

**THE STUDENT ASSOCIATION AT DURHAM COLLEGE AND UOIT**  
**FINANCIAL STATEMENTS**  
**AS AT APRIL 30, 2013**

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**CONTENTS**

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	Page
<b>INDEPENDENT AUDITOR'S REPORT</b>	1
<b>FINANCIAL STATEMENTS</b>	
Statement of Financial Position	2
Statement of Operations	3
Statement of Changes in Fund Balances	4
Statement of Cash Flows	5
Notes to Financial Statements	6 - 11

**INDEPENDENT AUDITOR'S REPORT**

To the Members of:

**The Student Association at Durham College and UOIT**

**Report on the Financial Statements**

I have audited the accompanying financial statements of The Student Association at Durham College and UOIT which comprise the statement of financial position as at April 30, 2013, and the statements of operations and changes in fund balances 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**

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of 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 organization'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.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

**Opinion**

In my opinion, these financial statements present fairly, in all material respects, the financial position of The Student Association at Durham College and UOIT as at April 30, 2013 and its financial performance and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

**Comparative Information**

Without modifying my opinion, I draw attention to Note 3 to the financial statements which describes that the The Student Association at Durham College and UOIT adopted Canadian accounting standards for not-for-profit organizations on May 1, 2012 with a transition date of May 1, 2011. These standards were applied retrospectively by management to the comparative information in these financial statements, including the statements of financial position as at April 30, 2012 and May 1, 2011, and the statements of operations, change in fund balances and cash flows for the period ended April 30, 2012 and related disclosures. I was not engaged to report on the restated comparative information and, as such, it is unaudited.




Bowmanville, Ontario  
October 8, 2013

Sullivan & Co. (Professional Corporation), Chartered Accountant  
Authorized to practise public accounting by  
The Institute of Chartered Accountants of Ontario

**THE STUDENT ASSOCIATION AT DURHAM COLLEGE AND UOIT**  
**STATEMENT OF FINANCIAL POSITION**  
**AS AT APRIL 30, 2013**

	2013	2012	May 1, 2011 (Unaudited - See Note: 3)
<b>ASSETS</b>			
<b>CURRENT</b>			
Cash (Note: 4)	\$ 1,831,075	\$ 1,426,425	\$ 974,474
Accounts receivable, net of \$1,500 allowance (2012 - \$1,500)	15,497	47,483	100,009
Taxes recoverable	168,390	51,730	30,332
Inventory	35,087	50,325	41,440
Prepaid amounts	130,679	86,976	71,348
Due from Durham College (Note: 6)	1,055,566	112,358	66,219
Due from UOIT (Note: 6)	914,902	338,407	315,704
	4,151,196	2,113,704	1,599,526
<b>CAPITAL ASSETS</b> (Note: 5)	383,748	529,418	579,893
	<b>\$ 4,534,944</b>	<b>\$ 2,643,122</b>	<b>\$ 2,179,419</b>
<b>LIABILITIES</b>			
<b>CURRENT</b>			
Accounts payable, government payables and accrued liabilities	\$ 279,824	\$ 272,779	\$ 160,003
Government remittances payable	7,312	1,241	-
Due to student clubs and societies	70,846	65,793	61,462
Due to Durham College (Note: 6)	14,604	41,135	173,358
Due to UOIT (Note: 6)	-	1,911	-
Deferred revenue (Note: 7)	1,163,664	26,257	23,387
	1,536,250	409,116	418,210
<b>COMMITMENTS</b> (Note: 14)			
<b>FUND BALANCES</b>			
<b>UNRESTRICTED FUNDS</b>			
Other unrestricted	1,771,093	1,055,323	556,730
Invested in capital assets	383,748	529,418	579,893
	2,154,841	1,584,741	1,136,623
<b>CONTINGENCY FUND</b> - Internally restricted (Note: 2)	175,401	175,401	175,401
<b>HEALTH FUND</b> - Internally restricted (Notes: 2 and 12)	668,452	473,864	449,185
	2,998,694	2,234,006	1,761,209
	<b>\$ 4,534,944</b>	<b>\$ 2,643,122</b>	<b>\$ 2,179,419</b>

**APPROVED ON BEHALF OF THE BOARD:**

*Bakar Baha - Vice Chair and Director*  
*Oct 16<sup>th</sup>, 2013* 

The accompanying Notes to Financial Statements are an integral part of these statements.

