
FINANCIAL STATEMENTS

**STUDENTS' UNION OF VANCOUVER
COMMUNITY COLLEGE**

July 31, 2021



INDEPENDENT AUDITOR'S REPORT

To the Members of
Students' Union of Vancouver Community College

Opinion

We have audited the financial statements of the Students' Union of Vancouver Community College (the Students' Union), which comprise the statement of financial position as at July 31, 2021, and the statements of operations and changes in fund balances 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 Students' Union as at July 31, 2021, 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 Students' Union 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 Students' Union'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 Students' Union or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Students' Union'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 Students' Union'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 Students' Union'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 Students' Union 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 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
January 6, 2022

Chartered Professional Accountants

STATEMENT OF FINANCIAL POSITION

As at July 31

	General Fund	Health Plan Fund	2021	2020
	\$	\$	\$	\$
ASSETS				
Current				
Cash and term deposits <i>[note 3]</i>	740,888	932,246	1,673,134	1,136,596
Accounts receivable <i>[note 4]</i>	62,410	101,431	163,841	376,007
Prepaid expenses	3,917	—	3,917	69,420
	807,215	1,033,677	1,840,892	1,582,023
Capital assets <i>[note 5]</i>	166,749	—	166,749	181,243
	973,964	1,033,677	2,007,641	1,763,266
LIABILITIES AND FUND BALANCES				
Current liabilities				
Accounts payable and accruals <i>[note 6]</i>	70,046	—	70,046	60,546
Deferred revenue	—	166,513	166,513	212,660
	70,046	166,513	236,559	273,206
Fund balances				
Internally restricted	—	867,164	867,164	687,787
Invested in capital assets	166,749	—	166,749	181,243
Unrestricted	737,169	—	737,169	621,030
Total fund balances	903,918	867,164	1,771,082	1,490,060
	973,964	1,033,677	2,007,641	1,763,266

Other -COVID-19 *[note 13]*

See accompanying notes to the financial statements

On behalf of the Board:

Chair

Treasurer

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

Year ended July 31

	General Fund \$	Health Plan Fund \$	2021 \$	2020 \$
REVENUE				
Health plan levies	—	813,047	813,047	797,728
Membership fees	651,750	—	651,750	711,626
Interest income	4,579	—	4,579	6,086
Other	—	—	—	760
	656,329	813,047	1,469,376	1,516,200
EXPENSES				
Health plan premiums	—	593,108	593,108	565,272
Wages and benefits	372,183	39,527	411,710	408,842
Office and administration	36,593	1,035	37,628	45,842
Stipends [note 8]	32,015	—	32,015	35,860
Publications and student services	30,689	—	30,689	35,923
Donation	20,000	—	20,000	—
Amortization	16,556	—	16,556	17,752
Professional	13,584	—	13,584	8,505
Provincial general meetings	10,857	—	10,857	17,187
Student events and campaigns	10,308	—	10,308	7,835
Insurance	9,721	—	9,721	5,440
Bank charges	2,178	—	2,178	2,542
	554,684	633,670	1,188,354	1,151,000
Excess of revenue for the year	101,645	179,377	281,022	365,200
Fund balances, beginning of year	802,273	687,787	1,490,060	1,124,860
Fund balances, end of year	903,918	867,164	1,771,082	1,490,060

See accompanying notes to the financial statements

STATEMENT OF CASH FLOWS

Year ended July 31

	General Fund \$	Health Plan Fund \$	2021 \$	2020 \$
OPERATING ACTIVITIES				
Excess of revenue for the year	101,645	179,377	281,022	365,200
Amortization expense	16,556	—	16,556	17,752
Changes in non-cash working capital balances				
Accounts receivable	113,117	99,049	212,166	128,058
Prepaid expenses	65,505	—	65,505	(68,143)
Accounts payable	9,500	—	9,500	12,177
Deferred revenue	—	(46,147)	(46,147)	(103,160)
Cash provided by operating activities	306,323	232,279	538,602	351,884
INVESTING ACTIVITIES				
Acquisition of capital assets	(2,064)	—	(2,064)	(54,257)
Cash used in investing activities	(2,064)	—	(2,064)	(54,257)
Net increase in cash for the year	304,259	232,279	536,538	297,627
Cash and term deposits, beginning of year	436,629	699,967	1,136,596	838,969
Cash and term deposits, end of year	740,888	932,246	1,673,134	1,136,596

