

Financial Statements of

**SAULT COLLEGE
STUDENTS' UNION**

Year ended April 30, 2014



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INDEPENDENT AUDITORS' REPORT

To the Board of Directors of Sault College Students' Union

We have audited the accompanying financial statements of Sault College Students' Union, which comprise the balance sheet as at April 30, 2014, the statements of earnings, and cash flows for the year then ended, and notes, comprising 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.

Auditors' 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 our 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, we consider 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 audit opinion.



Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Sault College Students' Union as at April 30, 2014, and its results of operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

KPMG LLP

Chartered Professional Accountants, Licensed Public Accountants

April 26, 2016

Sault Ste. Marie, Canada

SAULT COLLEGE STUDENTS' UNION

Statement of Financial Position

April 30, 2014

Assets

Current assets:

Cash	\$	12,712
Accounts receivable		6,998
		<hr/>
		19,710

Receivable from Sault College of Applied Arts and Technology, without interest or fixed repayment		1,318,618
Capital assets (note 2)		51,883

\$ 1,390,211

Liabilities and Net Assets

Current liabilities:

Accounts payable and accrued liabilities	\$	13,270
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Net assets		1,376,941
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Commitment (note 4)

\$ 1,390,211

See accompanying notes to financial statements.

On behalf of the Board:

SAULT COLLEGE STUDENTS' UNION

Statement of Operations and Net Assets

Year ended April 30, 2014

Revenue (Schedule 1):	
Student fees	\$ 1,054,277
Food sales	147,411
Meal plan	95,299
Liquor sales	74,016
Miscellaneous	22,047
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	1,393,050
Expenses (Schedule 1):	
Salaries and benefits	524,749
Restaurant supplies	204,561
Insurance	161,236
Contract services	82,406
Janitorial	34,471
Office and general	32,255
Utilities	26,250
Travel	21,719
Fees and dues	19,248
Professional fees	16,973
Advertising	7,446
Supplies	7,290
Amortization of capital assets	5,765
Repairs and maintenance	1,966
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	1,146,335
Excess of revenue over expenses	<hr/>
	246,715
Transfer from Sault College of Applied Arts and Technology	1,130,226
Net assets, end of year	<hr/>
	\$ 1,376,941

See accompanying notes to financial statements.

SAULT COLLEGE STUDENTS' UNION

Statement of Cash Flows

Year ended April 30, 2014

Cash provided by (used in):

Operations:

Excess of revenue over expenses \$ 246,715

Item not involving cash:

Amortization of capital assets 5,765

252,480

Changes in non-cash operating working capital:

Increase in accounts receivable (6,998)

Increase in receivable from Sault College of Applied Arts and Technology (188,392)

Increase in accounts payable and accrued liabilities 13,270

70,360

Investing:

Purchase of capital assets (57,648)

Increase in cash 12,712

Cash, beginning of year -

Cash, end of year \$ 12,712

See accompanying notes to financial statements.

SAULT COLLEGE STUDENTS' UNION

Notes to Financial Statements

Year ended April 30, 2014

Nature of operations:

Sault College Students' Union (the "Students' Union") is a private company incorporated without share capital on May 1, 2013. Its principal activity is the support of student activities at the Sault College of Applied Arts and Technology (the "College").

1. Significant accounting policies:

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations in Part III of the CPA Canada Handbook - Accounting. The Students' Union's significant accounting policies are as follows:

(a) Revenue recognition:

The Students' Union follows the deferral method of accounting for contributions.

Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Restricted contributions are recognized as revenue in the year in which the related expenses are incurred.

(b) Fund Accounting:

The Students' Union fund accounts for student fees, other revenue and expenses which are for the general operations of the Students' Union.

The Quality Improvement Fund accounts for the costs relating to the purchase of new equipment and capital assets.

The Subsidized Operations fund accounts for costs relating to occupancy and other expenses billed by the College to the Students' Union.

The Student Life Centre and Restaurant fund accounts for revenue and expenses from the operations of the Odeno Restaurant.

The Dental and Health Insurance fund accounts for revenue and expenses relating to student health and dental insurance premiums.

The Athletic Building Fund accounts for student fees and the disbursement of the student commitment relating to the Student Life Centre.

The Athletic Equipment Fund accounts for student fees and the repayment of the equipment loan for the Student Life Centre.

SAULT COLLEGE STUDENTS' UNION

Notes to Financial Statements (continued)

Year ended April 30, 2014

1. Significant accounting policies (continued):

(c) Related party transactions:

Monetary and non-monetary related party transactions and non-monetary related party transactions that have commercial substance are measured at the exchange amount when they are in the normal course of operations, except when the transaction is an exchange of a product or property held-for-sale in the normal course of operations. Where the transaction is not in the normal course of operations, it is measured at the exchange amount when there is a substantive change in the ownership of the item transferred and there is independent evidence of the exchange amount.

All other related party transactions are measured at the carrying amount.

(d) Capital assets:

Capital assets are stated at cost, less accumulated amortization. Amortization is provided using the straight-line method and following useful lives:

Asset	Useful life
Restaurant equipment	10 years

The carrying amount of an item of capital assets is tested for recoverability whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized when the asset's carrying amount is not recoverable and exceeds its fair value.

(e) 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 and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the year. Significant items subject to such estimates and assumptions include the carrying amounts of capital assets; and provisions for impairment of accounts receivable. Actual results could differ from those estimates. These estimates are reviewed periodically and, as adjustments become necessary, they are reported in earnings in the year in which they become known.

