

**The Students' Union,
The University of Calgary**

Financial Statements
June 30, 2024



Independent auditor's report

To the Members of The Students' Union, The University of Calgary

Our opinion

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of The Students' Union, The University of Calgary (the Students' Union) as at June 30, 2024 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.

What we have audited

The Students' Union financial statements comprise:

- the balance sheet as at June 30, 2024;
- the statement of operations for the year then ended;
- the statement of changes in net assets for the year then ended;
- the statement of cash flows for the year then ended; and
- the notes to the financial statements, which include significant accounting policies and other explanatory information.

Basis for opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Students' Union in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada. We have fulfilled our other ethical responsibilities in accordance with these requirements.

Responsibilities of management and those charged with governance for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Canadian accounting standards for not-for-profit organizations, and for such internal

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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.

In preparing the financial statements, management is responsible for assessing the Students' Union ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Students' Union or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing Students' Union financial reporting process.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Students' Union internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on Students' Union ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Students' Union to cease to continue as a going concern.



- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

PricewaterhouseCoopers LLP



Chartered Professional Accountants

Calgary, Alberta
November 6, 2024

The Students' Union, The University of Calgary

Balance Sheet

As at June 30, 2024

	2024 \$	2023 \$	
Assets			
Current assets			
Cash	7,988,029	5,735,149	
Short-term investments (note 7)	8,850,000	8,850,000	
Accounts receivable	749,970	529,748	
Inventories	140,482	149,281	
Prepaid expenses	24,928	21,960	
	<u>17,753,409</u>	<u>15,286,138</u>	
Interest in MacEwan Hall and MacEwan Student Centre (note 3)	15,358,872	15,947,658	
Capital assets (note 4)	<u>232,348</u>	<u>103,123</u>	
	<u><u>33,344,629</u></u>	<u><u>31,336,919</u></u>	
Liabilities			
Current liabilities			
Accounts payable and accrued charges (note 10)	773,558	615,588	
Deferred revenue	1,471,523	1,460,191	
Long-term debt (note 5)	858,376	978,309	
	<u>3,103,457</u>	<u>3,054,088</u>	
Tenant deposits	178,928	168,800	
Deferred contributions (note 6)	2,161,715	2,036,662	
Deferred capital contributions (note 6)	<u>6,003,839</u>	<u>5,712,007</u>	
	<u><u>11,447,939</u></u>	<u><u>10,971,557</u></u>	
Net Assets			
Unrestricted	6,068,263	4,426,552	
Internally restricted (note 7)	3,625,279	3,608,334	
Restricted for endowment purposes (note 8)	2,691,225	2,574,617	
Internally restricted net assets invested in capital assets and interest in MacEwan Hall and MacEwan Student Centre	<u>9,511,923</u>	<u>9,755,859</u>	
	<u><u>21,896,690</u></u>	<u><u>20,365,362</u></u>	
	<u><u>33,344,629</u></u>	<u><u>31,336,919</u></u>	
Commitments (note 11)			
Approved by the Board of Directors			
	Executive		Executive

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

The Students' Union, The University of Calgary

Statement of Operations

For the year ended June 30, 2024

	2024 \$	2023 \$
Revenue		
Operating	9,572,155	8,755,614
Student fees (note 9)	5,789,132	5,349,157
Amortization of deferred contributions (note 6)	1,346,521	2,342,185
Amortization of deferred capital contributions (note 6)	178,176	172,500
Interest	766,677	512,780
Donations	98,039	72,067
	<hr/> 17,750,700	<hr/> 17,204,303
Expenditures		
Cost of providing services	5,225,025	4,948,731
Salaries	4,795,615	4,454,441
Operating	3,195,082	2,965,846
Amortization	723,463	802,904
Building operation	288,915	269,572
Interest	63,205	59,300
Student services	1,777,627	2,825,910
Donations from restricted funds	267,048	223,407
	<hr/> 16,335,980	<hr/> 16,550,111
Excess of revenue over expenditures for the year	1,414,720	654,192
Net Assets – Beginning of year	20,365,362	19,600,143
Endowment contributions (note 8)	116,608	111,027
Net Assets – End of year	<hr/> <hr/> 21,896,690	<hr/> <hr/> 20,365,362

