

**STUDENTS UNION OF UBC OKANAGAN**

**MAY 31, 2013**



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**Kemp Harvey Hunt Ward Inc.**

**Certified General Accountants**

**A Member of Kemp Harvey Group Inc.**

Associated offices in Burnaby, Grand Forks, Osoyoos, Penticton, Coquitlam, Vernon, Terrace

**STUDENTS UNION OF UBC OKANAGAN**

**FINANCIAL STATEMENTS**

**MAY 31, 2013**

**STUDENTS UNION OF UBC OKANAGAN**

**FINANCIAL STATEMENTS**

**MAY 31, 2013**

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# Kemp Harvey Hunt Ward Inc.

Certified General Accountants  
A Member of Kemp Harvey Group Inc.

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## INDEPENDANT AUDITORS REPORT

To the of Students Union of UBC Okanagan

We have audited the accompanying financial statements of Students Union of UBC Okanagan, which comprise the statement of financial position as at May 31, 2013, and the statements of operations, changes in net assets and cash flow, 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 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 Students Union of UBC Okanagan as at May 31, 2013, and its financial performance 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 Society Act, we report that, in our opinion, these principles have been applied on a basis consistent with that of the preceding year.

Kelowna, BC  
August 19, 2013

*Kemp Harvey Hunt Ward Inc.*  
CERTIFIED GENERAL ACCOUNTANTS

**STUDENTS UNION OF UBC OKANAGAN  
STATEMENT OF OPERATIONS  
FOR THE YEAR ENDED MAY 31, 2013**

**STATEMENT A**

|  | 2013              | 2012              | 2011              |
|--|-------------------|-------------------|-------------------|
| <b>REVENUE</b>                         |                   |                   |                   |
| Student fees                           | \$ 1,040,677      | \$ 948,243        | \$ 837,854        |
| Vending - food                         | 2,245             | (652)             | 6,636             |
| Emergency Aid Donation                 | 2,400             | 2,400             | 2,400             |
| Interest                               | 48,999            | 45,026            | 30,758            |
| Room lease                             | 1,658             | 3,102             | 1,719             |
| Lease Income - Note 13                 | 95,865            | 93,421            | 85,932            |
| Bookstore - Note 14                    | 33,763            | 49,345            | 60,848            |
| Newspaper - Note 15                    | 7,474             | 5,047             | 211               |
| Catering - Note 16                     | 1,761             | -                 | -                 |
| Pub and food services - Note 17        | 113,750           | 79,239            | 57,264            |
| Coffee house - Note 18                 | (7,168)           | 50,520            | 33,808            |
| Concessions - Note 19                  | (1,005)           | -                 | -                 |
| Sponsorship income                     | 11,012            | 10,750            | 6,130             |
| UPass administration fee               | 43,510            | 41,261            | 35,252            |
|  | <u>1,394,941</u>  | <u>1,327,702</u>  | <u>1,158,812</u>  |
| <b>EXPENSES</b>                        |                   |                   |                   |
| Accounting and legal                   | 52,645            | 13,623            | 8,143             |
| Administration collections             | 8,325             | 7,586             | 6,652             |
| Advertising and promotion              | 12,923            | 15,614            | 12,907            |
| Amortization                           | 183,574           | 179,979           | 186,476           |
| Bad debts                              | 159               | -                 | 2,968             |
| Bank charges and interest              | 9,532             | 8,932             | 5,819             |
| Campaign                               | 10,235            | 21,459            | 15,915            |
| Clubs and course union grants          | 24,767            | 23,428            | 18,159            |
| Council conferences & training         | 21,363            | 16,798            | 16,350            |
| Emergency aid                          | 2,400             | 2,400             | 2,400             |
| Employee conferences                   | 4,872             | 9,254             | 13,323            |
| Executive and elections                | 6,781             | 9,013             | 4,121             |
| Fax                                    | 1,227             | 1,296             | 1,250             |
| Frosh Kits                             | 4,436             | 1,687             | 258               |
| Handbook, net                          | 3,385             | 2,456             | 1,160             |
| Honoraria                              | 68,868            | 53,504            | 54,933            |
| Insurance                              | 12,657            | 12,477            | 11,568            |
| Interest on long term debt             | 187,597           | 193,194           | 165,985           |
| Loss on disposal of assets             | 7,854             | -                 | -                 |
| Memberships                            | 112               | 1,000             | 1,080             |
| Office expenses                        | 7,601             | 12,103            | 6,667             |
| Office repairs and maintenance         | 171               | 202               | 898               |
| Ombudsmen                              | 15,000            | -                 | -                 |
| Resource Centres                       | 5,400             | 5,400             | 5,400             |
| Safewalk expenses                      | -                 | -                 | 39                |
| Scholarships                           | -                 | 7,000             | -                 |
| Student life                           | 64,339            | 27,473            | 17,189            |
| Student tax service                    | 834               | 2,015             | 1,425             |
| Telephone and utilities                | 14,576            | 11,091            | 11,507            |
| Wages and employee benefits            | 197,001           | 188,551           | 228,728           |
| Web page                               | 9,023             | 1,744             | 768               |
|  | <u>937,657</u>    | <u>829,279</u>    | <u>802,088</u>    |
| <b>EXCESS OF REVENUE OVER EXPENSES</b> | <b>\$ 457,284</b> | <b>\$ 498,423</b> | <b>\$ 356,724</b> |

