21,387)	-	-	
Balance, end of year	\$ 414,364	\$ 6,500,009	\$ 6,914,373	\$ 6,175,950	

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

Nipissing University Student Union Statement of Operations

For the year ended April 30			2015	2014
	Operating Fund	Building Fund	Total	Total
Revenues				
Student fees	\$ 867,816	\$ 938,176	\$ 1,805,992	\$ 1,883,907
Programming and social events	114,433	-	114,433	111,403
Interest and other	82,568	66,029	148,597	212,636
Student health plan administration fee (Note 7)	7,816	-	7,816	31,434
	<u>1,072,633</u>	<u>1,004,205</u>	<u>2,076,838</u>	<u>2,239,380</u>
Expenses				
Salaries and benefits	443,747	-	443,747	162,327
Programming and social events	234,866	-	234,866	221,806
Interest and contributions re: Bracebridge Student Centre	-	121,199	121,199	121,199
Student federation fees	79,254	-	79,254	63,907
Professional fees	71,968	-	71,968	147,838
Office and general	59,938	-	59,938	28,675
Occupancy	47,521	-	47,521	74,910
Repairs and maintenance	41,689	-	41,689	7,188
Provision for doubtful loans	41,439	-	41,439	88,688
Insurance	41,250	-	41,250	33,960
Settlement (Note 8)	22,500	-	22,500	325,000
Travel and conferences	22,220	-	22,220	22,462
Awards & bursaries	15,247	-	15,247	33,756
Interest on long term debt	13,083	-	13,083	13,492
Bank charges	5,838	-	5,838	643
Gain on disposal of capital assets	(16,826)	-	(16,826)	-
Amortization	93,482	-	93,482	62,912
	<u>1,217,216</u>	<u>121,199</u>	<u>1,338,415</u>	<u>1,408,763</u>
Excess of revenues over expenses for the year	\$ (144,583)	\$ 883,006	\$ 738,423	\$ 830,617

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

Nipissing University Student Union Statement of Cash Flows

For the year ended April 30	2015	2014
Cash provided by (used in)		
Operating activities		
Excess of revenues over expenses for the year	\$ 738,423	\$ 830,617
Items not involving cash		
Amortization	93,482	62,912
Gain on disposal of capital assets	(16,826)	-
	815,079	893,529
Changes in non-cash working capital balances		
Accounts receivable	12,899	48,817
Prepaid expenses	(10,565)	12,347
Funds in trust	(861,618)	(598,264)
Investment in joint venture	-	(60,660)
Accounts payable and accrued liabilities	75,759	41,395
	31,554	337,164
Investing activities		
Purchase of capital assets	(206,226)	(263,672)
Financing activities		
Increase in long-term debt	26,293	-
Repayment of long-term debt	(12,525)	(7,897)
	13,768	(7,897)
(Decrease) increase in cash and cash equivalents during the year	(160,904)	65,595
Cash and cash equivalents, beginning of year	500,352	434,757
Cash and cash equivalents, end of year	\$ 339,448	\$ 500,352

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

Nipissing University Student Union Notes to Financial Statements

April 30, 2015

1. Summary of Significant Accounting Policies

Nature and Purpose of organization

The Nipissing University Student Union (NUSU) is incorporated under the laws of the Province of Ontario as a non-profit organization without share capital and under the provisions of the Income Tax Act is exempt from income tax. NUSU's primary activity is to provide special social activities and a voice for students enrolled at Nipissing University.

Basis of Accounting

The financial statements have been prepared using Canadian accounting standards for not-for-profit organizations.

Cash and Cash Equivalents

Cash and cash equivalents consist of cash on hand, bank balances and guaranteed investment certificates with maturities of less than three months or less.

Capital Assets

Capital assets are recorded at cost less accumulated amortization. Amortization based on the estimated useful life of the asset is calculated as follows:

Furniture and equipment	-	20% diminishing balance
Computer equipment	-	50% diminishing balance
Vehicles	-	30% diminishing balance
Construction in progress	-	No amortization

Revenue Recognition

Student fees and other revenues are recognized as revenues when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured. Revenue from sales is recognized when the service is performed.

Building Fund

The building fund is a restricted fund which includes contributions from the students of Nipissing University. The building fund is being used for the repayment of the loan for the Bracebridge Student Centre, towards the interest and the retirement of the commitment for the Bracebridge Student Centre, for The Student Centre capital building expansion and renovation project, and for other capital projects and purchases.