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

The Students' Union, The University of Calgary

Statement of Changes in Net Assets

For the year ended June 30, 2024

					2024	2023
	Unrestricted \$	Internally restricted \$ (note 7)	Restricted for Endowment purposes \$ (note 8)	Internally restricted net assets invested in capital assets and interest in MacEwan Hall and MacEwan Student Centre \$	Total \$	Total \$
Balance – Beginning of year	4,426,552	3,608,334	2,574,617	9,755,859	20,365,362	19,600,143
Excess of revenue over expenditures	1,414,720	-	-	-	1,414,720	654,192
Amortization of internally funded assets	545,291	-	-	(545,291)	-	-
Net transfer to internally restricted	(16,945)	16,945	-	-	-	-
Endowment contribution	-	-	116,608	-	116,608	111,027
Repayment of long-term debt	(119,932)	-	-	119,932	-	-
Purchase of capital assets – internally funded	(181,423)	-	-	181,423	-	-
	1,641,711	16,945	116,608	(243,936)	1,531,328	765,219
Balance – End of year	6,068,263	3,625,279	2,691,225	9,511,923	21,896,690	20,365,362

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

The Students' Union, The University of Calgary

Statement of Cash Flows

For the year ended June 30, 2024

	2024 \$	2023 \$
Cash provided by (used in)		
Operating activities		
Excess of revenue over expenditures for the year	1,414,720	654,192
Items not affecting cash		
Amortization	723,463	802,904
Amortization of deferred contributions	(1,346,521)	(2,342,185)
Amortization of deferred capital contributions	(178,176)	(172,500)
	613,486	(1,057,589)
Change in non-cash operating working capital items	(45,086)	19,387
	568,400	(1,038,202)
Investing activities		
Repayment of long-term debt	(119,932)	(128,200)
Additions to capital assets	(181,423)	(50,724)
Additions to interest in MacEwan Hall and MacEwan Student Centre	(82,483)	(501,638)
Increase (decrease) of short-term investments	-	(4,000,000)
Endowment contributions	116,608	111,027
	(267,230)	(4,569,535)
Financing activities		
Increase in deferred contributions	1,941,583	1,893,071
Increase in tenant deposits	10,127	34,175
	1,951,710	1,927,246
Increase (decrease) in cash during the year	2,252,880	(3,680,491)
Cash – Beginning of year	5,735,149	9,415,640
Cash – End of year	7,988,029	5,735,149

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

The Students' Union, The University of Calgary

Notes to Financial Statements

June 30, 2024

1 Authority

The Students' Union, The University of Calgary (the Students' Union) is a corporate body created pursuant to the Post-Secondary Learning Act of the Province of Alberta, S.A. 2003, and Chapter 19.5. The Students' Union is a not-for-profit organization as defined in the Income Tax Act (Canada) and therefore is not subject to income tax.

The Students' Union's mission is to provide for the administration of the affairs of the undergraduate students of The University of Calgary (the University). Under its by-laws, the members of the Students' Union annually elect The Student Executive Cabinet, which is responsible for, inter alia, managing the affairs of the Students' Union consistent with the decisions of the Students' Legislative Council, managing the Students' Union's personnel and preparing the annual budget.

The Students' Union has an economic relationship with the University through the MacEwan Student Centre (note 3) but operates as an independent, autonomous body separate and distinct from the University.

2 Summary of significant accounting policies

Basis of accounting

The financial statements of the Students' Union have been prepared in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO) as issued by the Canadian Accounting Standards Board.

Use of estimates

The preparation of financial statements in conformity with ASNPO requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities as at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Revenue recognition

The Students' Union follows the deferral method of accounting for contributions.

Restricted contributions, other than those related to capital assets or interest in MacHall, are recognized as revenue in the year in which the related expenses are incurred. Restricted contributions related to capital assets or interest in MacHall are recognized as revenue as the related capital assets or interest in MacHall are amortized.

Unrestricted contributions are recognized as revenue in the year received or receivable if the amount can be reasonably estimated and collection is reasonably assured.

