

University of Regina Students' Union
Financial Statements
April 30, 2013

Management's Responsibility

To the Directors of University of Regina Students' Union:

Management is responsible for the preparation and presentation of the accompanying financial statements, including responsibility for significant accounting judgments and estimates in accordance with Canadian accounting standards for not-for-profit organizations. This responsibility includes selecting appropriate accounting principles and methods, and making decisions affecting the measurement of transactions in which objective judgment is required.

In discharging its responsibilities for the integrity and fairness of the financial statements, management designs and maintains the necessary accounting systems and related internal controls to provide reasonable assurance that transactions are authorized, assets are safeguarded and financial records are properly maintained to provide reliable information for the preparation of financial statements.

The Board of Directors is composed entirely of Directors who are neither management nor employees of the Organization. The Board is responsible for overseeing management in the performance of its financial reporting responsibilities, and for approving the financial information included in the annual report. The Board fulfils these responsibilities by reviewing the financial information prepared by management and discussing relevant matters with management and external auditors. The Board is also responsible for recommending the appointment of the Organization's external auditors.

MNP LLP, an independent firm of Chartered Accountants, is appointed by the directors to audit the financial statements and report directly to them; their report follows. The external auditors have full and free access to, and meet periodically and separately with, both the Board and management to discuss their audit findings.

November 18, 2013


General Manager

Independent Auditors' Report

To the Members of University of Regina Students' Union:

We have audited the accompanying financial statements of University of Regina Students' Union, which comprise the statement of financial position as at April 30, 2013, April 30, 2012, and May 1, 2011 and the statements of financial activities, changes in net assets and cash flows for the years ended April 30, 2013 and April 30, 2012, 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.

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 the auditors' 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 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 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 University of Regina Students' Union as at April 30, 2013, April 30, 2012, and May 1, 2011 and the results of its operations, changes in net assets and its cash flows for the years ended April 30, 2013 and April 30, 2012, in accordance with Canadian accounting standards for not-for-profit organizations.

Regina, Saskatchewan

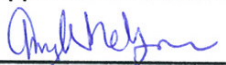
November 18, 2013

MNP LLP
Chartered Accountants

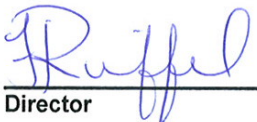
University of Regina Students' Union Statement of Financial Position

	April 30 2013	April 30 2012	May 1 2011
Assets			
Current			
Accounts receivable	42,698	73,474	66,667
Inventory (Note 4)	48,066	41,370	41,783
Prepaid expenses and deposits	15,511	10,932	5,358
Investments	418,862	334,090	464,310
	525,137	459,866	578,118
Capital assets (Note 5)	268,113	272,944	314,365
Long-term investments (Note 6)	230,677	678,720	722,531
	1,023,927	1,411,530	1,615,014
Liabilities			
Current			
Bank indebtedness (Note 7)	42,251	78,082	20,529
Accounts payable and accruals	83,167	134,450	185,165
Deferred contributions	1,075	8,838	16,676
	126,493	221,370	222,370
Net Assets			
Invested in capital assets	268,114	272,944	314,365
Internally restricted	733,880	728,898	689,578
Unrestricted	(104,560)	188,318	388,701
	897,434	1,190,160	1,392,644
	1,023,927	1,411,530	1,615,014

Approved on behalf of the Board



Director



Director

The accompanying notes are an integral part of these financial statements

University of Regina Students' Union Statement of Financial Activities

For the years ended April 30, 2013, April 30, 2012

	Revenue		Expenses		Excess (Deficiency)	
	2013	2012	2013	2012	2013	2012
Administration	487,962	542,338	770,318	783,509	(282,356)	(241,171)
Advocate	-	-	56,915	54,295	(56,915)	(54,295)
Board of Directors, Executive, Welcome Week	54,862	87,599	317,622	323,369	(262,760)	(235,770)
Electoral	-	-	7,533	5,418	(7,533)	(5,418)
Information Services, TV Lazy Owl Pub, MP Room, Cleaning	5,909	5,909	16,767	18,375	(10,858)	(12,466)
President's Advisory Council, Student Associations	-	-	40,300	40,617	(40,300)	(40,617)
Student Fees	2,230,040	2,092,206	1,680,729	1,565,910	549,311	526,296
Used Bookstore	54,889	77,824	46,708	71,640	8,181	6,184
	4,031,309	4,199,863	4,331,342	4,378,109		
Excess of revenue over expenses before the following					(300,033)	(178,246)
Unrealized gain (loss) on investments					7,931	(69,377)
Investment income (loss)					(624)	45,139
Excess of revenue over expenses					(292,726)	(202,484)

The accompanying notes are an integral part of these financial statements.

