

**Newfoundland and Labrador International  
Student Education Inc.  
Financial Statements**

**June 30, 2016**

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# BYRON SMITH

PROFESSIONAL CORPORATION  
CHARTERED PROFESSIONAL ACCOUNTANTS

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## INDEPENDANT AUDITOR'S REPORT

To the Board Members:  
Newfoundland and Labrador International Student Education Inc.

### Report on the Financial Statements

I have audited the accompanying financial statements of Newfoundland and Labrador International Student Education Inc., which comprise the statement of financial position as at June 30, 2016 and the statement of operations 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 generally accepted accounting principles as established by the Public Sector Accounting Board of the Canadian Institute of Chartered Professional Accountants. It is also management's responsibility to ensure appropriate systems of internal and administrative controls are maintained to provide reasonable assurance that transactions are executed in accordance with proper authorization, that assets are properly accounted for and safeguarded, and that financial information produced is relevant and reliable.

### 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 whether the financial statements are free of material misstatement.

An audit includes performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedure's 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 purposes 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.

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, the financial statements present fairly, in all material respects, the financial position of the Newfoundland and Labrador International Student Education Inc., as at June 30, 2016 and the results of its operations for the year then ended in accordance with the standards established by the Public Sector Accounting Board of The Canadian Institute of Chartered Professional Accountants.

October 17, 2016  
Spaniard's Bay, NL

  
CHARTERED PROFESSIONAL ACCOUNTANT

Newfoundland and Labrador International Student Education Inc.  
Statement of Financial Position  
June 30,

2016

2015

FINANCIAL ASSETS

|                                 |                             |                     |
|---------------------------------|-----------------------------|---------------------|
| Cash (Note 2)                   | \$ 1,530,960                |                     |
| Due from related party (Note 2) | <u>                    </u> | \$ <u>1,305,782</u> |
|                                 | \$ <u>1,530,960</u>         | \$ <u>1,305,782</u> |


FINANCIAL LIABILITIES

|                               |              |                             |
|-------------------------------|--------------|-----------------------------|
| Accounts payable and accruals | \$ 2,800     | \$ 2,800                    |
| Due to related party (Note 2) | <u>4,504</u> | <u>                    </u> |
|                               | <u>7,304</u> | <u>2,800</u>                |


NET FINANCIAL ASSETS (NET DEBT) \$ 1,523,656 \$ 1,302,982

NET ASSETS \$ 1,523,656 \$ 1,302,982

On Behalf of the Board:



Chair



Treasurer

The accompanying notes are an integral part  
of these financial statements

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**Newfoundland and Labrador International Student Education Inc.**  
**Statement of Operations**  
**Year Ended June 30,**

|  | <b>2016</b>              | <b>2015</b>              |
|--|--------------------------|--------------------------|
| <b>Revenue</b>   |                          |                          |
| Student Fees   | \$ <u>636,120</u>        | \$ <u>534,968</u>        |
| <b>Operating Expenses</b>                                  |                          |                          |
| Professional fees  | 2,904                    | 3,150                    |
| School fees  | <u>412,542</u>           | <u>347,525</u>           |
|  | <u>415,446</u>           | <u>350,675</u>           |
| <b>EXCESS OF REVENUE OVER<br/>EXPENSES FROM OPERATIONS</b> | <b>\$ <u>220,674</u></b> | <b>\$ <u>184,293</u></b> |

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**Schedule of Changes to Net Assets**

|  |                            |                            |
|--|----------------------------|----------------------------|
| <b>Net assets, beginning of year</b>   | \$ 1,302,982               | \$ 1,118,689               |
| <b>Excess of revenue over expenses</b> | <u>220,674</u>             | <u>184,293</u>             |
| <b>Net assets, end of year</b>         | <b>\$ <u>1,523,656</u></b> | <b>\$ <u>1,302,982</u></b> |

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The accompanying notes are an integral part  
of these financial statements

## **Nature of Operations**

The Corporation was incorporated under the laws of Newfoundland and Labrador on May 6, 2003.

The Corporation is established for educational purposes to recruit, assist, contract with, and monitor international students in the Intermediate and Secondary schools that fall under the responsibility of the Newfoundland and Labrador English School District. The Corporation is a non-profit organization and is exempt from income taxes in accordance with section 149(1)(g) of the Income Tax Act.

With effect from September 16, 2015 the corporation changed its name from Newfoundland International Student Education Program Inc. to Newfoundland and Labrador International Student Education Inc.

## **1. Significant Accounting Policies**

The financial statements have been prepared in accordance with Canadian generally accepted accounting principles as recommended by the Public Sector Accounting Board (PSAB) of the Canadian Institute of Chartered Professional Accountants and reflect the following significant accounting policies:

### **Cash and Cash Equivalents**

The Association considers deposits in banks as cash and cash equivalents.

### **Use of Estimates**

The preparation of the Foundation's financial statements in conformity with Public Sector Accounting Board (PSAB) of the Canadian Institute of Chartered Professional Accountants requires management to make estimates and assumptions that affect the reported amounts of liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

### **Revenue Recognition**

Revenue is recognized on the accrual basis and invoiced at the beginning of each school term.

## **2. Due from Related Party**

The Corporation opened a bank account in the current year. Previously, all cash and cash equivalents were held in trust by a related party, "Newfoundland and Labrador English School District".

## **3. Going Concern**

These financial statements have been prepared on a going concern basis which contemplates the realization of assets and payment of liabilities in the ordinary course of business. In keeping with direction previously issued by the Minister of Education, NISEP operations were amended to divest the company of activities related to student recruitment and home stay administration. These functions are managed by external agencies. Due to commitments to existing students, the corporation continues to operate as a going concern.

In the event of dissolution of the Newfoundland International Student Education Program Inc., all assets will be distributed to the Newfoundland and Labrador Education Foundation for the purpose of providing education technology enhancement and support programs for all schools within the Newfoundland and Labrador English School District.