Endowment contributions that are reported in the Operating Fund are recognized as direct increases in net assets restricted for endowment purposes in the period in which they are received. Investment income from

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Notes to Financial Statements

June 30, 2024

endowment funds that is restricted for use for library expenses is initially recorded as deferred revenue then recognized as revenue in the year in which the related library expenses are incurred.

Student fees are recognized as revenue over the period for which services are delivered.

Operating revenue, consisting of commercial services, is recognized as revenue when products are delivered or services sold are substantially provided.

Cash and cash equivalents

Cash and cash equivalents include cash on hand, cash on deposit in interest bearing bank accounts and short-term guaranteed investment certificates (GICs) with original maturities of less than 90 days held with reputable financial institutions.

Short-term investments

Short-term investments consist of guaranteed investment certificates with a term to maturity of less than one year. The GICs are held by Royal Bank of Canada and ATB Financial (ATB) bearing interest from 4.73% to 5.70% per annum (2023 – 1.14% to 5.25%).

Inventories

Inventories are valued at the lower of cost and net realizable value.

Interest in MacHall

The Students' Union's interest in the student-occupied areas within MacHall is recorded at cost. Amortization is computed on a straight-line basis over the estimated useful lives of the assets at the following rates:

Building	40 years
Fixed equipment	10 – 20 years
IT and network infrastructure	10 years

No amortization is provided on construction-in-progress included in interest in MacHall until the assets are put in use.

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Capital assets

Capital assets are recorded at cost less accumulated amortization and any provision for impairment. The cost for contributed capital assets is considered to be fair value at the date of contribution. During 2024, there was \$181,423 of contributed capital assets (2023 – \$50,724). Amortization is computed on a straight-line basis over the estimated useful lives of the assets at the following rates:

Furniture, equipment and computers	5 years
Kitchen equipment and EV	10 years

No amortization is provided on construction-in-progress until the assets are put in use.

Impairment of MacHall and capital assets

The interest in MacHall and capital assets are reviewed for impairment when conditions indicate that the value of future economic benefits of the assets does not exceed their carrying value or when an asset no longer contributes to the Students' Union's ability to provide goods and services. When conditions indicate that an asset is impaired, the net carrying amount of the asset is written down to the asset's fair value or replacement cost. The writedowns of assets are recognized as expenditures in the statements of operations and changes in net assets. Writedowns are not subsequently reversed.

Financial instruments

A financial asset or a financial liability is initially recognized when the Students' Union becomes a party to the contractual provisions of the financial instrument. A financial liability is derecognized when it is extinguished. The Students' Union initially measures financial assets and financial liabilities assumed in an arm's length transaction at their fair value. It subsequently measures its financial assets and financial liabilities at amortized cost, other than investments, which are reported at fair value. The financial assets subsequently measured at amortized cost include cash and accounts receivable. The financial liabilities subsequently recorded at amortized cost include accounts payable and accrued charges and long-term debt.

Financial assets originated or acquired, and financial liabilities issued or assumed, in a related party transaction are initially measured at cost. For financial instruments with repayments terms, cost is determined as the sum of undiscounted cash flows less any impairment losses previously recognized by the transferor. For financial instruments with no repayment terms, cost is determined by reference to the consideration transferred or received by the Students' Union in the transaction.

Transaction costs related to financial instruments measured at fair value are expensed as incurred. For all other financial instruments, the transaction costs are added to the carrying value of the asset or netted against the carrying value of the liability and are then recognized over the expected life of the instrument using the straight-line method.

With respect to financial assets measured at amortized cost, the Students' Union recognizes an impairment loss, if any, in the statements of operations and changes in fund balances, when it determines that a significant adverse change has occurred during the period in the expected timing or amount of future cash flows. When the

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Notes to Financial Statements

June 30, 2024

extent of impairment of a previously written down asset decreases and the decrease can be related to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed in the statements of operations and changes in net assets in the period in which the reversal occurs.

It is the opinion of management that the Students' Union is not subject to significant credit, interest rate, price, liquidity or currency risk related to these financial instruments.

