



MEYERS NORRIS PENNY LLP

University of Regina Students' Union
Financial Statements
April 30, 2005

www.mnp.ca

To the Directors of University of Regina Students' Union:

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 generally accepted accounting principles. 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 entirely 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.

Meyers Norris Penny LLP, an independent firm of Chartered Accountants, is appointed by the directors 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.

September 9, 2005



[General Manager] ^

To the Directors of University of Regina Students' Union:

We have audited the statement of financial position of University of Regina Students' Union as at April 30, 2005 and the statements of financial activities, changes in net assets, and cash flows for the year then ended. These financial statements are the responsibility of the Organization's management. 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 plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Organization as at April 30, 2005 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Regina, Saskatchewan

September 9, 2005

Meyses Norris Perry LLP

Chartered Accountants

University of Regina Students' Union
Statement of Financial Position
As at April 30, 2005

	2005	2004
Assets		
Current		
Cash	37,927	94,817
Accounts receivable	48,424	61,870
Inventory (Note 3)	26,731	37,015
Prepaid expenses and deposits	37,153	4,169
	150,235	197,871
Property, plant and equipment (Note 4)	254,728	268,697
Investments (Note 5)	1,090,466	1,034,924
	1,495,429	1,501,492
Liabilities		
Current		
Accounts payable and accruals	336,571	434,851
Deferred revenue	47,507	49,165
Current portion of long-term debt	4,000	4,000
	388,078	488,016
Long-term debt (Note 6)	8,000	12,000
	396,078	500,016
Contingency (Note 12)		
Net Assets		
Internally restricted (Note 8)	202,805	95,711
Invested in property, plant and equipment	254,728	268,696
Unrestricted	641,818	637,069
	1,099,351	,001,476
	1,495,429	,501,492

Approved on behalf of the Board



Director



Director

University of Regina Students' Union
Statement of Financial Activities
For the year ended April 30, 2005

	Revenue		Expenses		Excess (Deficiency) of Revenue Over Expenses	
	2005	2004	2005	2004	2005	2004
Academics	-	-	4,329	4,755	(4,329)	(4,755)
Administration	421,031	419,748	529,661	508,304	(108,630)	(88,556)
Advocate	-	-	44,756	43,654	(44,756)	(43,654)
Board of Directors	23,272	15,089	250,875	168,815	(227,603)	(153,726)
Electoral	-	-	9,269	3,485	(9,269)	(3,485)
Information Services	25,198	25,230	84,245	90,925	(59,047)	(65,695)
Intramurals	90,193	89,465	92,254	85,189	(2,061)	4,276
Lazy Owl Pub	1,018,881	715,240	992,793	760,213	26,088	(44,973)
President's Advisory Council	-	-	27,795	24,950	(27,795)	(24,950)
Student Fees	1,634,406	1,533,798	1,177,966	1,044,052	456,440	489,746
Used Bookstore	221,925	257,698	198,237	229,791	23,688	27,906
	3,434,906	3,056,268	3,412,180	2,964,133		
Excess of revenue over expenses before the following					22,726	92,135
Interest expense and investment income					26,149	87,267
Unusual income (Note 11)					49,000	-
Excess of revenue over expenses					97,875	179,402

University of Regina Students' Union
Statement of Changes in Net Assets
For the year ended April 30, 2005

	Invested in property plant and equipment	Internally Restricted	Unrestricted	2005 Total	2004 Total
Balance, beginning of year	268,696	95,711	637,069	1,001,476	822,074
Excess (deficiency) of revenue over expenses	(43,331)	107,094	34,112	97,875	179,402
Investment in property, plant and equipment	29,363	-	(29,363)	-	-
Balance, end of year	254,728	202,805	641,818	1,099,351	1,001,476

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

University of Regina Students' Union
Statement of Cash Flows
For the year ended April 30, 2005

	<i>2005</i>	<i>2004</i>
Cash provided by (used for) the following activities		
Operating activities		
Net earnings	97,875	179,402
Amortization	43,331	40,028
	141,206	219,430
Changes in working capital accounts		
Accounts receivable	13,446	51,569
Inventory	10,284	5,160
Prepaid expenses and deposits	(32,984)	(4,169)
Accounts payable and accruals	(98,279)	(101,324)
Deferred revenue	(1,658)	21,843
	32,015	192,509
Financing activities		
Repayments of long-term debt	(4,000)	(4,000)
	(4,000)	(4,000)
Investing activities		
Purchases of property, plant and equipment	(29,363)	(29,018)
Purchase of Investments	(843,520)	(1,412,853)
Proceeds on disposal of Investments	787,978	1,218,594
	(84,905)	(223,277)
Increase (decrease) in cash resources	(56,890)	(34,768)
Cash resources, beginning of year	94,817	129,585
Cash resources, end of year	37,927	94,817

Incorporation and operations

University of Regina Students' Union ("The Students' Union") is incorporated under the The Non-Profit Corporations Act of Saskatchewan, "The Students' Union" activities include providing facilities and services to all University Students at the University of Regina.

