

**UFV Student Union Society**  
**Financial Statements**  
*March 31, 2015*

## **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 27, 2015

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Executive Director

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Chief Financial Officer

# 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, 2015, 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, 2015 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.

## **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 27, 2015

*MNP* LLP

Chartered Professional Accountants

# UFV Student Union Society

## Statement of Financial Position

*As at March 31, 2015*

	Operating Fund	Health and Dental Plan Fund	2015	2014
<b>Assets</b>				
<b>Current</b>				
Cash (Note 3)	4,936,687	200,702	5,137,389	5,027,345
Accounts receivable	810	-	810	4,744
Prepaid expenses and deposits	51,512	264,812	316,324	227,525
Inventory	4,232	-	4,232	2,775
	<b>4,993,241</b>	<b>465,514</b>	<b>5,458,755</b>	5,262,389
<b>Capital assets (Note 4)</b>	<b>9,245,489</b>	<b>-</b>	<b>9,245,489</b>	140,112
	<b>14,238,730</b>	<b>465,514</b>	<b>14,704,244</b>	5,402,501
<b>Liabilities</b>				
<b>Current</b>				
Accounts payable and accruals (Note 5)	91,742	-	91,742	19,888
Deferred revenue (Note 6)	422,271	347,045	769,316	528,349
	<b>514,013</b>	<b>347,045</b>	<b>861,058</b>	548,237
Term loans due on demand (Note 7)	8,216,741	-	8,216,741	-
	<b>8,730,754</b>	<b>347,045</b>	<b>9,077,799</b>	548,237
<b>Commitments (Note 10)</b>				
<b>Net Assets</b>				
Unrestricted (Note 8)	144,750	-	144,750	158,010
Restricted - Building fund (Note 8)	4,334,478	-	4,334,478	4,554,266
Restricted - Health and Dental Plan fund (Note 8)	-	118,469	118,469	1,875
Invested in capital assets (Note 8)	1,028,748	-	1,028,748	140,113
	<b>5,507,976</b>	<b>118,469</b>	<b>5,626,445</b>	4,854,264
	<b>14,238,730</b>	<b>465,514</b>	<b>14,704,244</b>	5,402,501

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, 2015*

	Operating Fund	Health and Dental Plan Fund	2015	2014
<b>Revenue</b>				
Health and dental plan	-	883,707	883,707	679,843
U-Pass fees <i>(Note 11)</i>	922,694	-	922,694	924,992
Building fees	802,990	-	802,990	764,957
Student fees	652,705	-	652,705	657,720
Shuttle bus <i>(Note 11)</i>	460,170	-	460,170	216,537
Aftermath sales <i>(Schedule 1)</i>	123,459	-	123,459	110,747
Other revenue	98,819	-	98,819	32,738
Interest	64,661	-	64,661	63,615
Vending contract	13,604	-	13,604	12,488
Donations	2,876	-	2,876	-
Handbook advertising	2,095	-	2,095	6,219
ATM Commissions	1,864	-	1,864	2,038
	<b>3,145,937</b>	<b>883,707</b>	<b>4,029,644</b>	<b>3,471,894</b>
<b>Expenses</b>				
Advertising and promotion	26,573	-	26,573	31,530
Amortization	20,295	-	20,295	5,382
Bad debts	21,952	-	21,952	193
Bank charges and interest	53,132	-	53,132	707
Business fees, dues and licences	2,297	-	2,297	1,753
Catering	1,462	-	1,462	-
Conferences and travel	14,441	-	14,441	13,599
Contribution to endowment	84,251	-	84,251	100,000
Events	66,700	-	66,700	73,414
Financial aid	59,141	-	59,141	29,000
Grants	4,900	-	4,900	11,353
Health and dental premiums	-	767,114	767,114	680,163
Insurance	9,801	-	9,801	11,110
Interest	183,265	-	183,265	-
Miscellaneous	2,244	-	2,244	-
Office equipment lease	8,251	-	8,251	7,610
Office supplies and expenses	23,781	-	23,781	14,052
Professional development	5,589	-	5,589	5,813
Professional fees	41,734	-	41,734	44,657
Repairs and maintenance	10,409	-	10,409	4,535
Salaries and benefits	472,461	-	472,461	321,738
Shuttle bus <i>(Note 11)</i>	376,190	-	376,190	165,348
Student advocacy fees	26,341	-	26,341	13,823
Subcontractors	2,947	-	2,947	7,351
Supplies	84,778	-	84,778	79,161
Telephone	2,525	-	2,525	2,717
Training and education	4,890	-	4,890	(110)
U-Pass expenses <i>(Note 11)</i>	880,000	-	880,000	870,087
	<b>2,490,350</b>	<b>767,114</b>	<b>3,257,464</b>	<b>2,494,986</b>
<b>Excess of revenue over expenses</b>	<b>655,587</b>	<b>116,593</b>	<b>772,180</b>	<b>976,908</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, 2015*