See accompanying notes to the financial statements

NOTES TO FINANCIAL STATEMENTS

July 31, 2021

1. NATURE OF THE ORGANIZATION

The Students' Union of Vancouver Community College (the "Union") is a not-for-profit organization incorporated in the Province of British Columbia and is exempt from income taxes. The Union was formed to represent students at the campuses of Vancouver Community College.

The purpose of the Union is to organize students on a democratic, co-operative basis to advance students' interest, to advance the interest of the students' community and to share experience, skills and ideas. The Union also organizes and provides a variety of services for its members on campus including a tailored, high-quality health and dental plan that meets the needs of its diverse constituency.

2. SIGNIFICANT ACCOUNTING POLICIES

These financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations and include the following significant accounting policies:

Use of Estimates

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 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 deferred revenue, useful lives of capital assets and the health and dental administration expense allocation. Actual results could differ from these estimates.

Revenue Recognition

The Union follows the deferral method of accounting for contributions.

Restricted amounts, if any, are recognized as revenue in the year in which the related expenses are incurred. Unrestricted amounts are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Student membership fees are recognized as revenue according to the academic terms they relate to.

Revenue from all other sources is recognized in the general fund when the service is provided or when the respective goods are sold to the customer.

Volunteers contribute their time to assist the Union in carrying out its activities. Due to the difficulty in determining the fair value of such services, the value of the contributed services is not recognized in these financial statements.

NOTES TO FINANCIAL STATEMENTS

July 31, 2021

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Fund Accounting

The operations of the Union are reported in the following funds:

General Fund

Revenues and expenses related to program delivery, administrative activities, and other operations are reported in the general fund. This fund represents unrestricted resources.

The fund also reports the assets, liabilities, revenues and expenses related to the Union's capital assets.

Health Plan Fund

The members of the Union contribute up to \$275 per year for the purposes of offering both extended health plan and dental plan for student members.

The Union internally restricts any excess revenues for future expenses relating to the management, promotion and maintenance of the health plan.

Measurement of Financial Instruments

The Union initially measures its financial assets and financial liabilities at fair value.

The Union subsequently measures all its financial assets and financial liabilities at amortized cost.

Financial assets measured at amortized cost include cash, term deposit, and accounts receivable. Financial liabilities measured at amortized cost includes accounts payable and accruals.

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

For purposes of determining cash flows, cash consists of cash on deposit with banks, and liquid term deposits.

NOTES TO FINANCIAL STATEMENTS

July 31, 2021

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Capital Assets

Capital assets are recorded at cost less accumulated amortization. Capital assets contributed to the Union are recorded at the estimated fair value at the date the contribution was made. Computer equipment and software are amortized on a straight-line basis over three years. Leasehold improvements are being amortized on a straight-line basis over the remaining term of the lease and its first two renewal periods (25 years).

3. CASH AND TERM DEPOSITS

	2021	2020
	\$	\$
Cash	1,250,149	715,792
Term deposits	422,985	420,804
	1,673,134	1,136,596

Term deposits have interest rate of 0.20 to 0.80% . The Union'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.

