
FINANCIAL STATEMENTS

**CAPILANO STUDENTS' UNION
ASSOCIATION**

May 31, 2018



INDEPENDENT AUDITOR'S REPORT

To the Members of
Capilano Students' Union Association

Report on the Financial Statements

We have audited the accompanying financial statements of Capilano Students' Union Association, which comprise the statement of financial position as at May 31, 2018, and the statements of operations, changes in fund balances 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.

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 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 auditor's 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 Association'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 Association'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, 2018, 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.

Report on Other Legal and Regulatory Requirements

As required by the British Columbia Societies Act, we report that the accounting principles used in these financial statements have been applied on a basis consistent with that of the preceding year.

Tompkins Wozny LLP

Vancouver, Canada
October 19, 2018

Chartered Professional Accountants



Tompkins Wozny¹
Chartered Professional Accountants

Capilano Students' Union Association

STATEMENT OF FINANCIAL POSITION

As at May 31

2018

2017

	Operating Fund	Capital Asset Fund	Building Fund	Health & Dental Fund	External Advocacy Fund	Clubs & Events Fund	Intramurals & Recreation Fund	Total
	\$	\$	\$	\$	\$	\$	\$	\$
ASSETS								
Current								
Cash and term deposits [note 3]	721,011	—	511,627	524,907	15,079	3,958	40,989	1,817,571
Accounts receivable [note 4]	76,255	—	38,427	—	3,069	3,142	5,010	125,903
Prepaid expenses	7,045	—	—	258,253	—	—	—	265,298
Total current assets	804,311	—	550,054	783,160	18,148	7,100	45,999	2,208,772
Prepaid lease payments [note 5]	—	—	852,444	—	—	—	—	852,444
Capital assets [note 6]	—	216,271	—	—	—	—	—	216,271
	804,311	216,271	1,402,498	783,160	18,148	7,100	45,999	3,277,487
LIABILITIES AND FUND BALANCES								
Current liabilities								
Accounts payable and accruals [note 7]	85,112	—	—	258,585	—	—	—	343,697
Deferred revenue	1,194	—	—	239,127	—	—	—	240,321
	86,306	—	—	497,712	—	—	—	584,018
Fund balances								
Invested in capital assets	—	216,271	—	—	—	—	—	216,271
Internally restricted	—	—	1,402,498	285,448	18,148	7,100	45,999	1,759,193
Unrestricted	718,005	—	—	—	—	—	—	718,005
	718,005	216,271	1,402,498	285,448	18,148	7,100	45,999	2,693,469
Total fund balances	804,311	216,271	1,402,498	783,160	18,148	7,100	45,999	3,277,487

See accompanying notes to the financial statements

On behalf of the Board:

Board Member

Board Member



Capilano Students' Union Association

STATEMENT OF OPERATIONS
AND CHANGES IN FUND BALANCES

Year ended May 31

	2018					2017		
	Operating Fund	Capital Asset Fund	Building Fund	Health & Dental Fund	External Advocacy Fund	Clubs & Events Fund	Intramurals & Recreation Fund	Total
	\$	\$	\$	\$	\$	\$	\$	\$
REVENUE								
Membership fees and levies	881,607	—	535,161	935,974	45,632	40,101	69,139	1,833,621
Interest and miscellaneous revenue	5,385	—	385	10,133	—	—	—	12,310
Handbook advertising	4,000	—	—	—	—	—	—	964
Service Canada	3,738	—	—	—	—	—	—	3,738
Member services (net)	594	—	—	—	—	—	—	594
AMICCUS Conference	—	—	—	—	—	—	—	(5,006)
	895,324	—	535,546	946,107	45,632	40,101	69,139	1,933,860
EXPENSES								
Health and dental premiums	—	—	—	1,003,567	—	—	—	1,003,567
Personnel and professional [schedule 5]	470,369	—	2,183	—	—	—	16,493	489,045
Association operations [schedule 6]	258,758	—	—	—	—	—	—	258,758
Administrative [schedule 4]	84,926	—	20,389	4,661	—	—	—	109,976
Amortization	—	98,708	—	—	—	—	—	98,708
Building fund expenditures	—	—	52,319	—	—	—	—	52,319
Events and outreach [schedule 2]	—	—	—	—	—	33,001	—	33,001
External advocacy [schedule 1]	—	—	—	—	27,484	—	—	27,484
Intramurals and recreation [schedule 3]	—	—	—	—	—	—	6,647	6,647
AMICCUS Conference	—	—	—	—	—	—	—	—
	814,053	98,708	74,891	1,008,228	27,484	33,001	23,140	2,079,505
Excess of revenue (expenses) for the year	81,271	(98,708)	460,655	(62,121)	18,148	7,100	45,999	452,344
Fund balances, beginning of year	830,627	121,086	941,843	347,569	—	—	—	2,241,125
Purchase of capital assets	(193,893)	193,893	—	—	—	—	—	—
Endowment fund contribution to Capilano University Foundation	—	—	—	—	—	—	—	(13,037)
Fund balances, end of year	718,005	216,271	1,402,498	285,448	18,148	7,100	45,999	2,693,469