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	<i>Operating Fund</i>	<i>Health and Dental Plan Fund</i>	<b>2015</b>	<b>2014</b>
<b>Net assets beginning of year</b>	<b>4,852,389</b>	<b>1,876</b>	<b>4,854,265</b>	3,877,357
<b>Excess of revenue over expenses</b>	<b>655,587</b>	<b>116,593</b>	<b>772,180</b>	976,908
<b>Net assets, end of year</b>	<b>5,507,976</b>	<b>118,469</b>	<b>5,626,445</b>	4,854,265

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*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, 2015*

	<i>Operating Fund</i>	<i>Health and Dental Plan Fund</i>	<i>2015</i>	<i>2014</i>
<b>Cash provided by (used for) the following activities</b>				
<b>Operating</b>				
Excess of revenue over expenses	661,322	116,593	772,180	976,908
Amortization	20,295	-	20,295	5,382
Bad debts	21,952	-	-	-
	<b>703,569</b>	<b>116,593</b>	<b>792,475</b>	<b>982,290</b>
Changes in working capital accounts				
Accounts receivable	3,934	-	3,934	(4,744)
Inventory	(1,457)	-	(1,458)	(2,776)
Prepaid expenses and deposits	(48,789)	(46,859)	(88,799)	(1,082)
Accounts payable and accruals	66,119	-	71,854	15,608
	<b>723,376</b>	<b>69,734</b>	<b>778,006</b>	<b>989,296</b>
<b>Financing</b>				
Advances of term loans due on demand	8,216,741	-	8,216,741	-
Increase in deferred revenue	180,161	60,807	240,968	44,185
	<b>8,396,902</b>	<b>60,807</b>	<b>8,457,709</b>	<b>44,185</b>
<b>Investing</b>				
Purchase of capital assets	(9,125,671)	-	(9,125,671)	(139,603)
<b>Increase (decrease) in cash resources</b>	<b>(5,393)</b>	<b>130,541</b>	<b>110,044</b>	<b>893,878</b>
<b>Cash resources, beginning 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, end of year</b>	<b>4,936,687</b>	<b>200,702</b>	<b>5,137,389</b>	<b>5,027,345</b>
<b>Supplementary cash flow information</b>				
Cash paid for interest	177,530	-	177,530	-

*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 Plan Fund.

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

The Health and Dental Plan 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, including student fees and Health and Dental Plan fees collected, 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.

***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. Assets not in use, or under construction, are not amortized.

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



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

***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. Cash**

Included in Health and Dental Plan Fund cash is \$181,788 due from BMO General Operating chequing account.

**4. Capital assets**

	<b>Cost</b>	<b>Accumulated amortization</b>	<b>2015 Net book value</b>	<b>2014 Net book value</b>
Buildings	8,841,772	-	8,841,772	122,683
Computer equipment	119,185	3,423	115,762	2,888
Computer software	54,756	19,193	35,563	7,519
Equipment	4,781	940	3,841	2,309
Furniture and fixtures	483,474	234,923	248,551	4,713
	<b>9,503,968</b>	<b>258,479</b>	<b>9,245,489</b>	<b>140,112</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.

