

BCIT STUDENT ASSOCIATION

**Financial Statements
May 31, 2017**

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INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF BCIT STUDENT ASSOCIATION

Report on the Financial Statements

We have audited the accompanying financial statements of BCIT Student Association, which comprise the statement of financial position as at May 31, 2017 and the statements of operations, changes in fund balances 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.

Auditors' 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 auditors' 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.

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 BCIT Student Association as at May 31, 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.

Report on Other Legal and Regulatory Requirements

As required by the *Societies Act* (British Columbia), we report that, in our opinion, the principles in Canadian accounting standards for not-for-profit organizations have been applied on a basis consistent with that of the preceding year.

Smythe LLP

Chartered Professional Accountants

Vancouver, British Columbia
November 20, 2017

BCIT STUDENT ASSOCIATION
Statement of Financial Position
May 31

	Capital Levy Fund	Medical Insurance Fund	Operating Fund	2017	2016
Assets (notes 9 and 10)					
Current					
Cash and cash equivalents (note 4)	\$ 0	\$ 902,097	\$ 883,853	\$ 1,785,950	\$ 821,703
Accounts receivable	5,913	19,647	185,371	210,931	230,258
GST receivable	295	175	0	470	19,729
Inventory	0	0	274,581	274,581	210,071
Prepaid expenses	0	0	61,277	61,277	110,831
Current portion of deferred charges (note 7)	0	0	13,376	13,376	13,376
Current portion of prepaid rent (note 8)	0	0	202,904	202,904	202,904
Interfund loans receivable (payable) (note 20)	132,732	(20,342)	(112,390)	0	0
	138,940	901,577	1,508,972	2,549,489	1,608,872
Capital Assets (note 6)	0	2,211	5,397,561	5,399,772	3,185,343
Assets Under Construction	0	0	163,468	163,468	232,007
Deferred Costs (note 7)	0	0	94,375	94,375	107,751
Prepaid Rent (note 8)	0	0	1,521,778	1,521,778	1,724,682
	0	2,211	7,177,182	7,179,393	5,249,783
	\$ 138,940	\$ 903,788	\$ 8,686,154	\$ 9,728,882	\$ 6,858,655

BCIT STUDENT ASSOCIATION
Statement of Financial Position
May 31

	Capital Levy Fund	Medical Insurance Fund	Operating Fund	2017	2016
Liabilities					
Current					
Accounts payable and accruals (note 5)	\$ 0	\$ 0	\$ 363,086	\$ 363,086	\$ 449,112
Wages payable	0	6,213	474,569	480,782	390,976
GST payable	0	0	15,213	15,213	0
Deferred revenue (note 11)	0	372,542	389,464	762,006	532,237
Current portion of long-term debt (note 10)	0	0	260,124	260,124	110,989
Student one-card deposits	0	0	0	0	8,101
	0	378,755	1,502,456	1,881,211	1,491,415
Long-Term Debt (note 10)	0	0	4,054,390	4,054,390	1,514,874
	0	378,755	5,556,846	5,935,601	3,006,289
Net Assets					
Internally Restricted	138,940	525,033	0	663,973	685,122
Unrestricted	0	0	3,129,308	3,129,308	3,167,244
	138,940	525,033	3,129,308	3,793,281	3,852,366
	\$ 138,940	\$ 903,788	\$ 8,686,154	\$ 9,728,882	\$ 6,858,655

Commitments (note 16)
(note 17)

Approved by the Directors:

