

UNIVERSITY OF SASKATCHEWAN GRADUATE STUDENTS' ASSOCIATION, INC.

FINANCIAL STATEMENTS

APRIL 30, 2024



INDEPENDENT AUDITOR'S REPORT

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

Opinion

We have audited the financial statements of University of Saskatchewan Graduate Students' Association, Inc. (the "Association"), which comprise the statement of financial position as at April 30, 2024, and the statements of operations, changes in fund balances and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Association as at April 30, 2024, and its results of operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations ("ASNPO").

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Association in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

We draw attention to Note 10 of the financial statements, which explains that certain comparative information presented for the year ended April 30, 2023 has been restated. Our opinion has not been modified in respect of this matter.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with ASNPO, 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.

In preparing the financial statements, management is responsible for assessing the Association's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Association or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Association's financial reporting process.

INDEPENDENT AUDITOR'S REPORT (continued)

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- ♦ Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- ♦ Obtain an understanding of internal control relevant to the audit 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 Association's internal control.
- ♦ Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- ♦ Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Association's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Association to cease to continue as a going concern.
- ♦ Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

SASKATOON, SASKATCHEWAN

June 30, 2025

Buchberger Baerg & Partners LLP

Chartered Professional Accountants

UNIVERSITY OF SASKATCHEWAN GRADUATE STUDENTS' ASSOCIATION, INC.

STATEMENT OF FINANCIAL POSITION

APRIL 30, 2024

(Restated -
Note 10)

	<u>General fund</u>	<u>Health and dental fund</u>	<u>Capital asset fund</u>	<u>2024</u>	<u>2023</u>
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ASSETS

Current assets

Cash	\$ 1,590,114	\$ 379,165	\$ -	\$ 1,969,279	\$ 1,527,315
Accounts receivable	77,621	-	-	77,621	88,553
Prepaid health and dental premiums	2,087	-	-	2,087	-
Other prepaid expenses	3,207	-	-	3,207	3,207
Interfund receivable (Note 3)	-	132,248	-	-	-
	1,673,029	511,413	-	2,052,194	1,619,075

Capital assets (Note 4)

	-	-	13,764	13,764	6,592
	\$ 1,673,029	\$ 511,413	\$ 13,764	\$ 2,065,958	\$ 1,625,667

LIABILITIES

Current liabilities

Accounts payable and accrued liabilities	\$ 897,505	\$ -	\$ -	\$ 897,505	\$ 497,279
Deferred revenue (Note 5)	339,159	-	-	339,159	298,631
Interfund payable (Note 3)	132,248	-	-	-	-
	1,368,912	-	-	1,236,664	795,910

FUND BALANCES

Balance	304,117	511,413	13,764	829,294	829,757
	\$ 1,673,029	\$ 511,413	\$ 13,764	\$ 2,065,958	\$ 1,625,667

See accompanying notes

Approved on behalf of the board

Director Lindsay Carlson

Director _____

UNIVERSITY OF SASKATCHEWAN GRADUATE STUDENTS' ASSOCIATION, INC.

STATEMENT OF OPERATIONS

YEAR ENDED APRIL 30, 2024

	<u>General fund</u>	<u>Health and dental fund</u>	<u>Capital asset fund</u>	<u>2024</u>	(Restated - Note 10) <u>2023</u>
Revenues					
Health and dental plan	\$ 976,950	\$ -	\$ -	\$ 976,950	\$ 911,956
Student fees	248,854	-	-	248,854	230,109
In-kind contributions (Note 7)	144,466	-	-	144,466	140,258
Other revenue	39,298	11,061	-	50,359	77,494
UPass administration fee	6,585	-	-	6,585	9,065
	<u>1,416,153</u>	<u>11,061</u>	<u>-</u>	<u>1,427,214</u>	<u>1,368,882</u>
Expenses					
Administration fees	8,595	-	-	8,595	8,099
Amortization	-	-	5,564	5,564	1,648
Bursaries and student fund	75,132	-	-	75,132	124,500
Conferences and events	19,816	-	-	19,816	10,706
Course council funding	4,441	-	-	4,441	3,360
Facilities and maintenance	322	-	-	322	1,549
Gala expenses	26,674	-	-	26,674	29,158
Health and dental premiums	985,922	-	-	985,922	934,216
Insurance	6,087	-	-	6,087	6,065
Interest and bank charges	2,552	-	-	2,552	2,057
License fee, rental and occupancy (Note 7)	144,479	-	-	144,479	140,271
Meals and entertainment	491	-	-	491	2,085
Office	13,458	-	-	13,458	7,862
Professional fees	16,037	-	-	16,037	21,514
Salaries and related benefits	77,995	-	-	77,995	74,546
Stipends and honoraria (Note 6)	38,060	-	-	38,060	31,976
Telephone and utilities	2,052	-	-	2,052	1,753
	<u>1,422,113</u>	<u>-</u>	<u>5,564</u>	<u>1,427,677</u>	<u>1,401,365</u>
(Deficiency) excess of revenues over expenditures	\$ <u>(5,960)</u>	\$ <u>11,061</u>	\$ <u>(5,564)</u>	\$ <u>(463)</u>	\$ <u>(32,483)</u>

See accompanying notes

UNIVERSITY OF SASKATCHEWAN GRADUATE STUDENTS' ASSOCIATION, INC.

