

**UFV Student Union Society**  
**Financial Statements**  
*March 31, 2014*

## **Management's Responsibility**

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To the Members of UFV Student Union Society:

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 primarily 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 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.

August 28, 2014

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Executive Director

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President

# Independent Auditors' Report

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To the Members of UFV Student Union Society:

## Report on Financial Statements

We have audited the accompanying financial statements of UFV Student Union Society, which comprise the statement of financial position as at March 31, 2014, 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 UFV Student Union Society as at March 31, 2014 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.

Without modifying our opinion, we draw attention to Note 9 to the financial statements which indicates that the comparative information presented as at and for the year ended March 31, 2013 has been restated.

### *Other Matter*

The financial statements of the UFV Student Union Society as at and for the year ended March 31, 2013 were audited by another auditor who expressed an unmodified opinion on those financial statements on September 13, 2013.

## Report on Other Legal and Regulatory Requirements

As required by the Society Act (British Columbia), we report that, in our opinion, the accounting principles in Canadian accounting standards for not-for-profit organizations have been applied on a basis consistent with that of the preceding year.

Chilliwack, British Columbia

August 28, 2014

*MNP* LLP  
Chartered Accountants

# UFV Student Union Society

## Statement of Financial Position

*As at March 31, 2014*

	Operating Fund	Health and Dental Plan Fund	2014	2013
				<i>Restated</i>
<b>Current</b>				
Cash held by the University of the Fraser Valley	409,674	70,161	479,835	311,115
Accounts receivable	4,744	-	4,744	-
Restricted cash	4,547,510	-	4,547,510	3,822,352
Prepaid expenses and deposits (Note 10)	9,570	217,953	227,525	226,443
Inventory	2,775	-	2,775	-
	<b>4,974,273</b>	<b>288,114</b>	<b>5,262,389</b>	4,359,910
<b>Capital assets (Note 3)</b>	<b>140,113</b>	<b>-</b>	<b>140,112</b>	5,891
	<b>5,114,386</b>	<b>288,114</b>	<b>5,402,501</b>	4,365,801
<b>Liabilities</b>				
<b>Current</b>				
Accounts payable and accruals (Note 4) (Note 10)	19,888	-	19,888	4,280
Deferred revenue (Note 5), (Note 10)	242,109	286,239	528,349	484,164
	<b>261,997</b>	<b>286,239</b>	<b>548,237</b>	488,444
<b>Net Assets</b>				
Unrestricted	158,010	-	158,010	132,336
Restricted - Building fund	4,554,266	-	4,554,266	3,736,935
Restricted - Health and Dental Plan fund	-	1,875	1,875	2,195
Invested in capital assets	140,113	-	140,113	5,891
	<b>4,852,389</b>	<b>1,875</b>	<b>4,854,264</b>	3,877,357
	<b>5,114,386</b>	<b>288,114</b>	<b>5,402,501</b>	4,365,801

