

**MOUNT SAINT VINCENT STUDENT UNION ASSOCIATION**  
**Financial Statements**  
**Year Ended April 30, 2020**



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**MOUNT SAINT VINCENT STUDENT UNION ASSOCIATION**

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**Year Ended April 30, 2020**

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## INDEPENDENT AUDITOR'S REPORT

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### To the Members of Mount Saint Vincent Student Union Association

#### Qualified Opinion

We have audited the accompanying financial statements of Mount Saint Vincent Student Union Association (the "Association"), which comprise the statement of financial position as at April 30, 2020 and the statements of revenues and expenditures, changes in net assets and cash flow for the year then ended, including a summary of significant accounting policies.

In our opinion, except for the possible effects of the matter described in the basis for the qualified opinion paragraph, the financial statements present fairly, in all material respects, the financial position of the Association as at April 30, 2020 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.

#### Basis for Qualified Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Association in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

The 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 the 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, 2020; current assets as at April 30, 2020; and net assets at both the beginning and end of the year ended April 30, 2020.

#### Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the 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.

In preparing the financial statements, management is responsible for assessing the Association's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Association or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Association's financial reporting process.

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

### **Auditor's Responsibilities for the Audit of Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Association's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Association's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Association to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

*Strong & Associates*

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**MOUNT SAINT VINCENT STUDENT UNION ASSOCIATION****Statement of Revenues and Expenditures****Year Ended April 30, 2020**

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	2020	2019
<b>REVENUE</b>		
Student Union fees ( <i>Schedule 1</i> )	\$ 519,139	\$ 485,816
Health and dental plan	427,160	389,186
Fundraising and grants ( <i>Schedule 2</i> )	20,258	31,154
	<u>966,557</u>	<u>906,156</u>
<b>EXPENSES</b>		
Health and dental plan	427,160	389,186
Administrative expenditures ( <i>Schedule 3</i> )	380,693	387,774
Society subsidies	4,759	3,621
	<u>812,612</u>	<u>780,581</u>
<b>EXCESS OF REVENUE OVER EXPENSES FROM OPERATIONS</b>	<b>153,945</b>	<b>125,575</b>
UNAUDITED SCHEDULE OF STUDENT STORE AND FOOD AND BEVERAGE SERVICES ( <i>Schedule 4</i> )	<u>(77,112)</u>	<u>(68,856)</u>
<b>EXCESS OF REVENUE OVER EXPENSES</b>	<b>\$ 76,833</b>	<b>\$ 56,719</b>



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**MOUNT SAINT VINCENT STUDENT UNION ASSOCIATION****Statement of Financial Position****April 30, 2020**

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	2020	2019
<b>ASSETS</b>		
<b>CURRENT</b>		
Cash - unrestricted	\$ 112,903	\$ 62,612
Cash - restricted (Note 3)	38,973	38,963
Accounts receivable	-	6,384
Inventory	-	10,215
HST recoverable	3,461	174
Prepays and deposits	12,084	11,876
Funds in trust, Mount Saint Vincent University (Note 4)	379,785	332,028
	<u>547,206</u>	462,252
<b>CAPITAL ASSETS (Note 5)</b>	<u>47,019</u>	45,679
	<u>\$ 594,225</u>	<u>\$ 507,931</u>
<b>LIABILITIES AND NET ASSETS</b>		
<b>CURRENT</b>		
Accounts payable and accrued liabilities	\$ 60,333	\$ 50,872
<b>NET ASSETS</b>		
General fund	447,900	372,417
Restricted fund	38,973	38,963
Invested in capital assets	47,019	45,679
	<u>533,892</u>	457,059
	<u>\$ 594,225</u>	<u>\$ 507,931</u>

**ON BEHALF OF THE ASSOCIATION**\_\_\_\_\_  
*Executive Member*\_\_\_\_\_  
*Executive Member*

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**MOUNT SAINT VINCENT STUDENT UNION ASSOCIATION****Statement of Changes in Net Assets****Year Ended April 30, 2020**

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	Invested in Capital Assets	Restricted Fund	General Fund	<b>2020</b>	2019
<b>NET ASSETS - BEGINNING OF YEAR</b>	\$ 45,679	\$ 38,963	\$ 372,417	<b>\$ 457,059</b>	\$ 400,340
EXCESS OF REVENUE OVER EXPENSES	(13,882)	10	90,705	<b>76,833</b>	56,719
TRANSFERS	15,222	-	(15,222)	-	-
<b>NET ASSETS - END OF YEAR</b>	<b>\$ 47,019</b>	<b>\$ 38,973</b>	<b>\$ 447,900</b>	<b>\$ 533,892</b>	<b>\$ 457,059</b>



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**MOUNT SAINT VINCENT STUDENT UNION ASSOCIATION****Statement of Cash Flow****Year Ended April 30, 2020**

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	2020	2019
<b>OPERATING ACTIVITIES</b>		
Excess of revenue over expenses	\$ 76,833	\$ 56,719
Item not affecting cash:		
Amortization of capital assets	<u>13,882</u>	10,059
	<u>90,715</u>	66,778
Changes in non-cash working capital:		
Accounts receivable	6,384	(1,455)
Inventory	12,497	3,640
HST recoverable	(3,287)	(70)
Prepays and deposits	(208)	822
Funds in trust, Mount Saint Vincent University	(47,757)	(23,113)
Accounts payable and accrued liabilities	<u>9,463</u>	(30,610)
	<u>(22,908)</u>	(50,786)
Cash flow from operating activities	<u>67,807</u>	15,992
<b>INVESTING ACTIVITY</b>		
Purchase of computer equipment	<u>(17,506)</u>	-
<b>FINANCING ACTIVITY</b>		
Net funds received, Mount Saint Vincent University	<u>-</u>	(1,130)
<b>INCREASE IN CASH FLOW</b>	<b>50,301</b>	14,862
Cash - beginning of year	<u>101,575</u>	86,713
<b>CASH - END OF YEAR (Note 3)</b>	<b><u>\$ 151,876</u></b>	<b><u>\$ 101,575</u></b>





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# MOUNT SAINT VINCENT STUDENT UNION ASSOCIATION

## Notes to Financial Statements

Year Ended April 30, 2020

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### 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 corner store, 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.

