

FINANCIAL STATEMENTS

**SOCIETY OF COAST MOUNTAIN
STUDENTS' UNION**

July 31, 2022



INDEPENDENT AUDITOR'S REPORT

To the Members of
Society of Coast Mountain Students' Union

Opinion

We have audited the financial statements of Society of Coast Mountain Students' Union (the Society), which comprise the statement of financial position as at July 31, 2022, and the statements of operations, 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 Society as at July 31, 2022, 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.

INDEPENDENT AUDITOR'S REPORT

- 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 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
November 2, 2022

Chartered Professional Accountants

STATEMENT OF FINANCIAL POSITION

As at July 31

	2022			2021
	General Fund	Health & Dental Fund	Total	Total
	\$	\$	\$	\$
ASSETS				
Current				
Cash	187,527	35,382	222,909	188,325
Accounts receivable [note 4]	7,835	—	7,835	15,491
	195,362	35,382	230,744	203,816
Capital assets [note 5]	—	—	—	849
Investments [note 2]	116,895	—	116,895	116,486
	312,257	35,382	347,639	321,151
LIABILITIES				
Current				
Accounts payable and accruals [note 6]	6,413	—	6,413	5,042
FUND BALANCES	305,844	35,382	341,226	316,109
	312,257	35,382	347,639	321,151

See accompanying notes to the financial statements

Approved by the Executives:

Director

Director

STATEMENT OF OPERATIONS AND CHANGES IN FUND BALANCES

Year ended July 31

	2022			2021
	General Fund	Health & Dental Fund	Total	Total
	\$	\$	\$	\$
REVENUE				
Membership fees	73,629	155,750	229,379	75,359
Event, interest and other	409	48	457	2,869
	74,038	155,798	229,836	78,228
EXPENSES				
Health and dental premiums	—	120,416	120,416	—
Wages and contractors	60,836	—	60,836	51,795
Membership development	8,199	—	8,199	6,845
Executive honoraria, meetings & travel <i>[note 8]</i>	3,706	—	3,706	759
Handbook	2,579	—	2,579	4,311
Professional fees	5,812	—	5,812	5,813
Office, computer and other	1,866	—	1,866	268
Amortization	849	—	849	849
Campus events	432	—	432	—
Interest and bank charges	24	—	24	48
Emergency Aid	—	—	—	1,000
	84,303	120,416	204,719	71,688
Excess of revenue (expense) for the year	(10,265)	35,382	25,117	6,540
Fund balances, beginning of year	316,109	—	316,109	309,569
Excess of revenue (expense) for the year	(10,265)	35,382	25,117	6,540
Fund balances, end of year	305,844	35,382	341,226	316,109

See accompanying notes to the financial statements

STATEMENT OF CASH FLOWS

Year ended July 31

	2022	2021
	\$	\$
OPERATING ACTIVITIES		
Excess of revenue (expense) for the year	25,117	6,540
Item not affecting cash		
Amortization	849	849
Changes in non-cash working capital items		
Accounts receivable	7,656	(6,515)
Prepaid expenses	—	—
Accounts payable and accrued liabilities	1,371	361
Cash provided by operating activities	34,993	1,235
INVESTING ACTIVITIES		
Purchase of capital assets	—	—
Investment in term deposits	(409)	(2,571)
Cash used in investing activities	(409)	(2,571)
Increase (decrease) in cash during the year	34,584	(1,336)
Cash, beginning of year	188,325	189,661
Cash, end of year	222,909	188,325

See accompanying notes to the financial statements

NOTES TO FINANCIAL STATEMENTS

July 31, 2022

1. NATURE OF THE ORGANIZATION

Society of Coast Mountain Students' Union (the "Society") was incorporated under the British Columbia Society Act and is exempt from income taxes.

The purposes of the Society are to organize students on a democratic, co-operative basis for advancing students' interest, and advancing the interests of the students' community, and to provide a common framework within which the students can communicate, exchange information, and share experience, skills and ideas.

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 useful lives of capital assets and accrued liabilities. Actual results could differ from these estimates.

Fund Accounting and Revenue Recognition

The Society follows fund accounting using the deferral method of accounting for revenues and has the following funds:

General Fund

The General Fund consists of those revenue and expenses in the general operations of the Society.

Health & Dental Fund

The Society collects fees from students registered in the health and dental plan. This fund is restricted for expenditures relating to the management, promotion and maintenance of the health and dental plan.

Membership fees are recognized as revenue in the period in which the fees relate to.

Interest and other items are recognized as revenue when earned and when the amounts can be reasonably estimated or when 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, term deposit and accounts receivable. Financial liabilities measured at amortized cost include accounts payable and accrued liabilities.

NOTES TO FINANCIAL STATEMENTS

July 31, 2022

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

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 and investing activities are presented using the indirect method.

Capital Assets

Capital assets are recorded at cost less accumulated amortization. Capital assets contributed to the Society are recorded at the estimated fair value at the date the contribution was made. Furniture and equipment are amortized on a straight-line basis over 5 years and computer equipment over 3 years.

Investments

The investments are represented by one term deposit invested on December 1, 2020 in a 3-year 0.35% annual interest rate and maturing on December 1, 2023.

3. THE BRITISH COLUMBIA FEDERATION OF STUDENTS

The members of the Society are also members of the British Columbia Federation of Students, a provincial organization representing students on local and national matters. Membership fees collected on behalf of the British Columbia Federation of Students, are not included in these financial statements.

4. ACCOUNTS RECEIVABLE

	2022	2021
	\$	\$
Membership fees	7,161	15,220
Interest	674	271
	7,835	15,491
Allowance for doubtful accounts	—	—
	7,835	15,491

NOTES TO FINANCIAL STATEMENTS

July 31, 2022

5. CAPITAL ASSETS

	Cost	Accumulated Amortization	Net Book Value
	\$	\$	\$
2022			
Computer equipment and software	2,547	2,547	—
	2,547	2,547	—
2021			
Computer equipment and software	2,547	1,698	849
	2,547	1,698	849

6. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	2022	2021
	\$	\$
Operations	6,413	5,042
Government remittance - payroll taxes	—	—
	6,413	5,042

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 July 31, 2022.

Credit Risk

Credit risk is the risk that the Society will incur a loss due to the failure by its debtors to meet their contractual obligations. The Society is exposed to credit risk with respect to its cash, term deposit and accounts receivable. The Society limits its exposure to credit risk by placing its cash and term deposit in accounts with a credit union.

Given the nature of the Society's revenue, there is no concentration of accounts receivables. There has been no bad debt recognized in the year. The maximum amount of credit risk exposure is limited to the carrying amount of the balance in the financial statements.

Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Society is exposed to interest rate risk on its cash and term deposit.

NOTES TO FINANCIAL STATEMENTS

July 31, 2022

7. FINANCIAL INSTRUMENTS (CONT'D)

Liquidity Risk

Liquidity risk is the risk that the Society will not be able to meet its cash requirements or fund obligations as they become due. The Society maintains adequate levels of working capital by preparing budgets to ensure all its obligations can be met when they fall due.

8. RELATED PARTY TRANSACTIONS

For the year ended July 31, 2022 honoraria in the amount of \$1,140 [2021 - \$Nil] was paid to directors.

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

	2022	2021
	\$	\$
Board member	490	—
Board member	380	—
Board member	270	—
	1,140	—

9. ECONOMIC DEPENDENCE

The Society's primary source of revenue is membership fees collected from students pursuant to the provisions of the College and Institute 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.