

**THE GRADUATE STUDENTS' ASSOCIATION  
OF THE UNIVERSITY OF ALBERTA**  
Financial Statements  
Year Ended March 31, 2017

# THE GRADUATE STUDENTS' ASSOCIATION OF THE UNIVERSITY OF ALBERTA

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Year Ended March 31, 2017

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## INDEPENDENT AUDITORS' REPORT

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### To the Members of The Graduate Students' Association of the University of Alberta

We have audited the accompanying financial statements of The Graduate Students' Association of the University of Alberta, which comprise the statement of financial position as at March 31, 2017 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.

#### 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 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 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 The Graduate Students' Association of the University of Alberta as at March 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.

*Collins Barrow Edmonton LLP*

Edmonton, Alberta  
June 28, 2017

Chartered Professional Accountants

# THE GRADUATE STUDENTS' ASSOCIATION OF THE UNIVERSITY OF ALBERTA

## Statement of Financial Position

March 31, 2017

	2017	2016
<b>ASSETS</b>		
<b>CURRENT</b>		
Cash	\$ 1,223,101	\$ 929,985
Accounts receivable	109,558	107,343
Prepaid expenses	981	2,001
	<b>1,333,640</b>	1,039,329
RESTRICTED CASH AND INVESTMENTS (Note 3)	<b>1,129,837</b>	1,110,968
PROPERTY AND EQUIPMENT (Note 4)	<b>18,315</b>	57,030
	<b>\$ 2,481,792</b>	<b>\$ 2,207,327</b>
<b>LIABILITIES AND NET ASSETS</b>		
<b>CURRENT</b>		
Accounts payable and accrued liabilities	\$ 81,840	\$ 87,570
Dental and health plan payable	253,211	224,471
Deferred contributions (Note 5)	235,334	217,079
	<b>570,385</b>	529,120
DEFERRED CONTRIBUTIONS RELATED TO PROPERTY AND EQUIPMENT (Note 6)	<b>9,166</b>	19,166
	<b>579,551</b>	548,286
<b>NET ASSETS</b>		
Invested in property and equipment	9,149	37,864
Internally restricted (Note 7)	1,100,603	1,060,757
Unrestricted	792,489	560,420
	<b>1,902,241</b>	1,659,041
	<b>\$ 2,481,792</b>	<b>\$ 2,207,327</b>

LEASE COMMITMENTS (Note 8)

### APPROVED ON BEHALF OF THE BOARD

\_\_\_\_\_  
President

\_\_\_\_\_  
Vice President

\_\_\_\_\_  
Executive Director

See notes to financial statements

# THE GRADUATE STUDENTS' ASSOCIATION OF THE UNIVERSITY OF ALBERTA

## Statement of Operations

Year Ended March 31, 2017

	2017	2016
<b>REVENUES (Schedule 1)</b>		
Graduate Students' Support Fund	\$ 773,925	\$ 732,106
Administration, GSA fees and services	1,251,580	1,120,817
Other restricted	104,531	100,698
Commercial activities	47,643	36,105
Unitized Endowment Pool	-	53,864
	<b>2,177,679</b>	<b>2,043,590</b>
<b>EXPENSES (Schedules 2 and 3)</b>		
Graduate Students' Support Fund	773,925	732,606
Administration and services	1,049,134	1,098,129
Other restricted	82,714	79,026
Commercial activities	8,795	10,590
	<b>1,914,568</b>	<b>1,920,351</b>
	<b>263,111</b>	<b>123,239</b>
<b>Health and Dental Plan - net (Schedule 1)</b>	<b>(19,911)</b>	<b>(70,189)</b>
<b>REVENUES OVER EXPENSES</b>	<b>\$ 243,200</b>	<b>\$ 53,050</b>

See notes to financial statements

# THE GRADUATE STUDENTS' ASSOCIATION OF THE UNIVERSITY OF ALBERTA

## Statement of Changes in Net Assets

Year Ended March 31, 2017

	Internally Restricted Net Assets (Note 7)						Unrestricted	2017	2016
	Invested in Property and Equipment	Health and Dental Plan Reserve Fund	Legal Defense Fund	Financial Stabilization Fund	Human Resource Fund	Total Internally Restricted Funds			
<b>NET ASSETS - BEGINNING OF YEAR</b>	\$ 37,864	\$ 150,757	\$ 150,000	\$ 700,000	\$ 60,000	\$ 1,060,757	\$ 560,420	<b>\$ 1,659,041</b>	\$ 1,605,991
Revenues over (under) expenses	(28,715)	(19,991)	-	-	-	(19,991)	291,906	<b>243,200</b>	53,050
Transfers	-	2,223	10,063	46,953	598	59,837	(59,837)	-	-
<b>NET ASSETS - END OF YEAR</b>	\$ 9,149	\$ 132,989	\$ 160,063	\$ 746,953	\$ 60,598	\$ 1,100,603	\$ 792,489	<b>\$ 1,902,241</b>	\$ 1,659,041