# THE STUDENT ASSOCIATION AT DURHAM COLLEGE AND UOIT

## STATEMENT OF OPERATIONS

FOR THE YEAR ENDED APRIL 30, 2013

	2013	2012
<b>MEMBERSHIP AND OTHER REVENUE</b>		
Student fees (Note: 8)	\$ 2,780,103	\$ 2,542,246
Health fund revenue (Note: 12)	2,427,408	105,325
Operating grants (Note: 6)	60,000	60,000
Program revenue (Note: 10)	250,486	145,284
Other pub revenue	18,127	18,349
Other retail revenue	99,843	86,550
Rent and other income	31,562	16,423
	5,667,529	2,974,177
<b>OPERATING REVENUE</b>		
Pub, food service and retail sales	965,287	932,867
Cost of sales	500,564	472,255
Gross margin (Note: 9)	464,723	460,612
	6,132,252	3,434,789
<b>EXPENSES</b>		
Amortization of capital assets	244,880	332,017
Bank charges and merchant fees	44,315	22,044
Committees and elections	22,322	26,584
Conference, training and development	55,484	53,823
Insurance	45,514	43,305
Maintenance - Cleaning	27,109	16,789
Maintenance - Repairs and other	26,754	59,106
Marketing and promotion	146,381	143,429
Memberships	48,999	47,583
Office and sundry	40,825	32,677
Operating supplies	58,868	46,039
Professional fees	157,895	65,817
Program expenses (Note: 11)	809,005	597,785
Security	13,629	17,873
Student health insurance (Notes: 6 and 12)	2,029,457	-
Telephone and cable	28,089	34,096
Utilities	40,783	37,603
Wages, salaries and benefits (Note: 13)	1,427,255	1,285,422
	5,267,564	2,861,992
<b>EXCESS REVENUE OVER EXPENSES BEFORE UNDERNOTED</b>	864,688	572,797
<b>DURHAM COLLEGE (Note: 14)</b>	(100,000)	(100,000)
<b>EXCESS REVENUE OVER EXPENSES</b>	\$ 764,688	\$ 472,797

The accompanying Notes to Financial Statements are an integral part of these statements.

# THE STUDENT ASSOCIATION AT DURHAM COLLEGE AND UOIT

## STATEMENT OF CHANGES IN FUND BALANCES

FOR THE YEAR ENDED APRIL 30, 2013

	Unrestricted Funds	Invested in Capital Assets	Contingency Fund	Health Fund (Note 12)	2013	2012
<b>BALANCE, BEGINNING OF YEAR</b>	\$ 1,055,323	\$ 529,418	\$ 175,401	\$ 473,864	\$ 2,234,006	\$ 1,761,209
<b>EXCESS/(DEFICIENCY) OF REVENUE OVER EXPENSES</b>	814,980	(244,880)	-	194,588	764,688	472,797
<b>INVESTMENT IN CAPITAL ASSETS</b>	(99,210)	99,210	-	-	-	-
<b>BALANCE, END OF YEAR</b>	\$ 1,771,093	\$ 383,748	\$ 175,401	\$ 668,452	\$ 2,998,694	\$ 2,234,006

The accompanying Notes to Financial Statements are an integral part of these statements.

# THE STUDENT ASSOCIATION AT DURHAM COLLEGE AND UOIT

## STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED APRIL 30, 2013

	2013	2012
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Excess revenue over expenses	\$ 764,688	\$ 472,797
Items not requiring an outlay of cash:		
Amortization of capital assets	244,880	332,017
	1,009,568	804,814
Changes in non-cash working capital items		
Accounts receivable	31,986	82,858
Taxes recoverable	(116,660)	(51,730)
Inventory	15,238	(8,885)
Prepaid amounts	(43,703)	(15,628)
Due from Durham College	(969,739)	(178,362)
Due from UOIT	(578,406)	(20,792)
Accounts payable, government payables and accrued liabilities	13,116	114,017
Due to student clubs and societies	5,053	4,331
Deferred revenue	1,137,407	2,870
	503,860	733,493
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Additions to capital assets	(99,210)	(281,542)
<b>NET INCREASE IN CASH</b>	404,650	451,951
<b>CASH, BEGINNING OF YEAR</b>	1,426,425	974,474
<b>CASH, END OF YEAR (Note: 4)</b>	\$ 1,831,075	\$ 1,426,425

The accompanying Notes to Financial Statements are an integral part of these statements.

# THE STUDENT ASSOCIATION AT DURHAM COLLEGE AND UOIT

## NOTES TO FINANCIAL STATEMENTS

AS AT APRIL 30, 2013

### 1. Nature of Organization

The Student Association at Durham College and UOIT (the 'Student Association') was incorporated on December 3, 1993 and operates as a not-for-profit organization that is tax exempt under the Income Tax Act. As of May 1, 2011, the Student Centre at Durham College and the University of Ontario Institute of Technology ('UOIT') was merged with the Student Association. The purpose of the Student Association is to represent the students, and to provide the student body with cultural, recreational, social, and educational opportunities.

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### 2. Summary of Significant Accounting Policies

#### (a) Basis of Presentation

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations. The financial statements include only the entity's assets, liabilities, revenue and expenses as related to the operations of the Student Association, excluding the land and buildings on which the Student Centre is located, together with any mortgage or other property debt, and also exclude any assets, liabilities, revenue and expenses of the Student Centre's tenants.

#### (b) Fund Accounting

The Student Association follows the restricted fund method of accounting for fees and other revenue. The Unrestricted Fund accounts for the organization's program delivery and administrative activities.

The Contingency Fund's purpose is to provide for unusual or non-recurring items as approved by the Board. No expenses were paid from the contingency fund during the year.