See accompanying notes to the financial statements



Capilano Students' Union Association

STATEMENT OF CASH FLOWS

Year ended May 31

	2018					2017		
	Operating Fund	Capital Asset Fund	Building Fund	Health & Dental Fund	External Advocacy Fund	Clubs & Events Fund	Intramurals & Recreation Fund	Total
	\$	\$	\$	\$	\$	\$	\$	\$
OPERATING ACTIVITIES								
Excess of revenue (expense) for the year	81,271	(98,708)	460,655	(62,121)	18,148	7,100	45,999	17,824
Add item not affecting cash	—	98,708	—	—	—	—	—	98,708
Amortization of capital assets	(61,019)	—	(38,427)	—	(3,069)	(3,142)	(5,010)	14,898
Changes in non-cash working capital items	73,792	—	—	(45,813)	—	—	—	(1,296)
Accounts receivable	—	—	37,333	—	—	—	—	37,333
Prepaid expenses	(10,078)	—	—	46,145	—	—	—	228,211
Prepaid lease payments	(280)	—	(91,027)	20,532	—	—	—	58,324
Accounts payable and accruals	83,686	—	368,534	(41,257)	15,079	3,958	40,989	470,989
Deferred revenue	—	—	—	—	—	—	—	(70,775)
Cash provided by (used in) operating activities	83,686	—	368,534	(41,257)	15,079	3,958	40,989	470,989
INVESTING ACTIVITIES								
Purchase of capital assets	—	(193,893)	—	—	—	—	—	(193,893)
Endowment fund contribution to Capilano University Foundation	—	—	—	—	—	—	—	(13,037)
Interfund transfers	(193,893)	193,893	—	—	—	—	—	—
Cash provided by (used in) investing activities	(193,893)	193,893	—	—	—	—	—	(193,893)
Increase (decrease) in cash during the year	(110,207)	—	368,534	(41,257)	15,079	3,958	40,989	399,264
Cash and term deposits, beginning of year	831,218	—	143,093	566,164	—	—	—	1,540,475
Cash and term deposits, end of year	721,011	—	511,627	524,907	15,079	3,958	40,989	1,817,571

See accompanying notes to the financial statements



NOTES TO FINANCIAL STATEMENTS

May 31, 2018

1. PURPOSE OF THE ORGANIZATION

Capilano Students' Union Association (the "Society") is incorporated under the laws of the Societies Act of British Columbia as a not-for-profit organization. The purpose 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. The Society is exempt from income taxes.

2. SIGNIFICANT ACCOUNTING POLICIES

The financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations ("ASNPO") and include the following significant accounting policies:

Use of Estimates

The preparation of financial statements in conformity with Canadian ASNPO 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 amounts of revenue and expenses reported during the year. Significant areas requiring the use of management estimates relate to the determination of net recoverable value of assets, in particular as it relates to useful lives of capital assets and the determination of the deferred portion of membership fees received. Actual results could differ from these estimates.

Fund Accounting

The Society follows fund accounting using the deferral method of accounting for revenues and has the following funds:

Operating Fund

The Operating Fund accounts for the Society's program delivery and administrative activities. This fund represents unrestricted net assets.

Capital Asset Fund

The Capital Asset Fund consists of 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

The Student Union Building Fund consists of an assessed "levy" approved by the general membership to be put towards a new Student Union Building. This levy became effective January 1, 2001.

NOTES TO FINANCIAL STATEMENTS

May 31, 2018

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Health & Dental Fund

The Health & Dental fund accounts for the Society's Health & 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.

External Advocacy Fund

The External Advocacy Fund was established to support students in lobbying all levels of government for affordable and accessible education.

Clubs & Events Fund

The Clubs and Events Fund was established to support students in developing programs on campus to ensure vibrant and engaging student life activities.

Recreation & Intramurals Fund

The Recreation and Intramurals Fund was established to support students in developing programs to enhance opportunities for sport and recreation.