See accompanying notes to financial statements

**STUDENTS UNION OF UBC OKANAGAN  
STATEMENT OF CHANGES IN NET ASSETS  
FOR THE YEAR ENDED MAY 31, 2013**

**STATEMENT B**

|  | 2013                | 2012                | 2011                |
|--|---------------------|---------------------|---------------------|
| <b>INVESTMENT IN CAPITAL ASSETS</b>  |                     |                     |                     |
| Beginning balance  | \$ 241,935          | \$ 305,846          | \$ 373,328          |
| Increase (decrease) in investment in capital assets  |                     |                     |                     |
| Purchase of capital assets   | 89,636              | 18,103              | 58,245              |
| Contributions to Student Center  | 117,146             | 3,870               | 4,822               |
| Amortization - Statement A   | (183,574)           | (179,979)           | (186,476)           |
| Gain (loss) on disposal of assets - Statement A  | (7,854)             | -                   | -                   |
| Mortgage advances, net of repayments   | 99,505              | 94,095              | 55,927              |
| Ending balance   | \$ 356,794          | \$ 241,935          | \$ 305,846          |
|  | 2013                | 2012                | 2011                |
| <b>UNRESTRICTED</b>  |                     |                     |                     |
| Beginning balance  | \$ 1,435,089        | \$ 1,092,256        | \$ 668,050          |
| Excess (deficiency) of revenue over expenses before amortization and gain (loss) on disposal of assets - Statement A | 648,710             | 678,401             | 543,200             |
| Purchase of capital assets   | -                   | (18,103)            | (58,245)            |
| Contributions to JPM Student Center  | -                   | (3,870)             | (4,822)             |
| Balance of prior year restricted surplus unused  | 12,718              | -                   | -                   |
| Mortgage advances (repayments)   | (99,505)            | (94,095)            | (55,927)            |
| Transfer of prior year surplus to capital additions fund   | -                   | (219,500)           | -                   |
| Ending balance   | \$ 1,997,012        | \$ 1,435,089        | \$ 1,092,256        |
|  | 2013                | 2012                | 2011                |
| <b>RESTRICTED</b>  |                     |                     |                     |
| Beginning balance  | \$ 248,842          | \$ 29,342           | \$ 29,342           |
| Transfer of prior year surplus to capital additions fund   | -                   | 219,500             | -                   |
| Purchase of capital assets   | (89,636)            | -                   | -                   |
| Contributions to JPM Student Center  | (117,146)           | -                   | -                   |
| Balance of prior year restricted surplus unused  | (12,718)            | -                   | -                   |
| Ending balance   | \$ 29,342           | \$ 248,842          | \$ 29,342           |
| <b>TOTAL NET ASSETS</b>  | <b>\$ 2,383,148</b> | <b>\$ 1,925,866</b> | <b>\$ 1,427,444</b> |

See accompanying notes to financial statements

**STUDENTS UNION OF UBC OKANAGAN**  
**STATEMENT OF FINANCIAL POSITION**  
**MAY 31, 2013**

**STATEMENT C**

|  | 2013                | 2012                | 2011                |
|--|---------------------|---------------------|---------------------|
| <b>ASSETS</b>                          |                     |                     |                     |
| <b>CURRENT ASSETS</b>                  |                     |                     |                     |
| Cash                                   | \$ 168,168          | \$ 129,112          | \$ 125,593          |
| Accounts receivable - Note 4           | 35,125              | 98,427              | 73,561              |
| Inventory - Notes 3 & 5                | 32,450              | 24,829              | 19,040              |
| Prepaid expenses                       | <u>41,932</u>       | <u>22,036</u>       | <u>-</u>            |
|  | 277,675             | 274,404             | 218,194             |
| INVESTMENTS - Note 3                   | 1,929,627           | 1,370,367           | 1,055,375           |
| LOAN RECEIVABLE - SUSHI BAR            | -                   | -                   | 11,311              |
| <b>RESTRICTED CASH</b>                 |                     |                     |                     |
| -Reserves - Note 6                     | 29,296              | 248,796             | 29,296              |
| -Trust funds - Note 6                  | 897,422             | 580,714             | 572,775             |
| CAPITAL ASSETS - Notes 3 & 7           | <u>3,580,517</u>    | <u>3,565,163</u>    | <u>3,723,167</u>    |
|  | <b>\$ 6,714,537</b> | <b>\$ 6,039,444</b> | <b>\$ 5,610,118</b> |
| <b>LIABILITIES</b>                     |                     |                     |                     |
| <b>CURRENT LIABILITIES</b>             |                     |                     |                     |
| Accounts payable - Note 8              | \$ 206,265          | \$ 196,809          | \$ 189,272          |
| Due to Okanagan College Students Union | -                   | 8,851               | -                   |
| Unearned revenue                       | 3,978               | 3,975               | 3,303               |
| Current portion of long-term debt      | <u>105,227</u>      | <u>99,506</u>       | <u>94,095</u>       |
|  | 315,470             | 309,141             | 286,670             |
| FUNDS HELD IN TRUST - Note 6           | 897,422             | 580,714             | 572,775             |
| LONG-TERM DEBT - Note 10               | <u>3,118,497</u>    | <u>3,223,723</u>    | <u>3,323,229</u>    |
|  | 4,331,389           | 4,113,578           | 4,182,674           |
| <b>NET ASSETS - Statement B</b>        |                     |                     |                     |
| INVESTED IN CAPITAL ASSETS             | 356,794             | 241,935             | 305,846             |
| UNRESTRICTED                           | 1,997,012           | 1,435,089           | 1,092,256           |
| RESTRICTED                             | <u>29,342</u>       | <u>248,842</u>      | <u>29,342</u>       |
| ENDING BALANCE                         | <u>2,383,148</u>    | <u>1,925,866</u>    | <u>1,427,444</u>    |
|  | <b>\$ 6,714,537</b> | <b>\$ 6,039,444</b> | <b>\$ 5,610,118</b> |

