

**Students' Union of the University of Regina Inc.**  
**Financial Statements**  
*April 30, 2024*

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, 2024, 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, 2024, 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.

## Material Uncertainty Related to Going Concern

We draw attention to Note 2 of the financial statements, which indicates that the Students' Union's unrestricted net assets are in a deficit position of \$1,368,362 as at April 30, 2024 as a result of recurring deficiencies of revenues over expenses. As stated in Note 2, these events or conditions indicate that a material uncertainty exists that may cast significant doubt on the Students' Union's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

## 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 10, 2024

*MNP LLP*

Chartered Professional Accountants

# Students' Union of the University of Regina Inc.

## Statement of Financial Position

*As at April 30, 2024*

	<b>2024</b>	<b>2023</b>
<b>Assets</b>		
<b>Current</b>		
Cash	62,464	41,460
Accounts receivable	68,158	994,252
Short-term investments (Note 4)	103,659	100,901
Prepaid expenses and deposits	30,337	21,856
Inventory (Note 5)	36,317	22,061
	<b>300,935</b>	<b>1,180,530</b>
<b>Capital assets (Note 6)</b>	<b>458,087</b>	<b>516,730</b>
<b>Investments (Note 4)</b>	<b>3,237,029</b>	<b>3,127,883</b>
	<b>3,996,051</b>	<b>4,825,143</b>
<b>Liabilities</b>		
<b>Current</b>		
Bank indebtedness	1,093,381	516,881
Accounts payable and accruals	1,250,291	1,568,148
Government remittance payable	2,460	18,633
Deferred revenue	913,452	699,741
Current portion of long-term debt (Note 7)	-	40,000
	<b>3,259,584</b>	<b>2,843,403</b>
<b>Net Assets</b>		
Invested in capital assets	458,087	516,730
Internally restricted (Note 8)	1,646,742	1,324,472
Unrestricted	(1,368,362)	140,538
	<b>736,467</b>	<b>1,981,740</b>
	<b>3,996,051</b>	<b>4,825,143</b>

Approved on behalf of the Board



Director



Director

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, 2024*

	<b>2024</b>	<b>2023</b>
<b>Revenue</b>		
Executive and Board of Directors <i>(Note 9)</i>	33,320	26,616
Investment Income	92,248	7,031
Operations <i>(Note 10)</i>	745,761	275,661
Owl <i>(Note 11)</i>	497,941	416,647
Student fees	5,445,091	5,127,957
U-Pass revenue	2,093,879	2,090,452
	<b>8,908,240</b>	7,944,364
<b>Expenses</b>		
Executive & Board of Directors <i>(Note 9)</i>	579,495	561,398
Operations <i>(Note 10)</i>	2,881,275	2,177,073
Owl <i>(Note 11)</i>	1,160,448	1,182,366
Restricted fund disbursements <i>(Note 8)</i>	1,976,762	1,884,751
Student fees	1,598,194	1,402,422
U-Pass expenses	1,838,000	2,155,964
Student Legal Advocacy Center	136,237	59,349
	<b>10,170,411</b>	9,423,323
<b>Deficiency of revenue over expenses before other items</b>	<b>(1,262,171)</b>	<b>(1,478,959)</b>
<b>Other items</b>		
Unrealized gain on investments	16,898	20,117
<b>Deficiency of revenue over expenses</b>	<b>(1,245,273)</b>	<b>(1,458,842)</b>

*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, 2024*

	<i>Invested in capital assets</i>	<i>Internally restricted (Note 8)</i>	<i>Unrestricted</i>	<b>2024</b>	<i>2023</i>
<b>Net assets, beginning of year</b>	<b>516,730</b>	<b>1,324,472</b>	<b>140,538</b>	<b>1,981,740</b>	3,440,582
<b>Deficiency of revenue over expenses</b>	<b>(116,031)</b>	-	<b>(1,129,242)</b>	<b>(1,245,273)</b>	(1,458,842)
<b>Allocations</b>	-	<b>2,356,054</b>	<b>(2,356,054)</b>	-	-
<b>Disbursements</b>	-	<b>(2,033,784)</b>	<b>2,033,784</b>	-	-
<b>Investment in capital assets</b>	<b>57,388</b>	-	<b>(57,388)</b>	-	-
<b>Net assets, end of year</b>	<b>458,087</b>	<b>1,646,742</b>	<b>(1,368,362)</b>	<b>736,467</b>	1,981,740

