



Ms. Erin Edge  
 Nipissing University  
 100 College Drive  
 North Bay, ON  
 P1B 8K9

**Grant Thornton LLP**  
 222 McIntyre Street West  
 Suite 200  
 North Bay, ON  
 P1B 2Y8  
 T (705) 472-6500  
 F (705) 472-7760  
 www.GrantThornton.ca

September 27, 2016

**Re: Proposal to provide external audit services**

Thank you for inviting Grant Thornton LLP to provide Nipissing University Student Union (“NUSU”) with a fee quotation for the provision of external audit services for the fiscal year ending April 30, 2017.

We are experienced at providing assurance services to many organizations in the public and not-for-profit sectors, and our Thunder Bay office is the auditor of the Student Union of Confederation College. In addition, we provide a wide array of business advisory services ranging from bookkeeping assistance and commodity tax review, to forensic accounting and information technology.

	<b>2017 fee proposal (1 year appointment) (excluding HST)</b>
NUSU	\$ 12,000
<b>Audit work</b>	<b>Proposed timeline</b>
Planning	February 2017
Year end fieldwork	July 2017

The above noted audit fee proposal assumes a 1 year term as per your request. If Grant Thornton were to be appointed auditor for longer than a 1 year term the following fees would be proposed (excluding HST):

	<b>Annual Fee Proposal (3 year term)</b>	<b>Annual Fee Proposal (5 year term)</b>
NUSU	\$ 10,750	\$10,000

We are committed to servicing our clients in a timely manner and would be willing to work with you to ensure the fieldwork for this engagement is scheduled to allow time both for your staff to prepare the year end before our arrival and for all reports to be submitted in advance of any reporting deadlines you may have. At the planning stage, we will provide you with a listing of information requirements (e.g. working papers, account reconciliations, etc...) to assist with this process.

Our fee proposal includes the following:

- Completion of audit of NUSU in accordance with Canadian generally accepted auditing standards
- Issuance of audit report on NUSU's financial statements prepared in accordance with Canadian accounting standards for not-for-profit organizations
- Preparation of proposed year end adjusting journal entries
- Preparation of financial statements and related note disclosures
- Preparation of management letter, if required
- Attendance at Board meeting to present draft financial statements, management letter and audit results
- Attendance at the Annual General Meeting
- Completion of related tax returns

Our fees are subject to the Harmonized Sales Tax. Bills are due when rendered. Interest on overdue accounts (currently 18% per annum) is calculated at the rate noted on the invoice commencing 30 days following the date of the invoice.

Our fee estimates are contingent on NUSU providing assistance through preparation of supporting schedules, account reconciliations and any necessary analyses which support the year end financial statements and related note disclosures.

In the event that the time required to perform the audits is less than originally anticipated and the audit costs are less than those quoted above, we are committed to sharing these savings with NUSU.

Our fees include "routine" telephone or e-mail consultations on accounting issues. If more involved efforts are required (e.g. technical research, review of detailed schedules, etc...) or specialized audit, tax or accounting services are needed, we will discuss with you the scope, and develop a mutually agreeable fee arrangement prior to commencing such work.

Our fees include our review of the predecessor auditor's working papers. However, should any issues arise as a result of our review procedures (e.g. correction of prior period), we will discuss with you the scope, and develop a mutually agreeable fee arrangement prior to commencing such work.

If there is a significant change in the nature and/or volume of NUSU's operations or there are significant changes in accounting standards or significant changes in auditing standards issued by CPA Canada, we would discuss with you the scope, and develop a mutually agreeable fee arrangement prior to commencing such additional or new work.

Fees for special audit reports, special auditor certifications or other special work outside of the scope of the annual financial statement audit engagement (e.g. bookkeeping assistance, account reconciliations) would be negotiated prior to the commencement of such work and would take into consideration the time required to complete such special work and the applicable rate of all staff involved, including the work of any of our specialists.

### **Our audit approach**

Our audit approach focuses on the areas that are significant to the financial statements and financial reporting controls, while achieving a cost-effective, well-coordinated and efficient audit. NUSU will receive an audit approach that delivers on audit requirements in an efficient and effective manner. We will advocate and practice a risk-based approach that optimizes both a strong understanding of NUSU's operations and the latest auditing techniques and methodology. This approach, combined with our sophisticated electronic tools, computer assisted audit techniques (CAATs) and extensive audit experience, will allow us to deliver efficient, value-added audit services.

