

**CAPILANO STUDENTS' UNION ASSOCIATION**

**Financial Statements**

**May 31, 2015**

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**INDEPENDENT AUDITOR'S 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, 2015 and the statement of operations and changes in fund balances and cash flows for the years 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 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.

**Auditor's 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, 2015, and its financial performance and its cash flows for the periods ended in accordance with Canadian Accounting Standards for Not-for-Profit.

**Report on Legal and Regulatory Requirements**

As required by the Society Act of British Columbia, we reported that, in our opinion, these standards have been applied on a basis consistent with that of the preceding year.

Vancouver, British Columbia  
September 3, 2015



"BUCKLEY DODDS PARKER LLP"  
Chartered Professional Accountants

**CAPILANO STUDENTS' UNION ASSOCIATION**  
**(Incorporated under the Society Act of British Columbia)**  
**Statement of Fund Balances**  
**As At May 31, 2015**

	Operating Fund	Capital Asset Fund	Building Fund	Health and Dental Fund	May 31, 2015	May 31, 2014
<b>ASSETS</b>						
<b>CURRENT</b>						
Cash and term deposits	\$ 502,588	\$ -	\$ 279,619	\$ 344,001	\$ 1,126,208	\$ 836,206
Interfund transfers	182,513	-	(193,994)	11,481	-	-
Accounts receivable	10,544	-	160	-	10,704	95,131
Inventory	1,372	-	-	-	1,372	1,631
Prepays (Note 6 & 7)	2,588.00	-	964,443	196,276	1,163,307	1,188,783
	699,605	-	1,050,228	551,758	2,301,591	2,121,751
<b>LONG-TERM</b>						
Equipment and Furniture (Note 3)	-	299,825	-	-	299,825	149,982
	\$ 699,605	\$ 299,825	\$ 1,050,228	\$ 551,758	\$ 2,601,416	\$ 2,271,733
<b>LIABILITIES AND FUND BALANCES</b>						
<b>CURRENT</b>						
Accounts payable	\$ 87,345	\$ -	\$ 31,442	\$ -	\$ 118,787	\$ 71,359
Deferred revenue	74,769	-	9,103	-	83,872	1,802
	162,114	-	40,545	-	202,659	73,161
<b>FUND BALANCES</b>						
Internally restricted	-	-	1,009,683	551,758	1,561,441	1,681,715
Invested in capital assets	-	299,825	-	-	299,825	149,982
Unrestricted	537,491	-	-	-	537,491	366,875
	537,491	299,825	1,009,683	551,758	2,398,757	2,198,572
	\$ 699,605	\$ 299,825	\$ 1,050,228	\$ 551,758	\$ 2,601,416	\$ 2,271,733

Approved on behalf of the board:

\_\_\_\_\_  
Director  
\_\_\_\_\_  
Director

**CAPILANO STUDENTS' UNION ASSOCIATION**  
**Statement of Operations and Changes in Fund Balances**  
**For The Year Ended May 31, 2015**

	Operating Fund	Capital Asset Fund	Building Fund	Health and Dental Fund	Total 2015	Total 2014
<b>REVENUE</b>						
Membership fees and levies	\$ 864,728	\$ -	\$ 146,632	\$ 879,865	\$ 1,891,225	\$ 1,887,946
Member services (Schedule 1)	16,380	-	-	-	16,380	28,360
Interest and miscellaneous revenue	4,643	-	3,165	10,806	18,614	5,489
Handbook advertising	3,050	-	-	-	3,050	3,650
	<u>888,801</u>	<u>-</u>	<u>149,797</u>	<u>890,671</u>	<u>1,929,269</u>	<u>1,925,445</u>
<b>EXPENDITURES</b>						
Amortization	-	126,691	-	-	126,691	72,334
Association operations (Schedule 3)	580,890	-	-	-	580,890	573,106
Bursary fund	1,500	-	-	-	1,500	5,000
Equipment and furniture acquisition	1,882	-	274,652	-	276,534	10,592
Building fund expenditures	-	-	45,865	-	45,865	44,230
Handbook	20,614	-	-	-	20,614	23,768
Insurance	6,961	-	-	799,320	806,281	771,909
Office expenses (Schedule 2)	41,819	-	-	3,572	45,391	35,424
Professional services	64,520	-	-	-	64,520	131,821
Rent	-	-	37,333	-	37,333	37,333
	<u>718,185</u>	<u>126,691</u>	<u>357,850</u>	<u>802,892</u>	<u>2,005,618</u>	<u>1,705,517</u>
<b>EXCESS (DEFICIENCY OF) REVENUE OVER EXPENDITURES</b>	170,616	(126,691)	(208,053)	87,779	(76,349)	219,928
<b>INTERFUND TRANSFERS - Capital assets acquired</b>	-	276,534	-	-	276,534	10,592
<b>CHANGES IN FUND BALANCES FOR THE YEAR</b>	170,616	149,843	(208,053)	87,779	200,185	230,520
<b>FUND BALANCES - beginning of the year</b>	366,875	149,982	1,217,736	463,979	2,198,572	1,968,052
<b>FUND BALANCES - end of year</b>	<u>\$ 537,491</u>	<u>\$ 299,825</u>	<u>\$ 1,009,683</u>	<u>\$ 551,758</u>	<u>\$ 2,398,757</u>	<u>\$ 2,198,572</u>

