
**UNIVERSITY OF PRINCE EDWARD ISLAND
STUDENT UNION INC.
FINANCIAL STATEMENTS**

APRIL 30, 2000

MacPherson Roche Smith & Noonan

CHARTERED ACCOUNTANTS AND MANAGEMENT CONSULTANTS

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AUDITORS' REPORT

To the Members of the
University of Prince Edward Island Student Union Inc.

We have audited the balance sheet of the University of Prince Edward Island Student Union Inc. as at April 30, 2000, and the statements of earnings and operating surplus 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.

Except as explained in the following paragraph, we conducted our audit in accordance with 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.

The Student Union derives revenue from student activities and events, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, our verification of these revenues was limited to the amounts recorded in the records of the Student Union and we were not able to determine whether any adjustments might be necessary to revenues, net earnings, assets or surplus.

In our opinion, except for the effect of adjustments, if any, which we might have determined to be necessary had we been able to satisfy ourselves concerning the completeness of revenue referred to in the preceding paragraph, these financial statements present fairly, in all material respects, the financial position of the Student Union as at April 30, 2000, and the results of its operations and changes in its cash flows for the year then ended, in accordance with generally accepted accounting principles.

MacPherson Roche Smith & Noonan

November 27, 2000

Chartered Accountants

representing

**Deloitte &
Touche**



UNIVERSITY OF PRINCE EDWARD ISLAND STUDENT UNION INC.
STATEMENT OF EARNINGS
AND OPERATING SURPLUS
 YEAR ENDED APRIL 30, 2000

	2000	1999
Revenue		
Student Health Plan	\$ 267,285	\$ 208,893
CFS membership fees	18,920	17,708
Lounge operations (Schedule 1)	19,443	-
Other revenue (Note 6)	7,409	8,505
Student Center Fund	51,810	48,700
Student fees	263,636	246,835
WUSC fees	<u>10,846</u>	<u>10,140</u>
	<u>639,349</u>	<u>540,781</u>
Operating expenses		
Student Health Plan	267,285	208,893
CFS membership fees	17,299	15,007
Contribution to capital		
Cash transfer - Student Center Fund	51,810	48,700
Lounge operations (Schedule 1)	-	3,677
Student activities (Schedule 2)		
Radio CIMN	5,135	2,124
Social committee and special events	6,794	16,630
Student Union newspaper	14,534	11,184
Yearbook	15,968	17,459
Student Council activities	5,346	4,668
WUSC fees	<u>10,846</u>	<u>10,140</u>
	<u>395,017</u>	<u>338,482</u>
	244,332	202,299
General and administrative expenses (Schedule 3)	210,959	180,931
Student Center 2000 (Schedule 4)	<u>5,469</u>	<u>1,503</u>
Net earnings	27,904	19,865
Operating surplus, beginning of year	<u>33,884</u>	<u>14,019</u>
Operating surplus, end of year	<u>\$ 61,788</u>	<u>\$ 33,884</u>

UNIVERSITY OF PRINCE EDWARD ISLAND STUDENT UNION INC.
BALANCE SHEET
AS AT APRIL 30, 2000

	2000	1999
ASSETS		
Current		
Cash and short-term deposits	\$ 61,411	\$ 31,904
Accounts receivable	18,408	15,943
Inventory	5,172	5,549
Prepaid expenses	<u>4,815</u>	<u>6,020</u>
	89,806	59,416
Cash	493	493
Capital investments (Note 3)	828,168	733,182
Capital assets (Note 4)	<u>46,912</u>	<u>56,534</u>
	<u>\$ 965,379</u>	<u>\$ 849,625</u>
LIABILITIES		
Current		
Accounts payable and accrued liabilities	\$ 5,694	\$ 3,840
Classes and suborganizations	<u>22,325</u>	<u>21,693</u>
Trade		
	<u>28,019</u>	<u>25,533</u>
SURPLUS		
Operating surplus	61,788	33,884
Capital surplus (Note 5)	<u>875,572</u>	<u>790,208</u>
	<u>937,360</u>	<u>824,092</u>
	<u>\$ 965,379</u>	<u>\$ 849,625</u>