CONTRACTUAL OBLIGATIONS - Note 12  
APPROVED ON BEHALF OF THE STUDENTS UNION

See accompanying notes to financial statements



**STUDENTS UNION OF UBC OKANAGAN  
STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED MAY 31, 2013**

**STATEMENT D**

|  | 2013                    | 2012                    | 2011                  |
|--|-------------------------|-------------------------|-----------------------|
| <b>OPERATIONS</b>                                  |                         |                         |                       |
| Receipts from Revenue                              | \$ 3,641,842            | \$ 3,075,755            | \$ 2,799,159          |
| Payments to suppliers for goods and services       | (2,027,505)             | (1,686,747)             | (1,489,667)           |
| Payments to and on behalf of employees             | (738,168)               | (543,128)               | (605,226)             |
| Payments of interest                               | (187,597)               | (193,194)               | (165,985)             |
| Changes in sales taxes                             | <u>5,381</u>            | <u>(7,458)</u>          | <u>1,605</u>          |
| <b>CASH PROVIDED</b>                               | <b>693,953</b>          | <b>645,228</b>          | <b>539,886</b>        |
| <b>INVESTMENTS</b>                                 |                         |                         |                       |
| Acquisition of capital assets                      | (89,636)                | (18,103)                | (58,245)              |
| Contributions to JPM Student Center                | <u>(117,146)</u>        | <u>(3,870)</u>          | <u>(4,822)</u>        |
| <b>CASH USED</b>                                   | <b>(206,782)</b>        | <b>(21,973)</b>         | <b>(63,067)</b>       |
| <b>FINANCING</b>                                   |                         |                         |                       |
| Payments on long-term debt                         | (99,505)                | (94,095)                | (55,927)              |
| Advances from (to) Okanagan College Students Union | <u>(8,851)</u>          | <u>8,851</u>            | <u>(500)</u>          |
| <b>CASH USED</b>                                   | <b>(108,356)</b>        | <b>(85,244)</b>         | <b>(56,427)</b>       |
| <b>INCREASE IN CASH AND CASH EQUIVALENTS</b>       | <b>378,815</b>          | <b>538,011</b>          | <b>420,392</b>        |
| <b>BEGINNING CASH AND CASH EQUIVALENTS</b>         | <b><u>1,748,275</u></b> | <b><u>1,210,264</u></b> | <b><u>789,872</u></b> |
| <b>ENDING CASH AND CASH EQUIVALENTS</b>            | <b>\$ 2,127,090</b>     | <b>\$ 1,748,275</b>     | <b>\$ 1,210,264</b>   |
| <b>CASH AND CASH EQUIVALENTS REPRESENTED BY:</b>   |                         |                         |                       |
| Cash   | \$ 168,168              | \$ 129,112              | \$ 125,593            |
| Reserves   | 29,296                  | 248,796                 | 29,296                |
| Term deposits                                      | <u>1,929,627</u>        | <u>1,370,367</u>        | <u>1,055,375</u>      |
| <b>ENDING CASH AND CASH EQUIVALENTS</b>            | <b>\$ 2,127,091</b>     | <b>\$ 1,748,275</b>     | <b>\$ 1,210,264</b>   |

See accompanying notes to financial statements

**STUDENTS UNION OF UBC OKANAGAN**  
**NOTES TO FINANCIAL STATEMENTS**  
**MAY 31, 2013**

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**Note 1 PURPOSE OF THE ORGANIZATION**

The purpose of the Students Union of UBC Okanagan is to co-ordinate, direct and promote the activities of the students of the UBC Okanagan campus. The Students Union is registered under the B.C. Society Act as a not-for-profit organization and is exempt from income taxes under the Income Tax Act of Canada.

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**Note 2 FINANCIAL INSTRUMENTS**

The Students Union of UBC Okanagan's financial instruments consist of cash, cash equivalents, accounts receivable, accounts payable and accruals and long term debt. Unless otherwise noted, it is the opinion of management that the Students Union of UBC Okanagan is not exposed to significant interest, currency, or credit risks arising from these financial instruments. The fair value of the instruments approximates their carrying values, unless otherwise noted.