See notes to financial statements

# THE GRADUATE STUDENTS' ASSOCIATION OF THE UNIVERSITY OF ALBERTA

## Statement of Cash Flows

Year Ended March 31, 2017

	2017	2016
<b>CASH PROVIDED BY (USED IN):</b>		
<b>OPERATING ACTIVITIES</b>		
Revenues over expenses	\$ 243,200	\$ 53,050
Items not affecting cash:		
Amortization	38,715	25,460
Amortization of deferred contributions related to property and equipment	(10,000)	(10,000)
	<b>271,915</b>	68,510
Changes in non-cash working capital <i>(Note 9)</i>	<b>40,070</b>	(54,192)
	<b>311,985</b>	14,318
<b>INVESTING ACTIVITY</b>		
Increase in restricted cash and investments	(18,869)	(47,793)
	<b>(18,869)</b>	(47,793)
<b>INCREASE (DECREASE) IN CASH</b>	<b>293,116</b>	(33,475)
Cash - beginning of year	<b>929,985</b>	963,460
<b>CASH - END OF YEAR</b>	<b>\$ 1,223,101</b>	\$ 929,985

See notes to financial statements

# THE GRADUATE STUDENTS' ASSOCIATION OF THE UNIVERSITY OF ALBERTA

Notes to Financial Statements

Year Ended March 31, 2017

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## 1. NATURE OF OPERATIONS

The Graduate Students' Association of the University of Alberta (the "Association") is a not-for-profit organization incorporated on December 20, 1972 pursuant to Section 94(1) of The Post-Secondary Learning Act. The purpose of the Association is to represent the interests of graduate students before the University administration and the general public. As a not-for-profit organization under the Income Tax Act (Canada), the Association is exempt from income taxes.

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

### (a) Basis of presentation

The financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations.

### (b) Cash

Cash is defined as cash on hand and cash on deposit, net of cheques issued and outstanding at the reporting date.

### (c) Restricted cash and investments

Restricted cash consists of guaranteed investment certificates that are being held for long-term purposes.

Restricted investments have quoted prices in an active market and are carried at fair value. Unrealized gains or losses are reported in operations.

### (d) Property and equipment

Property and equipment are recorded at cost and amortized on the straight-line basis over their estimated useful lives using the following annual rates:

Leasehold improvements	10%
Furniture and fixtures	20%
Computer equipment	30%

### (e) Revenue recognition

The Association follows the deferral method of accounting for contributions. Restricted contributions are recognized as revenue in the year in which the related expenses are incurred. 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.

Student fees cover the academic year from September to August. A portion of fees received for the period from April to August is recorded as unearned fees and recognized as revenue in the following fiscal year. Other revenue is recorded in the period in which it is earned.

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# THE GRADUATE STUDENTS' ASSOCIATION OF THE UNIVERSITY OF ALBERTA

Notes to Financial Statements

Year Ended March 31, 2017

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## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (*continued*)

### (f) Donated goods and services

The work of the Association is dependent on the donated goods and voluntary services of many members. The value of donated goods and services is not recognized in these statements.

### (g) Activity expenses

The Association has chosen to classify their expenses by function. Detailed revenue and expenses for each function are disclosed in the supporting schedules.

### (h) 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 and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Significant estimates used in the preparation of the financial statements include estimated useful life of property and equipment for purposes of calculating amortization, accrued liabilities and deferred contributions related to property and equipment. Actual results could differ from those estimates.

### (i) Financial instruments

#### *Measurement of Financial Instruments*

Financial instruments are financial assets or financial liabilities of the Association where, in general, the Association has the right to receive cash or other financial asset from another party or the Association has the obligation to pay another party cash or other financial assets.

The Association initially measures its financial assets and financial liabilities at fair value.

The Association subsequently measures all its financial assets and financial liabilities at amortized cost except for restricted investments which are measured at fair value.

Financial assets measured at amortized cost include cash, accounts receivable and restricted cash.