### **Tailored audit programs**

Grant Thornton has developed a proprietary audit software program – *Voyager*. Specialized modules of this software program have been developed and will be used on this engagement, including our not-for-profit organization masterfile.

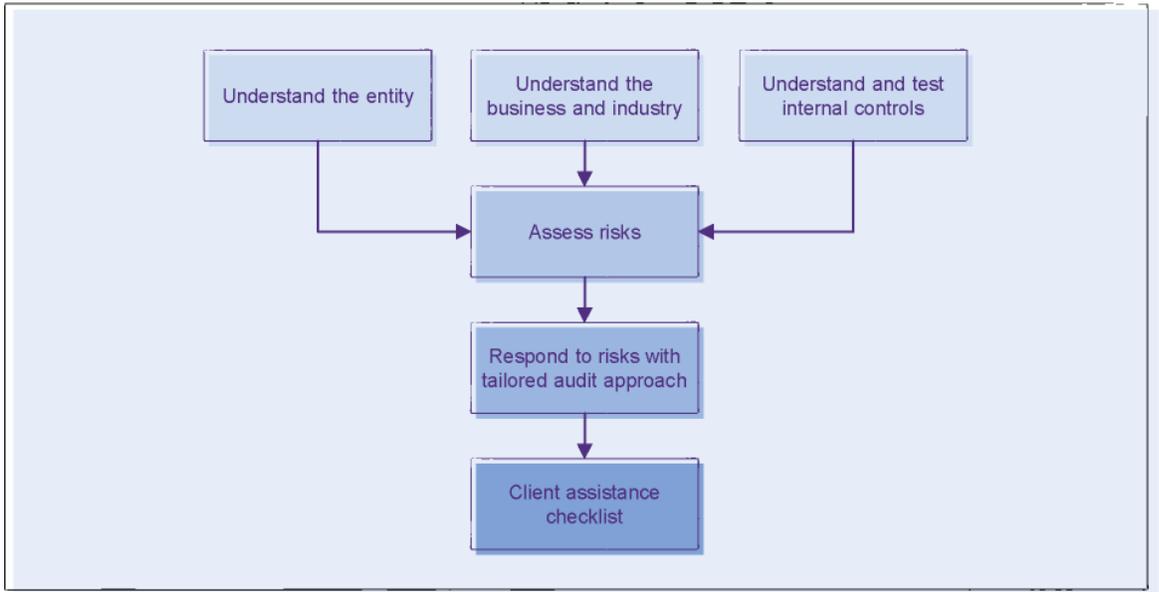
This program will guide the audit team in assessing risk and ensuring the most efficient audit procedures are carried out. Based on the level of risk assessed, tailored audit procedures are recommended. However, it should be noted that our knowledge of your operations and assessment of risk are key and critical to the approach.

The audit approach must be approved by the engagement partner/principal prior to the execution of the fieldwork.

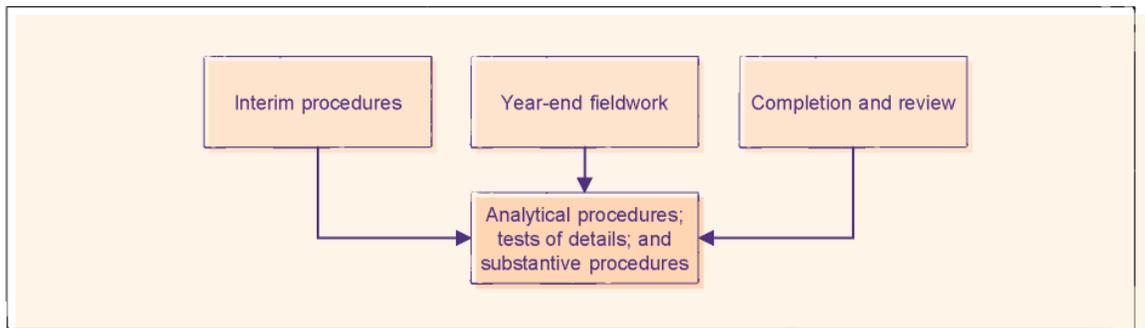
### **Major steps**

As illustrated below, our audit will unfold in three primary stages. In order to deliver the optimum level of professional service in a timely fashion, we will prepare a realistic and acceptable timeline for the three major steps in our audit – Planning, Execution and Deliverables.