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Note 3 SIGNIFICANT ACCOUNTING POLICIES

a) Revenue recognition

The Students Union receives monies from a number of different sources and classifies these monies into different categories of revenue. The Students Union uses the deferral method of accounting for contributions. Revenues received without restrictions are reported as revenue at the time the services are substantially provided or the product is delivered.

b) Valuation of inventories

Inventory has been valued at the lower of cost (determined principally on the first-in, first-out and specific item basis) or net realizable value. Supplies are recorded at cost.

c) Investments

Investments are carried at cost. The investments consist of an Investment savings account and term deposits at Interior Savings Credit Union.

d) Amortization

Amortization of capital assets has been recorded using the declining balance method (except as noted) at the following annual rates prorated for the number of months of ownership:

|                                |      |                      |
|--------------------------------|------|----------------------|
| JPM Student Center             |      | 30 yrs Straight Line |
| Office equipment               |      | 20 %                 |
| Recreation equipment           | 20 % |                      |
| Computer equipment             | 20 % |                      |
| Newspaper equipment            | 20 % |                      |
| Bookstore equipment            | 20 % |                      |
| Pub and food service equipment |      | 20 %                 |
| Coffee House equipment         | 20 % |                      |
| Signage                        | 20 % |                      |

e) Basis of presentation

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO) that are applicable to a students union that will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of operations (a "going concern").

f) Use of estimates

When preparing financial statements according to Canadian accounting standards for not-for-profit organizations (ASNPO), estimates are made and assumptions relating to:

- Reported amounts of revenue and expenses
- Reported amounts of assets and liabilities
- Disclosure of contingent assets and liabilities

Assumptions are based on a number of factors including historical experience, current events, actions that the Students Union of UBC Okanagan may undertake in the future, and other assumptions that are believed to be reasonable under the circumstances. Actual results could differ from those estimates under different conditions and assumptions. Estimates are used when accounting for certain items such as useful lives of capital assets, impairment of long-lived assets, goodwill, employee future benefits, allowance for doubtful accounts, and provision for slow-moving inventories.

g) Net Assets invested in capital assets

In September 2008, the CICA made certain amendments to the Handbook Section 4400, "Financial Statement Presentation by Not-for Profit Organizations". The amendments are effective for the student union for the fiscal year commencing June 1, 2009 and include removal of the requirements to treat net assets invested in capital assets as a separate component of net assets. Although the requirement has now been removed we have decided to continue to separate out the investments in capital assets and continue to report in such a manner for the benefit of the financial statement users and future budgeting purposes.

Note 4 ACCOUNTS RECEIVABLE

|                     | 2013         | 2012         | 2011      |
|---------------------|--------------|--------------|-----------|
| Accounts receivable | \$ 34,123    | \$ 92,044    | \$ 73,561 |
| GST receivable      | <u>1,002</u> | <u>6,383</u> | <u>-</u>  |
|                     | \$ 35,125    | \$ 98,427    | \$ 73,561 |

Note 5 INVENTORY

|                            | 2013         | 2012      | 2011      |
|----------------------------|--------------|-----------|-----------|
| Bookstore                  |              |           |           |
| Swim passes                | \$ 1,348     | \$ 1,393  | \$ 1,512  |
| Stamps                     | 409          | 232       | 118       |
| Office supplies            | 2,519        | 1,658     | 1,252     |
| Books/iClickers            | 12,084       | -         | -         |
| Merchandise / pop & snacks | -            | 2,539     | 4,827     |
| Telephone cards            | 159          | 417       | 790       |
| Coffee shop                | 8,955        | 11,117    | 6,745     |
| Food Services              | 4,286        | 4,658     | 2,510     |
| Pub                        | 864          | 2,815     | 1,286     |
| Cinesnax                   | <u>1,826</u> | <u>-</u>  | <u>-</u>  |
|                            | \$ 32,450    | \$ 24,829 | \$ 19,040 |

Note 6 RESTRICTED CASH

Cash designated for specific purposes is segregated as follows:

|  | 2013           | 2012           | 2011           |
|--|----------------|----------------|----------------|
| Trust funds:                             |                |                |                |
| Club and Course Union accounts           | \$ 127,849     | \$ 117,131     | \$ 117,125     |
| Resource Centres                         | 14,244         | 10,592         | 5,889          |
| Student health and dental plans - Note 9 | 752,168        | 447,430        | 441,800        |
| Student bursary fund                     | <u>3,161</u>   | <u>5,561</u>   | <u>7,961</u>   |
|  | <u>897,422</u> | <u>580,714</u> | <u>572,775</u> |
| Reserves:                                |                |                |                |
| Capital Additions reserve                | -              | 219,500        | -              |
| Okanagan students first contingency fund | <u>29,296</u>  | <u>29,296</u>  | <u>29,296</u>  |
|  | <u>29,296</u>  | <u>248,796</u> | <u>29,296</u>  |
|  | \$ 926,718     | \$ 829,510     | \$ 602,071     |