On behalf of the Executive

..... President

..... Vice President - Finance

UNIVERSITY OF PRINCE EDWARD ISLAND STUDENT UNION INC.
STATEMENT OF CASH FLOWS
YEAR ENDED APRIL 30, 2000

	2000	1999
Net inflow (outflow) of cash related to the following activities:		
Operating		
Net earnings	\$ <u>27,904</u>	\$ <u>19,865</u>
Changes in non-cash operating working capital items		
Accounts receivable	(2,465)	(4,899)
Inventory	377	2,682
Prepaid expenses	1,205	(1,208)
Accounts payable and accrued liabilities	<u>2,486</u>	<u>(1,357)</u>
	<u>1,603</u>	<u>(4,782)</u>
	<u>29,507</u>	<u>15,083</u>
Financing		
Total contribution to Student Center Fund	54,995	48,700
Investment income	38,690	35,226
Bank teller machine revenue	<u>1,300</u>	<u>1,200</u>
	<u>94,985</u>	<u>85,126</u>
Investing		
Increase in capital investments	<u>(94,985)</u>	<u>(85,126)</u>
Net cash inflow	<u>29,507</u>	<u>15,083</u>
Cash position, beginning of year	<u>31,904</u>	<u>16,821</u>
Cash position, end of year	<u>\$ 61,411</u>	<u>\$ 31,904</u>
Represented by:		
Cash	\$ (65,709)	\$ (69,970)
Short term deposits	<u>127,120</u>	<u>101,874</u>
	<u>\$ 61,411</u>	<u>\$ 31,904</u>

UNIVERSITY OF PRINCE EDWARD ISLAND STUDENT UNION INC.
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED APRIL 30, 2000

1. DESCRIPTION OF ORGANIZATION

The University of Prince Edward Island Student Union Inc. is a student organization whose purpose is to act as the official organization of the students of the University of Prince Edward Island and co-ordinate and promote the group activities of the students. The University of Prince Edward Island Student Union Inc. is incorporated under the Companies' Act of Prince Edward Island as a not-for-profit organization and is considered the same under the Income Tax Act.

2. ACCOUNTING POLICIES

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

a) Inventory

Inventory is valued at the lower of cost and net realizable value.

b) Capital Assets

Capital asset additions funded from current operations are recorded as operating expenses. Capital assets are recorded at cost. Amortization is computed using the straight-line method at the following annual rates:

Capital renovations - buildings	5%
CIMN radio facilities and equipment	8%
Other equipment	10%
Computer equipment	20%

3. CAPITAL INVESTMENTS

In accordance with agreements between the University of Prince Edward Island Student Union Inc. and the Board of Governors of the University of Prince Edward Island, certain investments are under joint administration and provide funds for capital projects as follows:

	<u>2000</u>	<u>1999</u>
Capital Savings Fund	\$ 382,133	\$ 362,774
Student Center Fund	<u>446,035</u>	<u>370,408</u>
	<u>\$ 828,168</u>	<u>\$ 733,182</u>

UNIVERSITY OF PRINCE EDWARD ISLAND STUDENT UNION INC.
NOTES TO THE FINANCIAL STATEMENTS
 YEAR ENDED APRIL 30, 2000

4. CAPITAL ASSETS

	<u>Cost</u>	<u>Accumulated Amortization</u>	<u>Net Book Value</u>	
			<u>2000</u>	<u>1999</u>
Capital renovations - buildings	\$ 220,428	\$ 202,466	\$ 17,962	\$ 23,475
CIMN radio facilities and equipment	-	-	-	7,630
Other equipment	154,536	131,145	23,391	17,562
Computer equipment	<u>40,418</u>	<u>34,859</u>	<u>5,559</u>	<u>7,867</u>
	<u>\$ 415,382</u>	<u>\$ 368,470</u>	<u>\$ 46,912</u>	<u>\$ 56,534</u>

During the year, all assets relating to the operation of the radio station were donated to CIMN, now a separate entity. This transaction resulted in a loss on disposal of \$7,629.

5. CAPITAL SURPLUS

	<u>Student Centre Fund</u>	<u>Capital Savings Fund</u>		
			<u>2000</u>	<u>1999</u>
Balance, beginning of year	\$ <u>370,433</u>	\$ <u>419,775</u>	\$ <u>790,208</u>	\$ <u>714,438</u>
Add:				
Contribution from operations				
Revenue collected through Student Union fees	51,810	-	51,810	48,700
Donations				
UPEI Alumni	2,126	-	2,126	110
Purchase of equipment	-	10,885	10,885	5,545
Investment income	19,331	19,359	38,690	35,226
Bank teller machine income	1,300	-	1,300	1,200
Business Office adjustment	<u>1,059</u>	<u>-</u>	<u>1,059</u>	<u>-</u>
	<u>75,626</u>	<u>30,244</u>	<u>105,870</u>	<u>90,781</u>
Deduct:				
Amortization	-	12,877	12,877	14,589
Loss on disposal of equipment	<u>-</u>	<u>7,629</u>	<u>7,629</u>	<u>422</u>
	<u>-</u>	<u>20,506</u>	<u>20,506</u>	<u>15,011</u>
Balance, end of year	\$ <u>446,059</u>	\$ <u>429,513</u>	\$ <u>875,572</u>	\$ <u>790,208</u>

UNIVERSITY OF PRINCE EDWARD ISLAND STUDENT UNION INC.
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED APRIL 30, 2000

6. OTHER REVENUE

	<u>2000</u>	<u>1999</u>
Interest on short-term deposits	\$ 2,986	\$ 3,823
Sundry	<u>4,423</u>	<u>4,682</u>
	<u>\$ 7,409</u>	<u>\$ 8,505</u>

7. COMPARATIVE FIGURES

Certain of the prior year's figures have been reclassified to conform with current year presentation.