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### 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, 2020

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

#### Inventory

Inventory representing food and beverages of the student store and the campus pub, 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 \$26,185 (2019 - \$37,568).

#### 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:

Computer equipment	55%
Furniture and fixtures	20%

Leasehold improvements are amortized on a straight line basis over the term of the lease.

The Association regularly reviews its capital assets whenever events or changes in circumstances indicate that the carrying amount of the asset may not be recoverable. Management did not note any indicators of impairment for the year ended, April 30, 2020.

#### 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.

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### 3. RESTRICTED CASH BALANCE

The Association has a restricted bank balance of \$38,973 (2019 - \$38,963) related to funding received for the preparation of yearbooks.

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# MOUNT SAINT VINCENT STUDENT UNION ASSOCIATION

## Notes to Financial Statements

Year Ended April 30, 2020

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### 4. FUNDS HELD IN TRUST

Student fees received by the 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. The balance of funds held in trust represent funds collected and not yet dispersed by MSVU, net of associated expenses, are as follows:

	<u>2020</u>	<u>2019</u>
Student Union Association fees	\$ 147,098	\$ 146,484
Health and dental plan fees	179,888	164,349
Canada Federation of Student and Campaign fees	52,799	21,195
	<u>\$ 379,785</u>	<u>\$ 332,028</u>

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### 5. CAPITAL ASSETS

	Cost	Accumulated amortization	2020 Net book value	2019 Net book value
Computer equipment	\$ 15,222	\$ 4,186	\$ 11,036	\$ -
Furniture and fixtures - Student Union	147,339	142,072	5,267	6,584
Furniture and fixtures - Corner store	12,617	12,446	171	213
Leasehold improvements - Student Union	119,158	88,961	30,197	36,510
Leasehold improvements - Pub	99,585	99,585	-	1,936
Furniture and fixtures - Pub	1,183	835	348	436
	<u>\$ 395,104</u>	<u>\$ 343,899</u>	<u>\$ 47,019</u>	<u>\$ 45,679</u>

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### 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.

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### 7. COMPARATIVE FIGURES

Some of the comparative figures have been reclassified to conform to the current year's presentation.

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**MOUNT SAINT VINCENT STUDENT UNION ASSOCIATION**  
**Unaudited Schedule of Student Union Fees Income and Expenses**  
**Year Ended April 30, 2020**

**(Schedule 1)**

	<b>2020</b>	2019
<b>Income</b>		
Fees collected	<b>\$ 509,495</b>	\$ 500,816
Canadian Federation of Students fees held in trust	<b>46,113</b>	39,841
Student Union campaign fees held	<b>29,351</b>	23,294
	<b>584,959</b>	563,951
<b>EXPENSES</b>		
Canadian Federation of Students and Campaign fees	<b>50,820</b>	63,135
Rent	<b>15,000</b>	15,000
	<b>65,820</b>	78,135
<b>INCOME FROM OPERATIONS</b>	<b>\$ 519,139</b>	\$ 485,816

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**MOUNT SAINT VINCENT STUDENT UNION ASSOCIATION****Unaudited Schedule of Fundraising and Grant Revenue****(Schedule 2)****Year Ended April 30, 2020**

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	<b>2020</b>	<b>2019</b>
Fundraising, net of donations made	<b>\$ 16,238</b>	\$ 20,216
Advertising	<b>4,175</b>	2,575
Information service	<b>882</b>	1,301
Other	<b>674</b>	6,181
Awards banquet	<b>-</b>	1,560
Fountain Play Centre, net of expenses	<b>(1,711)</b>	(679)
	<b>\$ 20,258</b>	\$ 31,154

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**MOUNT SAINT VINCENT STUDENT UNION ASSOCIATION****Unaudited Schedule of Administrative Expenditures****(Schedule 3)****Year Ended April 30, 2020**

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	<b>2020</b>	<b>2019</b>
Salaries and wages	<b>\$ 225,432</b>	\$ 244,434
Office	<b>54,072</b>	53,636
Student services	<b>63,409</b>	67,015
Professional fees	<b>24,110</b>	13,158
Amortization	<b>11,859</b>	8,011
Interest and bank charges	<b>1,811</b>	1,520
	<b>\$ 380,693</b>	<b>\$ 387,774</b>

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**MOUNT SAINT VINCENT STUDENT UNION ASSOCIATION****Unaudited Schedule of Student Store and Food and Beverage Services (Schedule 4)****Year Ended April 30, 2020**

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	2020	2019
<b>REVENUE</b>	<b>\$ 35,400</b>	\$ 53,709
<b>COST OF SALES</b>	<b>29,170</b>	37,568
<b>GROSS PROFIT</b> (18%; 2019 - 30%)	<b>6,230</b>	16,141
<b>EXPENSES</b>		
Salaries	72,073	81,507
Events and entertainment	4,933	6,796
Interest and bank charges	2,689	2,452
Amortization	2,024	2,048
Supplies and miscellaneous	1,623	3,938
	<b>83,342</b>	96,741
<b>Subsidy from Union</b>	-	11,744
<b>LOSS FROM OPERATIONS</b>	<b>\$ (77,112)</b>	\$ (68,856)