_____ Director

_____ Director

BCIT STUDENT ASSOCIATION
Statement of Operations
Year Ended May 31

	Capital Levy Fund	Medical Insurance Fund	Operating Fund	2017	2016
Retail Revenues					
Campus print and copy	\$ 0	\$ 0	\$ 93,436	\$ 93,436	\$ 100,456
Pub	0	0	863,399	863,399	857,316
Retail stores	0	0	2,379,684	2,379,684	2,202,098
	0	0	3,336,519	3,336,519	3,159,870
Cost of Sales					
Campus print and copy	0	0	16,453	16,453	20,226
Pub	0	0	297,471	297,471	317,549
Retail stores	0	0	1,349,772	1,349,772	1,230,034
	0	0	1,663,696	1,663,696	1,567,809
Gross Profit					
Campus print and copy	0	0	76,983	76,983	80,230
Pub	0	0	565,928	565,928	539,767
Retail stores	0	0	1,029,912	1,029,912	972,064
	0	0	1,672,823	1,672,823	1,592,061
Other Revenue					
Activities - student clubs (note 14)	0	0	182,161	182,161	182,922
Capital levy fees - student spaces	135,697	0	0	135,697	137,750
Childcare (note 12)	0	0	278,704	278,704	278,536
Grants	0	0	33,135	33,135	25,819
Interest and dividends	0	3,282	5,885	9,167	14,893
Miscellaneous (note 13)	0	0	55,153	55,153	61,033
Pepsi and other sponsorship	0	0	191,789	191,789	204,875
Publications (note 15)	0	0	35,726	35,726	37,031
Room and equipment rental	0	0	34,676	34,676	24,935
SE2 expansion	0	0	298,533	298,533	303,051
Student fees	0	0	3,277,009	3,277,009	3,140,774
Student medical fees	0	1,707,110	0	1,707,110	1,668,622
Vending	0	0	96,886	96,886	70,120
	135,697	1,710,392	4,489,657	6,335,746	6,150,361
Net Revenues	\$ 135,697	\$ 1,710,392	\$ 6,162,480	\$ 8,008,569	\$ 7,742,422

See notes to financial statements.

BCIT STUDENT ASSOCIATION
Statement of Operations
Year Ended May 31

	Capital Levy Fund	Medical Insurance Fund	Operating Fund	2017	2016
	(note 22)	(note 22)	(note 22)		
Expenses					
Advertising and promotion	\$ 0	\$ 806	\$ 52,241	\$ 53,047	\$ 57,672
Amortization of capital assets	0	669	620,832	621,501	369,780
Amortization of deferred costs	0	0	13,376	13,376	13,377
Amortization of prepaid rent	0	0	202,904	202,904	202,904
Bank charges and interest	0	660	130,751	131,411	73,689
Bursaries	500	0	33,608	34,108	81,373
Equipment rental	0	0	55,186	55,186	45,514
Honoraria	0	0	79,437	79,437	81,423
Insurance	0	0	84,348	84,348	80,355
Interest on long-term debt	0	0	116,516	116,516	84,331
Janitorial	0	0	46,248	46,248	48,393
Medical insurance premiums	0	1,568,953	0	1,568,953	1,550,625
Office and miscellaneous	0	1,846	73,557	75,403	83,694
Printing - external and internal	0	0	43,793	43,793	25,728
Professional development	0	1,133	33,211	34,344	41,232
Professional fees	48,020	1,840	290,092	339,952	344,218
Provisions and supplies	0	67	57,432	57,499	39,413
Rent	0	0	174,669	174,669	174,146
Repairs and maintenance	164	409	60,589	61,162	55,490
Societies and student services	78,279	48,062	277,360	403,701	484,713
Telephone and utilities	0	821	22,758	23,579	23,651
Wages and benefits (note 19)	0	114,015	3,676,924	3,790,939	3,302,363
	126,963	1,739,281	6,145,832	8,012,076	7,264,084
Excess (Deficiency) of Revenues Over Expenses Before Other Item	8,734	(28,889)	16,648	(3,507)	478,338
Other Item					
Write-off of capital assets	0	(994)	(54,584)	(55,578)	(60,677)
Excess (Deficiency) of Revenues Over Expenses	\$ 8,734	\$ (29,883)	\$ (37,936)	\$ (59,085)	\$ 417,661

BCIT STUDENT ASSOCIATION
Statement of Changes in Fund Balances
Year Ended May 31

	Medical Insurance				
	Capital Levy Fund	Fund	Operating Fund	2017	2016
Balance, Beginning of Year	\$ 130,206	\$ 554,916	\$ 3,167,244	\$ 3,852,366	\$ 3,434,705
Excess (Deficiency) of Revenues over Expenses	8,734	(29,883)	(37,936)	(59,085)	417,661
Balance, End of Year	\$ 138,940	\$ 525,033	\$ 3,129,308	\$ 3,793,281	\$ 3,852,366