The Health Fund was approved during 2011, and is funded by the student insurance health plan surcharge and unclaimed health insurance opt-out refunds. The purpose of the fund is to support Student Association initiatives that relate to the health and well-being of students.

#### (c) Revenue Recognition

Student fees collected during the year are recognized as revenue in the current period, other than student health and dental fees collected for health and dental coverage subsequent to year-end which are recorded as deferred revenue. All other revenue is recognized as revenue when received or receivable, if the amount can be reasonably estimated and collection is reasonably assured.

#### (d) Accounting Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions 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 revenues and expenses during the reporting year. Actual results could differ from those estimates.



# THE STUDENT ASSOCIATION AT DURHAM COLLEGE AND UOIT

## NOTES TO FINANCIAL STATEMENTS

AS AT APRIL 30, 2013

(e) Student Fees

Durham College and UOIT collect ancillary fees from students, which includes a Student Association levy, Student Centre levy, campus radio station levy, student health and dental fees, and fees collected to sponsor a World University Service of Canada (WUSC) student through the WUSC Student Refugee program.

The Student Centre levy consists of two fees: (1) operating expenses and ongoing capital expenditures, and (2) debt servicing, which pertains to the land and building on which the Student Centre is located. Durham College and UOIT apply the debt servicing fee towards the existing mortgage principal and interest, and the remaining portion is paid to the Student Association.

(f) Financial Instruments

Financial instruments of the organization consist of cash, accounts receivable, amounts due from related parties, accounts payable and accrued liabilities, and amounts due to related parties. The carrying values of these financial assets and financial liabilities approximate their fair values unless otherwise noted.

(g) Inventories

Pub and store inventories are valued at the lower of cost and net realizable value. Cost is determined on a first-in, first-out basis.

(h) Capital Assets

Capital assets are recorded at cost. Amortization is provided annually at rates calculated to write-off the assets over their estimated useful lives as follows:

Furniture, fixtures and equipment	- 3 years	straight line
Computer equipment	- 3 years	straight line
Leasehold improvements	- 5 years	straight line
Vehicle	- 5 years	straight-line

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### 3. Adoption of Accounting Standards for Not-for-Profit Organizations

These financial statements are the first financial statements for which the organization has applied Canadian accounting standards for not-for-profit organizations, and were prepared in accordance with CICA Handbook - Accounting, Part III, Section 1501, First-time adoption.

The impact of adopting these standards resulted in no change to the net assets at the date of transition, May 1, 2011.

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# THE STUDENT ASSOCIATION AT DURHAM COLLEGE AND UOIT

## NOTES TO FINANCIAL STATEMENTS

AS AT APRIL 30, 2013

### 4. Cash

Cash is comprised of:

	2013	2012
Unrestricted cash	\$ 987,222	\$ 777,159
Cash internally restricted for Contingency Fund	175,401	175,401
Cash internally restricted for Health Fund	668,452	473,865
	<b>\$ 1,831,075</b>	<b>\$ 1,426,425</b>

### 5. Capital Assets

	Cost	Accumulated Amortization	Net 2013	Net 2012
Furniture, fixtures and equipment	\$ 991,924	\$ 831,313	\$ 160,611	\$ 225,282
Leasehold improvements	708,168	520,462	187,706	252,388
Computer equipment	73,393	59,005	14,388	24,692
Vehicle	30,062	9,019	21,043	27,056
	<b>\$ 1,803,547</b>	<b>\$ 1,419,799</b>	<b>\$ 383,748</b>	<b>\$ 529,418</b>

### 6. Related Party Transactions

The Student Association is governed by a board of directors consisting of student representatives from Durham College and UOIT.

The Student Association relies upon Durham College and UOIT to process the number of students and fees, collect, and calculate the fees on its behalf. The Student Association fees reported in these financial statements exclude the Universal Transit Pass (U-Pass) fees, since these fees are not paid directly to the Student Association, and the Student Association does not control the receipts or related disbursements. In prior years, the Student Association financial statements excluded the student health and dental insurance plan fees, as Durham College and UOIT controlled the receipts and related disbursements. During the year, the Student Association assumed responsibility for remitting the student health insurance premiums. As a result, the Student Association fees and related expenses are reported in these financial statements. See also Note 12.

Durham College provides the Student Centre premises to the Student Association on a rent-free basis. No amounts have been included in these financial statements for rent charges.

In April 2011, the Student Association entered into separate agreements with each of Durham College and UOIT for the purpose of sharing the cost of operating the building encompassing the Student Centre. In particular, repairs and maintenance, and utilities costs are shared as follows: 56% Student Association; 22% Durham College and 22% UOIT. Only the portion of expenses attributed to the Student Association have been recorded in these financial statements. Accordingly, the portion of current year shared expenses attributed to Durham College and UOIT have not been recorded in these financial statements. Further, in the current year, as required by the agreements, Durham College and UOIT each provided \$30,000 (2012 - \$30,000) for the purpose of funding shared costs. The agreements are effective until April 2019.