

GRADUATE STUDENT SOCIETY OF UBC VANCOUVER
Financial Statements
May 31, 2022

GRADUATE STUDENT SOCIETY OF UBC VANCOUVER
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Year Ended May 31, 2022

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INDEPENDENT AUDITOR'S REPORT

To the Members of Graduate Student Society of UBC Vancouver

Report on the Financial Statements

Opinion

We have audited the financial statements of Graduate Student Society of UBC Vancouver (the "Society"), which comprise the statement of financial position as at May 31, 2022, and the statements of changes in net assets, operations 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 May 31, 2022, and the results of its operations and cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO).

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 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 opinion.

Other Matter

The financial statements for the year ended May 31, 2021 were audited by another accounting firm and we were not engaged to report on any of the comparative figures. The independent auditor's report for the prior year was dated December 9, 2021 and expressed an unqualified 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 ASNPO, 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.

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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.
- 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 Societies Act of British Columbia, we report that, in our opinion, the accounting policies applied in preparing and presenting the financial statements in accordance with Canadian Accounting Standards for Not-for-profit Organizations have been applied on a basis consistent with that of the preceding year, except for retrospective adjustments described in *Note 2*.



GRADUATE STUDENT SOCIETY OF UBC VANCOUVER
Statement of Financial Position
May 31, 2022

	2022	2021 <i>(Notes 2, 14)</i>
ASSETS		
CURRENT		
Cash	\$ 586,197	\$ 874,060
Accounts receivable	89,702	93,384
Prepaid expenses	6,449	3,045
Investment in joint venture	-	12,667
	<u>682,348</u>	983,156
INVESTMENTS <i>(Note 4)</i>	788,179	304,334
CAPITAL ASSETS <i>(Note 5)</i>	<u>27,752</u>	27,068
	<u>\$ 1,498,279</u>	<u>\$ 1,314,558</u>
LIABILITIES AND NET ASSETS		
CURRENT		
Accounts payable and accrued liabilities	\$ 152,730	\$ 93,636
Payable to government authorities <i>(Note 6)</i>	9,336	3,696
Deferred contributions	-	25,000
Unearned rental revenue	14,000	14,000
	<u>176,066</u>	136,332
SECURITY DEPOSITS PAYABLE	<u>16,250</u>	14,370
	<u>192,316</u>	150,702
NET ASSETS		
Unrestricted	792,167	714,737
Internally restricted reserves <i>(Note 7)</i>	513,796	449,119
	<u>1,305,963</u>	1,163,856
	<u>\$ 1,498,279</u>	<u>\$ 1,314,558</u>

COMMITMENTS *(Note 8)*

On behalf of the Council

_____ *President*

_____ *Financial Officer*

See notes to financial statements

GRADUATE STUDENT SOCIETY OF UBC VANCOUVER
Statement of Changes in Net Assets
Year Ended May 31, 2022

	Unrestricted	Internally Restricted	2022	2021
NET ASSETS - BEGINNING OF YEAR				
As previously reported	\$ 710,238	\$ 481,365	\$ 1,191,603	\$ 957,431
Elimination of audit accrual <i>(Note 2)</i>	8,000	-	8,000	8,000
Reserve correction <i>(Note 2)</i>	7,246	(32,246)	(25,000)	-
Vacation accrual <i>(Note 2)</i>	(10,747)	-	(10,747)	-
As restated	714,737	449,119	1,163,856	965,431
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES	169,899	(27,792)	142,107	198,425
Internal transfers <i>(Note 7)</i>	(92,469)	92,469	-	-
NET ASSETS - END OF YEAR	\$ 792,167	\$ 513,796	\$ 1,305,963	\$ 1,163,856

GRADUATE STUDENT SOCIETY OF UBC VANCOUVER

Statement of Operations

Year Ended May 31, 2022

	2022	2021 <i>(Notes 2,14)</i>
REVENUE		
Membership fees	\$ 665,000	\$ 594,956
Rental revenue	109,353	109,251
Pub joint venture income	66,500	38,000
Grants	56,230	-
Work learn wage subsidies	26,873	16,860
Student events	15,526	8,516
Interest income	5,956	4,176
Other income	336	1,523
CEBA - loan forgiveness	-	20,000
Unrealized loss on investments	(50,761)	-
	<u>895,013</u>	<u>793,282</u>
EXPENSES		
Salaries, wages and benefits	309,906	271,222
Honoraria	112,286	94,812
Professional fees	90,665	65,206
Student programs	67,538	14,595
Council, committees, and conferences	43,010	26,549
Student events and special projects	40,325	36,315
Rental	35,000	39,468
Insurance	15,160	9,981
Business taxes, licenses and memberships	13,011	9,021
Office	12,974	7,520
Bad debts	6,747	1,124
Amortization	6,284	19,044
	<u>752,906</u>	<u>594,857</u>
EXCESS OF REVENUE OVER EXPENSES	<u>\$ 142,107</u>	<u>\$ 198,425</u>