**5. Accounts payable and accruals**

Included in accounts payable is \$nil (2014 - \$450) payable to Canada Revenue Agency for GST / HST.

**UFV Student Union Society**  
**Notes to the Financial Statements**  
*For the year ended March 31, 2015*

**6. Deferred revenue**

Deferred revenue consists of student fees and Health and Dental Plan fees received by March 31, 2015, which relate to the 2016 year.

**7. Term loans due on demand**

	<b>2015</b>	<b>2014</b>
Envision Financial commercial mortgage, bearing interest at 4.850% payable in monthly interest only instalments, maturing June 20, 2015, secured by a Commercial Promissory Note for \$10,000,000	<b>8,216,741</b>	-

**8. Net Assets**

	<b>2015</b>	<b>2014</b>
<b>Unrestricted</b>		
Opening	<b>158,010</b>	132,336
Excess (deficiency) of revenue over expenses	<b>(13,260)</b>	25,674
	<b>144,750</b>	158,010
<b>Restricted - Building Fund</b>		
Opening	<b>4,554,266</b>	3,736,935
Excess (deficiency) of revenue over expenses	<b>(219,788)</b>	817,331
	<b>4,334,478</b>	4,554,266
<b>Invested in capital assets</b>		
Opening	<b>140,113</b>	5,891
Additions	<b>9,125,671</b>	139,604
Amortization	<b>(20,295)</b>	(5,382)
Mortgage	<b>(8,216,741)</b>	-
	<b>1,028,748</b>	140,113
<b>Restricted - Health and Dental Plan fund</b>		
Opening	<b>1,875</b>	2,195
Excess (deficiency) of revenue over expenses	<b>116,594</b>	(320)
	<b>118,469</b>	1,875
	<b>5,626,445</b>	4,854,264

**UFV Student Union Society**  
**Notes to the Financial Statements**  
*For the year ended March 31, 2015*

**9. 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 currency, credit, liquidity or other price risks arising from these financial instruments.

Interest rate risk is the risk that the value of a financial instrument might be adversely affected by a change in the interest rates. In seeking to minimize the risks from interest rate fluctuations, the Organization manages exposure through its normal operating and financing activities. The Organization is exposed to interest rate price risk on its mortgage with a fixed interest rate.

**10. Commitments**

The Organization is committed to leasing a photocopier. 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 2015, CASA fees paid totaled \$26,341 (2014 - \$13,823).

**11. Student Union fees**

	2015	2014
<b>U-Pass fees</b>		
Revenue	922,694	924,992
Expenses	<b>(880,000)</b>	(870,087)
	<b>42,694</b>	54,905
<b>Shuttle Bus fees</b>		
Revenue	460,170	216,537
Expenses	<b>(376,190)</b>	(165,348)
	<b>83,980</b>	51,189

**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, 2015*

	2015	2014
<b>Revenue</b>		
Aftermath sales	<b>123,459</b>	110,747
<b>Expenses</b>		
Advertising and promotion	<b>611</b>	1,252
Amortization	<b>17,561</b>	3,109
Bank charges and interest	<b>2,462</b>	413
Business fees, dues and licences	<b>1,907</b>	1,377
Catering	<b>326</b>	-
Conferences and travel	<b>214</b>	-
Events	<b>857</b>	810
Insurance	<b>6,527</b>	9,801
Office equipment lease	<b>3,235</b>	5,439
Office supplies and expenses	<b>6,252</b>	1,553
Professional development	<b>1,736</b>	-
Professional fees	<b>702</b>	612
Repairs and maintenance	<b>4,927</b>	4,535
Salaries and benefits	<b>107,969</b>	95,740
Subcontractors	<b>650</b>	374
Supplies	<b>81,326</b>	80,044
Training and education	<b>1,164</b>	35
	<b>238,426</b>	205,094
<b>Deficiency of revenue over expenses</b>	<b>(114,967)</b>	(94,347)