

CAPILANO STUDENTS' UNION ASSOCIATION

Financial Statements

Year Ended May 31, 2013 and 2012

	Page
AUDITORS' REPORT	1
FINANCIAL STATEMENTS	
Statement of Fund Balances	2
Statement of Operations and Changes in Fund Balances	3
Statement of Cash Flows	4
Notes to the Financial Statements	5-8
Schedule 1 – Member Services	9
Schedule 2 – Office Expenses	10
Schedule 3 – Association Operations	11

INDEPENDENT AUDITORS' REPORT

To the Members of Capilano Students' Union Association:

We have audited the statement of fund balances of Capilano Students' Union Association as at May 31, 2013, May 31, 2012 and June 1, 2011 and the statement of operations and changes in fund balances and cash flows for the years ended May 31, 2013 and May 31, 2012, 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 Auditing Standards, 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 Accounting Standards for Not-for-Profit Organizations. 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 auditor's judgement, including the assessment of 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 audit 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 Capilano Students' Union Association as at May 31, 2013, May 31, 2012 and June 1, 2011, and its financial performance and its cash flows for the years ended May 31, 2013 and May 31, 2012 in accordance with Canadian Accounting Standards for Not-for-Profit Organizations.

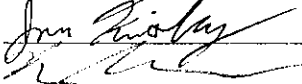
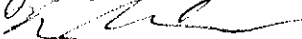
Vancouver, British Columbia
September 17, 2013


"BUCKLEY DODDS PARKER LLP"
Chartered Accountants

CAPILANO STUDENTS' UNION ASSOCIATION
(Incorporated under the Society Act of British Columbia)
Statement of Fund Balances
Years Ended May 31, 2013, May 31, 2012 and June 1, 2011

	Operating Fund	Capital Asset Fund	Building Fund	Health and Dental Fund	March 31, 2013	March 31, 2012	June 1, 2011
ASSETS							
CURRENT							
Cash and term deposits	\$ 377,543	\$ -	\$ 91,033	\$ 338,567	\$ 807,243	\$ 626,709	\$ 1,483,340
Interfund transfers	(28,655)	-	28,784	(129)	-	-	-
Accounts receivable	7,490	-	1,077	-	8,567	6,805	2,588
Inventory	3,951	-	-	-	3,951	3,189	30,839
Prepays (Note 5)	-	-	1,039,110	-	1,039,110	1,075,443	-
	<u>360,329</u>	<u>-</u>	<u>1,160,004</u>	<u>338,538</u>	<u>1,858,871</u>	<u>1,713,146</u>	<u>1,496,767</u>
LONG-TERM							
Equipment and Furniture (Note 3)	-	211,724	-	-	211,724	248,314	5,403
	<u>\$ 360,329</u>	<u>\$ 211,724</u>	<u>\$ 1,160,004</u>	<u>\$ 338,538</u>	<u>\$ 2,070,595</u>	<u>\$ 1,961,460</u>	<u>\$ 1,503,170</u>
LIABILITIES AND FUND BALANCES							
CURRENT							
Accounts payable	\$ 60,366	\$ -	\$ -	\$ -	\$ 60,366	\$ 97,521	\$ 79,304
Deferred revenue	42,177	-	-	-	42,177	35,067	-
	<u>102,543</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>102,543</u>	<u>132,588</u>	<u>79,304</u>
FUND BALANCES							
Building fund - internally restricted	-	-	1,160,004	338,538	1,498,542	1,234,131	1,222,859
Invested in capital assets	-	211,724	-	-	211,724	248,314	5,403
Unrestricted	257,786	-	-	-	257,786	346,427	194,904
	<u>257,786</u>	<u>211,724</u>	<u>1,160,004</u>	<u>338,538</u>	<u>1,968,052</u>	<u>1,828,872</u>	<u>1,423,866</u>
	<u>\$ 360,329</u>	<u>\$ 211,724</u>	<u>\$ 1,160,004</u>	<u>\$ 338,538</u>	<u>\$ 2,070,595</u>	<u>\$ 1,961,460</u>	<u>\$ 1,503,170</u>

Approved on behalf of the board

 Director
 Director

CAPILANO STUDENTS' UNION ASSOCIATION
Statement of Operations and Changes in Fund Balances
Year Ended May 31, 2013

