

Students' Union of the University of Regina Inc.
Financial Statements
April 30, 2023

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 Students' Union. 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 Students' Union's external auditors.

MNP LLP is appointed by the members 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.

September 26, 2023

Mohammad Akbar

General Manager

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

Opinion

We have audited the financial statements of Students' Union of the University of Regina Inc. (the "Students' Union"), which comprise the statement of financial position as at April 30, 2023, and the statements of operations, changes in net assets and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Students' Union as at April 30, 2023, and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Students' Union in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the 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.

In preparing the financial statements, management is responsible for assessing the Students' Union's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Students' Union or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Students' Union's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Students' Union's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Students' Union's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Students' Union to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Regina, Saskatchewan

September 26, 2023

MNP LLP

Chartered Professional Accountants

Students' Union of the University of Regina Inc.

Statement of Financial Position

As at April 30, 2023

	2023	2022
Assets		
Current		
Cash	41,460	1,243,185
Accounts receivable	994,252	39,098
Short-term investments (Note 3)	100,901	346,173
Prepaid expenses and deposits	21,856	54,669
Inventory (Note 4)	22,061	18,182
	1,180,530	1,701,307
Capital assets (Note 5)	516,730	544,902
Investments (Note 3)	3,127,883	3,200,734
	4,825,143	5,446,943
Liabilities		
Current		
Bank indebtedness	516,881	-
Accounts payable and accruals	1,568,148	1,286,757
Government remittance payable	18,633	8,184
Deferred revenue	699,741	671,420
Current portion of long-term debt (Note 6)	40,000	-
	2,843,403	1,966,361
Long-term debt (Note 6)	-	40,000
	2,843,403	2,006,361
Commitments (Note 12)		
Net Assets		
Invested in capital assets	516,730	544,902
Internally restricted (Note 7)	1,324,472	1,168,263
Unrestricted	140,538	1,727,417
	1,981,740	3,440,582
	4,825,143	5,446,943

Approved on behalf of the Board

Tejas Patel

[Tejas Patel \(Sep 29, 2023 16:39 GMT+5.5\)](#)

Tejas Patel, President

Birpartap Singh

[Birpartap Singh \(Sep 28, 2023 19:04 MDT\)](#)

Birpartap Singh, VP Operations & Finance

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, 2023

	2023	2022
Revenue		
Executive and Board of Directors (Note 8)	26,616	19,000
Investment Income	7,031	138,509
Operations (Note 9)	275,661	208,313
Owl (Note 10)	416,647	214,235
Student fees	5,127,957	5,230,128
U-Pass revenue	2,090,452	1,923,284
	7,944,364	7,733,469
Expenses		
Executive & Board of Directors (Note 8)	561,398	409,082
Operations (Note 9)	2,177,073	1,495,323
Owl (Note 10)	1,182,366	938,193
Restricted fund disbursements (Note 7)	1,884,751	2,208,511
Student fees	1,402,422	1,481,959
U-Passes	2,155,964	1,749,000
Student Legal Advocacy Center	59,349	-
	9,423,323	8,282,068
Deficiency of revenue over expenses before other items	(1,478,959)	(548,599)
Other items		
Government assistance (Note 13)	-	269,882
Unrealized gain (loss) on investments	20,117	(290,380)
	20,117	(20,498)
Deficiency of revenue over expenses	(1,458,842)	(569,097)

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, 2023

	<i>Invested in capital assets</i>	<i>Internally restricted (Note 7)</i>	<i>Unrestricted</i>	2023	<i>2022</i>
Net assets, beginning of year	544,902	1,168,263	1,727,417	3,440,582	4,009,679
Deficiency of revenue over expenses	(114,438)	-	(1,344,404)	(1,458,842)	(569,097)
Allocations	-	2,127,228	(2,129,568)	-	-
Disbursements	-	(1,971,019)	1,973,359	-	-
Investment in capital assets	86,266	-	(86,266)	-	-
Net assets, end of year	516,730	1,324,472	140,538	1,981,740	3,440,582

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, 2023

	2023	2022
Cash provided by (used for) the following activities		
Operating		
Deficiency of revenue over expenses	(1,458,842)	(569,097)
Amortization	114,438	102,413
Investment income - long-term investments	(7,031)	(138,509)
Change in market value - long-term investments	(20,117)	290,380
	(1,371,552)	(314,813)
Changes in working capital accounts		
Accounts receivable	(955,154)	273,538
Inventory	(3,879)	1,674
Prepaid expenses and deposits	32,813	(31,069)
Accounts payable and accruals	281,386	73,643
Deferred revenue	28,321	(25,493)
Government remittance payable	10,449	(9,395)
	(1,977,616)	(31,915)
Investing		
Proceeds on disposal of short-term investments	347,493	1,191,975
Purchase of capital assets	(86,266)	(153,653)
Purchase of long-term investments	(3,138,720)	-
Proceeds on disposal of investments	3,136,503	-
	259,010	1,038,322
(Decrease) increase in cash resources	(1,718,606)	1,006,407
Cash resources, beginning of year	1,243,185	236,778
Cash resources, end of year	(475,421)	1,243,185
Cash resources are composed of:		
Cash	41,460	1,243,185
Bank indebtedness	(516,881)	-
	(475,421)	1,243,185

