



FINANCIAL STATEMENTS

**CANADIAN FEDERATION OF
STUDENTS - BRITISH COLUMBIA**

August 31, 2014

***TOM* TOMPKINS, WOZNY, MILLER & CO.**
Chartered Accountants

A partnership of incorporated professionals.

INDEPENDENT AUDITOR'S REPORT

To the Members of
Canadian Federation of Students - British Columbia

Report on the Financial Statements

We have audited the accompanying financial statements of Canadian Federation of Students - British Columbia, which comprise the statement of financial position as at August 31, 2014, and the statements of operations, changes in net assets and cash flows for the year then ended, and 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 Federation'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 Federation'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.

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

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Canadian Federation of Students - British Columbia as at August 31, 2014, 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.

Report on Other Legal and Regulatory Requirements

As required by the British Columbia Society 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, Miller & Co.

Vancouver, Canada
January 15, 2015

Chartered Accountants

STATEMENT OF FINANCIAL POSITION

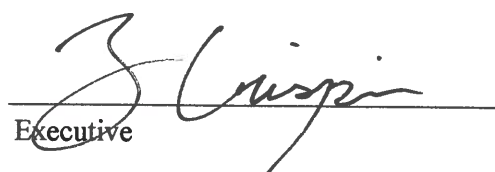
As at August 31

	2014	2013
	\$	\$
ASSETS		
Current assets		
Cash	1,678,622	1,001,588
Accounts receivable [note 4]	331,444	632,693
Prepaid expenses	63,103	8,364
Total current assets	2,073,169	1,642,645
Long-term investments [note 3]	771,090	697,720
Capital assets [note 5]	1,118,461	1,152,585
	3,962,720	3,492,950
LIABILITIES AND NET ASSETS		
Current liabilities		
Accounts payable and accruals [note 6]	146,327	105,757
Total current liabilities	146,327	105,757
Net assets		
Invested in capital assets	1,118,461	1,152,585
Internally restricted [note 8]	817,262	817,262
Unrestricted	1,880,670	1,417,346
Total net assets	3,816,393	3,387,193
	3,962,720	3,492,950

See accompanying notes to the financial statements

On behalf of the Executive Committee:


Executive


Executive

STATEMENT OF CHANGES IN NET ASSETS

Year ended August 31

	Invested in Capital Assets \$	Internally Restricted		Unrestricted \$	Total \$
		Disabled Access Fund \$	Capital Fund \$		
2014		[note 8]	[note 8]		
Balance, beginning of year	1,152,585	317,262	500,000	1,417,346	3,387,193
Excess of revenue for the year	—	—	—	429,200	429,200
Purchase of capital assets	9,372	—	—	(9,372)	—
Amortization	(43,496)	—	—	43,496	—
Balance, end of year	1,118,461	317,262	500,000	1,880,670	3,816,393
2013					
Balance, beginning of year	1,148,766	259,653	—	1,316,412	2,724,831
Excess of revenue (expenses) for the year	—	(762)	—	663,124	662,362
Allocation to internally restricted funds	—	58,371	500,000	(558,371)	—
Purchase of capital assets	46,957	—	—	(46,957)	—
Amortization	(43,138)	—	—	43,138	—
Balance, end of year	1,152,585	317,262	500,000	1,417,346	3,387,193

See accompanying notes to the financial statements

STATEMENT OF OPERATIONS

Year ended August 31

	2014	2013
	\$	\$
REVENUE		
Membership fees <i>[note 7]</i>	812,460	1,064,082
National allocation	125,912	117,115
Investment income	82,689	15,607
Other income	—	53,247
	1,021,061	1,250,051
EXPENSES		
Wages, stipends and benefits <i>[note 9]</i>	175,928	216,763
Campaigns	109,925	108,297
Field work and membership development	94,903	71,255
Premises expense	45,267	40,145
General meetings (net of delegate fees)	44,254	48,687
Amortization	43,496	43,138
Bad debt	28,265	—
Executive meetings	22,727	37,237
Office	11,266	7,656
Communications	8,958	8,841
Professional fees	6,872	5,670
	591,861	587,689
Excess of revenue for the year	429,200	662,362

See accompanying notes to the financial statements

STATEMENT OF CASH FLOWS

Year ended August 31

	2014	2013
	\$	\$
OPERATING ACTIVITIES		
Excess of revenue for the year	429,200	662,362
Item not affecting cash		
Amortization of capital assets	43,496	43,138
Unrealized loss/(gain) on long-term investments	(42,845)	7,564
Changes in other non-cash working capital items		
Accounts receivable	301,249	(131,401)
Prepaid expenses	(54,739)	42,337
Accounts payable and accruals	40,570	13,865
Cash provided by operating activities	716,931	637,865
INVESTING ACTIVITIES		
Purchase of capital assets	(9,372)	(46,957)
Purchase of long-term investments (net)	(30,525)	(22,779)
Cash used in investing activities	(39,897)	(69,736)
Increase in cash during the year	677,034	568,129
Cash, beginning of year	1,001,588	433,459
Cash, end of year	1,678,622	1,001,588

See accompanying notes to the financial statements

NOTES TO FINANCIAL STATEMENTS

August 31, 2014

1. NATURE OF OPERATIONS

The Canadian Federation of Students - British Columbia (the "Federation") is a chartered provincial component of the Canadian Federation of Students and a registered not-for-profit Federation incorporated in the Province of British Columbia. The purpose of the Federation is to organize students on a provincial and national level, on a democratic, co-operative basis, to advance students' interests; to facilitate co-operation among students in organizing services which supplement and enhance the learning experience; and to achieve the goal of a system of post-secondary education which is accessible to all, of high quality, and which recognizes the legitimacy of student representation and the validity of students' rights.