Revenue Recognition

The Society follows the deferral method of accounting for contributions. Unrestricted contributions are recognized as revenue of the appropriate fund when received or receivable if the amount to be received can be reasonably estimated and the collection is reasonably assured. Contributions for externally restricted purposes are recognized as revenue in the year in which the related expenses are incurred.

Student activity fees are recognized as revenue according to the academic terms and funds they relate to.

The Health & Dental Plan levies are recognized as revenue over the term of the plan coverage.

Revenue from all other sources is recognized when the service is provided or when the respective goods are sold to the member.

Interest income is recognized in accordance with the terms of the underlying investment which is generally with the passage of time.

Measurement of Financial Instruments

The Society initially measures its financial assets and financial liabilities at fair value. The Society subsequently measures all its financial assets and financial liabilities at amortized cost.

NOTES TO FINANCIAL STATEMENTS

May 31, 2018

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Financial assets measured at amortized cost include cash, term deposits and accounts receivable. Financial assets measured at cost are tested for impairment when there are indicators of impairment. The amount of the write-down is recognized in net income. The previously recognized impairment loss may be reversed to the extent of the improvement, directly or by adjusting the allowance account, provided it is no greater than the amount that would have been reported at the date of the reversal had the impairment not been recognized previously. The amount of the reversal is recognized in net income.

Financial liabilities measured at amortized cost include accounts payable and accruals.

Cash and Cash Equivalents

Cash is defined as cash on hand and cash on deposit, net of cheques issued and outstanding at the year-end and highly liquid term deposits.

The statement of cash flows is prepared on a net cash basis and cash flows from operating and investing activities are presented using the direct method.

Capital Assets

Capital assets are recorded at cost. Amortization is provided on a straight line basis over the asset's estimated life as follows:

- Office furniture 5 years
- Stereo equipment 5 years
- Student lounge furniture 5 years
- Computer equipment 4 years
- Leasehold improvements 5 years

3. CASH AND TERM DEPOSITS

	2018	2017
	\$	\$
Chequing/operating accounts	333,491	753,098
Term deposits	1,483,592	786,905
Membership shares	488	472
	<u>1,817,571</u>	<u>1,540,475</u>



NOTES TO FINANCIAL STATEMENTS

May 31, 2018

3. CASH AND TERM DEPOSITS (CONT'D)

The term deposits have interest rates ranging from 0.90% to 1.65% [2017 - 0.90% to 1.70%]. The Society's investment policy to manage interest rate risk is to invest in conservative fixed income securities with highly rated banking institutions to ensure no erosion of capital while earning a reasonable rate of return.

4. ACCOUNTS RECEIVABLE

	2018 \$	2017 \$
Operations	9,577	15,236
Capilano University	116,326	—
Allowance for doubtful accounts	—	—
	125,903	15,236

5. PREPAID LEASE PAYMENTS

On February 4, 2011, the Society entered into a lease agreement to pay \$1,000,000 plus GST in exchange for a right to occupy space from April 1, 2011 to March 31, 2041.

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

6. CAPITAL ASSETS

	Cost \$	Accumulated Amortization \$	Net Book Value \$
2018			
Office furniture	86,623	42,072	44,551
Student lounge furniture	71,379	61,147	10,232
Computer equipment	100,587	85,788	14,799
Leasehold improvements	691,291	544,602	146,689
	949,880	733,609	216,271
2017			
Office furniture	35,789	27,962	7,827
Stereo equipment	21,470	21,470	—
Student lounge furniture	64,291	55,168	9,123
Computer equipment	89,400	78,988	10,412
Leasehold improvements	566,507	472,783	93,724
	777,457	656,371	121,086

NOTES TO FINANCIAL STATEMENTS

May 31, 2018

7. ACCOUNTS PAYABLE AND ACCRUALS

	2018	2017
	\$	\$
Operations	284,666	263,490
Government remittances - GST	423	—
Wages and other	58,608	44,140
	343,697	307,630

8. RELATED PARTY TRANSACTIONS

Pursuant to the British Columbia Societies Act, the Society is required to disclose remuneration paid to directors for being a director or paid in acting in another capacity.

For the year ending May 31, 2018, the Society paid stipends to executive board members and other elected personnel in the amount of \$151,176 [2017 - \$106,007].

