

The Students' Association of Bow Valley College

Financial Statements
June 30, 2017



October 13, 2017

Independent Auditor's Report

To the Members of The Students' Association of Bow Valley College

We have audited the accompanying financial statements of The Students' Association of Bow Valley College, which comprise the statement of financial position as at June 30, 2017 and the statement of operations and changes in net assets and cash flows for the year then ended, and the related notes including a summary of significant accounting policies and other explanatory information.

Management's responsibility for the financial statements

Management is responsible for the preparation and fair presentation of these 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.

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion.

Basis for qualified opinion

The Students' Association of Bow Valley College relies on a third party to assess and collect student fees on their behalf, the completeness of which was not susceptible to satisfactory audit verification. Accordingly, our verification of these fees was limited to the amounts recorded in the records of the Students' Association of Bow Valley College. Therefore, we were not able to determine whether any adjustments might be necessary to student membership fees revenue, excess of revenues over expenses and cash flows from operating and financing activities for the years ended June 30, 2017 and June 30, 2016, current assets, deferred student fees, deferred student health benefit plan premiums and deferred student award contributions as at June 30, 2017 and June 30, 2016, and net assets as at the beginning and the end of the years ended June 30, 2017 and June 30, 2016. Our audit opinion on the financial statements for the year ended June 30, 2016 was modified accordingly because of the possible effects of this limitation in scope.

Qualified opinion

In our opinion, except for the possible effects of the matter described in the basis for qualified opinion paragraph, the financial statements present fairly, in all material respects, the financial position of The Students' Association of Bow Valley College as at June 30, 2017 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.

PricewaterhouseCoopers LLP

Chartered Professional Accountants

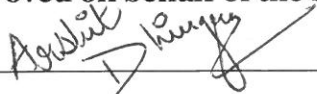
The Students' Association of Bow Valley College

Statement of Financial Position

As at June 30, 2017

	2017 \$	2016 \$
Assets		
Current assets		
Cash	774,614	765,475
Short-term investments	254,728	250,779
Accounts receivable (note 4)	304,878	241,814
Student award funds receivable (note 6)	2,735	2,735
Prepays	6,020	12,217
	1,342,975	1,273,020
Capital assets (note 5)	88,025	106,957
	1,431,000	1,379,977
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities	46,828	8,725
Deferred award contributions (note 6)	-	12,260
Deferred capital savings contributions (note 7)	164,160	183,761
Deferred student health benefit plan premiums (note 8)	505,966	531,705
	716,954	736,451
Net assets		
Unrestricted	714,046	643,526
	1,431,000	1,379,977

Approved on behalf of the Student Council



Executive member



Executive member

The accompanying notes are an integral part of these financial statements.

The Students' Association of Bow Valley College

Statement of Operations and Changes in Net Assets

For the year ended June 30, 2017

	2017 \$	2016 \$
Revenue		
Student membership fees	639,166	570,197
Student benefit plan premiums (note 8)	818,535	515,207
Awards (note 6)	32,028	62,500
Amortization of deferred capital savings contributions	19,601	20,353
Miscellaneous	17,419	18,727
Grants	8,630	13,256
	<u>1,535,379</u>	<u>1,200,240</u>
Expenses		
Student benefit plan premiums (note 8)	818,535	515,207
Salaries and wages	236,743	211,542
Awards	65,000	62,500
Events and meetings	53,434	60,549
Honoraria (note 9)	88,148	97,395
Professional fees	23,656	41,121
Office	24,586	26,060
Student agendas	19,477	23,880
Amortization	17,743	23,044
Memberships	11,893	20,219
Travel	20,276	19,770
Prizes and promotion	10,565	13,544
Grants	8,019	13,256
Insurance	6,034	5,847
Professional development	6,300	4,395
Marketing	3,594	2,513
Bank charges	856	237
	<u>1,414,859</u>	<u>1,141,079</u>
Excess of revenue over expenses	<u>120,520</u>	<u>59,161</u>
Net assets – Beginning of year , as previously reported	643,526	584,365
Prior year adjustment (note 3)	<u>(50,000)</u>	<u>-</u>
Net assets – Beginning of year , as adjusted	<u>593,526</u>	<u>584,365</u>
Net assets – End of year	<u>714,046</u>	<u>643,526</u>

The accompanying notes are an integral part of these financial statements.

