
FINANCIAL STATEMENTS

**NORTHERN BRITISH COLUMBIA
GRADUATE STUDENTS' SOCIETY**

March 31, 2019



INDEPENDENT AUDITOR'S REPORT

To the Members of
Northern British Columbia Graduate Students' Society

Opinion

We have audited the financial statements of Northern British Columbia Graduate Students' Society (the Society), which comprise the statement of financial position as at March 31, 2019 and the statements of operations, changes in net assets and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Society as at March 31, 2019 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.

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 are independent of the Society in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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 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 Society's 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 Society or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Society's 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 the Society's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.



INDEPENDENT AUDITOR'S REPORT

- 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 the Society's 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 Society 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.

Report on Other Legal and Regulatory Requirements

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

Tompkins Wozny LLP

Vancouver, Canada
September 18, 2019

Chartered Professional Accountants



STATEMENT OF FINANCIAL POSITION

As at March 31

	Health and Dental Fund \$	Operating Fund \$	2019 \$	2018 \$
ASSETS				
Current				
Cash and cash equivalents <i>[note 3]</i>	21,777	110,721	132,498	144,271
Accounts receivable <i>[note 4]</i>	9,418	22,089	31,507	19,653
Prepaid expense	43,569	—	43,569	33,903
	<u>74,764</u>	<u>132,810</u>	<u>207,574</u>	<u>197,827</u>
LIABILITIES AND FUND BALANCES				
Current				
Accounts payable and accrued liabilities <i>[note 5]</i>	10,420	19,931	30,351	19,547
Deferred fee revenue	34,724	20,241	54,965	45,730
Total liabilities	<u>45,144</u>	<u>40,172</u>	<u>85,316</u>	<u>65,277</u>
FUND BALANCES	<u>29,620</u>	<u>92,638</u>	<u>122,258</u>	<u>132,550</u>
	<u>74,764</u>	<u>132,810</u>	<u>207,574</u>	<u>197,827</u>

Economic dependence *[note 8]*

See accompanying notes to the financial statements

On behalf of the Board:

President

Treasurer

STATEMENT OF OPERATIONS AND CHANGES IN FUND BALANCES

Year ended March 31

	Health and Dental Fund \$	Operating Fund \$	2019 \$	2018 \$
REVENUE				
Student fees	89,987	82,828	172,815	137,433
U-pass fees	—	69,612	69,612	68,622
Social events and other	—	2,945	2,945	3,470
Interest income	—	637	637	662
Photocopy and printing	—	80	80	470
	89,987	156,102	246,089	210,657
EXPENSES				
Health and dental premiums	94,899	—	94,899	73,962
U-pass expenses	—	76,854	76,854	61,972
Wages and benefits	—	30,012	30,012	21,821
Honoraria <i>[note 6]</i>	—	16,425	16,425	14,078
Travel and meeting expense	—	10,798	10,798	6,544
Campus events and campaigns	—	8,098	8,098	10,815
Office and general	—	7,673	7,673	3,384
Professional fees	—	7,122	7,122	7,103
Bursaries	—	4,500	4,500	2,500
	94,899	161,482	256,381	202,179
Revenue over (under) expenses for the year	(4,912)	(5,380)	(10,292)	8,478
Fund balances, beginning of year	34,532	98,018	132,550	124,072
Fund balances, end of year	29,620	92,638	122,258	132,550

See accompanying notes to the financial statements

STATEMENT OF CASH FLOWS

Year ended March 31

	Health and Dental Fund \$	Operating Fund \$	2019 \$	2018 \$
OPERATING ACTIVITIES				
Revenues over (under) expenses for the year	(4,912)	(5,380)	(10,292)	8,478
Changes in non-cash working capital items				
Accounts receivable	(2,742)	(9,112)	(11,854)	953
Prepaid expense	(9,666)	—	(9,666)	(7,405)
Accounts payable and accrued liabilities	2,283	8,521	10,804	(4,855)
Deferred revenue	—	9,235	9,235	2,231
Decrease in cash for the year	(15,037)	3,264	(11,773)	(598)
Cash, beginning of year	36,814	107,457	144,271	144,869
Cash, end of year	21,777	110,721	132,498	144,271

See accompanying notes to the financial statements

NOTES TO FINANCIAL STATEMENTS

March 31, 2019

1. NATURE OF OPERATIONS

The Northern British Columbia Graduate Students' Society (the "Society") is incorporated under the British Columbia Society Act as a not-for-profit organization. The purpose of the Society is to represent and advocate for the interest of the graduate students of the University of Northern British Columbia.

