

UNIVERSITY OF SASKATCHEWAN GRADUATE STUDENTS' ASSOCIATION, INC.

FINANCIAL STATEMENTS

(Unaudited)

APRIL 30, 2015





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, 2015 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.

SASKATOON, SASKATCHEWAN

August 20, 2018

Buckberger Baerg & Partners LLP

Chartered Professional Accountants

UNIVERSITY OF SASKATCHEWAN GRADUATE STUDENTS' ASSOCIATION, INC.

STATEMENT OF FINANCIAL POSITION

(Unaudited)

APRIL 30, 2015

	<u>General fund</u>	<u>Health and dental fund</u>	<u>Capital asset fund</u>	<u>2015</u>	<u>2014</u>
<u>ASSETS</u>					
Current assets					
Cash	\$ 127,452	\$ 100,455	\$ -	\$ 227,907	\$ 338,720
Accounts receivable	71,619	-	-	71,619	82,907
Prepaid health and dental premiums	<u>272,026</u>	<u>-</u>	<u>-</u>	<u>272,026</u>	<u>221,804</u>
	471,097	100,455	-	571,552	643,431
Capital assets (Note 3)	-	-	114,898	114,898	143,623
	<u>\$ 471,097</u>	<u>\$ 100,455</u>	<u>\$ 114,898</u>	<u>\$ 686,450</u>	<u>\$ 787,054</u>

LIABILITIES

Current liabilities					
Accounts payable and accrued liabilities	\$ 114,957	\$ -	\$ -	\$ 114,957	\$ 168,125
Deferred revenue (Note 4)	<u>239,076</u>	<u>-</u>	<u>-</u>	<u>239,076</u>	<u>224,459</u>
	354,033	-	-	354,033	392,584

FUND BALANCES

Balance	117,063	100,455	114,898	332,417	394,470
	<u>\$ 471,096</u>	<u>\$ 100,455</u>	<u>\$ 114,898</u>	<u>\$ 686,450</u>	<u>\$ 787,054</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, 2015

	<u>General fund</u>	<u>Health and dental fund</u>	<u>Capital asset fund</u>	<u>2015</u>	<u>2014</u>
Revenue					
Dental and health plan	\$ 702,610	\$ -	\$ -	\$ 702,610	\$ 669,264
UPass	619,777	-	-	619,777	503,960
Student fees	218,978	-	-	218,978	218,513
In-kind contributions (Note 5)	128,722	-	-	128,722	124,973
Rental, interest and other	29,466	228	-	29,695	69,815
Fundraising gala	30,475	-	-	30,475	23,500
	<u>1,730,028</u>	<u>228</u>	<u>-</u>	<u>1,730,257</u>	<u>1,610,025</u>
Expenses					
Administration fees	5,685	-	-	5,685	13,586
Amortization	-	-	28,725	28,725	34,546
Bursaries and student fund	29,200	-	-	29,200	56,000
Canadian Federation of Students	33,231	-	-	33,231	34,235
Conferences and events	18,212	-	-	18,212	27,817
Course council funding	2,606	-	-	2,606	5,033
Facilities and maintenance	719	-	-	719	769
Fundraising gala	26,719	-	-	26,719	33,605
Health and dental premiums	760,123	-	-	760,123	630,150
Insurance	3,708	-	-	3,708	4,037
Interest and bank charges	1,755	-	-	1,754	310
License fee, rental and occupancy (Note 5)	128,735	-	-	128,735	124,986
Meals and entertainment	7,299	-	-	7,299	9,428
Office	15,717	-	-	15,717	18,486
Professional fees	7,995	-	-	7,995	9,354
Salaries and related benefits	71,019	-	-	71,019	70,882
Stipends and honoraria	37,607	-	-	37,607	47,805
Telephone and utilities	3,793	-	-	3,793	3,102
Travel and accommodation	3,595	-	-	3,595	9,869
UPass	605,868	-	-	605,868	514,096
	<u>1,763,586</u>	<u>-</u>	<u>28,725</u>	<u>1,792,310</u>	<u>1,648,096</u>
(Deficiency) excess of revenues over expenditures	\$ (33,558)	\$ 228	\$ (28,725)	\$ (62,053)	\$ (38,071)

See accompanying notes

UNIVERSITY OF SASKATCHEWAN GRADUATE STUDENTS' ASSOCIATION, INC.