	Operating Fund	Capital Asset Fund	Building Fund	Health and Dental Fund	Total 2013	Total 2012
REVENUE						
Membership fees and levies	\$ 488,142	\$ -	\$ 125,939	\$ 340,292	\$ 1,455,373	\$ 1,437,599
Member services - Schedule 1	29,274	-	-	-	29,274	36,324
Interest and miscellaneous revenue	5,053	-	-	123	5,182	24,860
Handbook advertising	3,000	-	-	-	3,000	13,125
	<u>525,469</u>	<u>-</u>	<u>125,940</u>	<u>340,416</u>	<u>1,492,829</u>	<u>1,511,908</u>
EXPENDITURES						
Amortization	-	71,014	-	-	71,014	64,300
Association operations - Schedule 3	429,741	-	-	-	429,741	406,619
Bursary fund	5,000	-	-	-	5,000	5,000
Equipment and furniture acquisition	21,442	-	-	-	21,442	306,113
Building fund expenditures	-	-	32,776	-	32,776	929
Handbook	29,756	-	-	-	29,756	23,959
Insurance	5,736	-	-	576,840	582,576	306,053
Office expenses - Schedule 2	32,088	-	-	-	32,088	23,716
Professional services	90,347	-	-	-	90,347	43,720
Rent	-	-	37,333	-	37,333	45,609
	<u>614,110</u>	<u>71,014</u>	<u>125,109</u>	<u>576,840</u>	<u>1,388,073</u>	<u>1,726,080</u>
EXCESS (DEFICIENCY OF) REVENUE OVER EXPENDITURES	(88,641)	(71,014)	831	263,580	104,766	214,128
INTERFUND TRANSFERS - Capital assets acquired	-	34,424	-	-	34,424	306,113
CHANGES IN FUND BALANCES FOR THE YEAR	(88,641)	(36,590)	831	263,580	139,180	31,941
FUND BALANCES - beginning of the year	345,427	248,314	1,159,173	74,953	1,828,872	1,736,931
FUND BALANCES - end of year	\$ 257,786	\$ 211,724	\$ 1,160,004	\$ 338,533	\$ 1,968,052	\$ 1,828,972

See accompanying notes to the audited financial statements

CAPILANO STUDENTS' UNION ASSOCIATION
Statement of Cash Flows
Year Ended May 31, 2013

	2013	2012
OPERATING ACTIVITIES		
Excess (deficiency) of revenue over expenditures	\$ 104,756	\$ (214,172)
Add item not requiring cash outlay - amortization	<u>71,014</u>	<u>64,302</u>
	175,770	(149,870)
Net change in non-cash working capital balances related to operations		
(Increase) decrease in current assets	34,809	54,754
Increase (decrease) in current liabilities		
Accounts payable	(37,155)	51,841
Deferred revenue	<u>7,110</u>	<u>35,067</u>
Cash flow from (used) by operating activities	180,534	(8,208)
INVESTING ACTIVITIES		
Prepaid lease	<u>-</u>	<u>(1,076,443)</u>
Cash flow from (used) by investing activities	-	(1,076,443)
NET CHANGE IN CASH DURING THE YEAR		
	180,534	(1,084,651)
CASH - beginning of year	<u>626,709</u>	<u>1,711,360</u>
CASH - end of year	<u>\$ 807,243</u>	<u>\$ 626,709</u>
 Cash paid for:		
Interest paid	<u>\$ 4,334</u>	<u>\$ 3,943</u>
Income taxes	<u>-</u>	<u>-</u>

See accompanying notes to the audited financial statements

CAPILANO STUDENTS' UNION ASSOCIATION
Notes to the Financial Statements
Year Ended May 31, 2013

1. PURPOSES OF THE SOCIETY

The Capilano Students' Union Association (the "Union") was incorporated under the Society Act of British Columbia on September 27, 1971.

The purposes of the Union are to organize students on a democratic, co-operative basis for advancing students' interests, advancing the interests of the students' community, and to provide a common framework within which students can communicate, exchange information, and share experience, skills and ideas.

It is a non-profit organization and is, therefore, tax exempt.

2. SIGNIFICANT ACCOUNTING POLICIES

Fund accounting

The Union uses the deferral method with fund accounting. The major funds are described below:

Operating Fund – The operating fund accounts for the Union's program delivery and administrative activities. This fund represents unrestricted resources.