*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, 2024*

	<b>2024</b>	<b>2023</b>
<b>Cash provided by (used for) the following activities</b>		
<b>Operating</b>		
Deficiency of revenue over expenses	(1,245,273)	(1,458,842)
Amortization	116,031	114,438
Change in market value - long-term investments	(16,898)	(20,117)
	<b>(1,146,140)</b>	<b>(1,364,521)</b>
Changes in working capital accounts		
Accounts receivable	923,336	(955,154)
Inventory	(14,256)	(3,879)
Prepaid expenses and deposits	(8,481)	32,813
Accounts payable and accruals	(317,857)	281,386
Deferred revenue	213,711	28,321
Government remittance payable	(16,173)	10,449
	<b>(365,860)</b>	<b>(1,970,585)</b>
<b>Financing</b>		
Repayment of long-term debt	(40,000)	-
<b>Investing</b>		
Investment earnings, reinvested	(92,248)	(7,031)
Proceeds on disposal of short-term investments	-	347,493
Purchase of capital assets	(57,388)	(86,266)
Purchase of long-term investments	-	(3,138,720)
Proceeds on disposal of investments	-	3,136,503
	<b>(149,636)</b>	<b>251,979</b>
<b>Decrease in cash resources</b>	<b>(555,496)</b>	<b>(1,718,606)</b>
<b>Cash (deficiency) resources, beginning of year</b>	<b>(475,421)</b>	<b>1,243,185</b>
<b>Cash deficiency, end of year</b>	<b>(1,030,917)</b>	<b>(475,421)</b>
<b>Cash resources (deficiency) are composed of:</b>		
Cash	62,464	41,460
Bank indebtedness	(1,093,381)	(516,881)
	<b>(1,030,917)</b>	<b>(475,421)</b>

*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, 2024

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### 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. Going concern

These financial statements have been prepared on a going concern basis, which contemplates the realization of assets and the payment of liabilities in the ordinary course of business. Should the Students' Union be unable to continue as a going concern, it may be unable to realize the carrying value of its assets and to meet its liabilities as they become due.

The Students' Union has incurred an operating loss of \$1,245,273 (2023 - \$1,458,842). This loss has resulted in an accumulated unrestricted deficit of \$1,368,362 as at April 30, 2024. The Students' Union's ability to continue as a going concern is dependent upon its ability to attain profitable operations and generate funds therefrom, and to continue to obtain borrowings from third parties sufficient to meet current and future obligations and/or restructure the existing debt and payables. These financial statements do not reflect the adjustments or reclassification of assets and liabilities which would be necessary if the Students' Union were unable to continue its operations.

### 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:

#### ***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.

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# Students' Union of the University of Regina Inc.

## Notes to the Financial Statements

For the year ended April 30, 2024

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### **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.

	<b>Rate</b>
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 Organization recognizes financial instruments when the Organization 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 Organization may irrevocably elect to subsequently measure any arm's length financial instrument at fair value. The Organization has made such an election during the year.

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 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 Organization assesses impairment of all its financial assets measured at cost or amortized cost. The Organization 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 Organization determines whether it has resulted in a significant adverse change in the expected timing or amount of future cash flows during the year.

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 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 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 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, 2024*

### 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.

### 4. 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 and are reinvested as they mature.

### 5. Inventory

	<b>2024</b>	<b>2023</b>
Food and beverages	<b>36,317</b>	22,061

The cost of inventories recognized as an expense and included in Owl expenses amounted \$181,387 (2023 – 163,594).

### 6. Capital assets

	<b>Cost</b>	<b>Accumulated amortization</b>	<b>2024 Net book value</b>	<b>2023 Net book value</b>
Equipment	1,004,711	666,019	338,692	366,067
Leasehold improvements	413,217	293,822	119,395	150,663
	<b>1,417,928</b>	<b>959,841</b>	<b>458,087</b>	<b>516,730</b>

Included in expenses in the current year is amortization of \$116,031 (2023 - \$114,438).