3 Interest in MacHall

The Students' Union operates under a Stakeholders' Rights Agreement and MacEwan Building Management and Use of Space Agreement (MUSA) with the Governors of the University. The primary term of MUSA is ten years. The agreement provides the Students' Union the appointment of a building manager, the right to occupy space in MacHall rent free, the right to retain the revenue from the use of such space for commercial activities and the right to provide management services in consideration for contributions the Students' Union made towards the cost of construction of the buildings.

Under MUSA, the Students' Union continues to record its investment in the interest in MacHall as a long-term asset as management believes the Students' Union has the beneficial risks and rewards of ownership of these assets.

	2024 \$	2023 \$
Redevelopment costs	29,161,827	29,100,883
Less: Accumulated amortization	13,802,955	13,153,225
Interest in MacHall	<u>15,358,872</u>	<u>15,947,658</u>

Amortization provided for in the current year totalled \$671,268 (2023 – \$668,791).

Included in redevelopment costs are construction-in-progress amounts of \$11,669 (2023 – \$415,501) that relate to assets not yet in use.

4 Capital assets

	2024	2023		
	Cost \$	Accumulated amortization \$	Net \$	Net \$
Kitchen equipment and EV	142,933	17,629	125,304	36,024
Furniture, equipment and computers	694,709	587,665	107,044	67,099
	<u>837,642</u>	<u>605,294</u>	<u>232,348</u>	<u>103,123</u>

The Students' Union, The University of Calgary

Notes to Financial Statements

June 30, 2024

5 Long-term debt

	2024 \$	2023 \$
ATB		
Non-revolving term facility, bearing interest at prime minus 0.32% per annum, maturing December 31, 2024, with blended payments on the last day of each month, collateralized with a \$1.5 million GIC held through ATB	858,376	978,309
Less: Amounts due within one year	858,376	978,309
	<u>-</u>	<u>-</u>

6 Deferred contributions

Deferred contributions for operations comprise contributions received that were restricted by the contributor and remain unspent as at year-end.

Deferred contributions for capital comprise a student levy imposed January 1, 1996 and other funds that have been designated for the purpose of the redevelopment project to the MacEwan Student Centre.

Changes in deferred contributions are as follows:

	2024		2023	
	Operating \$	Capital \$	Net \$	Net \$
Balance – Beginning of year	2,036,662	5,712,007	7,748,669	8,370,283
Add: Amounts recorded for future expenditures	1,471,574	470,008	1,941,582	1,893,071
Less: Amount amortized to revenue	1,346,521	178,176	1,524,697	2,514,685
Balance – End of year	<u>2,161,715</u>	<u>6,003,839</u>	<u>8,165,554</u>	<u>7,748,669</u>

7 Internally restricted reserve funds

Certain funds have been restricted for use by the Students' Union for the following purposes. These restricted funds are invested in the GIC and are included in short-term investments.

	2024 \$	2023 \$
Student Health Plan	2,821,812	2,826,822
Refugee students	562,682	551,546
Food bank	229,678	219,471
Students for Literacy	1,042	611
Food Court Reserve	8,338	8,338
Committee 10,000	1,422	1,241
Tutor referral	305	305
	<u>3,625,279</u>	<u>3,608,334</u>

The Students' Union, The University of Calgary

Notes to Financial Statements

June 30, 2024

8 Endowment funds

Funds contributed through a special Students' Union levy are designated to assist the University of Calgary Library. 50% of all funds contributed through the special levy must be permanently maintained for the University of Calgary Library and are classified as endowment funds. The 2024 endowment fund contribution of \$116,608 (2023 – \$111,027) represents 50% of the 2024 special student levy of \$233,216 (2023 – \$222,048) (note 9).

9 Student fees

	2024	2023
	\$	\$
Total student fees received through the University	7,013,327	6,535,273
Add: Other fees	27,237	24,042
Add: Prior-year deferral health and dental fees	648,036	552,948
Add: Accrual less prior year accrual (spring)	697	1,105
Less: Allocations to Library Endowment Fund	116,608	111,024
Less: Health and dental fees (deferred)	728,238	648,038
Less: Amounts received on behalf of others		
Legal aid	103,686	98,968
Gauntlet	286,425	272,720
NUTV	310,475	295,682
CJSW	354,733	337,779
	<u>5,789,132</u>	<u>5,349,157</u>

Included in total student fees is \$233,216 (2023 – \$222,048) designated for the University of Calgary Library. 50% of the funds contributed, or \$116,608 (2023 – \$111,024), is recorded as a contribution to endowment funds (note 8) as this contribution must be permanently maintained.