Capital Asset Fund – Expenditures of an enduring nature have been recorded as expenditures in the operating fund and as additions to the capital asset fund where they are amortized over their expected useful lives.

Student Union Building Fund – During a previous fiscal period an assessed "levy" was approved by the general membership to be put towards a new Student Union Building. This levy became effective January 1, 2001.

Health and Dental Fund – The fund accounts for the CSU's Health and Dental Plan for the whole policy year (September 1 – August 31) after a student referendum voted during the week of April 4 – 8, 2011. The plan became effective September 1, 2011.

Revenue recognition

Restricted contributions are recognized as revenue of the appropriate fund in the year in which the related expenses are incurred. Unrestricted contributions are recognized as revenue of the appropriate fund when received or receivable.

CAPILANO STUDENTS' UNION ASSOCIATION
Notes to the Financial Statements
Year Ended May 31, 2013

2. SIGNIFICANT ACCOUNTING POLICIES cont'd

Capital assets

Purchased capital assets are recorded at cost. Donated capital assets are recorded at fair value at the date of contribution. Repairs and maintenance costs are charged to expense.

Amortization is recorded in the capital asset fund as follows:

New computer equipment	- straight line over 4 years
All other assets	- straight line over 5 years

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 amounts reported in the financial statements and accompanying disclosures. Although these estimates are based on management's knowledge of current events and actions the Society may undertake in the future, actual results may differ from the estimates.

Financial instruments

Financial instruments are recorded at fair value on initial recognition. Equity instruments that are quoted in an active market are subsequently measured at fair value. All other financial instruments are subsequently recorded at cost or amortized at cost, unless management has elected to carry the instruments at fair value. The Society has elected to carry any such financial instruments at fair value.

Transactions costs incurred on the acquisition of financial instruments measured subsequently at fair value are expensed as incurred. All other financial instruments are adjusted by transaction costs incurred on acquisition and financing costs, which are amortized using the straight-line method.

Financial assets are assessed for impairment on an annual basis at the end of the fiscal year if there are indicators of impairment. If there is an indicator of impairment, the Society determines if there is a significant adverse change in the expected amount or timing of future cash flows from the financial asset. If there is a significant adverse change in the expected cash flows, the carrying value of the financial asset is reduced to the highest of the present value of the expected cash flows, the amount that could be realized from selling the financial asset or the amount the Society expects to realize by exercising its right to any collateral. If events and circumstances reverse in a future period, an impairment loss will be reversed to the extent of the improvement, not exceeding the initial carrying value.

CAPILANO STUDENTS' UNION ASSOCIATION
Notes to the Financial Statements
Year Ended May 31, 2013

3. EQUIPMENT AND FURNITURE

			2013	2012
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Office furniture	\$ 16,071	\$ 13,976	\$2,095	\$ 2,799
Stereo equipment	21,470	8,219	13,251	463
Student lounge furniture	41,483	20,381	21,102	13,509
Computer equipment	63,096	56,599	6,497	6,504
Leasehold improvements	<u>329,404</u>	<u>160,625</u>	<u>168,779</u>	<u>225,039</u>
	<u>\$ 471,524</u>	<u>\$259,800</u>	<u>\$211,724</u>	<u>\$248,314</u>

4. STUDENT UNION BUILDING FUND

This fund represents the funds that have been collected via Capilano University after a student referendum voted to charge a capital levy to students for the purpose of eventually buying and construction their own building. On February 4, 2012, the Association entered into a lease agreement with the University and the new space was opened in the Fall of 2012. The fund is used for maintaining the space and is segregated in a separate financial institution.

5. THE CANADIAN FEDERATION OF STUDENTS

The members of the Capilano Students' Union Association are also members of the Canadian Federation of Students. Membership fees of \$104,909 (2012 - \$87,944) were collected via Capilano University and remitted to the Canadian Federation of Students. These fees do not appear as either revenue or expenditure in these financial statements.

6. PREPAIDS

On February 4, 2011, the Association entered into a lease agreement to pay \$1,000,000 plus HST in exchange for a right to occupy space from April 1, 2011 to March 31, 2041. The payment has been made before March 31, 2012.

The payment will be amortized over its useful life (30 years).

