

**FINANCIAL STATEMENTS**

**NORTHERN BRITISH COLUMBIA  
GRADUATE STUDENTS' SOCIETY**

**March 31, 2020**



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## INDEPENDENT AUDITOR'S REPORT

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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, 2020 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, 2020 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.

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## INDEPENDENT AUDITOR'S REPORT

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- 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  
October 29, 2020

Chartered Professional Accountants



**STATEMENT OF FINANCIAL POSITION**

As at March 31

	Health and Dental Fund \$	Operating Fund \$	2020 \$	2019 \$
<b>ASSETS</b>				
<b>Current</b>				
Cash and cash equivalents <i>[note 3]</i>	32,880	129,324	162,204	132,498
Accounts receivable <i>[note 4]</i>	9,130	22,902	32,032	31,507
Prepaid expense	34,537	—	34,537	43,569
	<b>76,547</b>	<b>152,226</b>	<b>228,773</b>	<b>207,574</b>
<b>LIABILITIES AND FUND BALANCES</b>				
<b>Current</b>				
Accounts payable and accrued liabilities <i>[note 5]</i>	4,619	13,177	17,796	30,351
Deferred fee revenue	34,724	23,989	58,713	54,965
<b>Total liabilities</b>	<b>39,343</b>	<b>37,166</b>	<b>76,509</b>	<b>85,316</b>
<b>FUND BALANCES</b>	<b>37,204</b>	<b>115,060</b>	<b>152,264</b>	<b>122,258</b>
	<b>76,547</b>	<b>152,226</b>	<b>228,773</b>	<b>207,574</b>

Economic dependence *[note 8]*  
 COVID-19 *[note 9]*

*See accompanying notes to the financial statements*

On behalf of the Board:

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 Chairperson

\_\_\_\_\_  
 Director of Internal Relations

**STATEMENT OF OPERATIONS  
AND CHANGES IN FUND BALANCES**

Year ended March 31

	Health and Dental Fund \$	Operating Fund \$	2020 \$	2019 \$
<b>REVENUE</b>				
Student fees	99,505	102,479	201,984	172,815
U-pass fees	—	7,969	7,969	69,612
Interest income	—	1,318	1,318	637
Social events and other	—	815	815	2,945
Photocopy and printing	—	90	90	80
	<b>99,505</b>	<b>112,671</b>	<b>212,176</b>	<b>246,089</b>
<b>EXPENSES</b>				
Health and dental premiums	91,921	—	91,921	94,899
Wages and benefits	—	39,368	39,368	30,012
Honoraria <i>[note 6]</i>	—	17,808	17,808	16,425
Office and general	—	10,381	10,381	7,673
Campus events and campaigns	—	7,856	7,856	8,098
Professional fees	—	6,854	6,854	7,122
Travel and meeting expense	—	4,482	4,482	10,798
Bursaries	—	3,500	3,500	4,500
U-pass expenses	—	—	—	76,854
	<b>91,921</b>	<b>90,249</b>	<b>182,170</b>	<b>256,381</b>
<b>Revenue over (under) expenses for the year</b>	<b>7,584</b>	<b>22,422</b>	<b>30,006</b>	<b>(10,292)</b>
Fund balances, beginning of year	29,620	92,638	122,258	132,550
<b>Fund balances, end of year</b>	<b>37,204</b>	<b>115,060</b>	<b>152,264</b>	<b>122,258</b>

*See accompanying notes to the financial statements*

**STATEMENT OF CASH FLOWS**

Year ended March 31

	Health and Dental Fund \$	Operating Fund \$	2020 \$	2019 \$
<b>OPERATING ACTIVITIES</b>				
Revenues over (under) expenses for the year	7,584	22,422	30,006	(10,292)
Changes in non-cash working capital items				
Accounts receivable	288	(813)	(525)	(11,854)
Prepaid expense	9,032	—	9,032	(9,666)
Accounts payable and accrued liabilities	(5,801)	(6,754)	(12,555)	10,804
Deferred revenue	—	3,748	3,748	9,235
<b>Increase (decrease) in cash for the year</b>	<b>11,103</b>	<b>18,603</b>	<b>29,706</b>	<b>(11,773)</b>
Cash, beginning of year	21,777	110,721	132,498	144,271
<b>Cash, end of year</b>	<b>32,880</b>	<b>129,324</b>	<b>162,204</b>	<b>132,498</b>

*See accompanying notes to the financial statements*

## NOTES TO FINANCIAL STATEMENTS

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March 31, 2020

### 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

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March 31, 2020

### 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

	2020	2019
	\$	\$
Operating and savings bank accounts	<b>110,233</b>	81,498
Investment accounts - cash	<b>51,971</b>	51,000
	<b>162,204</b>	132,498

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## NOTES TO FINANCIAL STATEMENTS

March 31, 2020

## 4. ACCOUNTS RECEIVABLE

	2020	2019
	\$	\$
<b>Operating Fund</b>		
- University of Northern British Columbia	22,902	22,089
<b>Health and Dental Fund</b>		
- University of Northern British Columbia	9,130	9,418
	<b>32,032</b>	31,507
Allowance for doubtful accounts	—	—
	<b>32,032</b>	31,507

## 5. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	2020	2019
	\$	\$
<b>Operating Fund</b>		
- Operations	7,462	15,946
- University of Northern British Columbia	1,121	1,526
- Wages payable	4,015	1,254
- Government remittances - Payroll taxes	579	1,205
<b>Health and Dental Fund</b>		
- Health and dental plan premiums	4,619	10,420
	<b>17,796</b>	30,351

## 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 \$17,808 [2019 - \$16,425] in aggregate.

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

	2020	2019
	\$	\$
President	5,320	5,475
Director of IT	2,408	3,285
Director of Finance	—	—
Director of SA	4,320	3,285
Vice President	5,760	4,380
	<b>17,808</b>	16,425

## NOTES TO FINANCIAL STATEMENTS

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March 31, 2020

### 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, 2020.

#### **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.

### 9. COVID-19

The recent outbreak of the coronavirus, also known as COVID-19, has spread across the globe and is impacting worldwide economic activity. The extent of the impact of this outbreak and related containment measures on the Society's operations cannot be reliably estimated at this time.