2. SIGNIFICANT ACCOUNTING POLICIES

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

Use of Estimates

The preparation of financial statements in conformity with Canadian ASNPO requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the amounts of revenue and expenses reported during the year. Significant areas requiring the use of management estimates relate to the determination of net recoverable value of assets, in particular as it relates to the deferred portions of revenue. Actual results could differ from these estimates.

Fund Accounting

The Society follows fund accounting using the deferral method of accounting for contributions. Revenue and their related expenses are accounted for in separate funds in accordance with objectives, limitations and determinations made by Council.

The funds are:

Operating Fund

The Operating Fund accounts for the Society's administrative activities. This fund represents unrestricted resources.

Health and Dental Fund

The Society participates in an extended health and dental plan for student members. Dental plan premiums charged to members over the premiums and related expenses paid, net of any shortfalls, has been internally restricted for the purpose of reducing future dental plan costs.

Revenue Recognition

The Society follows the deferral method of accounting for contributions. Contributions for externally restricted purposes are recognized as revenue of the appropriate fund in the year in which the related expenses are incurred.



NOTES TO FINANCIAL STATEMENTS

March 31, 2019

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

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

All other unrestricted contributions are recognized as revenue of the appropriate fund when received or receivable if the amount can be reasonably estimated and collection is reasonably assured.

Measurement of Financial Instruments

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

Financial assets measured at amortized cost include cash and cash equivalents and accounts receivable. Financial liabilities measured at amortized cost include accounts payable and accrued liabilities.

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

Cash

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

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

3. CASH AND CASH EQUIVALENTS

	2019	2018
	\$	\$
Operating and savings bank accounts	81,498	93,142
Investment accounts - cash	51,000	51,129
	132,498	144,271

NOTES TO FINANCIAL STATEMENTS

March 31, 2019

4. ACCOUNTS RECEIVABLE

	2019	2018
	\$	\$
Operating Fund		
- University of Northern British Columbia	22,089	12,977
Health and Dental Fund		
- University of Northern British Columbia	9,418	6,676
	31,507	19,653
Allowance for doubtful accounts	—	—
	31,507	19,653

5. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	2019	2018
	\$	\$
Operating Fund		
- Operations	15,946	5,237
- University of Northern British Columbia	1,526	1,426
- Wages payable	1,254	4,079
- Government remittances - Payroll taxes	1,205	668
Health and Dental Fund		
- Health and dental plan premiums	10,420	8,137
	30,351	19,547

6. RELATED PARTY TRANSACTIONS

Honoraria expense includes stipend payments made to Officers, Executive Committee and Graduate Council members for the performance of their duties in the amount of \$16,425 [2018 - \$14,078] in aggregate.

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

	2019	2018
	\$	\$
President	5,475	6,217
Director of IT	3,285	2,432
Director of Finance	—	268
Director of SA	3,285	3,731
Vice President	4,380	1,430
	16,425	14,078

NOTES TO FINANCIAL STATEMENTS

March 31, 2019

7. FINANCIAL INSTRUMENTS

The Society is exposed to various risks through its financial instruments. The following analysis presents the Society's exposures to significant risk as at March 31, 2019.

Credit and Risk

The Society is exposed to credit risk with respect to its cash, cash equivalents and accounts receivable. The Society assesses, on a continuous basis, accounts receivable on the basis of amounts it is virtually certain to receive based on their net realizable value. Cash is held by a Canadian credit union and investment dealers.

Liquidity Risk

Liquidity risk is the risk of being unable to meet cash requirements or fund obligations as they become due. It stems from the possibility of a delay in realizing the fair value of financial instruments.

The Society manages its liquidity risk by constantly monitoring forecasted and actual cash flows and financial liability maturities, and by holding assets that can be readily converted into cash.

Interest Rate Risk

All of the Society's financial instruments are non-interest bearing except for cash and cash equivalents that earn interest at variable market rates.

8. ECONOMIC DEPENDENCE

The Society's primary source of revenue is membership fees collected from students by the University of Northern British Columbia. The Society's ability to continue viable operations is dependent upon maintaining its right to have these fees collected and remitted by the University.