2. Significant accounting policies

The financial statements have been prepared in accordance with Canadian generally accepted accounting principles and include using the following significant accounting policies:

Inventory

Inventory is valued at the lower of cost and net realizable value. Cost is determined by the first-in, first-out method.

Deferred revenue:

Deferred revenue consists of revenues that have been received for services not performed and the expended portion of grants received for specific projects

Property, plant and equipment

Property, plant and equipment are initially recorded at cost. Amortization is provided using the straight-line method at rates intended to amortize the cost of assets over their estimated useful lives.

	Method	Rate
Buildings	straight-line	40 years
Equipment	straight-line	3 to 15 years
Leasehold improvements	straight-line	5 years

Income taxes

"The Students' Union" is incorporated under The Non-Profit Corporations Act of Saskatchewan and as such is exempt from income taxes.

Investments

Investments are recorded at cost, less any provisions for other than temporary impairment. They have been classified as long-term assets in concurrence with the nature of the investment.

Measurement uncertainty (use of estimates)

The preparation of financial statements in conformity with Canadian generally accepted accounting principles 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 as well as warranty and after-sales service costs. Amortization is based on the estimated useful lives of Property, Plant and Equipment.

These estimates and assumptions are reviewed periodically and, as adjustments become necessary they are reported in earnings in the periods in which they become known.

University of Regina Students' Union
Notes to the Financial Statements
For the year ended April 30, 2005

3. Inventory

	<i>2004</i>	
Food and beverages	26,091	36,375
Paper and Supplies	640	640
	26,731	37,015

4. Property, plant and equipment

	<i>Cost</i>	<i>Accumulated amortization</i>	<i>2005 Net book value</i>	<i>2004 Net book value</i>
Buildings	136,084	25,232	110,852	114,254
Equipment	189,678	82,402	107,276	99,127
Leasehold improvements	173,979	137,379	36,600	55,316
	499,741	245,013	254,728	268,697

5. Investments

Investments consist of bonds, notes, Canadian and foreign mutual funds. The mutual funds carry no fixed rates of interest or no maturity dates. Income earned on mutual funds are dependant on the performance of the mutual funds manager. Market value is equal to the carrying value of these investments.

	<i>2004</i>	
Investments	1,090,466	1,034,924
	1,090,466	1,034,924

University of Regina Students' Union
Notes to the Financial Statements
For the year ended April 30, 2005

6. Long-term debt

	2005	2004
Non-interest bearing loan payable due September 2007, repayable in annual installments of \$4000.	12,000	16,000
	12,000	16,000
Less: current portion	4,000	4,000
	8,000	12,000

Principal repayments on long-term debt in each of the next three years are estimated as follows:

2006	(4,000)
2007	(4,000)
2008	(4,000)

7. Students' Union Building Fund:

Under an agreement with the University of Regina, a portion of the annual fees paid by students are retained and deposited to a Students' Union Building Fund which is administered by the University of Regina. The University may authorize capital expenditures after receiving appropriate authorizing resolutions from the Students' Union. Additionally, the Students' Union may approve expenditures from this fund up to thirty percent of the interest earned by the fund in the previous fiscal year. These expenditures do not require the consent of the University of Regina.

During the current year the Students' Union received funding in the amount of \$12,000 (2004 - \$26,013) from this fund. Thus funding was used to make capital and other expenditures in the amount of \$0 (2004 - \$14,013), and disbursements for on-campus day care programs in the amount of \$12,000 (2004 - \$12,000).

The balance of the Building fund at April 30, 2005 was \$156,428 (2004 - \$79,719).

University of Regina Students' Union
Notes to the Financial Statements
For the year ended April 30, 2005

8. Internally restricted net assets:

The University of Regina received funds to be held in trust by the Students' Union for special purposes. In the past, the funds were designated to be used for an emergency bursary fund. During the year, \$15,000 was allocated to the emergency bursary fund from unrestricted net assets.