Note 7 CAPITAL ASSETS

|                                | Cost                | Accumulated<br>Amortization | Net Book Value      |                     | 2011                |
|--------------------------------|---------------------|-----------------------------|---------------------|---------------------|---------------------|
|                                |                     |                             | 2013                | 2012                |                     |
| JPM Student Center             | \$ 3,649,122        | \$ 460,052                  | \$ 3,189,070        | \$ 3,314,739        | \$ 3,436,374        |
| Office equipment               | 16,300              | 6,528                       | 9,772               | 5,391               | 5,587               |
| Recreation equipment           | 29,866              | 10,482                      | 19,384              | 22,501              | 9,979               |
| Computer equipment             | 143,040             | 80,557                      | 62,483              | 70,350              | 87,852              |
| Newspaper equipment            | 23,676              | 14,755                      | 8,921               | 6,064               | 7,580               |
| Bookstore equipment            | 8,313               | 5,490                       | 2,823               | 449                 | 561                 |
| Pub and food service equipment | 250,908             | 124,455                     | 126,453             | 109,686             | 136,821             |
| Pub leasehold improvements     | 121,017             | -                           | 121,017             | 3,871               | -                   |
| Coffee House equipment         | 49,009              | 18,990                      | 30,019              | 20,082              | 23,375              |
| Signage                        | 21,909              | 11,334                      | 10,575              | 12,030              | 15,038              |
|                                | <u>\$ 4,313,160</u> | <u>\$ 732,643</u>           | <u>\$ 3,580,517</u> | <u>\$ 3,565,163</u> | <u>\$ 3,723,167</u> |

Note 8 ACCOUNTS PAYABLE

|                              | 2013              | 2012              | 2011              |
|------------------------------|-------------------|-------------------|-------------------|
| Accounts payable             | \$ 80,838         | \$ 62,283         | \$ 55,404         |
| GST payable                  | -                 | -                 | 1,075             |
| Accrued interest payable     | 118,483           | 121,972           | 125,274           |
| Payroll payable              | 6,377             | 12,188            | 7,113             |
| Workers compensation payable | 567               | 366               | 406               |
|                              | <u>\$ 206,265</u> | <u>\$ 196,809</u> | <u>\$ 189,272</u> |

**Note 9 FUNDS HELD IN TRUST - STUDENT HEALTH & DENTAL PLAN**

The Student Health & Dental plans are administered by the Student Union. The plans run from September 1 to August 31 each year. Premiums are collected from the students with their tuition fees when they register. The funds are held in trust by the Student Union during the year and remitted monthly to the carrier. Payments totalling \$225,027 have been made subsequent to May 31, 2013. Any funds remaining in the account will be kept to subsidize future fluctuations in premiums.

|  | 2013             | 2012             | 2011             |
|--|------------------|------------------|------------------|
| Funds held in Trust - August 31          | \$ 269,395       | \$ 224,506       | \$ 233,262       |
| Premiums collected                       | 1,288,117        | 1,160,260        | 1,008,261        |
| Remittances to Carrier                   | (734,747)        | (863,201)        | (718,309)        |
| Administration costs                     |                  |                  |                  |
| Office and printing                      | (2,155)          | (2,251)          | (6,830)          |
| Wages and employee benefits              | (38,442)         | (41,884)         | (44,584)         |
| Admin fee                                | (5,000)          | (5,000)          | (5,000)          |
| Lease                                    | (25,000)         | (25,000)         | (25,000)         |
| Total Administration Costs               | <u>(70,597)</u>  | <u>(74,135)</u>  | <u>(81,414)</u>  |
| Funds held in Trust - May 31             | 752,168          | 447,430          | 441,800          |
| Payments in June - August                | <u>(225,027)</u> | <u>(178,035)</u> | <u>(217,294)</u> |
| Surplus funds at end of term - August 31 | \$ 527,141       | \$ 269,395       | \$ 224,506       |

As of September 1, 2013, the Student Union has switched providers. The new provider is Pacific Blue Cross, and the plan is called 'I have a plan Student Care'.

Note 10 LONG-TERM DEBT

|  | 2013                | 2012                | 2011                |
|--|---------------------|---------------------|---------------------|
| <b>UBCO - Soft Costs Mortgage</b>  |                     |                     |                     |
| Payable in blended monthly instalments of \$5,398 including interest at 5.75% up to October 31, 2009. Payments then change to yearly payments of \$66,524 starting in November 2009. The term is 15 years or 180 months. Required payments will be taken at source by UBCO based on the collection of assessed Student Fees and the corresponding calculated disbursement/reconciliation in September/October and/or March of each fiscal year. UBCSU also agrees to apply 50% of any excess revenue over expenses supported by the UBCSU annual financial statements against the repayment of principal of this loan. Any additional payments in multiples of \$25,000 do not reduce the monthly payment but rather the principal amount outstanding at the time of the additional payment. | \$ 531,444          | \$ 565,454          | \$ 597,615          |
| <b>UBCO - Building Costs Mortgage</b>  |                     |                     |                     |
| Payable in blended annual instalments including interest at 5.75%. Payments are \$145,838 September 30, 2009, \$204,510 September 30, 2010 and \$224,067 every September thereafter concluding September 30, 2033.   | <u>2,692,280</u>    | <u>2,757,775</u>    | <u>2,819,709</u>    |
|  | <u>3,223,724</u>    | <u>3,323,229</u>    | <u>3,417,324</u>    |
| Less: current portion due within one year  | <u>105,227</u>      | <u>99,506</u>       | <u>94,095</u>       |
|  | <u>\$ 3,118,497</u> | <u>\$ 3,223,723</u> | <u>\$ 3,323,229</u> |
| The required principal repayable on the long-term debt over the next five years will be as follows:  |                     |                     |                     |
| 2014   | \$ 105,227          |                     |                     |
| 2015   | \$ 111,278          |                     |                     |
| 2016   | \$ 117,676          |                     |                     |
| 2017   | \$ 124,442          |                     |                     |
| 2018   | \$ 131,599          |                     |                     |

