

MOUNT SAINT VINCENT STUDENT UNION ASSOCIATION
Financial Statements
Year Ended April 30, 2017



MOUNT SAINT VINCENT STUDENT UNION ASSOCIATION

Index to Financial Statements

Year Ended April 30, 2017

	Page
INDEPENDENT AUDITOR'S REPORT	1 - 2
FINANCIAL STATEMENTS	
Statement of Financial Position	3
Statement of Revenues and Expenditures	4
Statement of Changes in Net Assets	5
Statement of Cash Flow	6
Notes to Financial Statements	7 - 10
Unaudited Schedule of Student Union Fees Income and Expenses (<i>Schedule 1</i>)	11
Unaudited Schedule of Fundraising and Grant Revenue (<i>Schedule 2</i>)	12
Unaudited Schedule of Administrative Expenditures (<i>Schedule 3</i>)	13
Unaudited Schedule of Student Store and Food and Beverage Services (<i>Schedule 4</i>)	14



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, 2017 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 audit opinion.

(continues)

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

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Mount Saint Vincent Student Union Association as at April 30, 2017 and the results of its operations and its cash flow for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Bedford, Nova Scotia
July 25, 2017

CHARTERED PROFESSIONAL ACCOUNTANTS
Licensed Public Accountants

MOUNT SAINT VINCENT STUDENT UNION ASSOCIATION

Statement of Financial Position

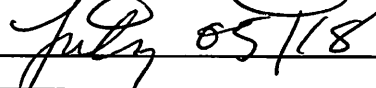
April 30, 2017

	2017	2016
ASSETS		
CURRENT		
Cash and cash equivalents - unrestricted (Note 6)	\$ 26,095	\$ 115,086
Cash and cash equivalents - restricted (Note 6)	38,980	39,000
Accounts receivable	55,337	42,848
Inventory	12,169	11,313
Harmonized sales tax recoverable	1,892	2,373
Prepays and deposits	18,426	21,809
Funds in trust, Mount Saint Vincent University	255,761	192,000
	<u>408,660</u>	<u>424,429</u>
CAPITAL ASSETS (Note 3)	<u>66,250</u>	<u>77,329</u>
	<u>\$ 474,910</u>	<u>\$ 501,758</u>
LIABILITIES AND NET ASSETS		
CURRENT		
Accounts payable and accrued liabilities	\$ 63,271	\$ 58,088
NET ASSETS		
Invested in capital assets	45,298	77,329
Unrestricted net assets	366,341	366,341
	<u>411,639</u>	<u>443,670</u>
	<u>\$ 474,910</u>	<u>\$ 501,758</u>

ON BEHALF OF THE ASSOCIATION



Executive Member



Executive Member



MOUNT SAINT VINCENT STUDENT UNION ASSOCIATION**Statement of Revenues and Expenditures****Year Ended April 30, 2017**

	2017	2016
TRADE SALES		
Student Union fees (<i>Schedule 1</i>)	\$ 496,586	\$ 572,115
Health and dental plan	323,162	302,034
Fundraising and grants (<i>Schedule 2</i>)	29,132	42,226
	<u>848,880</u>	<u>916,375</u>
EXPENSES		
Administrative expenditures (<i>Schedule 3</i>)	481,911	501,307
Health and dental plan	323,162	302,880
Society subsidies	12,154	5,784
Subsidy to pub/cornerstore	9,035	4,016
	<u>826,262</u>	<u>813,987</u>
EXCESS OF TRADE SALES OVER EXPENSES FROM OPERATIONS	22,618	102,388
UNAUDITED SCHEDULE OF STUDENT STORE AND FOOD AND BEVERAGE SERVICES (<i>Schedule 4</i>)	<u>(54,649)</u>	<u>(90,882)</u>
EXCESS (DEFICIENCY) OF TRADE SALES OVER EXPENSES	\$ (32,031)	\$ 11,506