STATEMENT OF CHANGES IN FUND BALANCES

YEAR ENDED APRIL 30, 2024

	<u>General fund</u>	<u>Health and dental fund</u>	<u>Capital asset fund</u>	<u>2024</u>	(Restated - Note 10) <u>2023</u>
Balance, beginning of year	\$ 313,842	\$ 509,323	\$ 6,592	\$ 829,757	\$ 862,240
(Deficiency) excess of revenues over expenditures	(5,960)	11,061	(5,564)	(463)	(32,483)
Purchase of capital assets	(12,736)	-	12,736	-	-
Interfund transfer (Note 3)	8,971	(8,971)	-	-	-
Balance, end of year	\$ <u>304,117</u>	\$ <u>511,413</u>	\$ <u>13,764</u>	\$ <u>829,294</u>	\$ <u>829,757</u>

See accompanying notes

UNIVERSITY OF SASKATCHEWAN GRADUATE STUDENTS' ASSOCIATION, INC.

STATEMENT OF CASH FLOWS

YEAR ENDED APRIL 30, 2024

		(Restated - Note 10)
	<u>2024</u>	<u>2023</u>
Cash flows from operating activities		
Deficiency of revenues over expenditures	\$ (463)	\$ (32,483)
Adjustments for		
Amortization	5,564	1,648
Change in non-cash working capital items		
Accounts receivable	10,932	(45,025)
Prepaid health and dental premiums	(2,087)	-
Other prepaid expenses	-	45,514
Accounts payable and accrued liabilities	400,226	211,891
Deferred revenue	<u>40,528</u>	<u>(16,063)</u>
	<u>454,700</u>	<u>165,482</u>
 Cash flows used in investing activity		
Purchase of capital assets	<u>(12,736)</u>	<u>-</u>
 Net increase in cash during the year	 441,964	 165,482
 Cash, beginning of year	 <u>1,527,315</u>	 <u>1,361,833</u>
 Cash, end of year	 <u>\$ 1,969,279</u>	 <u>\$ 1,527,315</u>
 Cash consists of:		
General fund cash	\$ 1,590,114	\$ 1,159,212
Health and dental fund cash	<u>379,165</u>	<u>368,103</u>
	<u>\$ 1,969,279</u>	<u>\$ 1,527,315</u>

See accompanying notes

UNIVERSITY OF SASKATCHEWAN GRADUATE STUDENTS' ASSOCIATION, INC.

NOTES TO THE FINANCIAL STATEMENTS

APRIL 30, 2024

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. Services include administration of health and dental insurance, UPass transit services, rentals, and other student 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

The Association follows the principles of fund accounting.

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

The Health and Dental fund was established to ensure adequate amounts are available in the event the Health and Dental Plan costs exceed the amounts collected in premiums. Approval by the 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:

Computer software	Declining balance	100%
Equipment	Declining balance	20%
Leasehold improvements	Straight-line	10 years

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, 2024

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 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.

Impairment of long-lived assets

Long-lived assets, which comprise capital assets, are tested for impairment whenever events or changes in circumstances indicate that the carrying amount of the assets may not be recoverable. Recoverability is assessed by comparing the carrying amount to the projected undiscounted future net cash flows the long-lived assets are expected to generate through their direct use and eventual disposition. When a test for impairment indicates that the carrying amount of an asset is not recoverable, an impairment loss is recognized to the extent carrying value exceeds its fair value.

UNIVERSITY OF SASKATCHEWAN GRADUATE STUDENTS' ASSOCIATION, INC.

NOTES TO THE FINANCIAL STATEMENTS

APRIL 30, 2024

2. Significant accounting policies (continued)

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 collectability of accounts receivable.

3. Interfund balances

The interfund receivable and payable represent amounts held in the general fund for restricted fund purposes. The interfund transfer each year represents the health and dental surplus or deficit for the year.

4. Capital assets

	<u>2024</u>			<u>2023</u>
	<u>Cost</u>	<u>Accumulated amortization</u>	<u>Net book value</u>	<u>Net book value</u>
Computer software	\$ 20,525	\$ 16,810	\$ 3,715	\$ -
Equipment	66,665	56,616	10,048	6,592
Leasehold improvements	<u>233,387</u>	<u>233,387</u>	<u>-</u>	<u>-</u>
	<u>\$ 320,577</u>	<u>\$ 306,813</u>	<u>\$ 13,764</u>	<u>\$ 6,592</u>

5. 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.

6. Related party transactions

During the year, the Association paid \$34,316 (2023 - \$29,342) of payments to members of the executive committee, which is included in stipends and honoraria expense.

These transactions are in the normal course of operations and have been valued in these financial statements at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

UNIVERSITY OF SASKATCHEWAN GRADUATE STUDENTS' ASSOCIATION, INC.

NOTES TO THE FINANCIAL STATEMENTS

APRIL 30, 2024

7. 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 expires on April 30, 2029.

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 occupancy costs. This amount is reflected as both in-kind contribution revenue and license fee, rental and occupancy expense in the accompanying financial statements.

8. 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.

9. Financial instruments

Credit risk

Credit risk arises from the potential that a counter party will fail to perform its obligations. The Association's main credit risk relates to its accounts receivable. Credit risk is minimized, as the University of Saskatchewan is the main counter party and carries low risk of default.

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. This is mitigated by having sufficient cash resources and cash budgeting.

10. Prior period adjustment

The Association's financial statements for the year ended April 30, 2023 have been retrospectively restated to reflect gala expenses, which were not previously recorded. The effect to the statement of financial position was an increase to accounts payable and accrued liabilities of \$20,175. The changes to the statement of operations and statement of changes in fund balances was an increase to gala expenses of \$20,175, an increase to deficiency of revenues over expenditures of \$20,175, and a decrease to ending fund balances of \$20,175.