

FINANCIAL STATEMENTS

**THE GRADUATE STUDENT
SOCIETY OF UBC VANCOUVER**

May 31, 2024



INDEPENDENT AUDITORS' REPORT

To the Members of
The Graduate Student Society of UBC Vancouver

Opinion

We have audited the financial statements of The Graduate Student Society of UBC Vancouver (the Society), which comprise the statement of financial position as at May 31, 2024, 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, 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.

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



INDEPENDENT AUDITORS' REPORT (CONT'D)

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 British Columbia Societies Act, we report that, in our opinion, the accounting principles used in Canadian accounting standards for not-for-profit organizations have been applied on a basis consistent with that of the preceding year.

The comparative figures for the year ended May 31, 2023 were reported on by another firm of chartered professional accountants who expressed an unqualified opinion thereon in their report dated February 22, 2024.

Tompkins Wozny LLP

Vancouver, Canada
March 20, 2025

Chartered Professional Accountants



Tompkins Wozny
Chartered Professional Accountants

STATEMENT OF FINANCIAL POSITION

As at May 31

	2024 \$	2023 \$
ASSETS		
Current		
Cash and cash equivalents	514,379	722,461
Accounts receivable <i>[note 3]</i>	101,299	94,947
Prepaid expenses	5,206	4,374
	620,884	821,782
Investments <i>[notes 4]</i>	1,133,485	830,042
Capital assets <i>[note 5]</i>	113,578	11,751
	1,867,947	1,663,575
LIABILITIES AND NET ASSETS		
Current liabilities		
Accounts payable and accruals <i>[note 6]</i>	200,983	222,274
Deferred grants	79,795	—
Unearned rental revenue and security deposit	28,000	28,000
	308,778	250,274
NET ASSETS	1,559,169	1,413,301
	1,867,947	1,663,575

See accompanying notes to the financial statements

On behalf of the Council:

President

Finance and Executive Oversight

STATEMENT OF CHANGES IN NET ASSETS

Year ended May 31

	Unrestricted	Internally Restricted	Total
	\$	\$	\$
2024		<i>[Note 7]</i>	
Balance, beginning of year	833,135	580,166	1,413,301
Excess of revenue (expenses) for the year	221,125	(75,257)	145,868
Interfund transfers (net)	(5,655)	5,655	—
Balance, end of year	1,048,605	510,564	1,559,169
2023			
Balance, beginning of year	778,285	513,796	1,292,081
Excess of revenue (expenses) for the year	168,675	(47,455)	121,220
Interfund transfers (net)	(113,825)	113,825	—
Balance, end of year	833,135	580,166	1,413,301

See accompanying notes to the financial statements

STATEMENT OF OPERATIONS

Year ended May 31

	2024 \$	2023 \$
REVENUES		
Membership fees	724,229	693,946
Investment income	162,805	54,637
Rental revenue	137,189	107,400
Pub joint venture income	81,000	76,000
Wage subsidies	71,489	43,793
Grants and sponsorships	27,975	30,000
Student events	27,841	15,643
Other income	3,473	3,172
	1,236,001	1,024,591
EXPENSES		
Salaries and benefits <i>[note 10]</i>	451,990	324,017
Executive honoraria <i>[note 11]</i>	139,285	125,789
Student programs	133,598	111,265
Professional fees	107,229	73,317
Council, committees, and conferences	87,920	88,350
Student events and special projects	68,604	88,483
Amortization of capital assets	36,305	7,237
Office and other	21,997	16,877
Dues, licenses and subscriptions	17,525	17,100
Insurance	13,673	14,479
Grants	7,400	—
Rent and levies	4,607	36,457
	1,090,133	903,371
Excess of revenue for the year	145,868	121,220

See accompanying notes to the financial statements

STATEMENT OF CASH FLOWS

Year ended May 31

	2024 \$	2023 \$
OPERATING ACTIVITIES		
Excess of revenue for the year	145,868	121,220
Add item not affecting cash		
Amortization of capital assets	36,305	7,237
Unrealized gain on investments	(144,698)	(38,979)
	37,475	89,478
Changes in non-cash working capital items		
Accounts receivable	(6,352)	(5,245)
Prepaid expenses	(832)	2,075
Accounts payable and accruals	(21,291)	43,956
Deferred grants	79,795	—
Unearned rental revenue and security deposit	—	14,000
Cash provided by operating activities	88,795	144,264
INVESTING ACTIVITIES		
Purchase of capital assets	(138,132)	(5,116)
Purchase of investments	(158,745)	(2,884)
Cash used in investing activities	(296,877)	(8,000)
Increase (decrease) in cash and cash equivalents during the year	(208,082)	136,264
Cash, beginning of year	722,461	586,197
Cash and cash equivalents, end of year	514,379	722,461

See accompanying notes to the financial statements

NOTES TO FINANCIAL STATEMENTS

May 31, 2024

1. NATURE OF THE ORGANIZATION

The Graduate Student Society of UBC Vancouver (the "Society") is incorporated under the British Columbia Societies Act. 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 receivable portion of membership fees. 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.

Pub joint venture income is recognized as revenue when earned using the accrual method of accounting.

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

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.

NOTES TO FINANCIAL STATEMENTS

May 31, 2024

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

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 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.

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 [2023 - \$Nil].

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 current agreement is in place until June 1, 2028.

Cash and Cash Equivalents

Cash is defined as cash on hand and cash on deposit, net of cheques issued and outstanding at the year-end. Cash and cash equivalents includes term deposits with banks and financial institutions that are due within three months or upon demand .