4. ACCOUNTS RECEIVABLE

	2021	2020
	\$	\$
General Fund		
Membership fees - Vancouver Community College	61,603	174,416
Interest and other	807	1,111
Health Plan Fund		
Health and Dental fees - Vancouver Community College	101,431	200,480
	163,841	376,007
Allowance for doubtful accounts	—	—
	163,841	376,007

NOTES TO FINANCIAL STATEMENTS

July 31, 2021

5. CAPITAL ASSETS

	Cost \$	Accumulated Amortization \$	Net Book Value \$
2021			
Computer equipment and software	62,391	61,016	1,375
Office furniture and equipment	54,542	54,542	—
Building - leasehold improvements	276,102	110,728	165,374
	393,035	226,286	166,749
2020			
Computer equipment and software	60,328	56,666	3,662
Office furniture and equipment	54,542	53,379	1,163
Building - leasehold improvements	276,102	99,684	176,418
	390,972	209,729	181,243

6. ACCOUNTS PAYABLE AND ACCRUALS

	2021 \$	2020 \$
General Fund		
Wages and vacation payable	55,669	45,366
Other	14,377	15,180
	70,046	60,546

7. FINANCIAL INSTRUMENTS

The Union is exposed to various risks through its financial instruments. The following analysis presents the Union's exposures to significant risk as at July 31, 2021:

Credit Risk

The Union is exposed to credit risk with respect to its cash, term deposit and accounts receivable. The Union 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 and term deposit are held by a Canadian chartered bank.

NOTES TO FINANCIAL STATEMENTS

July 31, 2021

7. FINANCIAL INSTRUMENTS (CONT'D)

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 Union 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 Exposure

All of the Union's financial instruments are non-interest bearing except for cash and term deposit that earn interest at variable market rates, as disclosed in note 3.

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

8. RELATED PARTY TRANSACTIONS

For the year ending July 31, 2021, the Union paid stipends to executive board members and other elected personnel in the amount of \$32,015 [2020 - \$35,860] which are included in stipends expense.

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

	2021	2020
	\$	\$
At-Large Broadway Representative	5,825	9,620
At-Large Downtown Representative	4,055	3,000
Board of Governors Representative	—	—
Board of Governors Representative and Chairperson	2,295	5,120
ESL Program Representative and External Coordinator	—	—
Director of Accessibility	5,845	—
Director of College Affairs	—	6,000
Director of Events	1,495	6,000
Director of Internal Affairs	7,780	—
Queer Student Representative	—	6,120
Women Student Representative	4,720	—
	32,015	35,860

NOTES TO FINANCIAL STATEMENTS

July 31, 2021

9. COMMITMENTS

The Union signed an agreement with Vancouver Community College ("the College") to lease space at the Broadway campus. The initial lease term expires January 31, 2029. Renewal terms are subject to negotiation.

The agreement with the College provides for an annual base rent of \$1 per annum plus operating costs estimated at \$14,111 per annum.

The Union entered into an agreement for extended health and dental benefits which are to be provided to students. The agreement sets the fees at \$275 per student for both benefits.

10. OTHER MEMBERSHIP FEES

The members of the Union are also members of the BC Federation of Students, a provincial organization representing students on collective matters. Membership fees of \$141,934 [2020 - \$153,664] collected during the year on behalf of the BC Federation of Students are not included in these financial statements.

All members participate in a universal transit pass program (U-Pass). Fees of \$880,439 [2020 - \$1,432,959] collected during the year for this program are not included in these financial statements.

11. ECONOMIC DEPENDENCE

The Union's primary source of revenue is membership fees collected from students by Vancouver Community College pursuant to the provisions of the College and Institute Act (British Columbia). This collection activity can be terminated if the Union fails to fulfill its requirements under the Act. The Union'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 Union believes that it is in compliance with the Act.

12. DISCLOSURE OF REMUNERATION

Pursuant to the British Columbia Societies Act, the Union is required to disclose remuneration paid to employees and contractors who are paid \$75,000 or more during the fiscal year. Wages and benefits expense includes \$264,558 [2020 - \$244,798] paid to three [2020 - three] employees during the year. No contractor exceeded this threshold.

NOTES TO FINANCIAL STATEMENTS

July 31, 2021

13. OTHER - COVID-19

The recent outbreak of the coronavirus variant, also known as Omicron, 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 Union's operations cannot be reliably estimated at this time.

The Union expects a decrease in membership revenue for the next fiscal year.