
FINANCIAL STATEMENTS

**THE GRADUATE STUDENT
SOCIETY OF UBC VANCOUVER**

May 31, 2015

***T*OMPKINS, *W*OZNY, *M*ILLER & *C*O.
Chartered Professional Accountants**

A partnership of incorporated professionals.

INDEPENDENT AUDITOR'S REPORT

To the Members of
The Graduate Student Society of UBC Vancouver

Report on the Financial Statements

We have audited the accompanying financial statements of The Graduate Student Society of UBC Vancouver, which comprise the statement of financial position as at May 31, 2015, and the statements of operations, changes in net assets and cash flows for the five month period then ended, 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 Society'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 Society'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 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 The Graduate Student Society of UBC Vancouver as at May 31, 2015, and the results of its operations and its cash flows for the five month period 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 the accounting principles used in these financial statements have been applied on a basis consistent with that of the preceding year.

Tompkins, Wozny, Miller & Co.

Vancouver, Canada
November 26, 2015

Chartered Professional Accountants

STATEMENT OF FINANCIAL POSITION

As at

	May 31, 2015 \$	December 31, 2014 \$
ASSETS	<i>[note 11]</i>	
Current		
Cash	206,151	172,303
Short-term investments <i>[note 3]</i>	186,463	186,017
Accounts receivable <i>[note 4]</i>	86,302	89,938
Prepaid expenses	16,041	27,935
	494,957	476,193
Capital assets <i>[note 5]</i>	78,765	79,044
	573,722	555,237
LIABILITIES AND NET ASSETS		
Current liabilities		
Accounts payable and accruals <i>[note 6]</i>	64,712	32,649
Deferred revenue	535	537
	65,247	33,186
NET ASSETS	508,475	522,051
	573,722	555,237

Commitments *[note 10]*

See accompanying notes to the financial statements

On behalf of the Council:

President

Vice-President of Finance

STATEMENT OF CHANGES IN NET ASSETS

Period ended

	Invested in Capital Assets	Internally Restricted	Unrestricted	Total
	\$	\$	\$	\$
May 31, 2015 [5 months] [note 11]		[note 7]		
Balance, beginning of year	79,044	252,909	190,098	522,051
Excess of revenues (expenses) for the period	(11,941)	—	(1,635)	(13,576)
Investment in capital assets	11,662	—	(11,662)	—
Interfund transfers	—	8,638	(8,638)	—
Balance, end of year	78,765	261,547	168,163	508,475
December 31, 2014 [12 months]				
Balance, beginning of year	87,150	222,680	138,154	447,984
Excess of revenues (expenses) for the year	(29,424)	—	103,491	74,067
Investment in capital assets	21,318	—	(21,318)	—
Interfund transfers	—	30,229	(30,229)	—
Balance, end of year	79,044	252,909	190,098	522,051

See accompanying notes to the financial statements

STATEMENT OF OPERATIONS

Period ended

	May 31 2015 \$	December 31 2014 \$
	<i>[5 months - note 11]</i>	<i>[12 months]</i>
REVENUES		
Membership fees	204,646	519,714
Business operations - Bookings and rentals <i>[schedule 1]</i>	47,240	114,372
Pub contract	28,448	69,000
Student events	24,465	54,709
Other	3,214	11,106
Interest	666	2,399
Advertising - Graduate Handbook	—	2,100
	308,679	773,400
EXPENSES		
Salaries and benefits	124,101	166,559
Executive honoraria	30,099	97,222
Student events and special projects	28,095	81,614
Office, telephone and network access	26,659	41,637
Council, committees, and conferences	25,831	61,793
Professional fees	21,694	39,201
Rent	17,380	42,836
Dues, licenses and subscriptions	16,243	29,124
Amortization of capital assets	11,941	29,424
Business operations - Bookings and rentals <i>[schedule 1]</i>	10,745	58,702
Repairs and maintenance	6,226	1,665
Departmental organization fund	1,808	18,996
Advertising and promotion	890	9,538
Donations	450	4,000
Photocopy rentals and supplies	93	10,190
Printing - Graduate Handbook	—	6,832
	322,255	699,333
Excess of revenue (expenses) for the period	(13,576)	74,067