CAPILANO STUDENTS' UNION ASSOCIATION
Notes to the Financial Statements
Year Ended May 31, 2013

7. HEALTH AND DENTAL FUND

This fund represents the funds that have been collected via Capilano University after a student referendum voted during the week of April 4 – 8, 2011 to charge the total cost of the Plan is \$226.03 (2012 - \$225.35) per student each September for the purpose of the CSU Health and Dental Plan of the whole policy year (September 1 – August 31).

8. RISK MANAGEMENT

Credit Risk – The Society's financial assets are cash and accounts receivable, both of which are subject to credit risk. The carrying amounts of financial assets on the statements of financial position represent the Society's maximum credit exposure at the statements of fund balances dates.

Interest Rate Risk – Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Changes in the prime interest rate will have a positive or negative impact on the Society interest income. Such exposure will increase accordingly should the Society maintain higher levels of investments in the future.

9. EXPLANATIONS OF TRANSITION TO THE NEW STANDARDS FOR NFPOs

The Society's financial statements for the year-ending May 31, 2013 are the first annual financial statements that will be prepared in accordance with the new accounting standards for NFPOs. The Handbook requires that comparative financial information be provided. As a result, the first date at which the Society has applied the new accounting standards for NFPOs was June 1, 2012 (the "Transition Date"). First-time adopters are required to retrospectively apply all effective standards as of the reporting date, which for the Society will be May 31, 2013. Prior to transition to these standards, the Society prepared its financial statements in accordance with pre-changeover Canadian GAAP.

The estimates previously made by the Society under pre-changeover Canadian GAAP were not revised for the application of the new accounting standards for NFPOs except where necessary to reflect any difference in accounting policy or where there was objective evidence that those estimates were in error. As a result the Society has not used hindsight to revise estimates. There were no changes required.

CAPILANO STUDENTS' UNION ASSOCIATION
 SCHEDULE 1 – MEMBER SERVICES
 Year Ended May 31, 2013

	Revenue	Expenditures	Net Revenue 2013	Net Revenue 2012
Binding	\$ 856	\$ 259	\$ 597	\$ 185
Bookswap	147,677	120,728	26,949	29,519
Branded items	313	125	188	156
Clubs	-	1,412	(1,412)	(1,081)
Diva cups	690	675	15	122
Eat well	-	-	-	40
Fax and telephone	66	90	(24)	104
ISIC	80	60	20	(60)
Locker rentals	1,765	45	1,720	1,558
Miscellaneous	243	97	146	160
Mugs	-	-	-	(446)
Phone cards	308	585	(277)	323
Photocopy sales	254	3,002	(2,748)	(221)
Printing	50	103	(53)	1,491
Ski passes	32,442	28,354	4,088	3,716
Stationery	226	-	226	1,197
Theatre tickets	779	500	279	(221)
Video games	-	440	(440)	(218)
	<u>\$ 185,749</u>	<u>\$ 156,475</u>	<u>\$ 29,274</u>	<u>\$ 36,324</u>

CAPILANO STUDENTS' UNION ASSOCIATION
SCHEDULE 2 – OFFICE EXPENSES
Year Ended May 31, 2013

	<u>2013</u>	<u>2012</u>
Bank charges and interest	\$ 4,334	\$ 3,943
Cash overages/shortages	(313)	69
Computer supplies	1,249	139
Equipment repair and maintenance	17,805	11,237
Miscellaneous office supplies	6,174	4,986
Postage and courier	370	320
Service contracts and photocopy supplies	2,240	2,792
Web hosting	229	290
	<u>\$ 32,088</u>	<u>\$ 23,776</u>

CAPILANO STUDENTS' UNION ASSOCIATION
SCHEDULE 3 – ASSOCIATION OPERATIONS
Year Ended May 31, 2013

	2013	2012
Campaigns	\$ 22,806	\$ 15,394
Coalition partners	375	620
Election and Annual General Meeting expense	3,392	4,829
Executive orientation	595	5,574
Executive stipends	106,189	83,054
General meetings and conferences	23,649	4,947
Parking and transportation	5,545	5,055
Salaries and benefits	260,335	282,441
Staff liason	2,627	-
Welcome Back Event	3,475	4,228
Workers' Compensation Board	753	477
	<u>\$ 429,741</u>	<u>\$ 406,619</u>