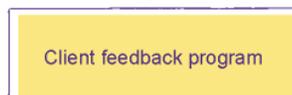
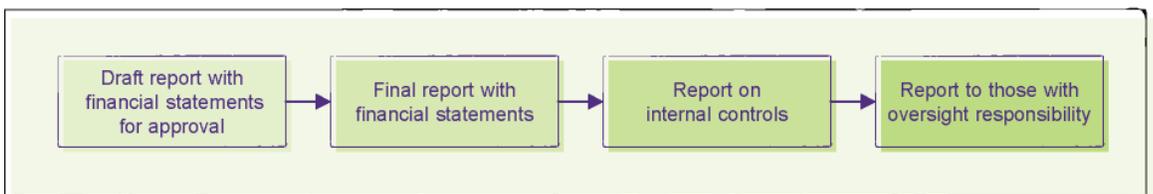
Planning



Execution



Deliverables



### Engagement team

We are proposing senior team members with specific experience in audits of not-for-profit and public sector organizations. These professionals have extensive knowledge and experience in the public and not-for-profit sectors and are dedicated personally to providing responsive service, poised to provide NUSU with a high-quality audit.

Role on NUSU's audit	Proposed senior team member
Engagement Principal	<p>Judy Kleinhuis, CPA, CA</p> <ul style="list-style-type: none"> <li>• Graduate of Wilfred Laurier University</li> <li>• Over 25 years of experience</li> <li>• Current Engagement Principal for Crisis Centre North Bay, District of Timiskaming Social Services Administrator Board, Shawanaga First Nation, Temiskaming Native Women's Support Group, 12 municipalities and various other not-for-profit entities</li> </ul>
Engagement Manager	<p>Mitch Crown, CPA, CA</p> <ul style="list-style-type: none"> <li>• Graduate of Nipissing University</li> <li>• 2012 Honour Member on the Uniform Final Evaluation, placed in the top 50 in Canada</li> <li>• Over 6 years of experience</li> <li>• Current Engagement Manager for Algonquin Forestry Authority, District of Timiskaming Social Services Administrator Board, Temiskaming Native Women's Support Group, Frog's Breath Foundation, Garderie Francofleur-et-Miel de Kirkland Lake, and various municipalities</li> </ul>
Engagement Senior	<p>Marie Hemmings, CPA, CA</p> <ul style="list-style-type: none"> <li>• Graduate of Nipissing University</li> <li>• Over 5 years of experience</li> <li>• Current Engagement Senior for Crisis Centre North Bay, Shawanaga First Nation, Niska Non-Profit Homes Inc., Waakohnsuk Native Non-Profit Homes Inc., Gneiss Housing Co-operative Inc. and 5 municipalities</li> </ul>
Engagement Staff	<p>Nathan Gravelle</p> <ul style="list-style-type: none"> <li>• Graduate of Nipissing University</li> <li>• Approximately 2 years of experience</li> <li>• Experience with various not-for-profit organizations, including the Algonquin Forestry Authority, various foundations, and various municipalities.</li> </ul>

**Why choose Grant Thornton LLP?**

- ✓ We have the knowledge, understanding and local resources to service NUSU
- ✓ We are committed to meeting NUSU's reporting deadlines
- ✓ We are committed to open communications which includes advanced planning and clear identification of our information requirement needs and clear identification of scope changes (i.e. a "no surprises" approach)
- ✓ Our local engagement team is committed to the delivery of an effective and efficient audit
- ✓ We have a strong commitment to staff continuity on all of our engagements
- ✓ Our local engagement team has considerable experience smoothly transitioning the audit from another firm of auditors
- ✓ Our local engagement team has extensive experience providing external audit services to many not-for-profit organizations.
- ✓ Our local engagement team consists of graduates of Nipissing University, showing our commitment to attracting and developing graduates in the local North Bay market

Should we be successful with our proposal, our acceptance of these engagements will be subject to executing a mutually agreed upon contract (i.e. obtaining an engagement letter) and completing our standard client acceptance procedures.

If you have any questions about our fee proposal, please do not hesitate to contact myself directly at 705-475-6530 or via email at [Mitchell.Crown@ca.gt.com](mailto:Mitchell.Crown@ca.gt.com), or the proposed Engagement Principal, Judy Kleinhuis, at 705-475-6517 or via email at [Judy.Kleinhuis@ca.gt.com](mailto:Judy.Kleinhuis@ca.gt.com).

Yours sincerely,  
**Grant Thornton LLP**



Judy Kleinhuis, CPA, CA  
Principal



Mitch Crown, CPA, CA  
Manager