Transactions with the emergency bursary fund were as follows:

	2005	2004
Balance, Beginning of year	95,711	83,683
Transfers	4,536	5,642
Allocations	15,000	-
Disbursements	(8,510)	(5,904)
Increase (loss) on investments	7,068	12,290
	113,805	95,711

An additional \$89,000 has been designated as internally restricted as of April 30, 2005. Specifically:

- \$15,000 has been allocated to a newly created Bursary fund. The Bursary fund is a newly created program that will offer financial assistance to students based on a financial need versus academic achievement basis. The bursaries from this program will be awarded through the University of Regina Financial Assistance Office in order to ensure that this program is managed fairly and consistently
- \$15,000 has been designated for a newly created Sustainable Campus fund. The Sustainable Campus fund is a new initiative that is designed to fund projects that will augment the University of Regina as an environmentally friendly and conscious institution. This fund, created in April 2005, will fund such initiatives as the launch and maintenance of a major campus wide recycling project and the hiring of a part-time recycling coordinator.
- \$10,000 has been allocated to assist the GBLUR club in setting up a centre at the University of Regina.
- The Students' Union has set aside a one time rebate, as the result of an unexpected overpayment on the health and dental insurance coverage due to lower than expected utilization rates. This premium recapture, in the amount of \$49,000, has been internally restricted and will be used in the future to offset future increases in the health and dental premiums.

9. Comparative figures

Certain comparative figures have been reclassified to conform with current year presentation. Prior years figures were reported by another auditor.

10. Financial instruments

The Organization as part of its operations carries a number of financial instruments which include cash, accounts receivable, accounts payable and accruals, and long term debt. The carrying amount of the organization's financial instruments approximates their fair value, either due to their relatively short-term maturities or interest rates which approximate market rates. It is management's opinion that the Organization is not exposed to significant interest, currency or credit risks arising from these financial instruments except as otherwise disclosed.

11. Unusual revenue

During the year, the Students' Union received a rebate from the health and dental premiums. The amount will be held as an internally restricted fund (see note 8) that will serve as a stabilization fund in order to offset future rate increases in the health and dental premiums.

12. Contingency

A former employee has indicated that he intends to file a claim for breach of contract and wrongful dismissal. However, a statement of claim has not been filed. Therefore, the amount if any, which the Student's Union maybe liable for has not been determined.

Students' Union of University of Regina

Consolidated Statement of Earnings For The 5 Periods Ending September 30, 2005

Unaudited

	Actual Current	Budget Current	Actual YTD	Budget YTD
Revenue:				
LAZY OWL CLUB	150,377.92	84,181.56	287,001.73	420,907.80
BOARD OF DIRECTORS	20,374.20	1,833.33	20,579.28	9,166.65
STUDENT CENTRE OPERATION	19,078.80	35,306.79	94,963.09	176,533.95
URSU USED BOOKSTORE	90,626.67	140,000.00	90,626.67	140,000.00
PUBLICATION/TECHNICAL SER\	27,190.00	2,265.83	27,640.00	11,329.15
INTRAMURALS	0.00	57,775.00	0.00	288,875.00
GENERAL	0.00	1,148.81	0.00	5,744.05
INTEREST REVENUE	0.00	2,083.33	0.00	10,416.65
EMERGENCY BURSARY FUND	0.00	(1,245.83)	0.00	(6,229.15)
	<u>307,647.59</u>	<u>323,348.82</u>	<u>520,810.77</u>	<u>1,056,744.10</u>
Cost of sales:				
	0.00	0.00	0.00	0.00
Gross profit	307,647.59	323,348.82	520,810.77	1,056,744.10
Costs and expenses:				
LAZY OWL CLUB	94,841.07	82,672.38	297,429.60	413,361.90
BOARD OF DIRECTORS	36,608.37	21,219.82	117,732.66	106,099.10
STUDENT CENTRE OPERATION	11,361.30	46,738.11	100,909.12	233,690.55
URSU ADVOCATE/RESEARCHER	3,408.92	3,922.91	17,344.36	19,614.55
CLUB FUNDING/DONATIONS	0.00	62.50	0.00	312.50
ELECTORAL	0.00	691.67	0.00	3,458.35
URSU USED BOOKSTORE	82,113.21	17,329.17	82,775.43	86,645.85
PUBLICATION/TECHNICAL SER\	1,235.14	6,133.32	46,160.93	30,666.60
INTRAMURALS	0.00	4,733.33	0.00	23,666.65
STUDENT FEES	0.00	95,314.91	82,136.20	476,574.55
GENERAL	0.00	1,148.81	0.00	5,744.05
EMERGENCY BURSARY FUND	0.00	566.67	0.00	2,833.35
	<u>229,568.01</u>	<u>280,533.60</u>	<u>744,488.30</u>	<u>1,402,668.00</u>
Earnings (loss) from operations	78,079.58	42,815.22	(223,677.53)	(345,923.90)
Other income and expenses:				
	0.00	0.00	0.00	0.00
Earnings (loss) before income taxes	78,079.58	42,815.22	(223,677.53)	(345,923.90)
Provision for income taxes:				
	0.00	0.00	0.00	0.00
Net earnings (loss) for period	<u>78,079.58</u>	<u>42,815.22</u>	<u>(223,677.53)</u>	<u>(345,923.90)</u>