

SU Audit Reveals Deficit

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AUDITOR'S REPORT

To the Council and Members of
The University of New Brunswick
Student Union
Fredericton, New Brunswick

I have examined the Statement of Financial Position of The University of New Brunswick Student Union as at August 31, 1986 and the Statement of Revenue and Expenditure for the year then ended. My examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as I considered necessary in the circumstances.

I did not extend my examination in respect to the revenue of the Student Union beyond accounting for amounts recorded in the books of the Council. Also, my examination indicated serious deficiencies in the accounting records and in the system of internal control. As a consequence, I was unable to satisfy myself that all revenues and expenditures of the Student Union had been recorded nor was I able to satisfy myself that the recorded transactions were proper. As a result, I was unable to determine whether adjustments were required in respect of recorded or unrecorded assets, recorded or unrecorded liabilities and the components making up the statement of revenue and expenditure.

In view of the possible material effects on the financial statements of the matters described in the preceding paragraph, I am unable to express an opinion as to whether these financial statements are presented in accordance with generally accepted accounting principles.

John A. Wetherhead
Chartered Accountant

Fredericton, New Brunswick
October 28, 1986

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Statement 1

THE UNIVERSITY OF NEW BRUNSWICK
STUDENT UNION
STATEMENT OF FINANCIAL POSITION
AS AT AUGUST 31, 1986

Assets	1986	1985
Current Assets		
Cash on hand	\$ -	\$ 1,007
Bank - Current Accounts	8,394	2,240
Bank - Savings Account	11	461
Accounts receivable (less allowance for doubtful accounts, 1986 - NIL, 1985 - \$ 3,205)	15,112	16,977
Prepaid expenses	25,220	21,728
	\$ 48,737	\$ 42,413
Liabilities and Accumulated Surplus (Deficit)		
Current Liabilities		
Accounts payable	\$ 109,735	\$ 26,859
Accounts payable - U.N.B. (Note 1.)	97,878	-
Contingent liability (Note 2.)	-	-
	207,613	26,859
Accumulated Surplus (Deficit)		
Surplus Balance, September 1	15,554	45,524
Less: Excess of Net Expenditure Over Net Revenue - Statement 2	174,430	20,614
Excess of actual Yearbook expenditure over estimated for prior year	-	9,356
	(158,876)	15,554
Surplus (Deficit) Balance, August 31	\$ 48,737	\$ 42,413

Fredericton, New Brunswick
October 28, 1986

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Statement 2

THE UNIVERSITY OF NEW BRUNSWICK
STUDENT UNION
STATEMENT OF NET REVENUE AND NET EXPENDITURE
FOR THE YEAR ENDED AUGUST 31, 1986

	1986	1985
Net Revenue		
Student Levies	\$ 214,645	\$ 272,060
Less: Third Century Fund	-	(29,300)
Donation to U.N.B.	-	(38,700)
Student rebates	214,645	204,060
Refunds	64	245
Investment Income	214,561	203,815
	214,561	208,361
Net Expenditure		
Academic Commission	8,619	1,516
Activity Awards	-	1,192
African Students' Union	1,928	1,151
A.I.E.S.E.C.	1,549	323
Albert Ross Society	1,250	452
Amateur Radio Club	475	882
Anthropological Society	556	825
Arts Undergraduate Society	1,001	821
Bailey Geological Society	451	899
Biological Society	981	1,243
Board of International Students	3,197	23
Brunswickian	51,982	33,155
Business Administration Society	6,869	1,692
Camera Club	7	6
Campus Police	886	78
Caribbean Circle	1,326	413
Chemical Engineering	3,136	779
Chemistry Club	333	400
Chess Club	900	-
Christian Athletes Fellowship Group	250	7
C.H.S.R. - FM	48,127	48,623
C.H.S.R. - FM - Summer Project	-	38
Civil Engineering Society	1,750	1,037
Computer Science Association	1,123	37
Contingency Fund	6,433	20,423
C.U.N.S.A.	1,912	783
Deutscher Kreis	685	317
Directory	3,541	5
Drama Society	947	1,393
Economics Society	716	-
Education Society	822	-
Elections - SRC	2,129	2,210
Forwarded	153,881	120,723

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Statement 2
(continued)

THE UNIVERSITY OF NEW BRUNSWICK
STUDENT UNION
STATEMENT OF NET REVENUE AND NET EXPENDITURE
FOR THE YEAR ENDED AUGUST 31, 1986

	1986	1985
Forwarded	\$ 153,881	\$ 120,723
Electrical Engineering	667	-
Engineering Undergraduate Society	2,825	1,150
Forestry Association	1,883	1,598
Forestry Engineering Students' Association	806	601
Geological Engineering	1,015	732
Grad Class '86, '85	3,145	86
Graduate Students' Association	4,990	5,110
Health Sciences	653	-
History Club	738	128
Home Economics Society	1,300	799
Honoraria	13,219	11,089
Identification Cards	5,997	2,821
India Association	1,938	1,661
Industrial Education Society	200	288
Insurance	1,258	1,030
Law Students' Society	5,289	4,686
Legal Fees (Note 2.)	65,735	1,083
Malaysian Students' Society	959	1,645
Muslim Students' Association	185	707
Orientation	57	4,645
Overseas Chinese Students' Association	1,356	1,005
Photocopy Machines & Office	22,503	647
Physical Education Undergraduate Society	777	269
Physics Club	560	3,023
Political Science Students' Association	6	1,526
Postage - General	1,083	270
Sociological Society	685	575
Sound System	655	3,000
Spanish Club	604	166
SRC	48,237	27,738
Student Alliance	-	679
Students' Discipline Committee	153	85
Student Society of Mechanical Engineers	773	1,403
Summer Salary	4,472	6,359
Surveying Engineering Society	438	944
Telephone - General	4,565	3,205
Venezuelan Students' Association	-	6
Wildlife Society	834	725
Winter Carnival	8,325	3,632
Yearbook	26,255	13,136
	389,011	228,975
Excess of Net Revenue Over Net Expenditure	\$ (174,430)	\$ (20,614)
(Net Expenditure Over Net Revenue)		

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THE UNIVERSITY OF NEW BRUNSWICK
STUDENT UNION
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 1986


1. Accounts Payable - U.N.B.

The University of New Brunswick advanced operating funds to the Student Union in the amount of \$ 97,878 from May to August 31, 1986. These funds were used by the Student Union to finance the deficit and to continue operations. In September 1986 a further \$ 2,122 was advanced to bring the total debt to \$ 100,000. The terms of repayment are presently under negotiation.

2. Contingent Liability

During the year the Council of the Student Union appointed an interim Executive Committee. Several of the former executive officers instituted legal action against the Student Union and members of the interim Committee. Legal fees in the amount of \$ 28,500 were incurred to August 31, 1986 in relation to this action. A further \$ 30,000 has been accrued to cover the estimated costs to take the action to trial. Since the results of the trial cannot be forecasted, no provision has been made in these financial statements for the ultimate disposition of the action other than to recognize the contingent liability.

As a result of a separate action against the Brunswickian and the Student Union \$ 5,900 was paid during the year as settlement for damages to a rented van.



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