University of Regina Students' Union
Statement of Changes in Net Assets

	<i>Invested in capital assets</i>	<i>Internally restricted</i>	<i>Unrestricted</i>	<i>April 30 2013</i>	<i>April 30 2012</i>
Net assets beginning of year	272,944	728,898	188,318	1,190,160	1,392,644
Deficiency of excess of revenue over expenses	(62,820)	-	(229,906)	(292,726)	(202,484)
Allocations	-	1,131,374	(1,131,374)	-	-
Disbursements	-	(1,126,392)	1,126,392	-	-
Investment in capital assets	57,990	-	(57,990)	-	-
Net assets, end of year	268,114	733,880	(104,560)	897,434	1,190,160

The accompanying notes are an integral part of these financial statements

University of Regina Students' Union Statement of Cash Flows

	<i>April 30</i> 2013	<i>April 30</i> 2012
Cash provided by (used for) the following activities		
Operating		
Deficiency of revenue over expenses	(292,726)	(202,484)
Amortization	62,820	67,862
Bad debts	2,520	18,551
Investment loss (income)	624	(45,139)
Unrealized (gain) loss on investments	(7,931)	69,377
	(234,693)	(91,833)
Changes in working capital accounts		
Accounts receivable	30,776	(6,804)
Inventory	(6,696)	413
Prepaid expenses and deposits	(4,579)	(5,574)
Accounts payable and accruals	(51,283)	(50,718)
Deferred contributions	(7,763)	(7,838)
	(274,238)	(162,354)
Investing		
Purchase of capital assets	(57,990)	(26,441)
Purchase of long-term investments	(443,409)	(509,681)
Proceeds on disposal of long-term investments	811,468	640,923
	310,069	104,801
Increase (decrease) in cash resources	35,831	(57,553)
Cash resources, beginning of year	(78,082)	(20,529)
Cash resources, end of year	(42,251)	(78,082)

The accompanying notes are an integral part of these financial statements

University of Regina Students' Union

Notes to the Financial Statements

1. Incorporation and nature of the organization

University of Regina Students' Union (the "Students' Union") is incorporated under the The Non-Profit Corporations Act of Saskatchewan, The Students' Union activities include providing facilities and services to all University Students at the University of Regina.

2. Impact of adopting accounting standards for not-for-profit organizations

These are the Organization's first financial statements prepared in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO). The accounting policies in Note 3 have been applied in preparing the financial statements for the year ended April 30, 2013, the comparative information for the year ended April 30, 2012, and the opening ASNPO statement of financial position as at May 1, 2011 (the Organization's date of transition to ASNPO).

In preparing these financial statements, the Organization has elected to apply the following transitional provisions permitted by CICA 1501 *First-time adoption by not-for-profit organizations* at the date of transition to ASNPO. This election had no impact on comparative April 30, 2012 or opening May 1, 2011 ASNPO balances.

Financial instruments

- The Organization elected to designate its investments and long term investments to be measured at fair value at the date of transition to ASNPO.

3. Significant accounting policies

The financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations as issued by the Accounting Standards Board in Canada and include the following significant accounting policies:

Revenue recognition

The Students' Union follows the deferral method of accounting for contributions. Restricted contributions are recognized as revenue in the year in which the related expenses are incurred. 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. Student fees are recognized as revenue when received or receivable from the University of Regina. Revenues from operations are recognized when services or products are provided.

Inventory

Inventory is valued at the lower of cost and net realizable value. Cost is determined by the first in, first out method. Net realizable value is the estimated selling price in the ordinary course of business.

Capital assets

Purchased capital assets are recorded at cost. Amortization is provided using the straight-line method at rates intended to amortize the cost of assets over their estimated useful lives.

	Method	Rate
Equipment	straight-line	1 -15 years
Leasehold improvements	straight-line	5 - 40 years

Deferred revenue

Deferred revenue consists of revenues that have been received for services not performed.

Income taxes

The Students' Union is incorporated under The Non-Profit Corporations Act of Saskatchewan and as such is exempt from income taxes.

Internally restricted reserves

The Board of Directors have internally restricted the following net assets to be held for:

- i) **Sustainable Campus Reserve**
This reserve is used to fund projects and initiatives that help the Students' Union reduce its environmental impact.
- ii) **Health and Dental Stabilization Reserve**
This reserve is used to provide the Students' Union the ability to fund increases in benefits to its members, or to prevent increases in premiums to its members without affecting the premiums its members pay.
- iii) **Emergency Bursary Reserve**
This reserve is used by the Students' Union to help its members who find themselves in extreme financial distress.
- iv) **Capital Improvement Reserve**
This reserve is used by the Students' Union for three items: 1) the construction and furnishing of a building for the sole uses of the University of Regina Students' Union; 2) the upkeep of daycare on campus; 3) new capital purchases by the Students' Union.
- v) **Refugee Sponsorship Fund**
This reserve is used by the Students' Union to provide funding for refugees to escape countries in turmoil for the chance at a better life in Canada.

Measurement uncertainty

The preparation of 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 revenues and expenses during the reporting period.

Accounts receivable are stated after evaluation as to their collectability and an appropriate allowance for doubtful accounts is provided where considered necessary. Provisions are made for slow moving and obsolete inventory. Amortization is based on the estimated useful lives of capital assets.