Financial liabilities measured at amortized cost include accounts payable and accrued liabilities and health and dental plan payable.

#### *Impairment*

Financial assets measured at cost are tested for impairment when there are indicators of impairment. The amount of the write-down is recognized in operations. A previously recognized impairment loss may be reversed to the extent of the improvement, directly or by adjusting the allowance account, provided it is no greater than the amount that would have been reported at the date of the reversal had the impairment not been recognized previously. The amount of the reversal is recognized in operations.

# THE GRADUATE STUDENTS' ASSOCIATION OF THE UNIVERSITY OF ALBERTA

Notes to Financial Statements

Year Ended March 31, 2017

## 3. RESTRICTED CASH AND INVESTMENTS

	2017	2016
Health and Dental Reserve Fund, Financial Stabilization Fund, Legal Defense Fund, and Human Resources Fund:		
Investments, recorded at fair value	\$ 907,016	\$ -
Two guaranteed investment certificates, bearing interest at 1.5% and 1.55% per annum maturing April 2017 and January 2018 respectively	222,821	1,110,968
	<b>\$ 1,129,837</b>	<b>\$ 1,110,968</b>

Restricted cash has been designated for specific purposes described in Note 7.

## 4. PROPERTY AND EQUIPMENT

	Cost	Accumulated amortization	2017 Net book value	2016 Net book value
Leasehold improvements	\$ 198,000	\$ 179,685	\$ 18,315	\$ 38,115
Furniture and fixtures	104,373	104,373	-	15,195
Computer equipment	73,622	73,622	-	3,720
	<b>\$ 375,995</b>	<b>\$ 357,680</b>	<b>\$ 18,315</b>	<b>\$ 57,030</b>

## 5. DEFERRED CONTRIBUTIONS

Deferred contributions represent unspent resources externally restricted for specific purposes as follows:

	2016	Contributions received during the year	Amounts recognized as revenue	2017
Graduate Students' Support Fund	\$ 85,740	\$ 789,000	\$ 773,925	\$ 100,815
Graduate Student Assistance Program	113,848	87,245	68,014	133,079
Alberta Graduate Council Fees	15,901	7,356	21,817	1,440
Continuum Funding	1,590	-	1,590	-
	<b>\$ 217,079</b>	<b>\$ 883,601</b>	<b>\$ 865,346</b>	<b>\$ 235,334</b>

# THE GRADUATE STUDENTS' ASSOCIATION OF THE UNIVERSITY OF ALBERTA

Notes to Financial Statements

Year Ended March 31, 2017

## 6. DEFERRED CONTRIBUTIONS RELATED TO PROPERTY AND EQUIPMENT

Deferred contributions related to property and equipment represent funds received from the University of Alberta which have been used to fund the renovation of the Killam Centre for Advanced Studies. The deferred contributions related to property and equipment is amortized on the same basis as the related leasehold improvements.

Changes to the deferred contributions related to property and equipment balance were as follows:

	2017	2016
Balance at beginning of year	\$ 19,166	\$ 29,166
Amount recognized as revenue	(10,000)	(10,000)
	\$ 9,166	\$ 19,166

## 7. INTERNALLY RESTRICTED NET ASSETS

Internally restricted net assets are comprised of the following funds:

### Legal Defense Fund

The Legal Defense Fund was established to provide resources to enter into legal action where appropriate. Any unspent funds at year-end from the budgeted legal fees are placed into the fund.

During the year, \$10,063 (2016 - \$63,724) was transferred into the fund.

### Health and Dental Plan Reserve Fund

The Health and Dental Plan Reserve Fund was established to ensure that adequate funds would be available in the event the Health and Dental Plan costs exceed the amounts collected in fees from graduate students. The fund balance fluctuates to allow for the addition or withdrawal of investment funds depending on when fees collected exceed or are less than plan costs.

During the year, \$2,223 (2016 - \$nil) was transferred into the fund.

### Financial Stabilization Fund

The Financial Stabilization Fund was established to safeguard the Association against uncertainty and to provide for unknown, unexpected expenditures that would provide for the ongoing operations of the Association. The balance will be adjusted annually at the discretion of the Board and will grow until it is equal to at least six months' operating costs.

During the year, \$46,953 (2016 - \$50,000) was transferred into the fund.

### Human Resource Fund

The Human Resource Fund was established to fund medical and parental leave for the staff and the managers.

During the year, \$598 (2016 - \$60,000) was transferred into the fund.