The Students' Association of Bow Valley College

Statement of Cash Flows

For the year ended June 30, 2017

	2017 \$	2016 \$
Cash flows provided by (used for) the following activities		
Operating activities		
Excess of revenue over expenses	120,520	59,161
Items not affecting cash		
Amortization	17,743	23,044
Amortization of deferred capital savings contributions	(19,601)	(20,353)
Other	4,855	-
	<hr/>	<hr/>
	123,517	61,852
Changes in non-cash working capital	(23,603)	(69,089)
	<hr/>	<hr/>
	99,914	(7,237)
Investing activities		
Purchase of capital assets	(1,858)	(24,606)
Changes in non-cash working capital related to investing activities	-	(720)
Purchase of short-term investments	(3,949)	(250,779)
	<hr/>	<hr/>
	(5,807)	(276,105)
Financing activities		
Net (decrease) increase in deferred award contributions	(12,260)	4,243
Net (decrease) increase in deferred student health benefit plan premiums	(25,739)	125,391
Changes in non-cash working capital related to financing activities	(46,969)	(10,644)
	<hr/>	<hr/>
	(84,968)	118,990
Increase (decrease) in cash	9,139	(164,352)
Cash – Beginning of year	<hr/>	<hr/>
	765,475	929,827
Cash – End of year	<hr/>	<hr/>
	774,614	765,475

The accompanying notes are an integral part of these financial statements.

The Students' Association of Bow Valley College

Notes to Financial Statements

June 30, 2017

1 Purpose of organization

The Students' Association of Bow Valley College (the "Association") is a not-for-profit organization established to be a representative organization for its members, the students of Bow Valley College (the "College"), so that these students are supported, informed and safeguarded in their interests during their time spent as students of the College. Student fees are levied by the Association, as permitted by the Alberta Post Secondary Learning Act, on all students of the College deemed to be regular members as defined in the Association's by-laws. Student Association fees include student membership fees, award contributions and capital savings contributions.

The Association is not taxable under section 149(1) (I) of the Income Tax Act.

2 Summary of significant accounting policies

Basis of accounting

The financial statements of the Association have been prepared by management in accordance with Canadian accounting standards for not-for-profit organizations ("ASNPO") as issued by the Canadian Accounting Standards Board and include the following policies:

Revenue recognition

The Association uses the deferral method of accounting for contributions. Externally restricted contributions are deferred and recognized as revenue in the year in which the related expenses are incurred. Externally restricted contributions for the purchase of capital assets are recognized as revenue as the related capital assets are amortized. Unrestricted contributions are recognized as revenue in the year received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Revenue from student membership fees is recognized as revenue when the services are provided. Revenue from student benefit plan premiums is recognized as the related benefit plan premium expenses are incurred.

Student membership fees and benefit plan premiums are collected by the College on behalf of the Association. The student membership fees are deemed receivable once students are no longer able to withdraw from a course. Student benefit plan premiums are deemed receivable once students are no longer able to opt out of the benefits.

Short term investments

Short-term investments consist of guaranteed investment certificates ("GICs") with terms of maturity greater than ninety days but no more than one year.

Contributed materials and services

The Association does not record contributed materials and services, including volunteer hours, in its financial statements.

The Students' Association of Bow Valley College

Notes to Financial Statements

June 30, 2017

Capital assets

Capital assets are recorded at cost less accumulated amortization. Contributed capital assets are recorded at their fair value at the date of contribution. During 2017, there were no contributed capital assets (2016 – \$nil). Capital assets are amortized on a declining balance basis as follows:

Computer equipment	45%
Office furniture	20%
Website	25%
Leasehold improvements	10%

Capital assets are not amortized until they are placed into use.

The Association reviews its capital assets for impairment whenever events or changes in circumstances indicate that their carrying values may not be recoverable. If the carrying amount is greater than the net recoverable amount, the asset is written down to its estimated fair value.

Financial instruments

The Association initially measures financial assets and financial liabilities at their fair value. It subsequently measures its financial assets and financial liabilities at amortized cost, other than investments which are reported at fair value. The financial assets subsequently measured at amortized cost include cash, accounts receivable and student award funds receivable. The financial liabilities subsequently measured at amortized cost include accounts payable and accrued liabilities.

The Association's exposures to risk on its financial instruments did not change from the prior period and are outlined as follows:

a) Credit risk

The Association's exposure to credit risk is limited to accounts receivable and student award funds receivable. The majority of accounts receivable and student award funds receivable are from the College and management does not consider the Association to be exposed to undue credit risk.

b) Liquidity risk

The Association is not exposed to significant liquidity risk as it does not currently hold investments and its cash balances are held with reputable Canadian financial institutions.

c) Interest rate and other price risk

As the Association currently holds short-term term deposits and cash balances which are held with reputable Canadian financial institutions, management does not consider the Association is exposed to significant interest rate or other price risk.