Note 11 CONTINGENT LIABILITIES

A contingent liability currently exists because of a pending lawsuit(s) relating to the dismissal of a former General Manager. The potential amount of the damages cannot be estimated at this time due to the complexities of the case.

Note 12 CONTRACTUAL OBLIGATIONS

The Student Union has entered into a 30 year lease agreement for premises in the J. Peter Meekison Student Center commencing on the Commencement Date, August 14, 2009. Rent in the amount of \$10 per annum is payable on the Commencement Date, and each anniversary of the Commencement Date thereafter. Payment of Additional Rent shall be paid on a quarterly basis as accounts are rendered by the University or its agent from time to time, and in any event within 30 calendar days of the date of such account. Additional Rent includes the Student Union's proportionate share of the operating costs, goods and services or value added taxes, and occupancy costs (Electricity, custodial services, maintenance, gas, garbage, sewage, water, other utilities and operating costs).

The Student Union entered into a contract with UBC Okanagan to establish the Office of the Ombudsperson. In 2013 The Student Union paid UBC Okanagan the sum of \$15,000 towards the salary for the Ombudsperson. In 2014 through 2017 the Student Union will pay to UBC the sum of \$10,000 to be used towards the salary of the Ombudsperson. The contract also stipulates that either party may terminate the contract by giving the other six months notice, as well as, the agreement can also be terminated any time by a students' referendum, approved by the Board of Governors.

Note 13 LEASE INCOME

|                       | 2013<br>BUDGET   | 2013<br>ACTUAL   | 2012<br>ACTUAL   | 2011<br>ACTUAL   |
|-----------------------|------------------|------------------|------------------|------------------|
| Revenue               |                  |                  |                  |                  |
| Koi Sushi             | \$ 35,000        | \$ 42,465        | \$ 38,321        | \$ 32,532        |
| Health & Dental Lease | 25,000           | 25,000           | 25,000           | 25,000           |
| VFCU Lease            | 20,000           | 20,400           | 22,100           | 20,400           |
| Newspaper Lease       | 8,000            | 8,000            | 8,000            | 8,000            |
|                       | <u>\$ 88,000</u> | <u>\$ 95,865</u> | <u>\$ 93,421</u> | <u>\$ 85,932</u> |

Note 14 BOOKSTORE

|                            | 2013<br>BUDGET  | 2013<br>ACTUAL   | 2012<br>ACTUAL   | 2011<br>ACTUAL   |
|----------------------------|-----------------|------------------|------------------|------------------|
| Revenue                    |                 |                  |                  |                  |
| Bus passes                 | \$ 35,500       | \$ 43,360        | \$ 35,790        | \$ 26,882        |
| Merchandise                | 2,000           | 7,393            | 20,518           | 21,973           |
| Used books                 | 234,000         | 240,818          | 234,259          | 227,630          |
| Supplies and Miscellaneous | 20,000          | 3,555            | 4,191            | 3,142            |
|                            | <u>291,500</u>  | <u>295,126</u>   | <u>294,758</u>   | <u>279,627</u>   |
| Cost of goods sold         |                 |                  |                  |                  |
| Bus passes                 | 34,750          | 43,210           | 34,587           | 27,661           |
| Merchandise                | 1,000           | 5,349            | 18,449           | 19,944           |
| New books                  | -               | 28,797           | -                | 1,707            |
| Used books                 | 175,000         | 116,190          | 173,067          | 168,351          |
| Supplies and miscellaneous | 19,000          | 4,240            | 3,529            | 1,116            |
| Wages                      | 54,500          | 63,578           | 15,781           | -                |
|                            | <u>284,250</u>  | <u>261,364</u>   | <u>245,413</u>   | <u>218,779</u>   |
|                            | <u>\$ 7,250</u> | <u>\$ 33,762</u> | <u>\$ 49,345</u> | <u>\$ 60,848</u> |