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 the determination of net recoverable value of assets, in particular as it relates to useful lives of capital assets. Actual results could differ from these estimates.

Revenue Recognition

Revenue is recognized as it is earned in accordance with the following:

Membership fees and National allocations are recognized in the academic term to which the fees apply. The National Allocation is a payment from the Canadian Federation of Students and Canadian Federation of Students-Services to Canadian Federation of Students-BC in recognition of the work performed by CFS-BC to implement and manage national services and campaigns within British Columbia. The National Allocation is equal to one sixth of national membership fees paid by Federation members in British Columbia.

All other revenue is recognized when received or receivable once collection is reasonably assured.

Measurement of Financial Instruments

The Federation initially measures its financial assets and financial liabilities at fair value. The Federation subsequently measures all its financial assets and financial liabilities at amortized cost, except for investments that are quoted in an active market, which are measured at fair value.

NOTES TO FINANCIAL STATEMENTS

August 31, 2014

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

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 assets measured at fair value include long-term investments.

Financial liabilities measured at amortized cost include accounts payable and accruals.

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.

Long-Term Investments

These investments are recorded at their fair market value. Income, gains, losses, and changes in fair market value are recorded as investment income.

Accounts Receivable

Accounts receivable are shown net of management's best estimate of uncollectible amounts.

Capital Assets

Capital assets are written off on a straight-line basis over the following estimated useful lives:

- Building 25 years
- Office equipment and computers 3 years
- Printer 5 years
- Telephones 5 years
- Website 3 years

Amortization is not recorded in the year of disposal.

3. LONG-TERM INVESTMENTS

The Federation's investments, which are recorded at fair market value, are held at a Canadian chartered financial institution and include treasury bills, fixed income, and equities.

NOTES TO FINANCIAL STATEMENTS

August 31, 2014

4. ACCOUNTS RECEIVABLE

	2014	2013
	\$	\$
Membership fees	131,736	556,533
National allocation	166,373	65,944
Canadian Federation of Students - Services	24,305	746
Other	9,030	9,470
Allowance for doubtful accounts	—	—
	331,444	632,693

5. CAPITAL ASSETS

	Cost	Accumulated	Net Book
	\$	Amortization	Value
	\$	\$	\$
2014			
Land	533,598	—	533,598
Building	687,725	118,588	569,137
Office equipment and computers	42,480	34,687	7,793
Printer	23,863	18,791	5,072
Telephones	25,728	23,863	1,865
Website	8,960	7,964	996
	1,322,354	203,893	1,118,461
2013			
Land	533,598	—	533,598
Building	687,725	91,289	596,436
Office equipment and computers	33,109	31,396	1,713
Printer	23,863	14,018	9,845
Telephones	25,728	18,717	7,011
Website	8,960	4,978	3,982
	1,312,983	160,398	1,152,585

6. ACCOUNTS PAYABLE AND ACCRUALS

	2014	2013
	\$	\$
Operations	146,327	105,757

NOTES TO FINANCIAL STATEMENTS

August 31, 2014

7. MEMBERSHIP FEE REVENUE

	2014	2013
	\$	\$
Local 3	68,615	66,787
Local 4	15,000	14,812
Local 5	59,598	49,964
Local 13	18,317	17,771
Local 15	62,554	59,668
Local 18	97,538	90,862
Local 26	125,564	105,064
Local 33	17,950	17,500
Local 44	—	129,714
Local 53	32,880	25,883
Local 61	80,708	81,181
Local 66	12,093	8,209
Local 72	15,623	15,100
Local 73	63,444	66,307
Local 75	82,618	83,898
Local 86	—	—
	752,502	832,720
Recovered membership fees	59,958	231,362
	812,460	1,064,082

8. INTERNALLY RESTRICTED FUNDS

a) Disabled Access Fund

The Disabled Access Fund was established to enhance the accessibility of the Federation, and the services provided by the Federation, to people with disabilities. Disbursements from the fund are at the discretion of the Federation's Executive Committee subject to the purposes of the Fund.

b) Capital Fund

The Capital Fund was established for the purchase, or long-term leasing, of property for the Federation's operations. Since the purchase of the office space, the Federation has maintained the capital fund to provide resources for the maintenance, renovation and repair of this space. Disbursement from the fund shall be approved by the Executive Committee.

NOTES TO FINANCIAL STATEMENTS

August 31, 2014

9. STIPENDS

Wages, stipends and benefits include stipends paid to Executive Committee members in the amount of \$110,552 [2013 - \$106,771].

10. FINANCIAL INSTRUMENTS

The Federation is exposed to various risks through its financial instruments. The following analysis presents the Federation's exposures to significant risk as at August 31, 2014.

Credit Risk

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

The Federation assesses, on a continuous basis, accounts receivable on the basis of amounts it is virtually certain to receive and short-term investments are invested with a Canadian financial institution.

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 Federation is exposed to interest rate risk on its cash and short-term investments.

Liquidity Risk

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

11. COMPARATIVE FIGURES

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