**CAPILANO STUDENTS' UNION ASSOCIATION**  
**Statement of Cash Flows**  
**For Year Ended May 31, 2015**

	2015	2014
<b>OPERATING ACTIVITIES</b>		
Excess (deficiency) of revenue over expenditures	\$ (76,349)	\$ 219,928
Add item not requiring cash outlay - amortization	<u>126,691</u>	<u>72,334</u>
	<u>50,342</u>	<u>292,262</u>
Net change in non-cash working capital balances related to operations		
(Increase) decrease in current assets	110,162	(233,917)
Increase (decrease) in current liabilities		
Accounts payable	47,428	10,993
Deferred revenue	<u>82,070</u>	<u>(40,375)</u>
Cash flow from (used) by operating activities	<u>239,660</u>	<u>(263,299)</u>
<b>NET CHANGE IN CASH DURING THE YEAR</b>	<b>290,002</b>	<b>28,963</b>
<b>CASH - beginning of year</b>	<u>836,206</u>	<u>807,243</u>
<b>CASH - end of year</b>	<u><u>\$ 1,126,208</u></u>	<u><u>\$ 836,206</u></u>
<b>Cash paid for:</b>		
Interest paid	<u><u>\$ 1,830</u></u>	<u><u>\$ 5,567</u></u>
Income taxes	<u><u>-</u></u>	<u><u>-</u></u>

**CAPILANO STUDENTS' UNION ASSOCIATION**  
**Notes to the Financial Statements**  
**May 31, 2015**

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1.     **PURPOSES OF THE SOCIETY**

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

The purposes of the Society 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.

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2.     **SIGNIFICANT ACCOUNTING POLICIES**

Fund accounting

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

*Operating Fund* – The operating fund accounts for the Society'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**  
**May 31, 2015**

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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**  
**May 31, 2015**

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3. EQUIPMENT AND FURNITURE

			2015	2014
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Office furniture	\$ 35,789	\$ 19,390	<b>\$16,399</b>	\$ 1,631
Stereo equipment	21,470	14,971	<b>6,499</b>	9,791
Student lounge furniture	64,291	37,179	<b>27,112</b>	14,968
Computer equipment	73,387	67,280	<b>6,107</b>	11,072
Leasehold improvements	<u>563,714</u>	<u>320,006</u>	<b><u>243,708</u></b>	<u>112,520</u>
	<u>\$ 758,651</u>	<u>\$458,826</u>	<b><u>\$299,825</u></b>	<u>\$149,982</u>

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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 Society 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.

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5. THE CANADIAN FEDERATION OF STUDENTS

The members of the Capilano Students' Union Association were also members of the Canadian Federation of Students. Membership fees of \$1,022 (2014 - \$109,729) were collected via Capilano University and remitted to the Canadian Federation of Students. These fees did not appear as either revenue or expenditure in these financial statements.

The Capilano Students' Union held a referendum from March 24 - 28, 2014 and the results led to the termination of membership with the Canadian Federation of Students.

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6. PREPAIDS

On February 4, 2011, the Society 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).

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**CAPILANO STUDENTS' UNION ASSOCIATION**  
**Notes to the Financial Statements**  
**May 31, 2015**

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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 \$229 (2014 - \$226) per student each September for the purpose of the CSU Health and Dental Plan of the whole policy year (September 1 – August 31).

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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.

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**CAPILANO STUDENTS' UNION ASSOCIATION**  
**SCHEDULE 1 – MEMBER SERVICES**  
**May 31, 2015**

	Revenue	Expenditures	Net Revenue 2015	Net Revenue 2014
Binding	\$ 591	\$ 329	\$ 262	\$ 692
Bookswap	104,260	80,411	23,849	27,166
Branded items	189	-	189	(211)
Clubs	-	48	(48)	(100)
Diva cups	450	596	(146)	363
Fax and telephone	53	-	53	61
Games	-	393	(393)	-
General services	678	5,402	(4,724)	-
ISIC	-	40	(40)	-
Locker rentals	1,725	181	1,544	1,705
Miscellaneous	85	1,054	(969)	(850)
Phone cards	-	-	-	(744)
Photocopy sales	-	1,545	(1,545)	(1,047)
Popcorn	70	39	31	102
Printing	216	4,029	(3,813)	(2,289)
Ski passes	53,890	50,014	3,876	5,430
Stationery	-	-	-	(1,028)
Theatre tickets	818	742	76	(106)
U-pass	-	1,108	(1,108)	-
Water	-	714	(714)	(784)
	<u>\$ 163,024</u>	<u>\$ 146,644</u>	<u>\$ 16,380</u>	<u>\$ 28,360</u>

**CAPILANO STUDENTS' UNION ASSOCIATION**  
**SCHEDULE 2 – OFFICE EXPENSES**  
**May 31, 2015**

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	2015	2014
Bank charges and interest	\$ 4,068	\$ 5,567
Books and subscriptions	876	102
Cash overages/shortages	(39)	(442)
Computer supplies	2,114	610
Equipment repair and maintenance	311	15,876
IT support	112	-
Maintenance	18,104	-
Miscellaneous office supplies	8,082	6,497
Postage and courier	519	449
Security	394	221
Service contracts and photocopy supplies	6,297	5,704
Storage locker	559	559
Web hosting	422	281
	<u>\$ 41,819</u>	<u>\$ 35,424</u>

**CAPILANO STUDENTS' UNION ASSOCIATION  
SCHEDULE 3 – ASSOCIATION OPERATIONS  
Year Ended May 31, 2015**

	2015	2014
Campaigns	\$ 17,541	\$ 64,205
Coalition partners	5,525	633
Election and Annual General Meeting expense	5,351	5,947
Events	29,634	2,324
Executive orientation	-	12,241
Executive stipends	87,780	91,205
General meetings and conferences	22,448	24,298
Membership	11,751	
Parking and transportation	9,095	9,891
Salaries and benefits	390,811	353,890
Staff liason	412	8,040
Workers' Compensation Board	542	432
	<u>\$ 580,890</u>	<u>\$ 573,106</u>