See accompanying notes to the financial statements

STATEMENT OF CASH FLOWS

Period ended

	May 31, 2015 \$	December 31, 2014 \$
	<i>[5 months - note 11]</i>	<i>[12 months]</i>
OPERATING ACTIVITIES		
Excess of revenue (expenses) for the period	(13,576)	74,067
Add item not affecting cash		
Amortization of capital assets	11,941	29,424
Changes in non-cash working capital items		
Accounts receivable	3,636	(51,465)
Prepaid expenses	11,894	(6,054)
Accounts payable and accruals	32,063	(24,886)
Deferred revenue	(2)	(9,423)
Cash provided by operating activities	45,956	11,663
INVESTING ACTIVITIES		
Purchase of capital assets	(11,662)	(21,318)
Purchase of short-term investments (net)	(446)	(1,722)
Cash used in investing activities	(12,108)	(23,040)
Increase (decrease) in cash during the period	33,848	(11,377)
Cash, beginning of year	172,303	183,680
Cash, end of year	206,151	172,303

See accompanying notes to the financial statements

NOTES TO FINANCIAL STATEMENTS

May 31, 2015

1. NATURE OF THE ORGANIZATION

The Graduate Student Society of UBC Vancouver (the "Society") is incorporated under the Society Act of British Columbia. Its main purposes are:

- To promote the role of post-secondary, and in particular graduate education, and to encourage increased participation by members of the community in post-secondary education at the University of British Columbia.
- To promote graduate student representation at all levels of decision making at the University, and provide appropriate support for graduate students involved in academic disputes.
- To provide, maintain and operate the Thea Koerner House Graduate Student Centre as a centre for the recreation and convenience of graduate students at the University of British Columbia.

The Society is exempt from Canadian income taxes.

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 revenues 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 useful lives of capital assets and the determination of the deferred portion of fees collected. Actual results could differ from these estimates.

Revenue Recognition

The Society follows the deferral method of accounting for contributions.

Membership fees are allocated between accounting periods according to the academic terms to which they relate.

Bookings, room rental, advertising and other revenue are recorded on delivery of the product or service, or when a function occurs and collection is reasonably assured.

NOTES TO FINANCIAL STATEMENTS

May 31, 2015

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Unrestricted investment income is recognized as revenue in accordance with the terms of the underlying investment, which in the case of interest, is generally with the passage of time.

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, short-term investments (GICs) and accounts receivable. Financial assets measured at cost are tested for impairment when there are indicators of impairment. Financial liabilities measured at amortized cost include accounts payable and accruals.

Cash

Cash is defined as cash on hand and cash on deposit, 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 activities are presented using the indirect method.

Short-Term Investments

Short-term investments consist of guaranteed investment certificates.

Capital Assets

Capital assets are recorded at cost, less accumulated amortization. Amortization is provided on a straight-line basis at the rates outlined in Note 5.

3. SHORT-TERM INVESTMENTS

The short-term investments consisted of a guaranteed investment certificate. The Society's investment policy to manage interest rate risk is to invest in conservative fixed income securities with highly rated banking institutions to ensure no erosion of capital while earning a reasonable rate of return.

NOTES TO FINANCIAL STATEMENTS

May 31, 2015

4. ACCOUNTS RECEIVABLE

	2015	2014
	\$	\$
Operations	91,302	94,938
Allowance for doubtful accounts	(5,000)	(5,000)
	86,302	89,938

During the year, the Society recorded bad debt of \$5,000 [2014 - \$5,000] and is included in office, telephone and network access expenses.

