

**Nipissing University**  
**Student Union**  
**Financial Statements**  
For the year ended April 30, 2016

**Nipissing University Student Union**  
**Financial Statements**  
For the year ended April 30, 2016

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## Independent Auditor's Report

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### 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, 2016, 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 and fundraising, 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 expenditures over revenue and cash flow from operations for the years ended April 30, 2016 and 2015, current assets as at April 30, 2016 and 2015, and net assets as at May 1 and April 30 for both the 2016 and 2015 years. Our audit opinion on the financial statements for the year ended April 30, 2015 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, 2016 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 Canada LLP*

Chartered Professional Accountants, Licensed Public Accountants

North Bay, Ontario  
September 30, 2016

# Nipissing University Student Union Statement of Financial Position

<b>April 30</b>	<b>2016</b>	<b>2015</b>
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## **Assets**

### **Current Assets**

Cash and cash equivalents	\$ 299,691	\$ 339,448
Accounts receivable (Note 2)	25,938	1,054
Prepaid expenses	25,667	34,718
	351,296	375,220

<b>Capital assets (Note 3)</b>	<b>173,109</b>	<b>527,541</b>
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	<b>\$ 524,405</b>	<b>\$ 902,761</b>
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## **Liabilities and Net Assets**

### **Current**

Accounts payable and accrued liabilities (Note 4)	\$ 335,518	\$ 216,741
Current portion of long-term debt (Note 6)	5,175	13,610
	340,693	230,351

<b>Long-term debt (Note 6)</b>	<b>11,827</b>	<b>258,046</b>
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	352,520	488,397
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### **Net Assets**

Unrestricted	171,885	414,364
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	<b>\$ 524,405</b>	<b>\$ 902,761</b>
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Trust Fund under Administration (Note 8)

On behalf of the Board:

\_\_\_\_\_ Director

\_\_\_\_\_ Director

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

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## Nipissing University Student Union Statement of Changes in Net Assets

For the year ended April 30	2016	2015
Balance, beginning of year	\$ 414,364	\$ 537,560
Excess of expenses over revenues for the year	<u>(242,479)</u>	<u>(123,196)</u>
Balance, end of year	<u>\$ 171,885</u>	<u>\$ 414,364</u>

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

# Nipissing University Student Union Statement of Operations

For the year ended April 30	2016	2015
<b>Revenues</b>		
Student fees	\$ 860,432	\$ 889,203
Programming and social events	74,728	97,373
Interest and other	12,344	82,568
Restaurant sales (net of costs)	80,553	17,060
Student health plan administration fee (Note 7)	-	7,816
	<u>1,028,057</u>	<u>1,094,020</u>
<b>Expenses</b>		
Salaries and benefits	524,317	443,747
Programming and social events	227,718	234,866
Occupancy	95,199	47,521
Student federation fees	88,048	79,254
Professional fees	62,122	71,968
Repairs and maintenance	44,683	41,689
Insurance	39,131	41,250
Office and general	31,222	59,938
Travel and conferences	27,381	22,220
Bank charges	6,707	5,838
Bad debts	3,535	-
Awards & bursaries	1,259	15,247
Interest on long term debt	1,176	13,083
Provision for doubtful loans	-	41,439
Settlement	-	22,500
Amortization	93,488	93,482
	<u>1,245,986</u>	<u>1,234,042</u>
<b>Excess of expenses over revenues</b>	<u>(217,929)</u>	<u>(140,022)</u>
<b>Other revenues and expenses</b>		
Loan forgiveness (Note 6)	241,044	-
(Loss) gain on disposal of capital assets	(265,594)	16,826
	<u>(24,550)</u>	<u>16,826</u>
<b>Excess of expenses over revenues for the year</b>	<u>\$ (242,479)</u>	<u>\$ (123,196)</u>

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	2016	2015
<b>Cash provided by (used in)</b>		
<b>Operating activities</b>		
Excess of expenses over revenues for the year	\$ (242,479)	\$ (123,196)
Items not involving cash		
Amortization	93,488	93,482
(Loss) gain on disposal of capital assets	265,594	(16,826)
	<u>116,603</u>	<u>(46,540)</u>
Changes in non-cash working capital balances		
Accounts receivable	(24,884)	12,899
Prepaid expenses	9,051	(10,564)
Accounts payable and accrued liabilities	119,013	75,759
	<u>219,783</u>	<u>31,554</u>
<b>Investing activities</b>		
Purchase of capital assets	(23,721)	(206,226)
Proceeds on sale of capital assets	18,835	-
	<u>(4,886)</u>	<u>(206,226)</u>
<b>Financing activities</b>		
Increase in long-term debt	-	26,293
Repayment of long-term debt	(13,610)	(12,525)
Loan forgiveness	(241,044)	-
	<u>(254,654)</u>	<u>13,768</u>
<b>Decrease in cash and cash equivalents during the year</b>	<b>(39,757)</b>	<b>(160,904)</b>
<b>Cash and cash equivalents, beginning of year</b>	<b>339,448</b>	<b>500,352</b>
<b>Cash and cash equivalents, end of year</b>	<b>\$ 299,691</b>	<b>\$ 339,448</b>

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



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# Nipissing University Student Union

## Notes to Financial Statements

April 30, 2016

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### 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.