# THE GRADUATE STUDENTS' ASSOCIATION OF THE UNIVERSITY OF ALBERTA

Notes to Financial Statements

Year Ended March 31, 2017

## 8. LEASE COMMITMENTS

The Association has a five year lease which expires June 2021, to lease a portion of the Killam Centre for Advanced Studies from the University of Alberta at \$1 per year and utilities at no cost.

The Association leases photocopiers under operating leases expiring in 2018. The future minimum annual lease payments to the expiry of the lease is \$3,833.

## 9. CHANGES IN NON-CASH WORKING CAPITAL

	2017	2016
Accounts receivable	\$ (2,215)	\$ (5,961)
Prepaid expenses	1,020	1,300
Accounts payable and accrued liabilities	(5,730)	(39,129)
Health and dental plan payable	28,740	26,675
Deferred contributions	18,255	(37,077)
	<b>\$ 40,070</b>	<b>\$ (54,192)</b>

## 10. FINANCIAL INSTRUMENTS

The Association's financial instruments consist of cash, accounts receivable, restricted cash and investments, accounts payable and accrued liabilities and health and dental plan payable.

The Association is exposed to various risks through its financial instruments. The following provides information about the Association's risk exposure as of March 31, 2017.

### 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 does not believe it is subject to any significant concentration of credit risk. Cash is in place with a major financial institution. Accounts receivable are generally amounts receivable from the University of Alberta.

### Liquidity risk

Liquidity risk arises from the possibility that the Association might encounter difficulty in settling its debts or in meeting its obligations related to financial liabilities. It is the Association's opinion that there is no significant liquidity risk as of March 31, 2017.

### 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 Association is exposed to interest rate risk arising on its interest bearing guaranteed investment certificates. As the guaranteed investment certificates are cashable at any time, the Association is not subject to interest rate risk.

# THE GRADUATE STUDENTS' ASSOCIATION OF THE UNIVERSITY OF ALBERTA

## Schedule of Revenues

(Schedule 1)

Year Ended March 31, 2017

	2017	2016
<b>Graduate Students' Support Fund</b>		
Child care grants	\$ 373,000	\$ 277,000
Emergency bursaries	45,220	130,770
Graduate student recognition awards	18,000	18,000
Academic travel awards	337,705	306,336
	<b>773,925</b>	<b>732,106</b>
<b>Administration, GSA Fees and Services</b>		
Awards night	1,550	3,000
Graduate Students' Association fees	1,126,136	1,069,695
Investment and interest	78,016	10,191
Killam Centre for Advanced Studies	10,000	10,000
Miscellaneous	28,378	17,931
Orientation	7,500	10,000
	<b>1,251,580</b>	<b>1,120,817</b>
<b>Other Restricted</b>		
Graduate student assistance program	68,014	64,837
CJSR fees	14,700	14,189
ab-GPAC fees	21,817	21,672
	<b>104,531</b>	<b>100,698</b>
<b>Commercial Activities</b>		
Handbook	8,755	10,605
PAW revenue	38,888	25,500
	<b>47,643</b>	<b>36,105</b>
<b>Unitized Endowment Fund Pool</b>		
Investment income	-	12,880
Realized gain	-	40,984
	-	<b>53,864</b>
<b>TOTAL REVENUES</b>	<b>\$ 2,177,679</b>	<b>\$ 2,043,590</b>
<b>Health and Dental Plan</b>		
Plan fees	\$ 2,525,937	\$ 2,177,754
Plan expenses	(2,545,848)	(2,247,943)
	<b>\$ (19,911)</b>	<b>\$ (70,189)</b>

See notes to financial statements

# THE GRADUATE STUDENTS' ASSOCIATION OF THE UNIVERSITY OF ALBERTA

## Schedule of Expenses

(Schedule 2)

Year Ended March 31, 2017

	2017	2016
<b>Graduate Students' Support Fund</b>		
Child care grants	\$ 373,000	\$ 277,000
Emergency bursaries	45,220	130,770
Graduate student recognition awards	18,000	18,500
Academic travel awards	337,705	306,336
	<b>773,925</b>	<b>732,606</b>
<b>Administration and Services (Schedule 3)</b>		
Governance	189,892	186,057
Advocacy	30,614	30,877
Human resources	653,588	725,993
Office administration	29,969	27,319
Professional	45,001	62,406
Services	61,355	40,017
Amortization	38,715	25,460
	<b>1,049,134</b>	<b>1,098,129</b>
<b>Other Restricted</b>		
Graduate student assistance program	68,014	64,837
CJSR fees	14,700	14,189
	<b>82,714</b>	<b>79,026</b>
<b>Commercial Activities</b>		
Handbook	8,795	10,590
<b>TOTAL EXPENSES</b>	<b>\$ 1,914,568</b>	<b>\$ 1,920,351</b>

