

MOUNT SAINT VINCENT STUDENT UNION ASSOCIATION
Financial Statements
Year Ended April 30, 2018



MOUNT SAINT VINCENT STUDENT UNION ASSOCIATION

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Year Ended April 30, 2018

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INDEPENDENT AUDITOR'S REPORT

To the Members of Mount Saint Vincent Student Union Association

We have audited the accompanying financial statements of Mount Saint Vincent Student Union Association, which comprise the statement of financial position as at April 30, 2018 and the statements of revenues and expenditures, changes in net assets and cash flow 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 is sufficient and appropriate to provide a basis for our qualified audit opinion.

(continues)

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Independent Auditor's Report to the Members of Mount Saint Vincent Student Union Association
(continued)

Basis for Qualified Opinion

Mount Saint Vincent Student Union Association derives revenue from fundraising activities, as well as student store and food and beverage services, 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 Mount Saint Vincent Student Union Association and we were not able to determine whether any adjustments might be necessary to revenue, excess of revenues over expenses, and cash flows from operations for the year ended April 30, 2018; current assets as at April 30, 2018; and net assets at both the beginning and end of the year ended April 30, 2018.

Qualified Opinion

In our opinion, except for the possible 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 Mount Saint Vincent Student Union Association as at April 30, 2018 and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Strong & Associates

Bedford, Nova Scotia
March 28, 2019

Chartered Professional Accountants
Licensed Public Accountants

MOUNT SAINT VINCENT STUDENT UNION ASSOCIATION**Statement of Revenues and Expenditures****Year Ended April 30, 2018**

	2018	2017
REVENUE		
Student Union fees (<i>Schedule 1</i>)	\$ 504,815	\$ 496,586
Health and dental plan	356,620	323,162
Fundraising and grants (<i>Schedule 2</i>)	48,506	29,132
	<u>909,941</u>	<u>848,880</u>
EXPENSES		
Administrative expenditures (<i>Schedule 3</i>)	461,122	481,911
Health and dental plan	356,620	323,162
Subsidy to pub/cornerstore	25,781	9,035
Society subsidies	7,234	12,154
	<u>850,757</u>	<u>826,262</u>
EXCESS OF REVENUE OVER EXPENSES FROM OPERATIONS	59,184	22,618
UNAUDITED SCHEDULE OF STUDENT STORE AND FOOD AND BEVERAGE SERVICES (<i>Schedule 4</i>)	<u>(70,483)</u>	<u>(54,649)</u>
DEFICIENCY OF REVENUE OVER EXPENSES	\$ (11,299)	\$ (32,031)



MOUNT SAINT VINCENT STUDENT UNION ASSOCIATION**Statement of Financial Position****April 30, 2018**

	2018	2017
ASSETS		
CURRENT		
Cash - unrestricted	\$ 47,750	\$ 26,095
Cash - restricted (Note 3)	38,963	38,980
Accounts receivable	52,399	55,337
Inventory	13,855	12,169
HST recoverable	104	1,892
Prepays and deposits	12,698	18,426
Funds in trust, Mount Saint Vincent University	260,315	255,761
	<u>426,084</u>	408,660
CAPITAL ASSETS (Note 4)	<u>55,738</u>	66,250
	<u>\$ 481,822</u>	<u>\$ 474,910</u>
LIABILITIES AND NET ASSETS		
CURRENT		
Accounts payable and accrued liabilities	\$ 81,482	\$ 63,271
NET ASSETS		
Restricted fund	38,963	38,980
General fund	361,377	372,659
	<u>400,340</u>	411,639
	<u>\$ 481,822</u>	<u>\$ 474,910</u>

ON BEHALF OF THE ASSOCIATION_____
*Executive Member*_____
Executive Member

MOUNT SAINT VINCENT STUDENT UNION ASSOCIATION**Statement of Changes in Net Assets****Year Ended April 30, 2018**

	Restricted Fund	General Fund	2018	2017
NET ASSETS - BEGINNING OF YEAR	\$ 38,980	\$ 372,659	\$ 411,639	\$ 443,670
DEFICIENCY OF REVENUE OVER EXPENSES	(17)	(11,282)	(11,299)	(32,031)
NET ASSETS - END OF YEAR	\$ 38,963	\$ 361,377	\$ 400,340	\$ 411,639



MOUNT SAINT VINCENT STUDENT UNION ASSOCIATION**Statement of Cash Flow****Year Ended April 30, 2018**