These estimates and assumptions are reviewed periodically and, as adjustments become necessary they are reported in excess of revenues and expenses in the periods in which they become known.

Financial instruments

The Organization recognizes its financial instruments when the Organization becomes party to the contractual provisions of the financial instrument. All financial instruments are initially recorded at their fair value, including financial assets and liabilities originated and issued in a related party transaction with management.

At initial recognition, the Organization may irrevocably elect to subsequently measure any financial instrument at fair value. The Organization has made such an election during the year.

The Organization subsequently measures investments at fair value. Fair value is determined by published price quotations. All other financial assets and liabilities are subsequently measured at amortized cost.

Transaction costs and financing fees directly attributable to the origination, acquisition, issuance or assumption of financial instruments subsequently measured at fair value are immediately recognized in the excess of revenues over expenses for the current period. Conversely, transaction costs and financing fees are added to the carrying amount for those financial instruments subsequently measured at amortized cost or cost.

University of Regina Students' Union Notes to the Financial Statements

Financial asset impairment:

The Organization assesses impairment of all of its financial assets measured at cost or amortized cost. When there is an indication of impairment, the Organization determines whether it has resulted in a significant adverse change in the expected timing or amount of future cash flows during the year. If so, the Organization reduces the carrying amount of any impaired financial assets to the highest of: the present value of cash flows expected to be generated by holding the assets; the amount that could be realized by selling the assets; and the amount expected to be realized by exercising any rights to collateral held against those assets. Any impairment, which is not considered temporary, is included in current year excess of revenues over expenses.

The Organization reverses impairment losses on financial assets when there is a decrease in impairment and the decrease can be objectively related to an event occurring after the impairment loss was recognized. The amount of the reversal is recognized in the excess of excess in the year the reversal occurs.

4. Inventory

	2013	2012
Food and beverages	48,066	41,370
	48,066	41,370

The cost of inventories recognized as an expense and included in cost of sales amounted to \$554,759 (2012 – \$634,993).

5. Capital assets

	Cost	Accumulated amortization	2013 Net book value	2012 Net book value
Equipment	528,111	398,921	129,190	157,199
Leasehold improvements	414,874	275,951	138,923	115,745
	942,985	674,872	268,113	272,944

6. Long-term investments

Investments are recorded at fair market value and consist of bonds, notes, Canadian and foreign mutual funds. The mutual funds carry no fixed rates of interest or no maturity dates. Income earned on mutual funds are dependant on the performance of the mutual funds manager.

	2013	2012
Short term notes	418,862	10,482
Money market funds	-	323,608
Short term investments	418,862	334,090
Canadian equity investments	62,839	67,981
Canadian mutual funds	167,838	610,739
Long term investments	230,677	678,720

University of Regina Students' Union Notes to the Financial Statements

7. Bank indebtedness

Bank indebtedness in the current year consists mainly of outstanding cheques. The amount includes bank overdraft amounting to \$nil (2012 - \$nil) bearing interest at prime plus 1%. The overdraft limit is \$100,000 and is secured by a general security agreement.

8. Commitments

The Students' Union is committed to paying the monthly operating costs of their premises to the University of Regina. The amount payable varies monthly and is determined by the University of Regina based on consumption.

9. Internally restricted net assets

The Students' Union internally restricts funds for special purposes. Transactions including internally restricted reserves were as follows:

	Opening Balance	Allocations	Disbursements	Investment Gain/(Loss)	Ending Balance
Sustainable Campus Reserve	10,560	-	-	-	10,560
Health & Dental Stabilization Reserve	50,049	966,000	(957,610)	-	58,439
Emergency Bursary Reserve	130,920	4,931	(10,278)	11,760	137,333
Capital Improvement Reserve	464,486	87,945	(57,990)	539	494,980
Refugee Sponsorship Reserve	72,883	59,166	(100,514)	1,033	32,568
	<u>728,898</u>	<u>1,118,042</u>	<u>(1,126,392)</u>	<u>13,332</u>	<u>733,880</u>

10. Financial instruments

The Organization, as part of its operations, carries a number of financial instruments. It is management's opinion that the Organization is not exposed to significant interest, currency, credit, liquidity or other price risks arising from these financial instruments except as otherwise disclosed.

Credit concentration

Financial instruments that potentially subject the Organization to concentrations of credit risk consist of accounts receivable. The maximum credit risk exposure is \$42,698 (2012 – \$73,472). However, the Students' Union believes that there is minimal risk associated with the collection of these amounts, as the majority are from government agencies.

Interest rate risk

Interest rate risk is the risk that the value of a financial instrument might be adversely affected by a change in the interest rates. Changes in market interest rates may have an effect on the cash flows associated with some financial assets and liabilities, known as cash flow risk, and on the fair value of other financial assets or liabilities, known as price risk. The Students' Union is exposed to interest rate risk primarily relating to their investments held.

11. Comparative figures

Certain comparative figures have been reclassified to conform with current year presentation.