BCIT STUDENT ASSOCIATION
Statement of Cash Flows
Year Ended May 31

	Capital Levy Fund	Medical Insurance Fund	Operating Fund	2017	2016
Operating Activities					
Excess (deficiency) of revenues over expenses	\$ 8,734	\$ (29,883)	\$ (37,936)	\$ (59,085)	\$ 417,661
Items not involving cash					
Amortization of capital assets	0	669	620,832	621,501	369,780
Amortization of deferred charges	0	0	13,376	13,376	13,377
Write-off of capital assets	0	994	54,584	55,578	60,677
Amortization of prepaid rent	0	0	202,904	202,904	202,904
	8,734	(28,220)	853,760	834,274	1,064,399
Net changes in working capital accounts					
Accounts receivable	551	(8,448)	27,224	19,327	(19,279)
GST receivable (payable)	167	30	34,275	34,472	(3,843)
Inventory	0	0	(64,510)	(64,510)	(48,401)
Prepaid expenses	1,163	0	48,391	49,554	(39,127)
Interfund loans	(10,615)	303,576	(292,961)	0	0
Accounts payable and accruals	0	0	(86,024)	(86,024)	48,375
Wages payable	0	(44)	89,850	89,806	101,563
Student one-card deposits	0	0	(8,101)	(8,101)	(11,911)
Deferred revenue	0	(17,851)	247,620	229,769	62,911
	(8,734)	277,263	(4,236)	264,293	90,288
Cash Provided by Operating Activities	0	249,043	849,524	1,098,567	1,154,687
Investing Activities					
Capital assets acquired	0	(974)	(2,985,465)	(2,986,439)	(1,946,983)
Assets under construction	0	0	163,468	163,468	185,330
Cash Used in Investing Activities	0	(974)	(2,821,997)	(2,822,971)	(1,761,653)
Financing Activities					
Proceeds from long-term debt	0	0	2,800,000	2,800,000	0
Repayment of long-term debt	0	0	(111,349)	(111,349)	(105,450)
Cash Provided by (Used in) Financing Activities	0	0	2,688,651	2,688,651	(105,450)
Increase (Decrease) in Cash and Cash Equivalents	0	248,069	716,178	964,247	(712,416)
Cash and Cash Equivalents, Beginning of Year	0	654,028	167,675	821,703	1,534,119
Cash and Cash Equivalents, End of Year	\$ 0	\$ 902,097	\$ 883,853	\$ 1,785,950	\$ 821,703

BCIT STUDENT ASSOCIATION

Notes to Financial Statements

Year Ended May 31, 2017

1. NATURE OF ORGANIZATION

The BCIT Student Association (the "Association") was incorporated under the *Society Act* (British Columbia) on October 3, 1968 as a not-for-profit organization and is a registered charity. As such, the Association is exempt from taxes under section 149(1)(l) of the *Income Tax Act* (Canada). The Association's mission is to be an advocate for students and provide services that are student-centred, responsive and proactive in supporting and enhancing the quality of student life.

2. SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Association were prepared in accordance with Canadian accounting standards for not-for-profit organizations ("ASNPO") and include the following significant accounting policies.

(a) Net assets

The Operating Fund accounts for the Association's program delivery and administrative activities. This fund is unrestricted.

The Medical Insurance Fund reports the assets, liabilities, revenues and expenses related to the students' medical insurance program. The Association collects premiums from students each year. Any premiums not required to be paid out for insurance coverage are maintained by the Association to cover future rate increases. Expenditures from this internally restricted fund must relate to the delivery of the Student Health Plan.

The Capital Levy Fund reports revenues and expenses related to specific capital levy amounts charged to the members. Expenditures from this internally restricted fund must relate to student spaces.

(b) Inventory

Inventory that is held at the Association's copy centre, pub and retail stores consists primarily of goods held for resale, and is valued at the lower of cost and net realizable value. Cost is determined on a weighted average basis. Net realizable value is the estimated selling price in the ordinary course of operations, less any applicable selling costs.

(c) Capital assets and amortization

Purchased capital assets are recorded at cost. Contributed capital assets are recorded at fair value at the date of contribution if the amount is readily determinable. Amortization is provided using the following annual rates and methods:

Furniture and equipment	- 20%	declining-balance
Computer hardware	- 30%	declining-balance
Vehicle	- 30%	declining-balance
Office equipment	- 20%	declining-balance
Computer software	- 100%	declining-balance
Leasehold improvements	- 10%	straight-line

Additions during the year are amortized at one-half the annual rates.

BCIT STUDENT ASSOCIATION
Notes to Financial Statements
Year Ended May 31, 2017

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(d) Impairment of long-lived assets

A long-lived asset is tested for impairment whenever events or changes in circumstances indicate that its carrying amount may not be recoverable. An impairment loss is recognized when the carrying amount of the asset exceeds the sum of the undiscounted cash flows resulting from its use and eventual disposition. The impairment loss is measured as the amount by which the carrying amount of the long-lived asset exceeds its fair value.