# Students' Union of the University of Regina Inc.

## Notes to the Financial Statements

*For the year ended April 30, 2024*

### 7. Long-term debt

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

### 8. 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
Health & Dental Stabilization Reserve	823,172	2,035,480	(1,819,680)	1,038,972
Emergency Bursary Reserve	(55,573)	7,384	(74,145)	(122,334)
Capital Improvement Reserve	513,147	139,560	(57,387)	595,320
Refugee Sponsorship Reserve	43,726	173,630	(82,572)	134,784
	<u>1,324,472</u>	<u>2,356,054</u>	<u>(2,033,784)</u>	<u>1,646,742</u>

### 9. Executive and Board of Directors

	<b>2024</b>	<b>2023</b>
<b>Revenue</b>		
Sponsorship	<b>33,320</b>	26,616
<b>Expenses</b>		
Amortization	<b>7,426</b>	6,899
Board expenses and travel	<b>40,617</b>	33,246
Campaigns and promotions	<b>66,402</b>	71,030
Club funding	-	6,252
Honourarium and benefits	<b>230,678</b>	204,988
Insurance	<b>3,612</b>	3,323
Office	<b>55,642</b>	45,835
P.E.C. funding	<b>74,767</b>	73,097
Professional fees	<b>36,789</b>	42,301
Repair and maintenance	<b>813</b>	2,969
Scholarships	<b>2,400</b>	1,600
Student program fees	<b>11,107</b>	9,744
Training	<b>14,791</b>	6,058
Welcome week	<b>34,451</b>	54,056
	<b>579,495</b>	561,398
	<b>(546,175)</b>	(534,782)

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

*For the year ended April 30, 2024*

**10. Operations**

	<b>2024</b>	<b>2023</b>
<b>Revenue</b>		
Advertising	10,425	9,295
Bus pass	527,166	98,051
Handbook	3,969	11,710
Interest	5,399	3,967
Lease	110,868	116,963
Locker	13,058	13,043
Other	51,233	6,130
Sponsorship	23,643	16,502
	<b>745,761</b>	<b>275,661</b>
<b>Expenses</b>		
Amortization	27,413	23,713
Bus passes	614,785	79,064
Campaigns and promotions	71,335	136,664
Insurance	7,465	6,155
Office	328,016	206,365
Professional fees	236,117	132,354
Repairs and maintenance	23,635	16,143
Salaries and benefits	1,503,139	1,430,078
Training	5,040	80,012
Travel	29,682	34,203
U of R operating costs	34,648	32,322
	<b>2,881,275</b>	<b>2,177,073</b>
	<b>(2,135,514)</b>	<b>(1,901,412)</b>

# Students' Union of the University of Regina Inc.

## Notes to the Financial Statements

*For the year ended April 30, 2024*

### 11. Owl

	2024	2023
<b>Revenue</b>		
Food and drink	422,219	361,594
Rental	65,829	54,737
Other	9,893	316
	497,941	416,647
<b>Expenses</b>		
Amortization	81,192	83,826
Bad debts	6,153	-
Campaigns and promotions	18,715	8,401
Entertainment	12,475	9,717
Food and drink cost of goods	241,102	197,521
Insurance	12,227	12,311
Office	41,934	55,054
Professional fees	5,470	1,256
Repairs and maintenance	23,973	15,357
Salaries and benefits	567,108	664,258
Training	1,028	650
Travel	302	2,671
U of R operating costs	148,769	131,344
	1,160,448	1,182,366
	(662,507)	(765,719)

### 12. Credit facilities

As of April 30, 2024, the Students' Union has a line of credit totaling \$1,000,000 (2023 - \$1,000,000) bearing interest at prime minus 0.25%, of which \$948,775 (2023 - \$493,242) was drawn and an additional \$144,606 (2023 - \$23,639) is in outstanding cheques. The line of credit is secured by a general security agreement.

### 13. 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.

#### **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.