See notes to financial statements

GRADUATE STUDENT SOCIETY OF UBC VANCOUVER

Statement of Cash Flows

Year Ended May 31, 2022

	2022	2021 <i>(Note 2)</i>
OPERATING ACTIVITIES		
Excess of revenue over expenses	\$ 142,107	\$ 198,425
Items not affecting cash:		
Amortization	6,284	19,044
Unrealized loss on investments	50,761	-
CEBA - loan forgiveness	-	(20,000)
	<u>199,152</u>	<u>197,469</u>
Changes in non-cash working capital:		
Accounts receivable	3,682	27,606
Prepaid expenses	(3,404)	129
Accounts payable and accruals	59,095	43,574
Payable to government authorities	5,640	(2,939)
Deferred contributions	(25,000)	25,000
Unearned rental revenue	-	(2,900)
Security deposits payable	1,880	-
	<u>41,893</u>	<u>90,470</u>
Cash flow from operating activities	<u>241,045</u>	<u>287,939</u>
INVESTING ACTIVITIES		
Purchase of capital assets	(6,969)	(10,851)
Purchase of investments	(534,606)	(17,302)
Investment in joint venture	12,667	(12,667)
Cash flow used by investing activities	<u>(528,908)</u>	<u>(40,820)</u>
FINANCING ACTIVITY		
Proceeds from CEBA loan	-	20,000
INCREASE (DECREASE) IN CASH FLOW	(287,863)	267,119
Cash - beginning of year	<u>874,060</u>	<u>606,941</u>
CASH - END OF YEAR	\$ 586,197	\$ 874,060
CASH CONSISTS OF:		
Unrestricted cash	\$ 576,707	\$ 424,941
Internally restricted cash	<u>9,490</u>	<u>449,119</u>
	\$ 586,197	\$ 874,060

See notes to financial statements

GRADUATE STUDENT SOCIETY OF UBC VANCOUVER

Notes to Financial Statements

Year Ended May 31, 2022

1. PURPOSE OF THE SOCIETY

Graduate Student Society of UBC Vancouver (the "Society") is a not-for-profit organization incorporated provincially under the Societies Act of British Columbia. As a registered charity the Society is exempt from the payment of income tax under Section 149(1) of the Income Tax Act.

The Society operates to:

Promote the role of post-secondary, in particular graduate education, and to encourage increased participation by members of the community in post-secondary education at the University of British Columbia ("UBC").

Promote graduate student representation at all levels of decision making at the university, and provide appropriate support for graduate students involved in academic disputes.

Provide, maintain and operate the Thea Koerner House Graduate Student Centre as a centre for the recreation and convenience of graduates at UBC.

2. RETROSPECTIVE ADJUSTMENTS

Capital assets

The Society has eliminated the internal restriction of capital assets as the nature of operations precludes the need for internal separation of the capital assets. The capital assets are now presented as unrestricted. Previously, the net book value of capital assets was presented separately from unrestricted net assets as an internally restricted amount.

To account for this change in the current year, the opening unrestricted net assets increased \$27,068 and the related invested in capital assets decreased \$27,068. For the prior year, the ending unrestricted net assets increased \$27,068 and internally restricted net assets decreased \$27,068.

Accounting fee accrual

The Society has retrospectively adjusted its financial statements for the overstatement of accounts payable and accrued liabilities. Previously, audit fees for the fiscal year were accrued at year-end but did not meet the criteria required for recognition of a liability as the majority of the assurance work was completed subsequent to year-end. The Society now records these audit fees in the year that the assurance services are rendered, which is typically the year they are invoiced.

To account for this retrospective adjustment in the current year, professional fees expense increased by \$8,000 and opening net assets balance increased by \$8,000. For the prior year figures, accounts payable and accrued liabilities decreased by \$8,000 and opening net assets balance increased by \$8,000.