Approved on behalf of the Board

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Director

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Director

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

# UFV Student Union Society

## Statement of Operations

*For the year ended March 31, 2014*

	<i>Operating Fund</i>	<i>Health and Dental Plan Fund</i>	<b>2014</b>	<i>2013</i>  <i>Restated</i>
<b>Revenue</b>				
U-Pass fees <i>(Note 9), (Note 10)</i>	924,992	-	924,992	913,145
Building fees <i>(Note 10)</i>	764,957	-	764,957	831,333
Health and dental plan <i>(Note 10)</i>	-	679,843	679,843	702,729
Student fees <i>(Note 10)</i>	657,720	-	657,720	664,715
Shuttle bus <i>(Note 9)</i>	216,537	-	216,537	-
Aftermath sales <i>(Schedule 1)</i>	110,747	-	110,747	142,576
Interest	63,615	-	63,615	74,142
Program subsidies	30,000	-	30,000	-
Vending contract	12,488	-	12,488	18,359
Handbook advertising	6,097	-	6,097	-
Other revenue	2,738	-	2,738	10,969
ATM Commissions	2,038	-	2,038	3,463
Sponsorship	122	-	122	-
	<b>2,792,051</b>	<b>679,843</b>	<b>3,471,894</b>	<b>3,361,431</b>
<b>Expenses</b>				
Advertising and promotion	8,767	-	8,767	15,234
Amortization	5,382	-	5,382	7,826
Bad debts	193	-	193	-
Bank charges and interest	707	-	707	48
Business fees, dues and licences	1,619	-	1,619	-
Catalogue handbook	22,763	-	22,763	11,834
Conferences and travel	19,267	-	19,267	13,121
Contribution to endowment <i>(Note 11)</i>	100,000	-	100,000	-
Events	73,414	-	73,414	68,594
Financial aid	29,000	-	29,000	30,000
Grants	11,353	-	11,353	18,490
Health and dental premiums <i>(Note 10)</i>	-	680,163	680,163	701,978
Insurance <i>(Note 10)</i>	11,110	-	11,110	9,935
My Safe Ride Home	-	-	-	20,073
Office equipment lease	7,610	-	7,610	8,512
Office supplies and expenses	13,555	-	13,555	25,727
Postage	432	-	432	718
Professional fees	44,657	-	44,657	48,834
Repairs and maintenance	4,535	-	4,535	8,638
Salaries and benefits	322,312	-	322,312	378,482
Shuttle bus <i>(Note 9)</i>	165,348	-	165,348	-
Student advocacy fees	13,823	-	13,823	15,540
Subcontractors	7,012	-	7,012	4,427
Supplies	79,161	-	79,161	113,261
Telephone	2,717	-	2,717	1,800
U-Pass expenses <i>(Note 9)</i>	870,087	-	870,087	841,294
	<b>1,814,824</b>	<b>680,163</b>	<b>2,494,987</b>	<b>2,344,366</b>
<b>Excess (deficiency) of revenue over expenses</b>	<b>977,227</b>	<b>(320)</b>	<b>976,907</b>	<b>1,017,065</b>

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

**UFV Student Union Society**  
**Statement of Changes in Net Assets**  
*For the year ended March 31, 2014*

	<i>Operating Fund</i>	<i>Health and Dental Plan Fund</i>	<b>2014</b>	<i>2013</i>  <i>Restated</i>
<b>Net assets beginning of year, as previously stated</b>	<b>3,988,000</b>	<b>65,939</b>	<b>4,053,939</b>	3,078,373
<b>Correction of an error (Note 10)</b>	<b>(112,838)</b>	<b>(63,744)</b>	<b>(176,582)</b>	(218,081)
<b>Net assets, beginning of year, as restated</b>	<b>3,875,162</b>	<b>2,195</b>	<b>3,877,357</b>	2,860,292
<b>Excess (deficiency) of revenue over expenses</b>	<b>977,227</b>	<b>(320)</b>	<b>976,907</b>	1,017,065
<b>Net assets, end of year</b>	<b>4,852,389</b>	<b>1,875</b>	<b>4,854,264</b>	3,877,357

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

**UFV Student Union Society**  
**Statement of Cash Flows**  
*For the year ended March 31, 2014*

	<i>Operating Fund</i>	<i>Health and Dental Plan Fund</i>	<i>2014</i>	<i>2013</i>
				<i>Restated</i>
<b>Cash provided by (used for) the following activities</b>				
<b>Operating</b>				
Excess (deficiency) of revenue over expenses	977,227	(320)	976,907	1,017,065
Amortization	5,382	-	5,382	7,826
	982,609	(320)	982,289	1,024,891
Changes in working capital accounts				
Accounts receivable	(4,744)	-	(4,744)	-
Inventory	(2,775)	-	(2,775)	-
Prepaid expenses and deposits	(2,608)	1,526	(1,082)	14,667
Accounts payable and accruals	15,608	-	15,608	4,279
	988,090	1,206	989,296	1,043,837
<b>Financing</b>				
Increase in deferred revenue	41,169	3,015	44,185	24,974
<b>Investing</b>				
Purchase of capital assets	(139,603)	-	(139,603)	-
<b>Increase in cash resources</b>	<b>889,656</b>	<b>4,221</b>	<b>893,878</b>	<b>1,068,811</b>
<b>Cash resources, beginning of year</b>	<b>4,067,528</b>	<b>65,940</b>	<b>4,133,467</b>	<b>3,064,656</b>
<b>Cash resources, end of year</b>	<b>4,957,184</b>	<b>70,161</b>	<b>5,027,345</b>	<b>4,133,467</b>
<b>Cash resources are composed of:</b>				
Cash held by the University of the Fraser Valley	409,675	70,161	479,835	311,115
Restricted cash - Student Union Building	4,547,509	-	4,547,510	3,822,352
	4,957,184	70,161	5,027,345	4,133,467