5. CAPITAL ASSETS

	Rate	Cost \$	Accumulated Depreciation \$	Net Book Value \$
2015				
Furniture and equipment	5 year	103,075	69,221	33,854
Computer equipment	5 year	73,676	71,055	2,621
Renovations	5 year	226,110	183,820	42,290
		402,861	324,096	78,765
2014				
Furniture and equipment	5 year	100,799	63,811	36,988
Computer equipment	5 year	73,676	70,288	3,388
Renovations	5 year	216,724	178,056	38,668
		391,199	312,155	79,044

6. ACCOUNTS PAYABLE AND ACCRUALS

	2015	2014
	\$	\$
Operations	57,773	28,375
Government remittances - GST	3,921	1,402
- PST	2,166	2,431
- WorkSafeBC	852	441
	64,712	32,649

NOTES TO FINANCIAL STATEMENTS

May 31, 2015

7. INTERNALLY RESTRICTED FUNDS

The Society has established the following internally restricted funds:

Capital Projects Improvement Fund (CPIF)

The Capital Projects Improvement Fund was established to fund facilities to enable people with disabilities to access the graduate student centre and to fund other renovations and capital improvements. The expenditures are funded through a special levy on members.

Contingency Fund

The Contingency Fund was established as a financial reserve to ensure the operation of the Society in the event of financial hardship due to a disruption in fee collection or a loss of access to the graduate student centre.

Graduate Student Emergency Fund

The Society has established a Graduate Student Emergency Fund to provide emergency financial aid to those members in severe financial distress and who only require a small amount of money to complete their studies.

	Capital Projects Improvement Fund \$	Contingency Fund \$	Graduate Student Emergency Fund \$	Total \$
2015				
Balance, beginning of year	155,014	97,895	—	252,909
Restrictions made in year	20,833	—	—	20,833
Expenses incurred in the year	(12,195)	—	—	(12,195)
Net change during the year	8,638	—	—	8,638
Balance, end of year	163,652	97,895	—	261,547
2014				
Balance, beginning of year	124,785	97,895	—	222,680
Restrictions made in year	51,926	—	—	51,926
Expenses incurred in the year	(21,697)	—	—	(21,697)
Net change during the year	30,229	—	—	30,229
Balance, end of year	155,014	97,895	—	252,909

NOTES TO FINANCIAL STATEMENTS

May 31, 2015

8. 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 May 31, 2015.

Credit Risk

The Society is exposed to credit risk with respect to its bank deposits, accounts receivable and short-term investments. The Society assesses, on a continuous basis, accounts receivable on the basis of amounts it is virtually certain to receive and short-term investments are invested with Canadian financial institutions.

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

The Society is exposed to interest rate risk on its short-term investments which are subject to periodic interest rate review on maturity and renewal which can effect interest cash flows.

9. ASSETS AND SERVICES PROVIDED BY THE UNIVERSITY

The land and building known as the Thea Koerner House Graduate Student Centre are owned by The University of British Columbia and are managed by the Society under terms of a lease agreement with the University. Certain capital expenditures or renovations to the building paid for by the University are not reflected in these financial statements.

10. COMMITMENTS

The Society entered into a 10 year lease agreement with the University of British Columbia for its premises expiring in December 2015. The expected lease commitment for the next year is approximately \$22,167 plus GST.

The Society has letters of credits outstanding of \$8,000 [2014 - \$8,000].

NOTES TO FINANCIAL STATEMENTS

May 31, 2015

11. CHANGE IN FISCAL YEAR-END

During the year, the Board of Directors of the Society approved a change in the Society's fiscal year-end from December 31 to May 31. The change was made to address time constraints and to better align with the academic year. This change took effect January 1, 2015. As a result of the change, the current period of the Society's financial statements reflect operations for the 5 month period ended May 31, 2015. The comparative information is for the 12 month year-ended December 31, 2014, as previously reported.

12. COMPARATIVE FIGURES

Certain prior year's comparative figures have been reclassified where necessary to conform to the current year's presentation.

**SCHEDULE OF BUSINESS OPERATIONS -
BOOKINGS AND RENTALS**

Period ended

	May 31, 2015 \$ [5 months]	December 31, 2014 \$ [12 months]
REVENUES	47,240	114,372
EXPENSES		
Salaries and benefits	5,599	34,907
Professional fees	2,452	2,457
Operating supplies	1,741	9,911
Office and other	953	4,346
Advertising and promotion	—	7,081
	10,745	58,702
Income from bookings and rentals	36,495	55,670

See accompanying notes to the financial statements