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, 2023

1. Incorporation and nature of the organization

Students' Union of the University of Regina 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 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. Student fees are recognized as revenue when received or receivable from the University of Regina. U-Pass, Owl and operations revenue are recognized when services or products are provided.

Investment income includes interest income recorded on the accrual basis.

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.

Students' Union of the University of Regina Inc.

Notes to the Financial Statements

For the year ended April 30, 2023

2. Significant accounting policies (Continued from previous page)

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.

	Rate
Equipment	1 -15 years
Leasehold improvements	5 - 40 years

Deferred revenue

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

Financial instruments

The Students' Union recognizes financial instruments when the Students' Union becomes party to the contractual provisions of the financial instrument.

Arm's length financial instruments

Financial instruments originated/acquired or issued/assumed in an arm's length transaction ("arm's length financial instruments") are initially recorded at their fair value.

At initial recognition, the Students' Union may irrevocably elect to subsequently measure any arm's length financial instrument at fair value. The Students' Union has made such an election during the year.

The Students' Union 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 deficiency of revenue over expenses. Conversely, transaction costs and financing fees are added to the carrying amount for those financial instruments subsequently measured at cost or amortized cost.

Financial asset impairment

The Students' Union assesses impairment of all its financial assets measured at cost or amortized cost. The Students' Union groups assets for impairment testing when available information is not sufficient to permit identification of each individually impaired financial asset in the group. Management considers whether there are any impairment indicators in determining whether objective evidence of impairment exists. When there is an indication of impairment, the Students' Union determines whether it has resulted in a significant adverse change in the expected timing or amount of future cash flows during the year.

The Students' Union 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 at the statement of financial position date; 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 deficiency of revenue over expenses.

The Students' Union 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 deficiency of revenue over expenses in the year the reversal occurs.

Students' Union of the University of Regina Inc.

Notes to the Financial Statements

For the year ended April 30, 2023

2. Significant accounting policies *(Continued from previous page)*

Internally restricted reserves

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

- i) **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.
- ii) **Emergency Bursary Reserve**
This reserve is used by the Students' Union to help its members who find themselves in extreme financial distress.
- iii) **Capital Improvement Reserve**
This reserve is used by the Students' Union for two items: 1) the improvements to the buildings occupied by the Students' Union; 2) new capital purchases by the Students' Union.
- iv) **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.

Government assistance

The Students' Union recognizes government assistance when there is reasonable assurance that it will comply with the conditions required to qualify for the assistance, and that the assistance will be received. Government assistance toward current expenses is recognized in income for the period as other income.

3. Investments

Short-term investments are comprised of a savings deposit with a floating interest rate.

Long-term investments are comprised of fixed income securities, equities and mutual fund securities, with a minimum return on investment target of 3%, and one GIC bearing interest at 4.35% which matures in November 2024. Long-term investments are managed as a long-term pool.

4. Inventory

	2023	<i>2022</i>
Food and beverages	22,061	18,182

The cost of inventories recognized as an expense and included in Owl expenses amounted \$163,594 (2022 – \$145,891).

5. Capital assets

	<i>Cost</i>	<i>Accumulated amortization</i>	2023 Net book value	<i>2022 Net book value</i>
Equipment	947,324	581,257	366,067	364,566
Leasehold improvements	413,217	262,554	150,663	180,336
	1,360,541	843,811	516,730	544,902

Included in expenses in the current year is amortization of \$114,438 (2022 - \$102,413).

Students' Union of the University of Regina Inc.

Notes to the Financial Statements

For the year ended April 30, 2023

6. Long-term debt

2023 **2022**

Conexus loan payable with no set monthly installments. Loan is interest free until December 31, 2023 after which monthly interest only payments are required at 5% per annum between January 2024 and December 2026. The loan is unsecured and is due in full on December 31, 2026.

