

UNIVERSITY OF SASKATCHEWAN GRADUATE STUDENTS' ASSOCIATION, INC.

FINANCIAL STATEMENTS

(Unaudited)

APRIL 30, 2013





BUCKBERGER BAERG
— & PARTNERS LLP —
CHARTERED PROFESSIONAL ACCOUNTANTS

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REVIEW ENGAGEMENT REPORT

To the Members of University of Saskatchewan Graduate Students' Association, Inc.

We have reviewed the statement of financial position of University of Saskatchewan Graduate Students' Association, Inc. as at April 30, 2013 and the statements of operations, changes in fund balances and cash flows for the year then ended. Our review was made in accordance with Canadian generally accepted standards for review engagements and accordingly consisted primarily of enquiry, analytical procedures and discussion related to information supplied to us by the Association.

A review does not constitute an audit and consequently we do not express an audit opinion on these financial statements.

Based on our review, nothing has come to our attention that causes us to believe that these financial statements are not, in all material respects, in accordance with Canadian accounting standards for not-for-profit organizations.

The comparative figures were audited by another firm of chartered accountants who expressed a qualified opinion on February 24, 2015.

SASKATOON, SASKATCHEWAN

January 9, 2018

Buckberger Baerg & Partners LLP

Chartered Professional Accountants

UNIVERSITY OF SASKATCHEWAN GRADUATE STUDENTS' ASSOCIATION, INC.

STATEMENT OF FINANCIAL POSITION

(Unaudited)

APRIL 30, 2013

	<u>General fund</u>	<u>Health and dental fund</u>	<u>Capital asset fund</u>	<u>2013</u>	<u>2012</u>
Current assets					
Cash	\$ 261,813	\$ 48,186	\$ -	\$ 309,999	\$ 148,359
Accounts receivable	71,055	-	-	71,055	70,009
Prepaid health and dental premiums	<u>192,621</u>	<u>-</u>	<u>-</u>	<u>192,621</u>	<u>203,447</u>
	525,489	48,186	-	573,675	421,815
Capital assets (Note 3)	-	-	161,512	161,512	190,221
	<u>\$ 525,489</u>	<u>\$ 48,186</u>	<u>\$ 161,512</u>	<u>\$ 735,187</u>	<u>\$ 612,036</u>

ASSETS

LIABILITIES

Current liabilities					
Accounts payable and accrued liabilities	\$ 82,299	\$ -	\$ -	\$ 82,299	\$ 20,571
Deferred revenue (Note 4)	<u>220,347</u>	<u>-</u>	<u>-</u>	<u>220,347</u>	<u>205,188</u>
	302,646	-	-	302,646	225,759

FUND BALANCES

Balance	222,843	48,186	161,512	432,541	386,277
	<u>222,843</u>	<u>48,186</u>	<u>161,512</u>	<u>432,541</u>	<u>386,277</u>
	<u>\$ 525,489</u>	<u>\$ 48,186</u>	<u>\$ 161,512</u>	<u>\$ 735,187</u>	<u>\$ 612,036</u>

See accompanying notes

Approved on behalf of the board

Director _____

Director _____

UNIVERSITY OF SASKATCHEWAN GRADUATE STUDENTS' ASSOCIATION, INC.

STATEMENT OF OPERATIONS

(Unaudited)

YEAR ENDED APRIL 30, 2013

	General fund	Health and dental fund	Capital asset fund	2013	2012
Revenue					
Dental and health plan	\$ 645,541	\$ -	\$ -	\$ 645,541	\$ 603,373
Student fees	209,087	-	-	209,087	190,312
In-kind contributions (Note 5)	121,332	-	-	121,332	117,798
Rental, interest and other	28,357	143	-	28,501	22,920
Fundraising gala	8,006	-	-	8,006	-
	<u>1,012,323</u>	<u>143</u>	<u>-</u>	<u>1,012,467</u>	<u>934,403</u>
Expenses					
Administration fees	8,678	-	-	8,678	8,059
Amortization	-	-	28,709	28,709	30,051
Bursaries and student fund	47,520	-	-	47,520	24,000
Canadian Federation of Students	29,071	-	-	29,071	27,741
Conferences and events	6,630	-	-	6,630	11,010
Course council funding	2,354	-	-	2,354	2,989
Facilities and maintenance	311	-	-	311	3,218
Fundraising gala	12,652	-	-	12,652	-
Health and dental premiums	581,917	-	-	581,917	591,512
Insurance	3,224	-	-	3,224	3,728
Interest and bank charges	202	20	-	223	248
License fee, rental and occupancy (Note 5)	121,345	-	-	121,345	117,811
Meals and entertainment	3,215	-	-	3,215	879
Office	6,882	-	-	6,882	3,567
Professional fees	9,000	-	-	9,000	9,413
Salaries and related benefits	57,997	-	-	57,997	60,708
Stipends and honoraria	37,504	-	-	37,504	27,347
Telephone and utilities	7,156	-	-	7,156	2,750
Travel and accommodation	1,815	-	-	1,815	-
	<u>937,473</u>	<u>20</u>	<u>28,709</u>	<u>966,203</u>	<u>925,031</u>
Excess (deficiency) of revenues over expenditures	\$ 74,850	\$ 123	\$ (28,709)	\$ 46,264	\$ 9,372