The Students' Association of Bow Valley College

Notes to Financial Statements

June 30, 2017

Measurement uncertainty

The preparation of financial statements in conformity with ASNPO 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 revenues and expenses during the period. By their nature, estimates are subject to measurement uncertainty, and the effect on the financial statements of changes in such estimates in future periods could be significant.

Comparative figures

Certain prior year figures have been reclassified to conform to the current year's presentation.

3 Prior period adjustment

During the year the Association noted that \$50,000 of awards revenue was incorrectly recognized as revenue during the period ended June 30, 2016, and therefore an adjustment has been applied during the current year to correct this item. Had this adjustment been corrected for in the comparative figures, the changes would have been as follows:

Statement of financial position (extract)	2016 \$	Increase (decrease) \$	2016 \$ (Adjusted)
Accounts payable and accrued liabilities	8,725	50,000	58,725
Total liabilities	736,451	50,000	786,451
Unrestricted net assets	643,526	(50,000)	593,526
Statement of operations and changes in net assets (extract)			
Awards	62,500	(50,000)	12,500
Total revenues	1,200,240	(50,000)	1,150,240
Excess of revenue over expenses	59,161	(50,000)	9,161

The Students' Association of Bow Valley College

Notes to Financial Statements

June 30, 2017

4 Accounts receivable

	2017 \$	2016 \$
Bow Valley College	304,878	238,185
Other	-	3,629
	<hr/> 304,878	<hr/> 241,814

5 Capital assets

			2017	2016
	Cost \$	Accumulated amortization \$	Net \$	Net \$
Computer equipment	27,572	26,592	980	2,531
Office furniture	120,970	73,014	47,956	60,244
Website	17,086	13,707	3,379	4,505
Leasehold improvements	54,427	18,718	35,709	39,677
	<hr/> 220,055	<hr/> 132,031	<hr/> 88,024	<hr/> 106,957

6 Deferred award contributions

The Association receives contributions and there is a portion of student membership fees received which are externally restricted for the purpose of funding future award programs as needed.

	2017 \$	2016 \$
Balance – Beginning of year	12,260	7,125
Fees received for awards	19,768	67,635
Amounts recognized as revenue	<hr/> (32,028)	<hr/> (62,500)
Balance – End of year	<hr/> -	<hr/> 12,260

The Students' Association of Bow Valley College

Notes to Financial Statements

June 30, 2017

7 Deferred capital savings contributions

a) Deferred capital savings contributions

A portion of the student membership fees received are externally restricted to ensure the Association has the necessary funds to support future capital expenditures and are recorded as capital savings contributions.

	2017 \$	2016 \$
Balance – Beginning of year	84,899	108,959
Amounts transferred to unamortized deferred capital savings contributions	(1,858)	(24,060)
Balance – End of year	<u>83,041</u>	<u>84,899</u>

b) Unamortized deferred capital savings contributions

Unamortized deferred capital savings contributions represent those contributions that have been expended on capital assets to date, which will be recognized in revenue as the related capital assets are amortized.

	2017 \$	2016 \$
Balance – Beginning of year	98,862	95,155
Amounts transferred in	1,858	24,060
Amortization of deferred contributions related to capital assets	(19,601)	(20,353)
Balance – End of year	81,119	98,862
Total deferred capital savings contributions	<u>83,041</u>	<u>84,899</u>
	<u>164,160</u>	<u>183,761</u>

8 Deferred student health benefit plan premiums

Fees for the student health benefit plan are levied by the Association and charged to the students. These fees are collected by the College on behalf of the Association. Fees collected in excess of the actual costs of the plan for the fiscal year are deferred for future premiums.

	2017 \$	2016 \$
Balance – Beginning of year	531,705	417,850
Fees received for benefit plan	792,796	629,062
Amounts recognized as revenue	(818,535)	(515,207)
Balance – End of year	<u>505,966</u>	<u>531,705</u>

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Notes to Financial Statements

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9 Related party transactions

Executive and Student Council members receive honoraria from the Association. During the year the Association paid the Executive and Student Council members honoraria totalling \$88,148 (2016 – \$97,395).

These transactions were recorded at the agreed upon exchange amounts between the Association and Executive Council and Student Council members.

10 Government remittances

Payroll source deductions amounting to \$3,051 (2016 – \$3,132) are owed to the federal government at June 30, 2017 and are included in accounts payable and accrued liabilities.