The amount above includes payments made to the following elected personnel during the year:

	2018	2017
	\$	\$
Accessibility Justice Coordinator	3,808	5,779
Arts & Sciences Faculty Representative	7,617	1,903
Board of Governors	1,587	—
Business and Professional Studies Faculty Representative	6,055	4,748
Education, Health and Human Development Faculty Representative	571	—
External Chair	2,192	1,270
Fine & Applied Arts Faculty Representative	7,299	971
Global and Community Studies Faculty Representative	5,719	3,662
Indigenous Students Liaison	2,793	5,380
International Student Representative	3,808	897
Queer Collective Liaison	3,967	5,779
Senate Representative	9,210	—
Senate Representative & Board of Governors Representative	3,792	2,092
Social Justice Coordinator	—	3,562
Students of Colour Liaison	5,043	2,441
Sunshine Coast Campus Representative	571	—
VP - Academic	14,787	—
VP - Equity and Sustainability	16,503	3,388
VP - External	16,503	16,353
VP - Finance and Services	19,041	—
VP - Internal Development	—	14,860
VP - Student Life	16,502	15,133
VP - University Relations & Services	—	12,209
Women Students Liaison	3,808	5,580
	151,176	106,007

NOTES TO FINANCIAL STATEMENTS

May 31, 2018

9. FINANCIAL INSTRUMENTS

The Society is exposed to various risks through its financial instruments. The following analysis presents the Society's exposures to significant risk as at May 31, 2018.

Credit Risk

Credit risk is the risk that the Society will incur a loss due to the failure by its debtors to meet their contractual obligations. The Society is exposed to credit risk with respect to its cash, term deposits and accounts receivable. The Society limits its exposure to credit risk by placing its cash and term deposits in bank accounts with a credit union.

Given the nature of the Society's revenue, there is no concentration of accounts receivable. There has been no bad debt recognized in the year. The maximum amount of credit risk exposure is limited to the carrying amount of the balance in the financial statements.

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. The Society is exposed to interest rate risk on its cash and term deposits.

Liquidity Risk

Liquidity risk is the risk that the Society will not be able to meet its cash requirements or fund obligations as they become due. The Society maintains adequate levels of working capital by preparing budgets to ensure all its obligations can be met when they fall due.

10. DISCLOSURE OF REMUNERATION

Pursuant to the British Columbia Societies Act, the Society is required to disclose remuneration and benefits paid to employees and contractors who are paid \$75,000 or more during the fiscal year.

There were no employees or contractors paid \$75,000 or more during the year.

11. COMPARATIVE FIGURES

Certain comparative figures have been reclassified to conform to the current year's financial statement presentation.



SCHEDULE OF EXTERNAL ADVOCACY EXPENSES

Year ended May 31

	2018	2017
	\$	\$
Canadian Alliance of Student Associations (CASA)	14,509	3,198
Alliance of British Columbia Students (ABCS)	10,249	2,904
External meetings	2,314	299
Campaigns	412	—
	27,484	6,401



SCHEDULE OF EVENTS AND OUTREACH EXPENSES

Year ended May 31

	2018	2017
	\$	\$
Events	27,596	—
Clubs	3,074	—
Storage	2,331	—
	33,001	—

SCHEDULE OF INTRAMURALS AND RECREATION EXPENSES

Year ended May 31

	2018 \$	2017 \$
Events	5,338	—
Tournaments	935	—
Marketing and promotion	374	—
	6,647	—

SCHEDULE OF ADMINISTRATIVE EXPENSES

Year ended May 31

	2018	2017
	\$	\$
Accounting	5,985	10,499
Audit	8,006	5,198
Bank charges and interest	5,344	4,122
Books and subscriptions	—	180
Building maintenance	20,389	18,864
Cash (overages) shortages	(74)	11
Computer supplies	2,595	2,755
Consulting	—	20,121
Health & dental administrative	4,661	5,256
Insurance	7,845	7,918
IT support	—	368
Office supplies	12,033	5,884
Photocopier	4,333	5,085
Postage and courier	579	630
Rent	37,333	37,333
Storage locker	662	707
Web hosting	285	190
	109,976	125,121



SCHEDULE OF PERSONNEL AND PROFESSIONAL EXPENSES

Year ended May 31

	2018	2017
	\$	\$
Wages and benefits	465,022	444,917
Management expenses	7,622	4,118
Professional associations	6,068	5,488
Staff travel reimbursements	5,291	8,136
Professional developments	3,199	3,068
Payroll administration	1,332	—
Health and safety expenses	511	74
	489,045	465,801



SCHEDULE OF ASSOCIATION OPERATIONS

Year ended May 31

	2018	2017
	\$	\$
Executive stipends <i>[note 8]</i>	151,176	106,007
Membership	39,486	21,152
Services	18,485	20,959
Legal	16,591	15,271
Social Justice	13,555	—
Internal Development	12,791	13,101
Conferences	5,269	6,296
University relations	1,405	16,338
Events	—	24,525
	258,758	223,649