

Students' Union of the University of Regina Inc.
Financial Statements
April 30, 2018

Management's Responsibility

To the Members of Students' Union of the University of Regina Inc.:

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 Professional 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.

July 10, 2018



General Manager

Independent Auditors' Report

To the Members of Students' Union of the University of Regina Inc.:

We have audited the accompanying financial statements of Students' Union of the University of Regina Inc., which comprise the statement of financial position as at April 30, 2018, and the statements of operations, changes in net assets 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.

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 Students' Union of the University of Regina Inc. as at April 30, 2018 and the results of its operations, changes in net assets and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Regina, Saskatchewan

July 10, 2018



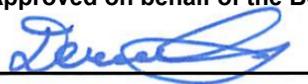
Chartered Professional Accountants

Students' Union of the University of Regina Inc.
Statement of Financial Position

As at April 30, 2018

	2018	2017
Assets		
Current		
Cash	1,368,648	2,065,290
Accounts receivable	106,090	94,712
Short-term investments (Note 3)	400,000	-
Prepaid expenses and deposits	32,571	28,035
Inventory (Note 4)	38,482	34,782
	1,945,791	2,222,819
Capital assets (Note 5)	441,764	388,461
Investments (Note 3)	354,793	-
	2,742,348	2,611,280
Liabilities		
Current		
Accounts payable and accruals	576,295	662,075
Government remittance payable	11,088	8,103
Deferred contributions	1,720	1,872
	589,103	672,050
Net Assets		
Invested in capital assets	441,764	388,461
Internally restricted (Note 6)	1,268,782	1,286,676
Unrestricted	442,699	264,093
	2,153,245	1,939,230
	2,742,348	2,611,280

Approved on behalf of the Board




The accompanying notes are an integral part of these financial statements

Students' Union of the University of Regina Inc.
Statement of Operations
For the year ended April 30, 2018

	2018	2017
Revenue		
Executive and Board of Directors	11,505	18,216
Investment Income	4,793	-
Operations	479,103	561,318
Owl	1,193,244	971,131
Refugee Sponsorship	136,106	128,971
Student fees	4,247,190	4,024,183
U-Pass revenue	1,842,705	1,743,147
	7,914,646	7,446,966
Expenses		
Executive & Board of Directors	426,996	357,318
Operations	1,043,170	858,930
Owl	1,455,987	1,293,378
Restricted fund disbursements <i>(Note 6)</i>	1,867,057	1,404,653
Student fees	1,214,343	1,139,165
U-Pass expenses	1,686,630	1,676,000
	7,694,183	6,729,444
Excess of revenue over expenses before other items	220,463	717,522
Other items		
Loss on disposal of capital assets	(6,447)	(8,264)
Excess of revenue over expenses	214,016	709,258

The accompanying notes are an integral part of these financial statements

Students' Union of the University of Regina Inc.
Statement of Changes in Net Assets

For the year ended April 30, 2018

	<i>Invested in capital assets</i>	<i>Internally restricted (Note 6)</i>	<i>Unrestricted</i>	2018	2017
Net assets beginning of year	388,461	1,286,676	264,093	1,939,230	1,229,972
Excess of revenue over expenses	(79,786)	-	293,801	214,016	709,258
Allocations (Note 6.)	-	1,982,252	(1,982,252)	-	-
Disbursements (Note 6.)	-	(2,000,146)	2,000,146	-	-
Investment in capital assets	133,089	-	(133,089)	-	-
Net assets, end of year	441,764	1,268,782	442,699	2,153,246	1,939,230

The accompanying notes are an integral part of these financial statements

Students' Union of the University of Regina Inc.
Statement of Cash Flows
For the year ended April 30, 2018