SAULT COLLEGE STUDENTS' UNION

Notes to Financial Statements (continued)

Year ended April 30, 2014

1. Significant accounting policies (continued):

(f) Financial instruments:

(i) Initial measurement:

Financial instruments are recorded at fair value on initial recognition. Equity instruments that are quoted in an active market are subsequently measured at fair value. All other financial instruments are subsequently recorded at cost or amortized cost, unless management has elected to carry the instruments at fair value. The Home has not elected to carry any such financial instruments at fair value.

Transaction costs incurred on the acquisition of financial instruments measured subsequently at fair value are expensed as incurred. All other financial instruments are adjusted by transaction costs incurred on acquisition and financing costs, which are amortized using the effective interest rate method.

(ii) Impairment:

Financial assets are assessed for impairment on an annual basis at the end of the fiscal year if there are indicators of impairment. If there is an indicator of impairment, the Students' Union determines if there is a significant adverse change in the expected amount or timing of future cash flows from the financial asset. If there is a significant adverse change in the expected cash flows, the carrying amount of the financial asset is reduced to the highest of the present value of the expected cash flows, the amount that could be realized from selling the financial asset or the amount the Students' Union expects to realize by exercising its right to any collateral. If events and circumstances reverse in a future period, an impairment loss will be reversed to the extent of the improvement.

2. Capital assets:

	2014		
	Cost	Accumulated amortization	Net book value
Restaurant equipment	\$ 57,647	\$ 5,765	\$ 51,883

SAULT COLLEGE STUDENTS' UNION

Notes to Financial Statements (continued)

Year ended April 30, 2014

3. Related party transactions:

During the year, the Students' Union received \$748,000 in funds flowed from the College. Of these funds, \$600,000 related to accumulated fund surplus that the Students' Union had accumulated while still a part of the College.

At April 30, 2014, the Students' Union has a receivable from the College of \$1,318,618. Of this balance receivable, \$60,000 is a loan receivable related to the College's purchase of the former Outback restaurant and club, \$351,891 is the accumulated fund surplus balance still owed to the Students' Union, and \$906,727 relates to the student fees collected by the College to be transferred to the Students' Union.

For the 2014 fiscal year, revenue recognized that is collected and to be flowed to the Students' Union by the College totals \$1,149,576. Of this total, \$348,007 relating to student health and dental insurance and student meal plan was paid to the Students' Union. The remaining balance related to other Students' Union fees collected by the College for operations, the Student Life Centre loan and capital purchases and improvement.

4. Commitment:

The Students' Union is committed to paying Sault College \$3,000,000 towards the cost of the construction of the Student Life Centre. The Students' Union previously paid \$927,000 toward the cost of the building which is separate of the \$3,000,000 commitment.

The repayment will occur over the course of fifteen years with the first payment to be made on April 30, 2015, and the final payment on October 31, 2029. Interest is accruing on the outstanding commitment at 3.38% per annum. The commitment will be paid out of future surplus generated from student fees.

SAULT COLLEGE STUDENTS' UNION

Schedule 1 - Statement of Operations by Fund

Year ended April 30, 2014

	Students' Union	Quality Improvement Fund	Subsidized Operations	Student Life Centre and Restaurant	Dental and Health Insurance	Athletic Building Fund	Athletic Equipment Fund	Total
Revenue:								
Student fees	\$ 381,852	\$ 50,244	\$ 95,463	\$ -	\$ 252,708	\$ 251,203	\$ 22,807	\$ 1,054,277
Food sales	-	-	-	147,411	-	-	-	147,411
Meal plan	-	-	-	95,299	-	-	-	95,299
Liquor sales	-	-	-	74,016	-	-	-	74,016
Miscellaneous	21,997	-	-	50	-	-	-	22,047
	403,849	50,244	95,463	316,776	252,708	251,203	22,807	1,393,050
Expenses:								
Salaries and benefits	244,154	-	82,816	197,779	-	-	-	524,749
Restaurant supplies	-	-	-	204,561	-	-	-	204,561
Insurance	1,750	-	11,678	-	147,808	-	-	161,236
Contract services	78,394	-	-	4,012	-	-	-	82,406
Janitorial	-	-	25,920	8,551	-	-	-	34,471
Office and general	12,517	15,600	-	4,138	-	-	-	32,255
Utilities	-	-	26,250	-	-	-	-	26,250
Travel	16,146	-	4,528	1,045	-	-	-	21,719
Fees and dues	19,248	-	-	-	-	-	-	19,248
Professional fees	11,106	5,867	-	-	-	-	-	16,973
Advertising	7,446	-	-	-	-	-	-	7,446
Supplies	3,940	-	-	3,350	-	-	-	7,290
Amortization of capital assets	-	5,765	-	-	-	-	-	5,765
Repairs and maintenance	-	1,966	-	-	-	-	-	1,966
	394,701	29,198	151,192	423,436	147,808	-	-	1,146,335
Excess (deficiency) of revenue over expenses	9,148	21,046	(55,729)	(106,660)	104,900	251,203	22,807	246,715
Transfer from Sault College of Applied Arts and Technology	310,425	128,250	175,720	-	134,534	301,230	80,067	1,130,226
Net assets, end of year	\$ 319,573	\$ 149,296	\$ 119,991	\$ (106,660)	\$ 239,434	\$ 552,433	\$ 102,874	\$ 1,376,941