See notes to financial statements

# THE GRADUATE STUDENTS' ASSOCIATION OF THE UNIVERSITY OF ALBERTA

## Schedule of Administration and Services Expenses

(Schedule 3)

Year Ended March 31, 2017

	2017	2016
<b>Governance</b>		
Elected Officers Stipends and Benefits	\$ 166,324	\$ 163,284
Employer Contributions		
Employer CPP contributions	7,023	7,077
Employer EI contributions	3,983	4,188
	<b>11,006</b>	11,265
Elected Officers - Other		
Insurance (Director and Officer liability insurance)	1,215	1,215
Transition/Early Call for Talent	2,671	1,188
Executive officers recognition	-	147
Executive officers discretionary expenses	268	545
Board and other committees	1,019	2,632
	<b>5,173</b>	5,727
Council		
Council/food/other	3,349	2,647
Election	1,098	69
Council Speaker honorarium	1,860	1,500
Chief Returning Officer honorarium	1,082	1,065
Other honorarium	-	500
	<b>7,389</b>	5,781
	<b>\$ 189,892</b>	\$ 186,057
<b>Advocacy</b>		
Government and External Relations	\$ 8,425	\$ 8,579
University Relations	372	626
New Provincial Graduate Student Advocacy Fees (formerly Alberta Graduate Council Fee)	21,817	21,672
	<b>\$ 30,614</b>	\$ 30,877

(continues)

See notes to financial statements

# THE GRADUATE STUDENTS' ASSOCIATION OF THE UNIVERSITY OF ALBERTA

Schedule of Administration and Services Expenses *(continued)*

*(Schedule 3)*

Year Ended March 31, 2017

## Human Resources

Salaries and Benefits	\$ 610,587	\$ 685,232
Employer Contributions		
Employer CPP contributions	18,935	21,145
Employer EI contributions	9,672	11,343
	<b>28,607</b>	<b>32,488</b>
Other HR		
Staff recognition	503	948
Professional expense allowance	10,845	4,304
Workers' Compensation Board	1,495	1,581
Parking	1,551	1,440
	<b>14,394</b>	<b>8,273</b>
	<b>\$ 653,588</b>	<b>\$ 725,993</b>

## Office Administration and Operational Costs

Small equipment purchases	\$ 13,058	\$ 8,775
Telephone and cable	3,291	3,442
Office supplies	1,630	2,655
Repairs and maintenance	2,696	2,051
Payroll and bank service charges	1,319	1,168
Photocopier lease (office)	7,440	8,613
Insurance	535	615
	<b>\$ 29,969</b>	<b>\$ 27,319</b>

## Professional

Financial audit	\$ 11,025	\$ 9,660
Consultants	-	2,481
IT consultants	6,732	29,766
Legal fees - general	16,486	20,499
Investment advisor	10,758	-
	<b>\$ 45,001</b>	<b>\$ 62,406</b>

*(continues)*

See notes to financial statements



# THE GRADUATE STUDENTS' ASSOCIATION OF THE UNIVERSITY OF ALBERTA

Schedule of Administration and Services Expenses *(continued)*

*(Schedule 3)*

Year Ended March 31, 2017

## Services

Grants and Subsidies		
Academic workshop subsidies	\$ 5,500	\$ 5,500
External grants	1,525	1,550
	<b>7,025</b>	<b>7,050</b>
Student Groups		
Academically-related student group awards	14,957	14,981
Council remuneration student groups	4,700	4,475
	<b>19,657</b>	<b>19,456</b>
Other		
Annual Strategic Plan Initiatives	6,528	8,788
Association of Managers in Canadian College University and Student Centre membership	650	650
Food Bank	9,000	-
Awards night	12,967	2,786
Orientation	5,528	1,287
	<b>34,673</b>	<b>13,511</b>
	<b>\$ 61,355</b>	<b>\$ 40,017</b>
<b>Amortization</b>	<b>\$ 38,715</b>	<b>\$ 25,460</b>
<b>TOTAL ADMINISTRATION AND SERVICES EXPENSES</b>	<b>\$ 1,049,134</b>	<b>\$ 1,098,129</b>

See notes to financial statements