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FINANCIAL STATEMENTS

**EMILY CARR STUDENTS' UNION
SOCIETY**

July 31, 2021

Limited Liability Partnership _____



Tompkins Wozny
Chartered Professional Accountants

INDEPENDENT AUDITOR'S REPORT

To the Members of
Emily Carr Students' Union Society

Opinion

We have audited the financial statements of Emily Carr Students' Union Society (the Society), which comprise the statement of financial position as at July 31, 2021, 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 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 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.
- 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 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
December 7, 2021

Chartered Professional Accountants



Emily Carr Students' Union Society

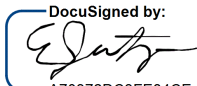
STATEMENT OF FINANCIAL POSITION

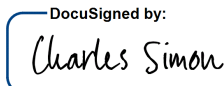
As at July 31

	2021	2020
	\$	\$
ASSETS		
Current		
Cash and term deposits [note 3]	604,351	674,355
Accounts receivable [note 4]	—	7,806
Prepaid expenses	4,270	4,421
Total current assets	608,621	686,582
Capital assets [note 5]	12,791	14,515
	621,412	701,097
LIABILITIES		
Current		
Accounts payable and accrued liabilities [note 6]	24,536	64,921
Deferred membership health and dental fees	29,872	30,000
Total liabilities	54,408	94,921
NET ASSETS		
Internally restricted - space expansion	199,419	199,419
- health and dental	174,292	162,077
Invested in capital assets	12,791	14,515
Unrestricted	180,502	230,165
Total net assets	567,004	606,176
	621,412	701,097

See accompanying notes to the financial statements

On behalf of the Board:

DocuSigned by:

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 Director

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 Director

Emily Carr Students' Union Society

STATEMENT OF CHANGES IN NET ASSETS

Year ended July 31

	<u>Internally Restricted</u>				Total \$
	Space Expansion \$	Health & Dental \$	Invested in Capital Assets \$	Un- restricted \$	
2021	<i>[note 8]</i>	<i>[note 8]</i>			
Balance, beginning of year	199,419	162,077	14,515	230,165	606,176
Excess of expenses for the year	—	—	(3,034)	(36,138)	(39,172)
Purchase of capital assets	—	—	1,310	(1,310)	—
Transfer from internally restricted	—	12,215	—	(12,215)	—
Balance, end of year	199,419	174,292	12,791	180,502	567,004
2020					
Balance, beginning of year	199,419	148,060	16,855	240,415	604,749
Excess of revenue for the year	—	—	(3,489)	4,916	1,427
Purchase of capital assets	—	—	1,149	(1,149)	—
Transfer to internally restricted	—	14,017	—	(14,017)	—
Balance, end of year	199,419	162,077	14,515	230,165	606,176

See accompanying notes to the financial statements

Emily Carr Students' Union Society

STATEMENT OF OPERATIONS

Year ended July 31

	2021	2020
	\$	\$
REVENUES		
Membership fees <i>[note 7]</i>	214,843	209,294
Membership newspaper fees	15,557	16,106
Rental	4,000	—
Interest	2,913	8,907
Wage subsidy	—	3,985
	237,313	238,292
Membership health and dental plan fees <i>[note 8]</i>	364,193	366,210
	601,506	604,502
EXPENSES		
Health and dental plan premiums <i>[note 8]</i>	291,978	302,193
Salaries, benefits and contractors	230,242	193,146
Stipends and honoraria <i>[note 11]</i>	32,300	24,600
Campaigns and student events	22,408	23,857
Newspaper	12,896	14,329
Professional fees	12,245	8,903
Hardship fund <i>[note 13]</i>	9,600	—
Administration	8,598	9,637
Conferences and meetings	5,570	6,461
Insurance	5,353	6,204
Handbook	3,678	3,497
Amortization	3,034	3,489
Radio free Emily	1,606	1,566
Computer and office equipment	1,170	3,259
Life drawing	—	1,275
Facilities	—	659
	640,678	603,075
Excess of revenues (expenses) for the year	(39,172)	1,427

See accompanying notes to the financial statements

Emily Carr Students' Union Society

STATEMENT OF CASH FLOWS

Year ended July 31

	2021	2020
	\$	\$
OPERATING ACTIVITIES		
Excess of revenues (expenses) for the year	(39,172)	1,427
Item not affecting cash		
Amortization	3,034	3,489
Changes in non-cash working capital items		
Prepaid expenses	151	4,643
Accounts receivable	7,806	(4,225)
Accounts payable and accrued liabilities	(40,385)	28,710
Deferred membership health and dental fees	(128)	1,562
Cash provided by (used in) operating activities	(68,694)	35,606
INVESTING ACTIVITIES		
Capital assets purchased	(1,310)	(1,149)
Cash used in investing activities	(1,310)	(1,149)
Increase (decrease) in cash and equivalents during the year	(70,004)	34,457
Cash and equivalents, beginning of year	674,355	639,898
Cash and equivalents, end of year	604,351	674,355
Cash and equivalents consists of:		
Cash	604,351	366,201
Term deposits	—	308,154
Cash and equivalents, end of year	604,351	674,355

See accompanying notes to the financial statements

Emily Carr Students' Union Society**NOTES TO FINANCIAL STATEMENTS**

July 31, 2021

1. NATURE OF OPERATIONS

Emily Carr Students' Union Society (the "Society") was incorporated pursuant to the British Columbia Societies Act on October 31, 1991. The purpose of the Society is to represent the students of the Emily Carr University of Art and Design (the "University") in matters of student concerns, advocacy, provide services and build community. The Society is exempt from income taxes. The Society was Local 33 of the Canadian Federation of Students until June 9, 2018 and is now Local 10 of the British Columbia Federation of Students.