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## Nipissing University Student Union Notes to Financial Statements

April 30, 2016

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### 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, 2016**

### 2. Accounts Receivable

	2016	2015
Trade receivables	\$ 11,141	\$ 1,054
Due from building trust (Note 8)	14,797	-
	<b>\$ 25,938</b>	<b>\$ 1,054</b>

### 3. Capital Assets

	2016			2015
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Furniture and fixtures	\$ -	\$ -	\$ -	\$ 354,876
Computer equipment	30,986	19,757	11,229	21,043
Vehicles	40,384	16,356	24,028	34,326
Tools & equipment	14,260	1,426	12,834	-
Construction in progress	125,018	-	125,018	117,296
	<b>\$ 210,648</b>	<b>\$ 37,539</b>	<b>\$ 173,109</b>	<b>\$ 527,541</b>

### 4. Accounts Payable and Accrued Liabilities

Included in accounts payable and accrued liabilities is \$7,516 (2015 - \$3,163) in government remittances payable.

### 5. Credit Facilities

The Organization has available to it a line of credit of \$75,000 between August 1 and October 31, at a rate of prime plus 1.5%. This line of credit was unutilised at April 30, 2016.

The organization also has access to business bank credit cards to a maximum of \$50,000.

## Nipissing University Student Union Notes to Financial Statements

**April 30, 2016**

### 6. Long-term Debt

	<u>2016</u>	<u>2015</u>
Loan payable 5.98%, due May 2019 repayable in monthly installments of \$504 principal and interest, secured by a specific piece of equipment, with a carrying value of \$24,028.	\$ 17,002	\$ 21,877
Loan payable 5.11%, due July 2033 repayable in bi-annual payments of \$10,694 principal and interest specified by financing agreement (i).	-	249,779
	<u>17,002</u>	<u>271,656</u>
Less: amounts due within one year included in current liabilities	<u>5,175</u>	<u>13,610</u>
	<u>\$ 11,827</u>	<u>\$ 258,046</u>

The principal repayments required on the long-term debt over the next four years is as follows:

2017	\$ 5,175
2018	5,493
2019	5,831
2020	<u>503</u>
	<u>\$ 17,002</u>

(i) This loan with a balance of \$241,044 was forgiven in fiscal 2016.

### 7. Student Plan Administration Fee

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

	<u>2016</u>	<u>2015</u>
Fees collected from students	\$ 284,820	\$ 294,222
Less: Health insurance provider fee	<u>(284,820)</u>	<u>(286,406)</u>
Health plan administration fee	<u>\$ -</u>	<u>\$ 7,816</u>

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## Nipissing University Student Union Notes to Financial Statements

April 30, 2016

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### 8. Trust Fund Under Administration

On August 9, 2011, the Ontario Superior Court of Justice issued a court order between Nipissing University Student Union, Nipissing University, Canadore Students Representative Council and Canadore College. Under the terms of the order Kenneth Peake was appointed as Trustee of the Trust Fund known as the Building trust fund, and that all monies collected by Nipissing University and/or Canadore College through the Student Centre Levy/Fee pursuant to the Student Centre Management Agreement, whether currently held or subsequently collected (the "Trust Fund"), will be transferred to Kenneth Peake of Paddon & Yorke Inc. (the "Trustee") to be managed in accordance with the terms of the order.

NUSU is able to submit to the Trustee requests for a transfer of Trust Funds, with an accompanying description of the proposed use for the funds that is consistent with the intended uses set out in the agreement.

The Trust Funds are to be applied exclusively to the purpose of the renovation and expansion of the Student Centre.

The year end of the Trust Fund is December 31, 2015. Supplemental financial information representing NUSU's proportionate share of the Trust Fund is as follows: (i)

	2015	2014
Financial assets	<u>\$ 7,086,703</u>	<u>\$ 6,380,377</u>
Trust equity	<u>\$ 7,086,703</u>	<u>\$ 6,380,377</u>
Revenue	\$ 774,401	\$ 884,874
Expenses	<u>68,075</u>	<u>-</u>
Excess of revenues over expenses	<u>\$ 706,326</u>	<u>\$ 884,874</u>

(i) The supplemental financial information included above is based on applying estimates of NUSU's proportionate share of the Trust Fund.

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## Nipissing University Student Union Notes to Financial Statements

April 30, 2016

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### 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 long-term debt which carries a fixed rate of interest.

#### 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 accrued liabilities and long-term debt.