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GRADUATE STUDENT SOCIETY OF UBC VANCOUVER

Notes to Financial Statements

Year Ended May 31, 2022

2. RETROSPECTIVE ADJUSTMENTS *(continued)*

Reserves

The Society has retrospectively adjusted its financial statements for a correction of the graduate student financial aid reserves. The prior year reserve transactions did not deduct a number of expenses related to financial aid disbursements and additions included an externally restricted grant from UBC that was not spent by year-end and therefore should have been deferred rather than recognized as revenue and internally restricted.

To account for this retrospective adjustment in the current year, opening deferred contributions increased by \$25,000, opening reserves decreased by \$32,246 and unrestricted net assets increased by \$7,246. For the prior year figures, deferred contributions increased by \$25,000 for the unspent grant, ending reserves decreased \$32,246 and ending unrestricted net assets increased \$7,246 for the additional expenses assigned to the reserve.

Vacation payable

The Society has retrospectively adjusted its financial statements for unrecorded vacation payable that was not previously accrued for unused vacation time owed to its salaried staff.

To account for this retrospective adjustment in the current year, opening unrestricted net assets and accounts payable and accrued liabilities both increased by \$10,747. For the prior year figures, salaries and wages expense and accounts payable and accrued liabilities both increased by \$10,747.

Joint venture

The Society has retrospectively adjusted its financial statements for the contractual arrangements with an incorporated company to operate a pub at the Thea Koerner House Graduate Student Centre. In prior years this was treated as a standard business agreement having lease characteristics with the associated proceeds classified as pub contract revenue, but a reassessment of the terms and conditions in the agreement have determined it to instead be a joint venture. Specifics of the joint venture are disclosed in *Note 3* and no adjustments to the current or prior year net assets or excess of revenues over expenses were required. Revenue in both years is now presented as pub joint venture income rather than pub contract revenue, and for 2021 \$12,667 of accounts receivable was reclassified to investment in joint venture for the Society's share of joint venture income not disbursed to it by year-end.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of presentation

The financial statements have been prepared by management in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO).

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GRADUATE STUDENT SOCIETY OF UBC VANCOUVER

Notes to Financial Statements

Year Ended May 31, 2022

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Revenue recognition

The Society follows the deferral method of accounting for contributions.

Externally restricted contributions, including subsidies and grants designated for specific programs, are recognized as revenue in the year in which the related expenses are incurred. Externally restricted amounts can only be used for purposes designated by the contributor. Contributions externally restricted for the purchase of capital assets are deferred and amortized into revenue on the same basis as the related capital assets' amortization.

Unrestricted contributions are recognized when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Membership fees are recognized when earned based on the academic periods that graduate student remain members and the fees are collected by UBC, with accrual of any months for which payment is outstanding at year-end.

Rental revenue from lease agreements are recognized as earned on a straight-line basis over the term of the lease agreement with advance payments and other unearned amounts recorded as unearned rental revenue at year-end. Short-term rental revenue is recognized as earned when the facilities are used.

Unrestricted investment income is recognized as revenue when earned using the accrual method of accounting.

Student events income is recognized as earned when the event is held.

Contributed services and materials

Volunteers assist the Society in carrying out its programs. Due to the difficulty in determining their fair value, contributed services are not recognized in the financial statements.

Contributed materials or gifts-in-kind are only recognized when their fair value is reasonably determinable and significant, with such items recorded at fair value on the date of the contribution. During the year the Society received non-cash gifts-in-kind of \$Nil (2021 - \$Nil).

Financial instruments

All financial instruments are initially recorded at their fair market value. Publicly traded financial instruments quoted in an active market are subsequently measured at fair value with any unrealized gains or losses and transaction costs recognized in net excess of revenue over expenses. All other financial instruments are adjusted for any transaction costs incurred on acquisition and are subsequently measured at their amortized cost. Financial instrument impairments and impairment reversals are recognized when incurred in net excess of revenue over expenses.

Cash and cash equivalents

Any term deposits or similar contractual instruments that are cashable and have a maturity term of three months or less are classified as cash equivalents.