STATEMENT OF CHANGES IN FUND BALANCES

(Unaudited)

YEAR ENDED APRIL 30, 2015

	<u>General fund</u>	<u>Health and dental fund</u>	<u>Capital asset fund</u>	<u>2015</u>	<u>2014</u>
Balance, beginning of year	\$ 150,621	\$ 100,227	\$ 143,623	\$ 394,470	\$ 432,541
(Deficiency) excess of revenues over expenditures	<u>(33,558)</u>	<u>228</u>	<u>(28,725)</u>	<u>(62,053)</u>	<u>(38,071)</u>
Balance, end of year	<u>\$ 117,063</u>	<u>\$ 100,455</u>	<u>\$ 114,898</u>	<u>\$ 332,417</u>	<u>\$ 394,470</u>

See accompanying notes

UNIVERSITY OF SASKATCHEWAN GRADUATE STUDENTS' ASSOCIATION, INC.

STATEMENT OF CASH FLOWS

(Unaudited)

YEAR ENDED APRIL 30, 2015

	<u>2015</u>	<u>2014</u>
Cash flows (used in) from operating activities		
Deficiency of revenues over expenditures	\$ (62,053)	\$ (38,071)
Adjustments for		
Amortization	<u>28,725</u>	<u>34,546</u>
	<u>(33,328)</u>	<u>(3,525)</u>
Change in non-cash working capital items		
Accounts receivable	11,288	(11,852)
Prepaid health and dental premiums	(50,222)	(29,183)
Accounts payable and accrued liabilities	(53,168)	85,826
Deferred revenue	<u>14,617</u>	<u>4,112</u>
	<u>(110,813)</u>	<u>45,378</u>
Cash flows used in investing activity		
Purchase of capital assets	<u>-</u>	<u>(16,656)</u>
Net (decrease) increase in cash	(110,813)	28,722
Cash, beginning of year	<u>338,720</u>	<u>309,999</u>
Cash, end of year	<u>\$ 227,907</u>	<u>\$ 338,721</u>
Cash consists of:		
Unrestricted cash	\$ 127,452	\$ 238,494
Restricted cash	<u>100,455</u>	<u>100,227</u>
	<u>\$ 227,907</u>	<u>\$ 338,721</u>

See accompanying notes

UNIVERSITY OF SASKATCHEWAN GRADUATE STUDENTS' ASSOCIATION, INC.

NOTES TO THE FINANCIAL STATEMENTS

(Unaudited)

APRIL 30, 2015

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

(Unaudited)

APRIL 30, 2015

2. Significant accounting policies (continued)

Revenue recognition

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

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. Areas of significant estimate include the useful lives of capital assets.

UNIVERSITY OF SASKATCHEWAN GRADUATE STUDENTS' ASSOCIATION, INC.

NOTES TO THE FINANCIAL STATEMENTS

(Unaudited)

APRIL 30, 2015

3. Capital assets

	<u>2015</u>		<u>2014</u>	
	<u>Cost</u>	<u>Accumulated amortization</u>	<u>Net book value</u>	<u>Net book value</u>
Computer software	\$ 8,578	\$ 8,578	\$ -	\$ -
Furniture and fixtures	57,442	35,899	21,543	26,929
Leasehold improvements	233,387	140,032	93,355	116,694
	<u>\$ 299,407</u>	<u>\$ 184,509</u>	<u>\$ 114,898</u>	<u>\$ 143,623</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. Subsequent to year end, the license to occupy was renewed.

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

(Unaudited)

APRIL 30, 2015

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.