10 Government remittances

Accounts payable and accrued charges include government remittances payable of \$30,837 (2023 – \$19,791).

11 Commitments

Minimum payments in respect of operating leases for photocopy equipment and dishwasher are as follows:

	\$
2025	40,310
2026	31,154
Thereafter	<u>104,792</u>
	<u>176,256</u>

The Students' Union, The University of Calgary

Schedule of Operating Revenue and Expenditures

(Unaudited)

For the year ended June 30, 2024

	Student government		Student activities		Commercial services (Schedule 2)			Reserve			Total	
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
Revenue												
Operating	-	-	136,287	134,970	9,435,868	8,620,644	-	-	9,572,155	-	8,755,614	-
Student fees (note 9)	1,855,977	1,762,407	-	-	-	-	3,933,155	3,586,750	5,789,132	5,789,132	5,349,157	5,349,157
Amortization of deferred contributions	-	-	1,346,521	2,342,185	766,677	512,780	-	-	1,346,521	-	2,342,185	-
Interest	-	-	-	-	-	-	-	-	766,677	-	512,780	-
Donations	-	-	87,401	67,526	-	-	10,638	4,541	98,039	-	72,067	-
	1,855,977	1,762,407	1,570,209	2,544,681	10,202,545	9,133,424	3,943,793	3,591,291	17,572,524	17,572,524	17,031,803	17,031,803
Expenditures												
Cost of providing services	-	-	89,008	68,599	1,502,417	1,363,303	3,633,600	3,516,829	5,225,025	5,225,025	4,948,731	4,948,731
Salaries	-	-	1,391,336	1,338,262	3,404,279	3,116,179	-	-	4,795,615	-	4,454,441	-
Operating	-	-	-	-	3,168,882	2,916,327	26,200	49,519	3,195,082	3,195,082	2,965,846	2,965,846
Building operation	-	-	-	-	288,915	269,572	-	-	288,915	-	269,572	-
Student services	-	-	1,777,627	2,825,910	-	-	-	-	1,777,627	-	2,825,910	-
Donations from restricted funds	-	-	-	-	-	-	267,048	223,407	267,048	223,407	223,407	223,407
	-	-	3,257,971	4,232,771	8,364,493	7,665,381	3,926,848	3,789,755	15,549,312	15,549,312	15,687,907	15,687,907
Excess of revenue over expenditures for the year	1,855,977	1,762,407	(1,687,762)	(1,688,090)	1,838,052	1,468,043	16,945	(198,464)	2,023,212	2,023,212	1,343,896	1,343,896

The Students' Union, The University of Calgary
 Schedule of Commercial Services Revenue and Expenditures
 (Unaudited)

For the year ended June 30, 2024

	Business leasing		Retail		Food/beverage/events		Total	
	2024	2023	2024	2023	2024	2023	2024	2023
	\$	\$	\$	\$	\$	\$	\$	\$
Revenue	4,484,204	4,110,424	1,177,047	1,019,900	4,541,294	4,003,099	10,202,545	9,133,424
Expenditures								
Cost of providing services	-	-	715,329	616,094	787,088	747,210	1,502,417	1,363,303
Salaries	1,438,179	1,139,733	284,930	266,265	1,681,170	1,710,182	3,404,279	3,116,179
Operating	1,809,171	1,865,362	70,397	58,838	1,289,314	992,127	3,168,882	2,916,327
Building operation	228,313	213,049	6,392	5,699	54,210	50,824	288,915	269,572
	3,475,663	3,218,144	1,077,048	946,896	3,811,782	3,500,343	8,364,493	7,665,381
Excess of revenue over expenditures for the year	1,008,541	892,280	99,999	73,004	729,512	502,756	1,838,052	1,468,043