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GRADUATE STUDENT SOCIETY OF UBC VANCOUVER

Notes to Financial Statements

Year Ended May 31, 2022

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (*continued*)

Investments

Investments consist of a guaranteed investment certificate that has a maturity date of more than three months and publicly traded mutual funds. These investments have been classified as long term assets as they will be held and reinvested to satisfy future programs rather than current operational needs and cover long term internally restricted reserves. The value of the investments includes unrealized gains and losses arising from changes in the market values with such changes reflected on the Statement of Operations separately from realized gains and losses on the disposal of investments. Accrued interest is included in the investments balance. See *Note 4* for additional details of investments held at year-end.

Investment in joint venture

The Society has an agreement in place with an incorporated company to operate a pub at the Thea Koerner House Graduate Student Centre. The daily operations are managed by the company, while all aspects of the business activity, including investing and financing decisions, are subject to joint control. The joint venture is accounted for using the equity method whereby the Society recognizes an agreed to fixed amount each month as its share of income. A joint venture investment asset is increased for this income and reduced for any amounts distributed to it by the company. As the agreement states that the amount will be paid monthly, the investment's balance is normally nil\$ at year-end except for when any distributions are outstanding. The agreement expires June 1, 2023 and has a 5 year renewal provision at the discretion of the company.

Capital assets

Capital assets purchased are stated at cost less accumulated amortization, while capital assets contributed are recorded at the fair value as of the date of receipt. Amortization is provided at various rates on a straight line basis designed to amortize the assets over the estimated useful lives. The amortization rates are as follows:

Furniture and equipment	5 years
Computer equipment	5 years
Leasehold improvements	5 years

The Society writes off capital assets that are fully amortized in the previous year.

Measurement uncertainty

The preparation of financial statements in conformity with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amount of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the period. Actual results could differ from these estimates. Material uncertainties involving management estimates include the evaluation of doubtful accounts receivable and determination of useful lives of capital assets for the purposes of calculating amortization, specifically leasehold improvements.

GRADUATE STUDENT SOCIETY OF UBC VANCOUVER

Notes to Financial Statements

Year Ended May 31, 2022

4. INVESTMENTS

	<u>2022</u>	<u>2021</u>
Mutual funds	\$ 708,420	\$ -
Unrealized losses on mutual funds	(50,761)	-
Guaranteed investment certificates (GIC)	<u>130,520</u>	<u>304,334</u>
	<u>\$ 788,179</u>	<u>\$ 304,334</u>

The GICs have interest rates from 1.60% per annum (2021 – 0.50% to 0.78% per annum) and the maturity date is May 1, 2023.

5. CAPITAL ASSETS

	Cost	Accumulated amortization	2022 Net book value	2021 Net book value
Furniture and equipment	\$ 114,728	\$ 109,761	\$ 4,967	\$ 7,822
Computer equipment	148,088	131,775	16,313	13,946
Leasehold improvements	49,027	42,555	6,472	5,300
	<u>\$ 311,843</u>	<u>\$ 284,091</u>	<u>\$ 27,752</u>	<u>\$ 27,068</u>

The land and building known as the Thea Koerner House Graduate Student Centre (the "Centre") is not presented in the financial statements as title rests with UBC and the Centre is only managed by the Society under terms of an operating lease agreement with the university. Only leasehold improvements to the building paid for by the Society are reflected in these financial statements, while improvements paid by UBC are not.

6. PAYABLE TO GOVERNMENT AUTHORITIES

	<u>2022</u>	<u>2021</u>
Source deductions	\$ 5,188	\$ -
GST	2,827	2,256
WorkSafe BC premiums	1,155	1,336
PST	<u>166</u>	<u>104</u>
	<u>9,336</u>	<u>3,696</u>

GRADUATE STUDENT SOCIETY OF UBC VANCOUVER

Notes to Financial Statements

Year Ended May 31, 2022

7. INTERNALLY RESTRICTED RESERVES

The Society has established the following internally restricted reserves:

Event reserves

The event reserve was established to provide a rebate of event expenses to affiliate organizations.

Graduate student financial aid reserves

The graduate student financial aid reserve was established to support graduate students at UBC Vancouver who are experiencing unforeseen financial hardship. The reserve was previously funded in prior years by internal transfers from unrestricted net assets, but starting in September 2021 a special levy fee on members was introduced to finance expenditures.

Capital projects improvement reserves

The capital projects improvement reserve was established to fund facilities to enable people with disabilities to access the graduate student centre, as well as other renovations and capital improvements. The expenditures are funded through a special levy fee on members.

Contingency reserves

The contingency reserve 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.