Nipissing University Student Union Notes to Financial Statements

April 30, 2015

1. Summary of Significant Accounting Policies (continued)

Financial Instruments Financial instruments are recorded at fair value when acquired or issued. The organization's financial assets consist of cash and cash equivalents and accounts receivable. 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.

Use of Estimates The preparation of the financial statements in conformity 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 amounts of revenue and expenses during the reporting period. Estimates are used when determining accruals and the useful life of capital assets. Actual results could differ from those estimates.

**Nipissing University Student Union
Notes to Financial Statements**

April 30, 2015

2. Accounts Receivable

	2015	2014
Trade receivables	\$ 1,054	\$ 13,953
Canadore Students Representative Council Inc.	-	238,296
JSEC - The Student Centre	-	70,392
Allowance for doubtful accounts	-	(308,688)
	\$ 1,054	\$ 13,953

3. Capital Assets

	2015		2014	
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Furniture and equipment	\$ 614,601	\$ 259,725	\$ 354,876	\$ 359,873
Computer equipment	30,043	9,000	21,043	2,977
Vehicles	40,384	6,058	34,326	-
Construction in progress	117,296	-	117,296	35,317
	\$ 802,324	\$ 274,783	\$ 527,541	\$ 398,167

4. Accounts Payable and Accrued Liabilities

Included in accounts payable and accrued liabilities is \$3,163 (2014 - \$4,930) in government remittances payable.

**Nipissing University Student Union
Notes to Financial Statements**

April 30, 2015

5. Long-term Debt

	2015	2014
Loan payable 5.98%, due May 2019 repayable in monthly instalments of \$504 principal and interest, secured by a specific piece of equipment.	\$ 21,877	\$ -
Loan payable 5.11%, due July 2033 repayable in bi-annual payments of \$10,694 principal and interest specified by financing agreement.	249,779	258,083
	271,656	258,083
Less: amounts due within one year included in current liabilities	13,610	8,305
	\$ 258,046	\$ 249,778

The principal repayments required on the loans payable over the next five years and thereafter are as follows:

	Loan
2016	\$ 13,610
2017	14,362
2018	15,155
2019	15,993
2020	11,190
Thereafter	201,346
	\$ 271,656

Nipissing University Student Union Notes to Financial Statements

April 30, 2015

6. Commitments

The Bracebridge Student Centre - Financing Agreement

On January 7, 2008, NUSU and the University approved an operating agreement to allow NUSU to have an exclusive license to use a designated space to manage and operate The Bracebridge Student Centre for a term of 25 years, with an option to renew for a term of 10 years. In return, NUSU approved a financing agreement with Nipissing University totaling \$2,300,000. This financing agreement is comprised of a commitment to reimburse \$2,000,000 to Nipissing University for a portion of the cost of the expansion of the Bracebridge campus (see below), and a loan, in the amount of \$300,000 repayable to Nipissing University, for furniture, equipment, and start up costs for The Bracebridge Student Centre.

The Student Centre Renovations

NUSU has committed to reimburse \$2,000,000 to Nipissing University for a portion of the cost of the expansion of the Bracebridge campus. The remaining commitment as at April 30, 2015 is \$1,665,190 (2014 - \$1,720,555). This commitment is funded by way of approved student levies.

7. Student Plan Administration Fee

NUSU administers the student health plan and has recognized its portion of the administration fee as follows:

	<u>2015</u>	<u>2014</u>
Fees collected from students	\$ 294,222	\$ 249,648
Less: Health insurance provider fee	<u>(286,406)</u>	<u>(218,214)</u>
Health plan administration fee	<u>\$ 7,816</u>	<u>\$ 31,434</u>

8. Settlement

During the year employee settlements and related costs in the amount of \$22,500 (2014 - \$325,000) was incurred relating to actions brought against the organization.

Nipissing University Student Union Notes to Financial Statements

April 30, 2015

9. Financial Instruments

Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The organization is exposed to interest rate risk arising from the possibility that changes in interest rates will affect the value of its mortgage payable.

Credit Risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The organization is also exposed to credit risk arising from its accounts receivable. Credit risk is the risk that the counterparty to the transaction will not pay.

Liquidity Risk

Liquidity risk is the risk that the company encounters difficulty in meeting its obligations associated with financial liabilities. Liquidity risk includes the risk that, as a result of operational liquidity requirements, the company will not have sufficient funds to settle a transaction on the due date; will be forced to sell financial assets at a value, which is less than what they are worth; or may be unable to settle or recover a financial asset. Liquidity risk arises from accounts payable and mortgage payable.