	2018	2017
OPERATING ACTIVITIES		
Deficiency of revenue over expenses	\$ (11,299)	\$ (32,031)
Item not affecting cash:		
Amortization of capital assets	10,512	11,079
	<u>(787)</u>	<u>(20,952)</u>
Changes in non-cash working capital:		
Accounts receivable	2,938	(12,489)
Inventory	(1,686)	(856)
HST recoverable	1,788	481
Prepays and deposits	5,728	3,383
Accounts payable and accrued liabilities	18,214	5,181
	<u>26,982</u>	<u>(4,300)</u>
Cash flow from (used by) operating activities	<u>26,195</u>	<u>(25,252)</u>
FINANCING ACTIVITY		
Funds in trust, Mount Saint Vincent University	<u>(4,557)</u>	<u>(63,759)</u>
INCREASE (DECREASE) IN CASH FLOW	21,638	(89,011)
Cash - beginning of year	<u>65,075</u>	<u>154,086</u>
CASH - END OF YEAR (Note 3)	<u>\$ 86,713</u>	<u>\$ 65,075</u>

MOUNT SAINT VINCENT STUDENT UNION ASSOCIATION

Notes to Financial Statements

Year Ended April 30, 2018

1. NATURE OF OPERATIONS

Mount Saint Vincent Student Union Association (the "Association") is a Not-For-Profit organization working both for, and with, the students of Mount Saint Vincent University ("MSVU"). Elected members represent all students at the university, bringing forth concerns and issues affecting students on a daily basis. Employing upwards of 50 part-time workers, the association operates a numbers of student services including a cornerstore, pub, information desk, children's play centre, food bank, diversity centre, in addition to the health and dental plans. The association also organizes and facilitates many events on campus including the annual Frosh Week activities. As a Not-For-Profit organization, the association is exempt from income tax.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations ("ASNPO") and include the following significant accounting policies:

Revenue recognition

Contributions

Contributions are recognized using the deferral method. Externally restricted contributions relating to expenses of the current period are recognized as received. Externally restricted contributions for expenses relating to future periods are deferred and recognized in the same period as the expenses. Contributions for the purchase of capital assets are deferred and recognized on the same basis as the amortization expense of the asset over its useful life. Internally restricted contributions are recognized as received.

Student Union fee revenue

Student Union fee revenues are recognized as received from MSVU, in accordance with the CPA Canada Handbook, Section 3400- Revenue. Student fee revenue is allocated to specific programs of the Student Union Association based on full-time and part-time staff working in each department. Revenues allocated to the Student Union Association have been recorded on a net basis as the Student Union Association acts as an agent in the transaction on behalf of MSVU. Gross revenues as a result of these transactions have been disclosed in schedule 1 to the financial statements.

Health and Dental Plan

Fees received from MSVU for insurance premiums are shown gross of the related insurance premium expense.

Measurement uncertainty

The preparation of the financial statements in conformity with ASNPO requires the Association's management to make estimates, assumptions and allocations that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the period. Significant estimates include determining the useful lives of capital assets for amortization purposes and accrued liabilities. Actual results could differ from those reported.

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MOUNT SAINT VINCENT STUDENT UNION ASSOCIATION

Notes to Financial Statements

Year Ended April 30, 2018

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Inventory

Inventory representing food and beverages of the student store, is valued at the lower of cost and net realizable value with the cost being determined on a first-in, first-out basis.

The cost of inventories recognized as an expense during the year was \$47,511 (2017 - \$52,735).

Capital assets

Capital assets are stated at cost less accumulated amortization. Capital assets are amortized over their estimated useful lives on a declining balance basis at the following rates:

Furniture and fixtures	20%
Leasehold improvements	20%

The Association regularly reviews its capital assets to eliminate obsolete items.

Financial instruments

Initial measurement

Financial instruments are measured at fair value when issued or acquired. For financial instruments subsequently measured at cost or amortized cost, fair value is adjusted by the amount of the related financing fees and transactions costs.

Subsequent measurement

At each reporting date, the Student Union Association measures its financial assets and liabilities at cost or amortized cost (less impairment in the case of financial assets), except for investments, which must be measured at fair value. The financial instruments measured at amortized cost are accounts receivable, and accounts payable and accrued liabilities.

For financial assets measured at cost or amortized cost, the Student Union regularly assesses whether there are any indications of impairment. If there is an indication of impairment and the Student Union determines that there is a significant adverse change in the expected timing or amount of future cash flows from the financial asset, it recognizes an impairment loss in the statement of revenues and expenses. Any reversals of previously recognized impairment losses are recognized in the statement of revenue and expenses in the year the reversal occurs.