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

**1. Incorporation and nature of the organization**

UFV Student Union Society (the "Organization") is incorporated under the authority of the Society Act of British Columbia and is registered as a not-for-profit organization and thus is exempt from income taxes under the Income Tax Act ("the Act"). In order to maintain its status as a registered not-for-profit organization under the Act, the Organization must meet certain requirements within the Act. In the opinion of management these requirements have been met.

The Organization's purpose is to create a strong, unified student voice and to provide innovative and valuable services to its members by advocating on behalf of and collaborating with the Student Body, the University of the Fraser Valley, and the community.

**2. Significant accounting policies**

These 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 using the following significant accounting policies:

***Fund accounting***

The Organization follows the restricted fund method of accounting for contributions, and maintains two funds: Operating Fund and Health and Dental Fund.

The Operating Fund reports the Organization's revenue and expenses related to program delivery and administrative activities.

The Health and Dental Fund reports the Organization's assets, liabilities, revenue and expenses related to the management and delivery of health and dental benefits to eligible students.

***Revenue recognition***

The Organization uses the deferral method of accounting for contributions and reports on a fund accounting basis. Restricted contributions and investment income are recognized as revenue of the appropriate fund in the year in which the related expenses are incurred. Unrestricted contributions are recognized as revenue in the Operating Fund when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Revenues for food and beverage sales are recognized when services are provided and payment is collected.

Unrestricted investment income is recognized as revenue in the Operating Fund when earned.

***Cash held by the University of the Fraser Valley***

Cash and cash equivalents include balances held by the University of the Fraser Valley. Cash subject to restrictions that prevent its use for current purposes is included in restricted cash.

***Capital assets***

Purchased capital assets are recorded at cost. Contributed capital assets are recorded at fair value at the date of contribution if fair value can be reasonably determined.

Amortization is provided using the declining balance method at rates intended to amortize the cost of assets over their estimated useful lives.

	<b>Rate</b>
Computer equipment	55 %
Computer software	55 %
Equipment	20 %
Furniture and fixtures	20 %



**UFV Student Union Society**  
**Notes to the Financial Statements**  
*For the year ended March 31, 2014*

**Measurement uncertainty (use of estimates)**

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 collectibility 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.

**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, less estimated costs of completion and selling costs.

**Long-lived assets and discontinued operations**

Long-lived assets consist of capital assets. Long-lived assets held for use are measured and amortized as described in the applicable accounting policies.

When the Organization determines that a long-lived asset no longer has any long-term service potential to the organization, the excess of its net carrying amount over any residual value is recognized as an expense in the statement of operations. Write-downs are not reversed.

**3. Capital assets**

	<i>Cost</i>	<i>Accumulated amortization</i>	<i>2014 Net book value</i>	<i>2013 Net book value</i>
Buildings	122,683	-	122,683	-
Computer equipment	3,984	1,096	2,888	-
Computer software	10,371	2,852	7,519	-
Equipment	2,566	257	2,309	-
Furniture and fixtures	238,693	233,980	4,713	5,891
	<b>378,297</b>	<b>238,185</b>	<b>140,112</b>	<b>5,891</b>

Buildings include capitalized costs related to the construction of the new Student Union Building. No amortization of this asset has been recorded during the current year because it is currently under construction.

**4. Accounts payable and accruals**

Included in accounts payable is \$450 (2013 - \$4,280) payable to Canada Revenue Agency for GST / HST.

**5. Deferred revenue**

Deferred revenue consists of student fees and Health and Dental Plan fees received by March 31, 2014, which relate to the 2015 year.