MOUNT SAINT VINCENT STUDENT UNION ASSOCIATION**Statement of Changes in Net Assets****Year Ended April 30, 2017**

	Invested In Capital Assets	Unrestricted Net Assets	2017	2016
NET ASSETS - BEGINNING OF YEAR	\$ 77,329	\$ 366,341	\$ 443,670	\$ 432,164
DEFICIENCY OF TRADE SALES OVER EXPENSES	(32,031)	-	(32,031)	11,506
NET ASSETS - END OF YEAR	\$ 45,298	\$ 366,341	\$ 411,639	\$ 443,670



MOUNT SAINT VINCENT STUDENT UNION ASSOCIATION**Statement of Cash Flow****Year Ended April 30, 2017**

	2017	2016
OPERATING ACTIVITIES		
Excess (deficiency) of trade sales over expenses	\$ (32,031)	\$ 11,506
Item not affecting cash:		
Amortization of capital assets	<u>11,079</u>	<u>9,038</u>
	<u>(20,952)</u>	<u>20,544</u>
Changes in non-cash working capital:		
Accounts receivable	(12,489)	22,655
Inventory	(856)	(352)
Accounts payable and accrued liabilities	5,181	(5,208)
Prepays and deposits	3,383	(5,110)
Harmonized sales tax payable	<u>481</u>	<u>(2,526)</u>
	<u>(4,300)</u>	<u>9,459</u>
Cash flow from (used by) operating activities	<u>(25,252)</u>	<u>30,003</u>
INVESTING ACTIVITY		
Purchase of capital assets	<u>-</u>	<u>(54,904)</u>
FINANCING ACTIVITY		
Funds in trust, Mount Saint Vincent University	<u>(63,759)</u>	<u>2,953</u>
DECREASE IN CASH FLOW	(89,011)	(21,948)
Cash - beginning of year	<u>154,086</u>	<u>176,034</u>
CASH - END OF YEAR (Note 6)	\$ 65,075	\$ 154,086



MOUNT SAINT VINCENT STUDENT UNION ASSOCIATION

Notes to Financial Statements

Year Ended April 30, 2017

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").

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 based on full-time and part-time staff working in each department. Revenues allocated to the Student Union have been recorded on a net basis as the Student Union acts as an agent in the transaction on behalf of MSVU. Gross revenues as a result of these transactions have been disclosed in schedule 4 to the financial statements.

Investment income

Investment income is recognized as earned.

Health and Dental Plan

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

(continues)

MOUNT SAINT VINCENT STUDENT UNION ASSOCIATION

Notes to Financial Statements

Year Ended April 30, 2017

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Management estimates

The preparation of the financial statements in conformity with ASNPO requires the organization'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. Actual results could differ from those reported.

Inventory

Inventory 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 \$52,735 (2016 - \$62,484).

Capital assets

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

Furniture and fixtures	20%	declining balance method
Leasehold improvements	20%	declining balance method

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

Capital assets acquired during the year but not placed into use are not amortized until they are placed into use.

Cash and cash equivalents

Cash and cash equivalents include cash on hand , balances with banks and short-term investments. Bank borrowings are considered to be financing activities. Restricted cash relates to cash that is internally restricted to cover specific expenses of future periods.

Comparative figures

Certain comparative figures reported in these financial statements have been reclassified to conform to the current year financial statement presentation.

(continues)

MOUNT SAINT VINCENT STUDENT UNION ASSOCIATION**Notes to Financial Statements****Year Ended April 30, 2017**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**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. Transaction costs and financing fees relating to financial instruments that are measured subsequently at fair value are recognized in operations in the year in which they are incurred.

Subsequent measurement

At each reporting date, the Student Union 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 amounts receivable, accounts payable, and accrued liabilities and other 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.