Unless otherwise noted, it is management's opinion that the Student Union is not exposed to significant interest, currency or credit risks arising from these financial instruments. The fair values of these financial instruments approximate their carrying value, unless otherwise noted.

3. RESTRICTED CASH BALANCE

The Association has a restricted bank balance of \$38,963 (2017- \$38,980) related to funding received for the preparation of yearbooks.

The Association expects \$10,000 of this balance will be utilized in the 2019 fiscal year, and the remainder to be used in future years.

MOUNT SAINT VINCENT STUDENT UNION ASSOCIATION**Notes to Financial Statements****Year Ended April 30, 2018**

4. CAPITAL ASSETS

	Cost	Accumulated amortization	2018 Net book value	2017 Net book value
Furniture and fixtures - Student Union	\$ 147,339	\$ 139,109	\$ 8,230	\$ 10,287
Furniture and fixtures - Cornerstore	12,617	12,351	266	333
Leasehold improvements - Student Union	119,158	76,336	42,822	49,134
Leasehold improvements - Pub	99,585	95,710	3,875	5,815
Furniture and fixtures - Pub	1,183	638	545	681
	\$ 379,882	\$ 324,144	\$ 55,738	\$ 66,250

5. FUNDS HELD IN TRUST

Student fees received by the Student Union Association are dependent on the enrolment levels at MSVU. Student Union Association fees, Health and Dental plan premiums, as well as Orientation fees are collected by MSVU and provided to the Association. These funds are held in Trust by MSVU and are dispersed periodically throughout the year.

	2018	2017
Student Union revenue	\$ 504,815	\$ 496,586
Health and dental plan revenue	356,620	323,162
Health and dental plan expense	(356,620)	(323,162)
Orientation revenue	25,927	25,270

6. HEALTH AND DENTAL PLAN

In September 1999, students voted to implement a health and dental plan. The premium was approved by a student referendum in conjunction with the student elections. The referendum permits increases in premiums to cover future increases in the inflation rate or claims experience. Students may increase coverage to include their families by paying an additional premium.

MOUNT SAINT VINCENT STUDENT UNION ASSOCIATION
Unaudited Schedule of Student Union Fees Income and Expenses
Year Ended April 30, 2018

(Schedule 1)

	2018	2017
Income		
Fees collected	\$ 516,071	\$ 504,977
Canadian Federation of Students fees held in trust	38,775	39,445
Student Union campaign fees held	13,793	12,105
	<u>568,639</u>	<u>556,527</u>
EXPENSES		
Canadian Federation of Students	38,775	39,446
Rent	15,000	15,000
Lease payments	10,049	5,049
Print shop	-	446
	<u>63,824</u>	<u>59,941</u>
INCOME FROM OPERATIONS	<u>\$ 504,815</u>	<u>\$ 496,586</u>



MOUNT SAINT VINCENT STUDENT UNION ASSOCIATION**Unaudited Schedule of Fundraising and Grant Revenue****(Schedule 2)****Year Ended April 30, 2018**

	2018		2017
Fundraising, net of donations made	\$ 27,775	\$	22,605
Fountain Play Centre, net of expenses	9,841		588
Awards banquet	4,435		-
Advertising	4,275		1,908
Book fair	1,215		2,979
Other	965		1,052
	\$ 48,506	\$	29,132

MOUNT SAINT VINCENT STUDENT UNION ASSOCIATION**Unaudited Schedule of Administrative Expenditures****(Schedule 3)****Year Ended April 30, 2018**

	2018		2017
Salaries and wages	\$ 272,170	\$	275,959
Office	72,733		77,128
Student services	50,789		61,325
Membership dues - CFS	41,251		44,844
Professional fees	10,788		12,154
Amortization	8,436		9,035
Conferences	3,466		-
Interest and bank charges	1,489		1,466
	\$ 461,122	\$	481,911

MOUNT SAINT VINCENT STUDENT UNION ASSOCIATION**Unaudited Schedule of Student Store and Food and Beverage Services (Schedule 4)****Year Ended April 30, 2018**

	2018	2017
REVENUE	\$ 99,300	\$ 118,190
COST OF SALES	47,511	52,735
GROSS PROFIT (52%; 2017 - 55%)	51,789	65,455
EXPENSES		
Salaries	82,897	74,680
Orientation	25,927	27,662
Supplies and miscellaneous	7,255	8,372
Events and entertainment	5,458	7,251
Interest and bank charges	2,664	301
Amortization	2,076	2,044
Cash short	-	44
	126,277	120,354
Subsidy from Union	4,005	250
LOSS FROM OPERATIONS	\$ (70,483)	\$ (54,649)