**UFV Student Union Society**  
**Notes to the Financial Statements**  
*For the year ended March 31, 2014*

**6. Net Assets**

	<b>2014</b>	<i>2013</i> <i>Restated</i>
<b>Unrestricted</b>		
Opening	132,336	13,546
Excess of revenue over expenses	25,674	191,909
Health and Dental Plan transfer	-	(73,119)
	158,010	132,336
<b>Restricted - Building</b>		
Opening	3,736,935	2,899,951
Excess of revenue over expenses	817,331	836,984
	4,554,266	3,736,935
<b>Invested in capital assets</b>		
Opening	5,891	13,717
Additions	139,604	-
Amortization	(5,382)	(7,826)
	140,113	5,891
<b>Restricted - Health and Dental Plan fund</b>		
Opening	2,195	(63,788)
Excess of revenue over expenses	(320)	(7,136)
Health and Dental Plan transfer	-	73,119
	1,875	2,195
	4,854,264	3,877,357

**7. 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.

**8. Commitments**

The Organization is committed to leasing dishwashing equipment, a 20' storage container, and a photocopier. The terms of the lease for the dishwashing equipment call for monthly payments of \$167.95, plus a minimum of \$125 per month in dishwashing equipment product purchases, continuing on a year-to-year basis. The terms of the lease for the 20' storage container call for monthly payments of \$175.88 until March 31, 2015. The terms of the lease for the photocopier call for monthly payments of \$203.84 until January 2018.

The Organization is committed to paying Student Advocacy fees to the Canadian Alliance of Student Associations (CASA) on an annual basis. In 2014, CASA fees paid totalled \$13,823 (2013 - \$13,540).

**UFV Student Union Society**  
**Notes to the Financial Statements**  
*For the year ended March 31, 2014*

**9. Student Union fees**

	<b>2014</b>	<i>2013</i> <i>Restated</i>
<b>U-Pass fees</b>		
Revenue	<b>924,992</b>	913,145
Expenses	<b>(870,087)</b>	(841,293)
	<b>54,905</b>	71,852
<b>Shuttle Bus fees</b>		
Revenue	<b>216,537</b>	-
Expenses	<b>(165,348)</b>	-
	<b>51,189</b>	-

**10. Correction of errors**

During the year the Organization determined that prior year prepaid expenses for health and dental plan coverage and insurance were not recorded. Payments made for health and dental coverage and insurance during the year that relate to coverage periods in the subsequent year must be recorded as prepaid expenses, rather than expenses. The result of this correction was an adjustment that increased prepaid expenses to \$226,443 in the year ended March 31, 2013.

During the year the Organization determined that deferred revenue for Student, U-Pass, Student Union Building and Health and Dental Plan fees were not recorded. Amounts collected during the year that relate to periods in the subsequent year must be recorded as deferred revenue, rather than revenue. The result of this correction was an adjustment that increased deferred revenue to \$484,164 in the year ended March 31, 2013.

During the year the Organization determined that accounts payable were not recorded in the prior year, resulting in an adjustment to reflect the actual balance payable at March 31, 2013 of \$4,280.

The retroactive application of these corrections of errors decreased opening net assets in 2013 by \$218,081 and increased excess of revenue over expenses by \$41,499 and did not have a material impact on the results of operations and financial condition of the Organization.

**11. Contribution to endowment**

During the year, the Organization contributed \$100,000 to an endowment fund held by the University of the Fraser Valley. The income generated by the endowment fund investments will be used for student scholarships and bursaries.

**12. Comparative figures**

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

**UFV Student Union Society**  
**Schedule 1 - Schedule of Aftermath Revenues and Expenses**

*For the year ended March 31, 2014*

	<b>2014</b>	<b>2013</b>
<b>Revenue</b>		
Aftermath sales	<b>110,747</b>	142,576
<b>Expenses</b>		
Advertising and promotion	<b>1,252</b>	1,025
Amortization	<b>3,109</b>	-
Bank charges and interest	<b>413</b>	-
Business fees, dues and licences	<b>1,377</b>	-
Events	<b>810</b>	-
Insurance	<b>9,801</b>	8,621
Office equipment lease	<b>5,439</b>	-
Office supplies and expenses	<b>1,353</b>	10,752
Professional fees	<b>612</b>	-
Repairs and maintenance	<b>4,535</b>	8,638
Salaries and benefits	<b>96,314</b>	117,724
Subcontractors	<b>35</b>	-
Supplies	<b>80,044</b>	113,261
	<b>205,094</b>	260,021
<b>Deficiency of revenue over expenses</b>	<b>(94,347)</b>	(117,445)