The Student Union's financial instruments consist of cash, restricted cash, amounts receivable, accounts payable and accrued liabilities and other liabilities. 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. CAPITAL ASSETS

	Cost	Accumulated amortization	2017 Net book value	2016 Net book value
Furniture and fixtures - Student Union	\$ 147,339	\$ 137,052	\$ 10,287	\$ 12,859
Furniture and fixtures - Cornerstore	12,617	12,284	333	52,574
Leasehold improvements - Student Union	119,158	70,024	49,134	3,290
Leasehold improvements - Pub	99,585	93,770	5,815	7,754
Furniture and fixtures - Pub	1,183	502	681	852
	<u>\$ 379,882</u>	<u>\$ 302,552</u>	<u>\$ 66,250</u>	<u>\$ 77,329</u>

MOUNT SAINT VINCENT STUDENT UNION ASSOCIATION

Notes to Financial Statements

Year Ended April 30, 2017

4. FUNDS HELD IN TRUST

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

	<u>2017</u>	<u>2016</u>
Student Union revenue	\$ 496,586	\$ 572,115
Health and dental plan revenue	323,162	302,034
Health and dental plan expense	(323,162)	(302,880)
Orientation revenue	25,270	26,005

5. 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.

6. RESTRICTED CASH BALANCE

The Association has a restricted bank balance of \$38,980 (2016- \$39,000) related to funding received for the preparation of yearbooks.

The Association expects \$10,000 of this balance will be utilized in the 2018 fiscal year, and the remainder to be used in future years.

MOUNT SAINT VINCENT STUDENT UNION ASSOCIATION**Unaudited Schedule of Student Union Fees Income and Expenses****(Schedule 1)****Year Ended April 30, 2017**

	2017	2016
Income		
Fees collected	\$ 504,977	\$ 573,369
CFS fees held in trust	39,445	40,446
Student Union campaign fees held	12,105	20,990
	<u>556,527</u>	<u>634,805</u>
EXPENSES		
CFS	39,446	41,130
Rent	15,000	15,000
Lease payments	5,049	5,223
Print shop	446	226
Phone	-	50
Parking permits	-	378
Funds held back	-	683
	<u>59,941</u>	<u>62,690</u>
INCOME FROM OPERATIONS	<u>\$ 496,586</u>	<u>\$ 572,115</u>

MOUNT SAINT VINCENT STUDENT UNION ASSOCIATION**Unaudited Schedule of Fundraising and Grant Revenue****(Schedule 2)****Year Ended April 30, 2017**

	2017	2016
Advertising	\$ 1,908	\$ 6,345
Fundraising, net of donations made	22,605	29,134
Book fair	2,979	642
Other	1,052	4,563
Fountain Play Centre, net of expenses	588	602
Awards banquet	-	940
	<hr/>	<hr/>
	\$ 29,132	\$ 42,226

MOUNT SAINT VINCENT STUDENT UNION ASSOCIATION**Unaudited Schedule of Administrative Expenditures****(Schedule 3)****Year Ended April 30, 2017**

	2017	2016
Salaries and wages	\$ 275,959	\$ 273,713
Office	77,128	88,660
Student services	61,325	67,279
Membership dues - CFS	44,844	41,130
Professional fees	12,154	24,386
Amortization	9,035	4,037
Interest and bank charges	1,466	2,102
	\$ 481,911	\$ 501,307

MOUNT SAINT VINCENT STUDENT UNION ASSOCIATION**Unaudited Schedule of Student Store and Food and Beverage Services (Schedule 4)****Year Ended April 30, 2017**

	2017	2016
REVENUE	\$ 118,190	\$ 117,442
COST OF SALES	52,735	62,484
GROSS PROFIT (55%; 2016 - 47%)	65,455	54,958
Subsidy from Union	250	4,016
EXPENSES		
Salaries	74,680	85,233
Orientation	27,662	32,936
Supplies and miscellaneous	8,372	15,759
Events and entertainment	7,251	10,378
Amortization	2,044	5,001
Interest and bank charges	301	321
Cash (over) / short	44	228
	120,354	149,856
LOSS FROM OPERATIONS	\$ (54,649)	\$ (90,882)