Note 15 NEWSPAPER - THE PHOENIX

|                           | 2013<br>BUDGET | 2013<br>ACTUAL | 2012<br>ACTUAL | 2011<br>ACTUAL |
|---------------------------|----------------|----------------|----------------|----------------|
| Revenue                   |                |                |                |                |
| Fees - Student Media Fund | \$ -           | \$ 47,725      | \$ 36,888      | \$ 32,408      |
| Revenue - advertising     | -              | 17,131         | 6,550          | 7,010          |
| Campus Plus               | -              | 2,407          | 4,394          | 4,926          |
|                           | <u>-</u>       | <u>67,263</u>  | <u>47,832</u>  | <u>44,344</u>  |
| <br>                      |                |                |                |                |
| Honoraria                 | -              | 19,881         | 16,502         | 16,658         |
| Conferences               | -              | 12,226         | 1,264          | 2,666          |
| CUP membership fees       | -              | 1,947          | -              | -              |
| Miscellaneous             | -              | -              | 1,617          | -              |
| Office and computer       | -              | 325            | 521            | 431            |
| Photography               | -              | -              | -              | -              |
| Printing                  | -              | 12,840         | 9,913          | 11,792         |
| Telephone and fax         | -              | 2,690          | 3,088          | 2,706          |
| Lease expense             | -              | 8,000          | 8,000          | 8,000          |
| Insurance                 | -              | 1,880          | 1,880          | 1,880          |
|                           | <u>-</u>       | <u>59,789</u>  | <u>42,785</u>  | <u>44,133</u>  |
|                           | \$ -           | \$ 7,474       | \$ 5,047       | \$ 211         |

Per discussion with management, no budget was prepared for the 2013 year.

Note 16 CATERING

|                     | 2013<br>BUDGET  | 2013<br>ACTUAL  | 2012<br>ACTUAL | 2011<br>ACTUAL |
|---------------------|-----------------|-----------------|----------------|----------------|
| Revenue             |                 |                 |                |                |
| Sales               | \$ 25,000       | \$ 24,474       | \$ -           | \$ -           |
| Expenses            |                 |                 |                |                |
| Purchases and wages | 24,000          | 22,713          | -              | -              |
|                     | <u>\$ 1,000</u> | <u>\$ 1,761</u> | <u>\$ -</u>    | <u>\$ -</u>    |

Note 17 PUB AND FOOD SERVICES

|                            | 2013<br>BUDGET | 2013<br>ACTUAL | 2012<br>ACTUAL | 2011<br>ACTUAL |
|----------------------------|----------------|----------------|----------------|----------------|
| Revenue                    |                |                |                |                |
| Sales                      | \$ 635,200     | \$ 762,813     | \$ 632,151     | \$ 668,140     |
| Pool Tables                | 1,400          | 2,894          | 1,336          | 1,330          |
| Entertainment              | -              | 2,250          | 7,961          | 16,739         |
| Skills net income          | <u>(6,000)</u> | <u>6,965</u>   | <u>4,916</u>   | <u>-</u>       |
|                            | <u>630,600</u> | <u>774,922</u> | <u>646,364</u> | <u>686,209</u> |
| Cost of goods sold         | 295,200        | 342,862        | 306,774        | 337,351        |
| Advertising and promotions | -              | 3,828          | 11             | 672            |
| Audit - liquor             | -              | 285            | -              | 160            |
| Bank charges               | 1,000          | 347            | 426            | 1,767          |
| Cleaning supplies          | 9,000          | 10,453         | 8,742          | 7,801          |
| Entertainment              | -              | 212            | 412            | 2,128          |
| Equipment and supplies     | 500            | 1,277          | 419            | 966            |
| Insurance                  | 6,000          | 7,019          | 6,000          | 5,880          |
| Licenses                   | 3,500          | 3,577          | 3,182          | 1,892          |
| Maintenance and repairs    | 5,000          | 9,447          | 7,440          | 8,895          |
| Miscellaneous              | 1,500          | 2,298          | 806            | 1,632          |
| Telephone and cable        | 2,400          | 1,952          | 2,032          | 2,319          |
| Utilities                  | 9,500          | 10,369         | 9,080          | 10,773         |
| Wages and benefits         | <u>227,000</u> | <u>267,246</u> | <u>221,801</u> | <u>246,709</u> |
|                            | <u>560,600</u> | <u>661,172</u> | <u>567,125</u> | <u>628,945</u> |
|                            | \$ 70,000      | \$ 113,750     | \$ 79,239      | \$ 57,264      |

Note 18 THE COFFEE HOUSE

|                        | 2013<br>BUDGET    | 2013<br>ACTUAL    | 2012<br>ACTUAL    | 2011<br>ACTUAL    |
|------------------------|-------------------|-------------------|-------------------|-------------------|
| Revenue                |                   |                   |                   |                   |
| Sales                  | \$ <u>240,930</u> | \$ <u>257,994</u> | \$ <u>257,531</u> | \$ <u>219,415</u> |
| Expenses               |                   |                   |                   |                   |
| Advertising            | 600               | 109               | 5                 | -                 |
| Wages and benefits     | 115,000           | 115,983           | 52,025            | 60,981            |
| Purchases and supplies | <u>122,500</u>    | <u>149,070</u>    | <u>154,981</u>    | <u>124,626</u>    |
|                        | <u>238,100</u>    | <u>265,162</u>    | <u>207,011</u>    | <u>185,607</u>    |
|                        | \$ 2,830          | \$ (7,168)        | \$ 50,520         | \$ 33,808         |