See accompanying notes

UNIVERSITY OF SASKATCHEWAN GRADUATE STUDENTS' ASSOCIATION, INC.

STATEMENT OF CHANGES IN FUND BALANCES

(Unaudited)

YEAR ENDED APRIL 30, 2013

	<u>General fund</u>	<u>Health and dental fund</u>	<u>Capital asset fund</u>	<u>2013</u>	<u>2012</u>
Balance, beginning of year	\$ 147,993	\$ 48,063	\$ 190,221	\$ 386,277	\$ 376,905
Excess (deficiency) of revenues over expenditures	<u>74,850</u>	<u>123</u>	<u>(28,709)</u>	<u>46,264</u>	<u>9,372</u>
Balance, end of year	<u>\$ 222,843</u>	<u>\$ 48,186</u>	<u>\$ 161,512</u>	<u>\$ 432,541</u>	<u>\$ 386,277</u>

See accompanying notes

UNIVERSITY OF SASKATCHEWAN GRADUATE STUDENTS' ASSOCIATION, INC.

STATEMENT OF CASH FLOWS

(Unaudited)

YEAR ENDED APRIL 30, 2013

	<u>2013</u>	<u>2012</u>
Cash flows from (used in) operating activities		
(Deficiency) excess of revenues over expenditures	\$ 46,264	\$ 9,372
Adjustments for		
Amortization	<u>28,709</u>	<u>30,051</u>
	74,973	39,423
Change in non-cash working capital items		
Accounts receivable	(1,046)	511
Prepaid expenses	10,826	(12,346)
Accounts payable and accrued liabilities	61,727	(297,844)
Deferred revenue	<u>15,159</u>	<u>12,192</u>
	<u>161,639</u>	<u>(258,064)</u>
Net increase (decrease) in cash during the year	161,639	(258,064)
Cash, beginning of year	<u>148,359</u>	<u>406,423</u>
Cash, end of year	<u>\$ 309,998</u>	<u>\$ 148,359</u>
Cash consists of:		
Unrestricted cash	\$ 261,813	\$ 100,296
Restricted cash	<u>48,186</u>	<u>48,063</u>
	<u>\$ 309,999</u>	<u>\$ 148,359</u>

See accompanying notes

UNIVERSITY OF SASKATCHEWAN GRADUATE STUDENTS' ASSOCIATION, INC.

NOTES TO THE FINANCIAL STATEMENTS

(Unaudited)

APRIL 30, 2013

1. Nature of operations

The University of Saskatchewan Graduate Students' Association, Inc. (the "Association") is a non-profit organization incorporated on May 1, 1986 under the Non-profit Corporations Act of Saskatchewan. The Association exists to ensure graduate students have access to quality services and collects fees for the administration of such services. As a not-for-profit organization under the Income Tax Act, the Association is exempt from income taxes.

2. Significant accounting policies

These financial statements are prepared in accordance with Canadian accounting standards for not-for-profit organizations. The significant policies are detailed as follows:

Fund accounting

Revenues and expenditures relating to service delivery activities and administration are recorded in the General fund.

The Health and Dental fund were established to ensure adequate amounts are available in the event the Health and Dental Plan costs exceed the amounts collected in premiums. Approval of the Association's council is required before these funds can be accessed for any other purpose.

The unamortized cost of capital assets and the loans to finance the acquisition of capital assets are reported in the Capital Asset fund.