(e) Assets under construction

Assets under construction are recorded at cost. Amortization is not taken on assets under construction until the asset is in use.

(f) Prepaid rent

Prepaid rent under the lease for the third floor of the Campus Centre is recorded at cost plus applicable taxes. Amortization of prepaid rent is calculated on a straight-line basis over the remaining term of the Campus Centre lease.

(g) Deferred costs

Deferred costs represent professional fees paid in relation to the lease agreement for the Campus Centre lease with British Columbia Institute of Technology ("BCIT") and a capital funding contribution paid to BCIT in conjunction with the construction of the Campus Centre building.

These amounts are amortized on a straight-line basis over the term of the Campus Centre lease.

(h) Revenue recognition

The Association follows the deferral method of accounting for contributions.

Unrestricted contributions, including student fees, Capital Levy-SE 2 Expansion fees and Club Fee revenue, are recognized as revenue in the year received or receivable if the amount receivable can be reasonably estimated and collection is reasonably assured.

Restricted contributions, including Capital Levy Student Spaces fees and Student Medical fees revenue, are recognized as revenue in the year in which the related expenses are incurred. Amounts relating to a subsequent period are deferred until the related expenditures are incurred.

Child Care revenue is recognized when services have been provided and collection is reasonably assured.

Pub and retail revenue is recognized at the point of sale.

Sponsorship revenue received during the year is recorded as deferred revenue and recognized in the period to which it relates.

Deferred capital contributions relating to the Child Care Centre facility are deferred and recognized as revenue on the same basis as the related amortization expense.

BCIT STUDENT ASSOCIATION
Notes to Financial Statements
Year Ended May 31, 2017

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(i) Contributed services

Volunteers contribute numerous hours each year to assist the Association in carrying out its services. Due to the difficulty in determining their fair value, contributed services are not recognized in the financial statements.

(j) Financial instruments

The Association initially measures its financial assets and liabilities at fair value. The Association subsequently measures all its financial assets and financial liabilities at amortized cost.

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 excess (deficiency) of revenues over expenses. In the event a previously recognized impairment loss should be reversed, the amount of the reversal is recognized in excess (deficiency) of revenues over expenses provided it is not greater than the original amount prior to write-down.

For any financial instrument that is measured at amortized cost, the instrument's cost is adjusted by the transaction costs that are directly attributable to their origination, issuance or assumption. These transaction costs are amortized into excess (deficiency) of revenues over expenses on a straight-line basis over the term of the instrument. All other transaction costs are recognized in excess (deficiency) of revenues over expenses in the period incurred.

(k) Use of estimates

The preparation of these financial statements in conformity with ASNPO requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Significant estimates include useful lives of capital assets, allowance for doubtful accounts, net realizable value of inventories and accrued liabilities. While management believes these estimates are reasonable, actual results could differ from those estimates and could impact future results of operations and cash flows.

(l) Cash and cash equivalents

Cash and cash equivalents includes cash and highly liquid investments with initial terms to maturity of 90 days or less.

3. FINANCIAL INSTRUMENTS

(a) Credit risk

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

The Association is not exposed to significant credit risk, as accounts receivable are primarily due from various BCIT departments and are expected to be collected in full. Cash and cash equivalents are held with a major Canadian credit union.

BCIT STUDENT ASSOCIATION
Notes to Financial Statements
Year Ended May 31, 2017

3. FINANCIAL INSTRUMENTS (Continued)

(b) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market interest rates.

The Association may be exposed to interest rate cash flow risk on its line of credit bearing a variable interest rate, when the line of credit is used. The Association is exposed to interest rate price risk in respect of its long-term debt and cash equivalents with a fixed interest rate.

(c) Liquidity risk

Liquidity risk is the risk that the Association will encounter difficulty in meeting obligations associated with financial liabilities.

The Association is exposed to this risk mainly in respect of its accounts payable, wages payable and long-term debt. Cash flow from operations provides a substantial portion of the Association's cash requirements. Additional cash requirements are met with the use of the available lines of credit. The available lines of credit provides flexibility in the short term to meet operational needs.