Note 19 CONCESSIONS

|                        | 2013<br>BUDGET  | 2013<br>ACTUAL   | 2012<br>ACTUAL | 2011<br>ACTUAL |
|------------------------|-----------------|------------------|----------------|----------------|
| Revenue                |                 |                  |                |                |
| Sales                  | \$ <u>3,000</u> | \$ <u>43,425</u> | \$ -           | \$ -           |
| Expenses               |                 |                  |                |                |
| Purchases and supplies | -               | 23,489           | -              | -              |
| Other expenses         | -               | 3,492            | -              | -              |
| Wages and benefits     | -               | <u>17,449</u>    | -              | -              |
|                        | -               | <u>44,430</u>    | -              | -              |
|                        | \$ 3,000        | \$ (1,005)       | \$ -           | \$ -           |

**STUDENTS UNION OF UBC OKANAGAN**  
**COMPARISON OF ACTUAL FIGURES TO BUDGET FIGURES**  
**MAY 31, 2013**

SCHEDULE 1

**REVENUE**

|  | ACTUAL           | BUDGET           | OVER (UNDER)    |
|--|------------------|------------------|-----------------|
| Membership fees                          | \$ 1,040,677     | \$ 945,000       | \$ 95,677       |
| Bookstore                                | 33,763           | 7,250            | 26,513          |
| The Phoenix                              | 7,474            | -                | 7,474           |
| The Pub and Food Services                | 113,750          | 70,000           | 43,750          |
| The Coffee House                         | (7,168)          | 2,830            | (9,998)         |
| Vending                                  | 2,245            | 3,000            | (755)           |
| Emergency Aid Donation                   | 2,400            | 2,400            | -               |
| Interest & Exchange earned               | 48,999           | 30,000           | 18,999          |
| UPass administration fee                 | 43,510           | 38,000           | 5,510           |
| Catering                                 | 1,761            | 1,000            | 761             |
| Concession                               | (1,005)          | 3,000            | (4,005)         |
| Lease Income                             | 95,865           | 88,000           | 7,865           |
| Room lease                               | 1,658            | 3,000            | (1,342)         |
| Sponsorship                              | 11,012           | 9,000            | 2,012           |
| Prior year surplus for capital additions | -                | 219,500          | (219,500)       |
| Loss on disposal of assets               | (7,854)          | -                | -               |
|  | <u>1,387,087</u> | <u>1,421,980</u> | <u>(34,893)</u> |

**EXPENSES**

|   |                   |                  |                   |
|---|-------------------|------------------|-------------------|
| Accounting / Legal                                  | 52,645            | 20,000           | 32,645            |
| Administration Collections                          | 8,325             | 8,000            | 325               |
| Advertising   | 12,923            | 15,000           | (2,077)           |
| Amortization  | 183,574           | 180,000          | 3,574             |
| Bad debts   | 159               | -                | 159               |
| Bank, Interest, Visa, & M/C Charges                 | 9,532             | 9,000            | 532               |
| Campaigns   | 10,235            | 5,000            | 5,235             |
| Employee Conferences                                | 4,872             | 12,000           | (7,128)           |
| Employee wages & benefits                           | 197,001           | 290,900          | (93,899)          |
| Fax   | 1,227             | 1,500            | (273)             |
| Frosh kits  | 4,436             | 3,000            | 1,436             |
| Handbook - net                                      | 3,385             | 4,000            | (615)             |
| Insurance   | 12,657            | 16,000           | (3,343)           |
| Interest on long-term debt                          | 187,597           | 300,000          | (112,403)         |
| Office & Maintenance & Photocopier                  | 7,772             | 12,000           | (4,228)           |
| Telephone and utilities                             | 14,576            | 15,000           | (424)             |
| Web Page  | 9,023             | 1,500            | 7,523             |
| Club & Course Union Grants                          | 24,767            | 35,000           | (10,233)          |
| Council Conferences & Training                      | 21,363            | 20,000           | 1,363             |
| Elections   | 4,518             | 8,500            | (3,982)           |
| Executive Fund                                      | 2,263             | 4,000            | (1,737)           |
| Emergency Aid                                       | 2,400             | 2,400            | -                 |
| Honoraria   | 68,868            | 80,000           | (11,132)          |
| Memberships   | 112               | 1,000            | (888)             |
| Student tax service                                 | 834               | 2,500            | (1,666)           |
| Student Life  | 64,339            | 60,000           | 4,339             |
| Ombudsmen   | 15,000            | 40,000           | (25,000)          |
| Student Life - Resource Centers                     | 5,400             | 5,400            | -                 |
|   | <u>929,803</u>    | <u>1,151,700</u> | <u>(221,897)</u>  |
|   | 457,284           | 270,280          | 187,004           |
| Current year Additions to JPM Student Centre        | 117,146           | 150,000          | (32,854)          |
| Current year Capital purchases                      | 89,636            | 69,500           | 20,136            |
| Subsequent year Capital purchases                   | -                 | 40,000           | -                 |
| Principal Payments on Long-term debt                | 99,505            | -                | 99,505            |
| <b>EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES</b> | <b>\$ 150,997</b> | <b>\$ 10,780</b> | <b>\$ 100,217</b> |