SCHEDULE 1

UNIVERSITY OF PRINCE EDWARD ISLAND STUDENT UNION INC.
LOUNGE OPERATIONS
 YEAR ENDED APRIL 30, 2000

	2000	%	1999	%
		of Sales		of Sales
Sales	\$ <u>153,098</u>	<u>100.0</u>	\$ <u>101,311</u>	<u>100.0</u>
Cost of sales				
Inventory, beginning of year	5,549		8,231	-
Purchases	<u>77,670</u>		<u>54,441</u>	-
	83,219		62,672	-
Inventory, end of year	<u>(5,172)</u>		<u>(5,549)</u>	-
	<u>78,047</u>	<u>51.0</u>	<u>57,123</u>	<u>56.4</u>
Gross margin	<u>75,051</u>	<u>49.0</u>	<u>44,188</u>	<u>43.6</u>
Expenses				
Equipment	8,988		774	
Interest and bank charges	157		520	
Licenses	3,268		2,644	
Materials and supplies	3,454		868	
Miscellaneous	1,669		783	
Movies and entertainment	107		-	
Repairs and maintenance	270		2,168	
Salaries	37,116		40,108	
Staff clothing	429		-	
Travel	<u>150</u>		<u>-</u>	
	<u>55,608</u>		<u>47,865</u>	
	\$ <u>19,443</u>		\$ <u>(3,677)</u>	

UNIVERSITY OF PRINCE EDWARD ISLAND STUDENT UNION INC.
STUDENT ACTIVITIES
 YEAR ENDED APRIL 30, 2000

	Radio CIMN	Social Committee and Special Events	Student Union Newspaper	Yearbook
2000				
Revenue	\$ <u>-</u>	\$ <u>58,744</u>	\$ <u>10,825</u>	\$ <u>7,836</u>
Expenses				
Advertising	-	805	-	-
Dues and licenses	325	1,302	1,310	-
Entertainment	-	59,541	-	-
Materials and supplies	-	353	515	287
Miscellaneous	4,614	439	911	313
Printing	-	199	13,596	14,845
Salaries	-	2,271	7,166	8,086
Telephone	196	-	330	273
Travel	-	628	1,531	-
	<u>5,135</u>	<u>65,538</u>	<u>25,359</u>	<u>23,804</u>
Excess of expenses over revenue	\$ <u>5,135</u>	\$ <u>6,794</u>	\$ <u>14,534</u>	\$ <u>15,968</u>
1999				
Revenues	\$ <u>-</u>	\$ <u>39,950</u>	\$ <u>11,902</u>	\$ <u>6,020</u>
Expenses				
Advertising	-	610	-	-
Dues and licenses	50	989	500	-
Entertainment	-	52,400	-	-
Equipment	498	-	-	1,273
Material and supplies	166	865	1,229	304
Miscellaneous	-	925	665	-
Printing	-	-	12,035	15,251
Salaries	-	-	7,329	6,321
Telephone	1,220	-	370	330
Travel	190	791	958	-
	<u>2,124</u>	<u>56,580</u>	<u>23,086</u>	<u>23,479</u>
Excess of expenses over revenue	\$ <u>2,124</u>	\$ <u>16,630</u>	\$ <u>11,184</u>	\$ <u>17,459</u>

UNIVERSITY OF PRINCE EDWARD ISLAND STUDENT UNION INC.
GENERAL AND ADMINISTRATIVE EXPENSES
YEAR ENDED APRIL 30, 2000

	2000	1999
Bad debts	\$ 1,057	\$ 1,027
Banquet	-	2,043
Cleaning and sanitation	2,798	3,122
Donations and sports awards	2,642	3,560
Equipment	1,896	3,000
Fuel	5,063	3,731
Handbook	6,462	3,731
Insurance	10,587	8,886
Interest and bank charges	3,251	2,136
Office and miscellaneous	8,971	10,373
Professional fees	6,068	5,994
Repairs and maintenance	3,906	6,950
Salaries and employee benefits	142,772	117,196
Telephone	3,844	3,645
Travel	11,201	5,196
Workers' compensation insurance	<u>441</u>	<u>341</u>
	<u>\$ 210,959</u>	<u>\$ 180,931</u>

UNIVERSITY OF PRINCE EDWARD ISLAND STUDENT UNION INC.
 STUDENT CENTER 2000
 YEAR ENDED APRIL 30, 2000

	2000	1999
Revenue		
Contribution by Student Center Fund	\$ -	\$ -
Expenses		
Advertising	1,347	-
Office	2,251	710
Professional fees	1,871	-
Travel	-	793
	<u>5,469</u>	<u>1,503</u>
	<u>\$ (5,469)</u>	<u>\$ (1,503)</u>