2. SIGNIFICANT ACCOUNTING POLICIES

The financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organization ("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 reported amounts of revenues and expenditures reported during the year. Significant areas requiring the use of management estimates relate to the determination of accrued liabilities and the allocation for health & dental administration costs. Actual results could differ from these estimates.

Cash

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

The statement of cash flows is prepared on a net cash basis and cash flows from operating activities are reported 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.

Revenue Recognition

The Society 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.

Emily Carr Students' Union Society**NOTES TO FINANCIAL STATEMENTS**

July 31, 2021

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

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

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

Volunteers contribute their time to assist the Society 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.

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 deposits and accounts receivable. Financial liabilities measured at amortized cost include accounts payable and accrued liabilities.

Financial assets measured at 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.

Use of Premises

Use of the Society's premises as well as the payment of certain operating expenses, are provided without cost by the University. The value of the use of the facilities as well as these additional operating expenses has not been reflected in the financial statements.

3. CASH AND TERM DEPOSITS

	2021	2020
	\$	\$
Cash	604,351	366,201
Term deposits	—	308,154
	604,351	674,355

Emily Carr Students' Union Society

NOTES TO FINANCIAL STATEMENTS

July 31, 2021

4. ACCOUNTS RECEIVABLE

	2021	2020
	\$	\$
Operations	—	173
Accrued interest on term deposits	—	7,633
	—	7,806

5. CAPITAL ASSETS

	Cost	Accumulated Amortization	Net Book Value
	\$	\$	\$
2021			
Equipment	28,470	15,679	12,791
2020			
Equipment	27,161	12,646	14,515

6. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	2021	2020
	\$	\$
Operations	16,217	58,276
Government - payroll remittance	8,319	6,645
	24,536	64,921

7. MEMBERSHIP FEES

The University collects fees on behalf of the Society of \$4.55 per credit [2020 - \$4.46] per student per semester to a maximum of \$68.25 or 15 credits per semester. A portion of this fee is designated for the publication of the student newspaper.

Members of the Society are included in the Health and Dental Plan at a fee of \$275 [2020 - \$265] per student per year unless opted out with equivalent coverage.

Members of the Society are members of the provincial organization, the British Columbia Federation of Students. Membership fees collected by the University are remitted directly to the British Columbia Federation of Students and are not included in these financial statements.

Emily Carr Students' Union Society**NOTES TO FINANCIAL STATEMENTS**

July 31, 2021

8. INTERNALLY RESTRICTED NET ASSETS

The Society has \$199,419 [2020 - \$199,419] internally restricted for the purposes of attaining and maintaining an independent Students' Union space.

The Society also internally restricted the excess revenue (expenses) of the health plan fund of \$12,215 [2020 - \$14,017] of net assets to be used for future expenses relating to the management, promotion and maintenance of the health plan, bringing the total net assets restricted for this purpose to \$174,292 [2020 - \$162,077].

Health and Dental Plan	2021	2020
	\$	\$
Health and dental plan fees	364,193	366,210
Health and dental plan premiums	(291,978)	(302,193)
Administration fee	(60,000)	(50,000)
Excess revenue internally restricted	12,215	14,017

9. FINANCIAL INSTRUMENTS

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

Credit Risk

Credit risk is the risk that one party to the financial instrument will cause a financial loss for the other party by failing to discharge an obligation.

The Society is exposed to credit risk with respect to its cash and term deposits and receivables. The Society limits its exposure to credit loss by placing its cash and term deposits with a chartered Canadian credit union.

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 term deposits.

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.

Emily Carr Students' Union Society**NOTES TO FINANCIAL STATEMENTS**

July 31, 2021

10. ECONOMIC DEPENDENCE

The Society's primary source of revenue is membership fees collected from students by the University 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 long-term 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.

11. RELATED PARTY TRANSACTIONS

Stipends and honoraria in the amount of \$32,300 [2020 - \$24,600] were paid to members of the Society.

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

	2021	2020
	\$	\$
Faculty Reps	13,300	10,300
Portfolio Positions	12,800	9,300
Members at Large	6,200	5,000
	32,300	24,600

12. 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. No employees or contractors were paid \$75,000 or more.

Emily Carr Students' Union Society

NOTES TO FINANCIAL STATEMENTS

July 31, 2021

13. COVID-19

The Society has not seen an impact on membership revenue for the 2020-2021 fiscal year. The Society has taken a number of measures to monitor and mitigate the effects of COVID-19 such as safety and health measures for employees, such as working remotely since mid March 2020 through to September 2021.

The University and the Society maintained operations remotely through the 2020-2021 academic year with a majority of classes offered remotely. The Society continued providing advocacy, community building initiatives, and services online to our membership.

The impact on operations has not been significant. The Society will continue to follow the various government policies and advice and, in parallel, the Society will do the utmost to continue operations in the best and safest way possible.

The Society maintained extra staff to support the operations during COVID-19 and assist with the administration of services. Services required more time-consuming amended processes to accommodate students out of the region and out of the country. The deficit financial statements reflect these additional staffing expenses.

During the year, the Society established a Hardship Fund to support members experiencing financial challenged during COVID-19. The Society provided one-time grants up to \$300 to members out of the Hardship Fund for disbursements totalling \$9,600.