- 40,000

7. Internally restricted net assets

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

	Opening Balance	Transfers	Allocations	Disbursements	Ending Balance
Health & Dental Stabilization Reserve	660,859	-	1,850,974	(1,688,661)	823,172
Emergency Bursary Reserve	44,703	-	6,933	(107,209)	(55,573)
Capital Improvement Reserve	478,513	-	120,902	(86,268)	513,147
Refugee Sponsorship Reserve	(15,812)	-	148,419	(88,881)	43,726
	1,168,263	-	2,127,228	(1,971,019)	1,324,472

8. Executive and Board of Directors

2023 **2022**

Revenue

Sponsorship	26,616	19,000
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Expenses

Amortization	6,899	6,774
Board expenses and travel	33,246	6,667
Campaigns and promotions	71,030	41,077
Club funding	6,252	1,414
Honourarium and benefits	204,988	196,449
Insurance	3,323	1,892
Office	45,835	29,954
P.E.C. funding	73,097	42,500
Professional fees	42,301	53,262
Repair and maintenace	2,969	-
Scholarships	1,600	5,200
Student program fees	9,744	-
Training	6,058	5,909
Welcome week	54,056	17,984

561,398 409,082

(534,782) (390,082)

Students' Union of the University of Regina Inc.
Notes to the Financial Statements

For the year ended April 30, 2023

9. Operations

	2023	2022
Revenue		
Advertising	9,295	14,792
Bus pass	98,051	111,460
Handbook	11,710	14,113
Interest	3,967	9,987
Lease	116,963	47,486
Locker	13,043	1,112
Other	6,130	2,383
Sponsorship	16,502	6,980
	275,661	208,313
Expenses		
Amortization	23,713	17,416
Bus passes	79,064	114,977
Campaigns and promotions	136,664	53,181
Insurance	6,155	6,037
Office	206,365	76,513
Professional fees	132,354	45,212
Repairs and maintenance	16,143	15,210
Salaries and benefits	1,445,017	1,121,200
Training	80,012	10,320
Travel	34,203	7,297
U of R operating costs	32,322	27,960
	2,192,012	1,495,323
	(1,916,351)	(1,287,010)

Students' Union of the University of Regina Inc.

Notes to the Financial Statements

For the year ended April 30, 2023

10. Owl

	2023	2022
Revenue		
Food and drink	361,594	169,216
Rental	54,737	45,019
Other	316	-
	416,647	214,235
Expenses		
Amortization	83,826	78,223
Bad debts	-	2,880
Campaigns and promotions	8,401	22,598
Entertainment	9,717	5,713
Food and drink cost of goods	197,521	145,891
Insurance	12,311	12,074
Office	55,054	29,376
Professional fees	1,256	-
Repairs and maintenance	15,357	18,556
Salaries and benefits	664,258	505,338
Training	650	428
Travel	2,671	996
U of R operating costs	131,344	116,120
	1,182,366	938,193
	(765,719)	(723,958)

11. Credit facilities

As of April 30, 2023, the Students' Union has a line of credit totaling \$1,000,000 (2022 - \$nil) bearing interest at prime minimum 0.25%, of which \$493,242 (2022 - \$nil) was drawn and an additional \$23,639 is in outstanding cheques. The line of credit is secured by a general security agreement.

12. Commitments

The Students' Union is committed to paying the monthly operating costs of their premises to the University of Regina. The amount payable varies annually 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. This agreement was extended an additional year to April 30, 2024 as a result of the COVID-19 pandemic and no funds being transferred during the 2020/2021 fiscal year. The Students' Union shall pay the City of Regina the sum of \$2,124,452 for the 2023/2024 (\$2,000,000 for 2022/2023) 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.

Students' Union of the University of Regina Inc.

Notes to the Financial Statements

For the year ended April 30, 2023

13. Government assistance

In 2022, the Students' Union recognized \$264,882 in Canada Emergency Wage Subsidy ("CEWS") as other income. CEWS, introduced in response to the COVID-19 (a.k.a. coronavirus) pandemic, provides eligible employers with a subsidy to cover a portion of wage costs paid to eligible employees during prescribed claim periods. There are no unfulfilled conditions related to amounts recognized. However, amounts claimed under these programs are subject to validation and detailed verification by the Federal Government. Due to the nature of the eligibility requirements and related calculations judgment is applied in assessing compliance, management believes that the Students' Union has complied with all conditions.

In 2022, the Students' Union has determined that it had qualified for the Saskatchewan Small Business Emergency Payment Program (SSBEP). The Students' Union has applied for government assistance related to the SSBEP in the amount of \$5,000 which was recognized and received in the 2022 fiscal year and has been reflected in income as other income.

14. Financial instruments

The Students' Union, as part of its operations, carries a number of financial instruments. It is management's opinion that the Students' Union 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 Students' Union to concentrations of credit risk consist of accounts receivable. As at April 30, 2023, one customer (2022 - zero) accounted for 95% of accounts receivable, 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.

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.

In seeking to minimize the risks from interest rate fluctuations, the Students' Union manages its exposure by selecting investments with a fixed rate of return.

15. Comparative figures

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