	2018	2017
Cash provided by (used for) the following activities		
Operating		
Excess of revenue over expenses	214,016	709,258
Amortization	72,820	64,224
Loss on disposal of capital assets	6,447	8,264
Change in market value - long-term investments	(4,793)	-
	288,490	781,746
Changes in working capital accounts		
Accounts receivable	(11,378)	(59,661)
Inventory	(3,700)	936
Prepaid expenses and deposits	(4,536)	(17,163)
Accounts payable and accruals	(85,782)	344,119
Government remittance payable	2,985	(1,084)
Deferred contributions	(152)	(3,246)
	185,927	1,045,647
Investing		
Purchase of short-term investments	(400,000)	-
Purchase of capital assets	(133,089)	(314,197)
Proceeds on disposal of capital assets	520	350
Purchase of long-term investments	(350,000)	-
	(882,569)	(313,847)
(Decrease) increase in cash resources	(696,642)	731,800
Cash resources, beginning of year	2,065,290	1,333,490
Cash resources, end of year	1,368,648	2,065,290

The accompanying notes are an integral part of these financial statements

Students' Union of the University of Regina Inc.

Notes to the Financial Statements

For the year ended April 30, 2018

1. Incorporation and nature of the organization

University of Regina Students' Union Inc. (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. 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:

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.

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. Refugee sponsorship and 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.

Income taxes

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

Cash

Cash includes balances with banks and is recognized at fair value.

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.

Investments

Long-term investments are portfolio investments recorded at fair value for those with prices quoted in an active market, and cost less impairment for those that are not quoted in an active market. They have been classified as long-term assets in concurrence with the nature of the investment.

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

Students' Union of the University of Regina Inc.

Notes to the Financial Statements

For the year ended April 30, 2018

Deferred revenue

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

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. Investments have been designated to be subsequently measured at their fair value. Fair value is determined by prices quoted in an active market.

The Organization subsequently measures investments in equity instruments quoted in an active market 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 cost or amortized cost.

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 Reserve**
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.

3. Investments

Short-term investments are comprised of a savings deposit with an interest rate ranging from 1.40% - 1.50%.

Long-term investments are comprised of fixed income securities, equities and mutual fund securities, with a minimum return on investment target of 3%. Long-term investments are managed as a long-term pool.

4. Inventory

	2018	2017
Food and beverages	38,482	34,782

The cost of inventories recognized as an expense and included in Owl expenses amounted \$445,369 (2017 – \$421,071).

Students' Union of the University of Regina Inc.

Notes to the Financial Statements

For the year ended April 30, 2018

5. Capital assets

	<i>Cost</i>	<i>Accumulated amortization</i>	<i>2018 Net book value</i>	<i>2017 Net book value</i>
Equipment	515,970	267,582	248,388	206,356
Leasehold improvements	306,271	112,895	193,376	182,105
	822,241	380,477	441,764	388,461

Included in expenses in the current year is amortization of \$72,820 (2017 - \$64,224).

6. 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	Ending Balance
Sustainable Campus Reserve	10,560	-	-	10,560
Health & Dental Stabilization Reserve	500,099	1,587,200	(1,638,954)	448,345
Emergency Bursary Reserve	61,934	6,752	(49,420)	19,266
Capital Improvement Reserve	435,457	116,087	(133,089)	418,455
Refugee Sponsorship Reserve	278,626	272,213	(178,683)	372,156
	1,286,676	1,982,252	(2,000,146)	1,268,782

7. 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.

During the 2015/2016 academic year, the Student's Union entered into an agreement with the City of Regina to provide all qualifying students with a semester U-Pass. This agreement commenced on September 1, 2016 and extends for a period of seven academic years, expiring on April 30, 2023. The Students' Union shall pay the City of Regina the sum of \$1,706,164 for the 2018/2019 (\$1,686,630 for 2017/2018) academic year. In each academic year thereafter the Students' Union shall pay the City the previous academic year's sum plus an increase equal to the percentage increase in "Consumer Price Index for All Items Regina" published by Statistics Canada for the previous year multiplied by \$1,000,000.

8. 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 \$106,090 (2017 – \$94,712). However, the Students' Union believes that there is minimal risk associated with the collection of these amounts, as the majority are due from the University of Regina.

9. Comparative figures

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