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

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.

NOTES TO FINANCIAL STATEMENTS

May 31, 2024

3. ACCOUNTS RECEIVABLE

	2024 \$	2023 \$
Membership fees	60,634	48,945
Operations and other	31,658	28,719
Pub joint venture income	7,088	—
Rentals	1,919	7,283
Grants	—	10,000
Allowance for doubtful accounts	—	—
	101,299	94,947

4. INVESTMENTS

	2024 \$	2023 \$
Mutual funds - cost	714,565	711,049
Unrealized gains (losses) on mutual funds	133,344	(11,782)
Guaranteed investment certificates ("GIC")	285,576	130,775
	1,133,485	830,042

Investments are allocated as follows:

Restricted [note 7]	510,564	572,172
Unrestricted	622,921	257,870
	1,133,485	830,042

The GIC's accrue interest at 4.25% to 4.50% per annum [2023 - 4.00%] and have maturity dates between October 11, 2024 to May 1, 2025.

5. CAPITAL ASSETS

	Rate	Cost \$	Accumulated Depreciation \$	Net Book Value \$
2024				
Furniture and equipment	5 year	153,702	43,196	110,506
Computer equipment	5 year	22,027	19,856	2,171
Renovations - leaseholds [note 9]	5 year	1,352	451	901
		177,081	63,503	113,578

NOTES TO FINANCIAL STATEMENTS

May 31, 2024

5. CAPITAL ASSETS (CONT'D)

	Rate	Cost \$	Accumulated Depreciation \$	Net Book Value \$
2023				
Furniture and equipment	5 year	15,570	14,297	1,273
Computer equipment	5 year	22,027	12,721	9,306
Renovations - leaseholds [note 9]	5 year	1,352	180	1,172
		38,949	27,198	11,751

6. ACCOUNTS PAYABLE AND ACCRUALS

	2024 \$	2023 \$
Accrued liability - rent to UBC	121,457	121,457
Operations and other	65,370	44,617
Government remittances - GST	7,261	1,449
Wages, vacation and source deductions payable	4,645	52,501
Security deposit	2,250	2,250
	200,983	222,274

7. INTERNALLY RESTRICTED RESERVES

The Society has established the following internally restricted funds:

Student Emergency Reserve

The Student Emergency Reserve was established to support graduate students at UBC Vancouver who are experiencing unforeseen financial hardship.

Capital Projects Improvement Reserve

The Capital Projects Improvement Reserve 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 Reserve

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.

NOTES TO FINANCIAL STATEMENTS

May 31, 2024

7. INTERNALLY RESTRICTED RESERVES (CONT'D)

	Student Emergency Reserve \$	Capital Projects Improvement Reserve \$	Contingency Reserve \$	Total \$
Balances and transactions				
Balance, beginning of year	7,994	474,277	97,895	580,166
Expenses incurred in the year	(74,244)	(1,013)	—	(75,257)
	(66,250)	473,264	97,895	504,909
Member levy fee transfers	26,250	77,537	—	103,787
Restrictions made in year	40,000	—	—	40,000
Capital asset additions	—	(138,132)	—	(138,132)
Net transfers during the year	66,250	(60,595)	—	5,655
Balance, end of year	—	412,669	97,895	510,564
Internally restricted assets				
Investments	—	412,669	97,895	510,564
	—	412,669	97,895	510,564

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, 2024.

Credit Risk

The Society is exposed to credit risk with respect to its bank deposits and accounts receivable. The Society assesses, on a continuous basis, accounts receivable on the basis of amounts it is virtually certain to receive and bank deposits are held 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 bank deposits which are subject to periodic interest rate fluctuations which can effect interest cash flows.

There has been no change in the Society's risk exposure in the above noted risks since the previous year.

NOTES TO FINANCIAL STATEMENTS

May 31, 2024

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. The lease expired in 2016 and it is currently running on a month to month basis. Certain capital expenditures or renovations to the building paid for by the University are not reflected in these financial statements.

10. DISCLOSURE OF REMUNERATION

Pursuant to the British Columbia Societies Act, the Society is required to disclose remuneration paid to employees and contractors who are paid \$75,000 or more during the fiscal year. Salaries and benefits expense includes \$91,981 [2023 - \$78,001] paid to one [2023 - one] employees during the year.

11. RELATED PARTY TRANSACTIONS

In accordance with the British Columbia Societies Act, the Society is required to disclose Director compensation. For the year ended May 31, 2024, executive honoraria in the amount of \$117,195 [2023 - \$91,984] was paid to directors.

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

	2024 \$	2023 \$
President	26,603	21,149
VP, Students	24,260	19,799
VP, Academic and University Affairs	24,200	19,951
VP, External Relations	22,810	17,577
VP, Financial and Executive Oversight Officer	19,322	13,508
	117,195	91,984

12. ECONOMIC DEPENDENCE

The Society's primary source of revenue is membership fees collected from students by the University of British Columbia pursuant to the provisions of the University Act (British Columbia). This collection activity can be terminated if the Society fails to fulfill its requirements under the Act. The Society's ability to continue viable operations is dependent upon maintaining its right to have these fees collected. As at the date of these financial statements the Society believes that it is in compliance with the Act.

NOTES TO FINANCIAL STATEMENTS

May 31, 2024

13. COMPARATIVE FIGURES

The comparative figures for the year ended May 31, 2023 were reported on by another firm of chartered professional accountants who expressed an unqualified opinion thereon in their report dated February 22, 2024.

Some of the comparative figures have been reclassified to conform to the current year's presentation.