4. CASH AND CASH EQUIVALENTS

	2017	2016
Internally restricted cash	\$ 902,097	\$ 654,028
Cash and cash equivalents	883,853	167,675
	\$ 1,785,950	\$ 821,703

Included in cash and cash equivalents is a guaranteed investment certificate in the amount of \$57,500 (2016 - \$57,500) held with a major Canadian financial institution. The investment bears interest at prime minus 2.10% (2016 - 2.10%) and matures April 3, 2018 (2016 - April 4, 2017).

Any interest earned from this investment is pledged as security for any advances to the Association from a Canadian financial institution.

BCIT STUDENT ASSOCIATION
Notes to Financial Statements
Year Ended May 31, 2017

5. GOVERNMENT REMITTANCES

Included in accounts payable are government remittances payable of \$35,638 (2016 - \$35,803).

6. CAPITAL ASSETS

	Cost	Accumulated Amortization	2017	2016
Furniture and equipment	\$ 1,810,413	\$ 964,196	\$ 846,217	\$ 393,205
Computer hardware	243,846	95,172	148,674	107,459
Vehicle	34,044	20,988	13,056	18,652
Office equipment	0	0	0	5,719
Computer software	5,778	5,778	0	2,889
Leasehold improvements	5,528,689	1,136,864	4,391,825	2,657,419
	\$ 7,622,770	\$ 2,222,998	\$ 5,399,772	\$ 3,185,343

During the year ended May 31, 2017, the Association wrote-off capital assets with a net book value of \$55,578 (cost of \$1,177,704, net of accumulated depreciation of \$1,121,626) (2016 - \$60,677 with a cost of \$175,221, net accumulated depreciation of \$114,544).

7. DEFERRED COSTS

	2017	2016
Capital funding contribution	\$ 289,500	\$ 289,500
Professional fees	111,787	111,787
	401,287	401,287
Accumulated amortization	(293,536)	(280,160)
	107,751	121,127
Current portion	(13,376)	(13,376)
	\$ 94,375	\$ 107,751

BCIT STUDENT ASSOCIATION
Notes to Financial Statements
Year Ended May 31, 2017

8. PREPAID RENT

	2017	2016
Cost	\$ 2,637,750	\$ 2,637,750
Accumulated amortization	(913,068)	(710,164)
	1,724,682	1,927,586
Current portion	(202,904)	(202,904)
	\$ 1,521,778	\$ 1,724,682

The Association entered into a Lease Amending Agreement dated March 15, 2012 with BCIT relating to occupancy of the third floor of the Campus Building. Under the terms of the Lease Amending Agreement, the Association was required to pay \$2,500,000 plus applicable taxes during 2012 as a prepayment of rent. No further payments are required. This amount, together with the net applicable GST less Public Service Bodies' rebate of \$137,750 is being amortized over the remaining term of the related lease which expires 2026.

9. LINES OF CREDIT

The Association has available the following lines of credit:

- (a) An operating line of credit to a maximum of \$330,000 (2016 - \$330,000). The line of credit is secured by a general security agreement over the Association's assets. Advances under this facility bear interest at the bank prime rate plus 0.5% per annum. As of year-end, the balance of the line of credit was \$nil (2016 - \$nil).
- (b) Variable rate term loan to a maximum of \$596,600 (2016 - \$nil). Advances under this facility bear interest at the bank prime rate plus 1% per annum. As of year-end, the balance of the variable rate term was \$nil (2016 - \$nil).
- (c) Electronic funds transfer credit facility ("EFT") to a maximum of \$150,000 (2016 - \$150,000). The EFT credit facility does not bear any terms of interest. As of year-end, the balance of the EFT credit facility was \$nil (2016 - \$nil).

10. LONG-TERM DEBT

	2017	2016
Vancouver City Savings Credit Union fixed rate term loan bearing interest at 3.9% per annum, repayable in monthly instalments of \$20,530 plus interest, maturing May 2022	\$ 2,800,000	\$ 0
Vancouver City Savings Credit Union fixed rate term loan bearing interest at 5% per annum, repayable in monthly instalments of \$15,815 plus interest, with a revised maturity date of November 2018	1,514,514	1,625,863
	4,314,514	1,625,863
Less: Current portion	260,124	110,989
	\$ 4,054,390	\$ 1,514,874

BCIT STUDENT ASSOCIATION
Notes to Financial Statements
Year Ended May 31, 2017

10. LONG-TERM DEBT (Continued)

The above loans are secured by a general security agreement. Principal repayments to be made during the next five years are as follows:

2018	\$	260,124
2019		1,543,425
2020		152,806
2021		158,765
2022		2,199,394
	\$	4,314,514

The loans are subject to the following debt covenant provisions:

- (a) debt service ratio cannot be less than 1.10:1;
- (b) total debt to tangible net worth cannot exceed 3:1; and
- (c) minimum working capital ratio of 1.10:1.