Capital assets

Capital assets are recorded at cost, less accumulated amortization. The Association provides for amortization using the following methods at rates designed to amortize the cost of the capital assets over their estimated useful lives. The annual amortization rates and methods are as follows:

Furniture and fixtures	Declining balance	20%
Leasehold improvements	Straight-line	10 years
Software and website	Declining balance	100%

Contributed materials, lease and occupancy costs

Contributions of materials, lease and occupancy costs are recognized in the financial statements at fair value at the date of contribution, but only when a fair value can be reasonably estimated and when the materials and services are used in the normal course of operations, and would otherwise have been purchased.

UNIVERSITY OF SASKATCHEWAN GRADUATE STUDENTS' ASSOCIATION, INC.

NOTES TO THE FINANCIAL STATEMENTS

APRIL 30, 2013

(Unaudited)

2. Significant accounting policies (continued)

Revenue recognition

The Association follows the deferral method of accounting for contributions, which includes grants and donations. Contributions of property and equipment are included as deferred contributions and are amortized to revenue at the same rate and on the same basis as amortization of the related property and equipment.

Restricted contributions are recognized as revenue in the year in which the related expenses are made. Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Health and dental premiums are recognized in the benefit period to which they relate and are recognized on a gross basis.

Student fees and memberships and UPass revenues are recognized when fees are due in the academic year. All other sources of revenue are recognized when goods are transferred or services are performed.

Financial instruments

The Association initially records a financial instrument at its fair value, except for a related party transaction, which is recorded at the carrying or exchange amount depending on the circumstances.

Transaction costs are recognized in excess of revenues over expenditures in the period incurred. However, transaction costs associated with financial instruments carried at cost or amortized cost are recorded as adjustments to the initial fair value recognized and amortized over the expected life of the instrument.

Financial assets and financial liabilities subsequently measured at amortized cost include cash, accounts receivable, and accounts payable and accrued liabilities.

When there is an indication of impairment and such impairment is determined to have occurred, the carrying amount of financial assets measured at amortized cost is reduced to the greater of the discounted future cash flows expected, the proceeds that could be realized from the sale of the financial asset, or the amount that could be realized by exercising the right to any collateral held to secure repayment of the asset. Such impairments can be subsequently reversed to the extent that the improvement can be related to an event occurring after the impairment was recognized.

Use of estimates

The preparation of financial statements in conformity with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. By their nature, these estimates are subject to measurement uncertainty. The effect of changes in such estimates on the financial statements in future periods could be significant.

UNIVERSITY OF SASKATCHEWAN GRADUATE STUDENTS' ASSOCIATION, INC.

NOTES TO THE FINANCIAL STATEMENTS

APRIL 30, 2013

(Unaudited)

3. Capital assets

			2014	2013
	Cost	Accumulated amortization	Net book value	Net book value
Computer software	\$ 2,750	\$ 2,750	\$ -	\$ -
Furniture and fixtures	46,615	25,135	21,480	26,850
Leasehold improvements	233,387	93,355	140,032	163,371
	<u>\$ 282,752</u>	<u>\$ 121,240</u>	<u>\$ 161,512</u>	<u>\$ 190,221</u>

4. Deferred revenue

Deferred revenue represents unearned revenues collected for the health and dental premiums that cover an annual period that falls outside of the Association's fiscal year.

5. License for premises

The Association has been granted a license to occupy space in a building owned by the University of Saskatchewan (known as St. Chad's Chapel Building) for an annual administration fee of \$12. The license period expires April 30, 2015, with an option to renew the license for a further four year term.

For the duration of the term of the license, the University of Saskatchewan has established an in-kind fair value of the annual license fee which includes occupational costs. This amount is reflected as both in-kind revenue and license expense in the accompanying financial statements.

6. Economic dependence

The University of Saskatchewan provides an in-kind contribution of licensed space occupied by the Association. In addition, the Association's operations include collecting membership fees from the graduate students of the University of Saskatchewan. Without the above-noted funding, and the University of Saskatchewan continuing to allocate a portion of student fees to the Association, there would be doubt as to the continued viability of the Association.

7. Financial instruments

Credit risk

Credit risk arises from the potential that a counter party will fail to perform its obligations. The Association is exposed to credit risk from customers. The Association's main credit risk relates to its accounts receivable.

UNIVERSITY OF SASKATCHEWAN GRADUATE STUDENTS' ASSOCIATION, INC.

NOTES TO THE FINANCIAL STATEMENTS

APRIL 30, 2013

(Unaudited)

7. Financial instruments (continued)

Liquidity risk

Liquidity risk is the risk that the Association will encounter difficulty in meeting obligations associated with financial liabilities. The Association's main credit risk relates to its accounts payable and accrued liabilities.