	Event Reserve	Graduate Student Financial Aid Reserve	Capital Projects Improvement Reserve	Contingency Reserve	Total
<u>Balances and transactions</u>					
Beginning balance	\$ 2,475	\$ -	\$ 348,749	\$ 97,895	\$ 449,119
Expenses	(10,642)	(17,150)	-	-	(27,792)
	(8,167)	(17,150)	348,749	97,895	421,327
Restrictions by cash transfer	13,243	-	-	-	13,243
Member levy fee transfers	-	21,564	64,631	-	86,195
Capital additions	-	-	(6,969)	-	(6,969)
Net transfers	13,243	21,564	57,662	-	92,469
Ending balance	\$ 5,076	\$ 4,414	\$ 406,411	\$ 97,895	\$ 513,796
<u>Internally restricted assets</u>					
Cash	\$ 5,076	\$ 4,414	\$ -	\$ -	\$ 9,490
Investments	-	-	406,411	97,895	504,306
	\$ 5,076	\$ 4,414	\$ 406,411	\$ 97,895	\$ 513,796

GRADUATE STUDENT SOCIETY OF UBC VANCOUVER

Notes to Financial Statements

Year Ended May 31, 2022

8. COMMITMENTS

Lease

The Society has a lease with respect to its premises that ends on December 31, 2025, with an option to renew for an additional ten years at the discretion of the Society. Under the lease agreement, the Society is required to pay a minimum base lease of \$33,532 per year, adjusted for consumer price index increases and tri-annual reviews after 2016, as well as additional sewage and service levies calculated each year based on usage, utility costs and assessed property values. Future minimum lease payments are as follows:

2023	\$	33,532
2024		33,532
2025		33,532
2026		33,532
		<hr/>
	\$	<u>134,128</u>

Letters of credits outstanding

The Society has letters of credits outstanding of \$2,000 (2021 - \$2,000).

9. CREDIT FACILITY

The Society has an unsecured credit facility with Scotiabank, which includes seven credit cards with a combined limit of \$32,000, and bear interest at 19.99% annually on overdue balances.

10. DIRECTOR REMUNERATION

In accordance with the Societies Act of British Columbia, the Society is required to disclose that Directors were compensated as follows:

President	\$	22,435
VP Student		21,266
VP External Relations		19,879
Financial Officer		18,655
VP University and Academic Affairs		16,909
		<hr/>
	\$	<u>99,144</u>

11. REMUNERATION DISCLOSURE

In accordance with the Societies Act of British Columbia, the Society is required to disclose that the highest paid individual under a contract for services that exceeded \$75,000 of annual remuneration was paid a total sum of \$83,068.

GRADUATE STUDENT SOCIETY OF UBC VANCOUVER

Notes to Financial Statements

Year Ended May 31, 2022

12. ECONOMIC DEPENDENCE

The Society is reliant upon membership fees collected from students by UBC for 74% (2021 - 75%) of its revenue and as such is economically dependent on that organization for its on-going operations.

13. FINANCIAL INSTRUMENTS RISKS

Credit risk

Credit risk arises from the potential that a counter party will fail to perform its obligations. The Society is exposed to credit risk for its cash. Exposures to credit risk and significant changes to the risk exposure from the prior year are as follows:

- Cash held at year-end exceed the amounts covered by the Canadian Deposit Insurance Corporation, serving to increase credit risk. The Society mitigates this risk by depositing its cash with large, high quality financial institutions.

Other price risk

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in market prices, whether those changes are caused by factors specific to the individual instrument or its issuer or factors affecting all instruments traded in the market.

The Society is exposed to other price risk for its mutual funds as the fair value can be significantly affected by price and valuation changes in the open market. All mutual funds are actively managed by a professional portfolio manager using a diverse portfolio that includes both Canadian and US equities, which serves to reduce the overall other price risk.

14. COMPARATIVE FIGURES

Some of the comparative figures have been reclassified to conform to the current year's presentation, specifically:

- The revenue and expense groupings have been changed to match the new presentation format of the Statement of Operations, with Work learn wage subsidies presented separately from other income and several expenses regrouped to better reflect the nature of the underlying disbursements.
 - Security deposits payable have been classified as long term liabilities as the related lease terms, including tenant renewal options, do not end within the next fiscal year.
 - Investments have been classified as long term assets as management intends to reinvest for long term strategic purposes rather than realizing and liquidating them for ordinary operational needs.
-