As at May 31, 2017, the Association was in compliance with its covenants.

11. DEFERRED REVENUE

Deferred revenue represents sponsorships, grant revenue and medical insurance premiums received in the prior and current years for use in subsequent years. During the year ended May 31, 2017, the Association received \$803,175 (2016 - \$620,538) and recognized \$573,406 (2016 - \$554,477) in the statement of operations.

12. CHILDCARE REVENUE

	2017	2016
Childcare fees	\$ 244,510	\$ 244,573
Childcare grant	34,194	33,963
	\$ 278,704	\$ 278,536

13. MISCELLANEOUS REVENUE

	2017	2016
Advertising and media	\$ 12,517	\$ 11,119
ATM commissions	3,395	8,372
Cost recovery	1,198	800
Fundraising	0	2,853
Other - Medical fund	0	668
Other - Operating fund	30,608	20,821
Ticket sales	7,435	16,400
	\$ 55,153	\$ 61,033

BCIT STUDENT ASSOCIATION
Notes to Financial Statements
Year Ended May 31, 2017

14. ACTIVITIES - STUDENT CLUBS

	2017	2016
Cost recovery	\$ 264	\$ 800
Fundraising	22,847	18,970
Grants	4,825	39,053
Interest	1,255	80
Miscellaneous	2,658	571
Sponsorships	96,404	71,071
Student membership club fees	40,359	39,172
Ticket sales	13,549	13,205
	\$ 182,161	\$ 182,922

15. PUBLICATIONS

	2017	2016
Advertising and media	\$ 2,750	\$ 2,858
Handbook and newspaper advertising, net of broker commissions	32,471	33,554
Miscellaneous	505	619
	\$ 35,726	\$ 37,031

16. COMMITMENTS

The Association's premises are leased under an agreement with BCIT for office and retail space in the Campus Centre. Upon expiration of the lease agreement on July 26, 2025, the lease will automatically renew for an additional five-year period.

The Association has entered into lease agreements for photocopier equipment expiring May 31, 2019 and May 31, 2021.

Future minimum lease payments for the next five years and thereafter are as follows:

	Premises	Equipment	Total
2018	\$ 177,646	\$ 29,949	\$ 207,595
2019	179,422	29,949	209,371
2020	181,217	22,418	203,635
2021	183,029	22,418	205,447
2022	184,859	0	184,859
Thereafter	1,590,523	0	1,590,523
	\$ 2,496,696	\$ 104,734	\$ 2,601,430

17. REMUNERATION OF DIRECTORS, EMPLOYEES AND CONTRACTORS

During the year, the Association paid six employees in excess of \$75,000 for total remuneration of \$578,788 (2016 - six employees totalling \$557,334) and there were no contractors paid more than \$75,000 each. The Association remunerated its Board of Directors a total of \$79,437 (2016 - \$81,423).

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18. COMPARATIVE FIGURES

Certain comparative figures were reclassified to conform to the presentation adopted in the current year.

19. PENSION PLAN

Employees at the Association can choose to be members of the defined contribution pension plan. Employees who participate in the pension plan must contribute 6% of their earnings. The Association must match the contribution of 6% of contributory earnings to this plan. The contribution made by the Association vest immediately to the employees.

During the year, the Association's pension expense was \$107,900 (2016 - \$89,712). This amount is included in wages and benefits on the statement of operations.

20. INTERFUND LOANS

Interfund loans are temporary transfers from internally restricted funds to the unrestricted fund. These are non-interest-bearing with no terms of repayment.

21. GUARANTEE

The Association has a letter of credit to a maximum of \$10,000 (2016 - \$5,000). The letter of credit does not bear any terms of interest. A letter of credit of \$10,000 has been issued to the Association's liquor supplier.

22. ALLOCATION OF EXPENDITURES

The Association incurs a number of expenses that are allocated to the Capital Levy, Medical Insurance and Operating funds. The allocation of expenses is based on management's estimates of the time, effort and resources required to support these activities.