

ATHABASCA UNIVERSITY GRADUATE STUDENTS' ASSOCIATION

Financial Statements

Year Ended December 31, 2018

ATHABASCA UNIVERSITY GRADUATE STUDENTS' ASSOCIATION

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Year Ended December 31, 2018

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MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The financial statements of Athabasca University Graduate Students' Association have been prepared in accordance with Accounting standards for not-for-profit organizations. When alternative accounting methods exist, management has chosen those it deems most appropriate in the circumstances. These statements include certain amounts based on management's estimates and judgments. Management has determined such amounts based on a reasonable basis in order to ensure that the financial statements are presented fairly in all material respects.

The integrity and reliability of Athabasca University Graduate Students' Association 's reporting systems are achieved through the use of formal policies and procedures, the careful selection of employees and an appropriate division of responsibilities. These systems are designed to provide reasonable assurance that the financial information is reliable and accurate.

The Council is responsible for ensuring that management fulfills its responsibility for financial reporting and is ultimately responsible for reviewing and approving the financial statements.

The financial statements have been audited on behalf of the members by JR & Company LLP, in accordance with Accounting standards for not-for-profit organizations.


Ms. Lindsay McNena, President


Mr. Ross Tyson, Executive Director

Edmonton, Alberta
June 25, 2019

INDEPENDENT AUDITOR'S REPORT

To the Members of Athabasca University Graduate Students' Association

We have audited the accompanying financial statements of Athabasca University Graduate Students' Association, which comprise the statement of financial position as at December 31, 2018 and the statements of revenues and expenditures, changes in net assets and cash flow 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.

Auditor's 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 Athabasca University Graduate Students' Association as at December 31, 2018 and the results of its operations and its cash flow for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Edmonton, Alberta
June 25, 2019


JR & COMPANY LLP
CHARTERED PROFESSIONAL ACCOUNTANTS



ATHABASCA UNIVERSITY GRADUATE STUDENTS' ASSOCIATION

Statement of Financial Position

December 31, 2018

	<i>December 31</i> 2018	<i>December 31</i> 2017
ASSETS		
CURRENT		
Cash	\$ 289,435	\$ 257,155
Term deposit (Note 3)	101,771	101,075
Accounts receivable	29,926	35,755
Prepaid expenses	5,828	12,951
	<u>426,960</u>	<u>406,936</u>
EQUIPMENT (Note 4)	3,112	2,199
	<u>\$ 430,072</u>	<u>\$ 409,135</u>
LIABILITIES AND NET ASSETS		
CURRENT		
Accounts payable	\$ 12,030	\$ 24,073
Employee deductions payable	-	248
	<u>12,030</u>	<u>24,321</u>
NET ASSETS		
General fund	397,179	363,846
Graduate conference reserve fund	19,895	20,000
Restricted conference fund	968	968
	<u>418,042</u>	<u>384,814</u>
	<u>\$ 430,072</u>	<u>\$ 409,135</u>

ON BEHALF OF THE BOARD

 Director ·
 Director ·

See notes to financial statements

ATHABASCA UNIVERSITY GRADUATE STUDENTS' ASSOCIATION

Statement of Revenues and Expenditures

Year Ended December 31, 2018

	2018	2017
REVENUES	\$ 413,471	\$ 404,681
EXPENSES		
Salaries and wages	204,463	202,660
Travel	37,071	13,792
Council Honorariums	32,100	29,125
Memberships	17,724	16,606
Meetings and conventions	14,151	446
Training and staff development	13,673	8,327
Office	13,283	8,163
Consulting fees	11,263	4,104
Insurance	10,433	19,580
Professional fees	8,400	8,400
Grants and awards	7,130	1,875
Sponsorship	5,000	5,250
Telephone	4,588	1,141
Amortization	1,646	664
Interest and bank charges	14	23
	380,939	320,156
EXCESS OF REVENUES OVER EXPENSES FROM OPERATIONS	32,532	84,525
OTHER INCOME	696	327
EXCESS OF REVENUES OVER EXPENSES	\$ 33,228	\$ 84,852

See notes to financial statements

ATHABASCA UNIVERSITY GRADUATE STUDENTS' ASSOCIATION

Statement of Changes in Net Assets

Year Ended December 31, 2018

	General Fund	Graduate Conference Reserve Fund	Restricted Conference Fund	2018	2017
NET ASSETS - BEGINNING OF YEAR	\$ 363,846	\$ 20,000	\$ 968	\$ 384,814	\$ 299,962
EXCESS OF REVENUES OVER EXPENSES	33,333	(105)	-	33,228	84,852
NET ASSETS - END OF YEAR	\$ 397,179	\$ 19,895	\$ 968	\$ 418,042	\$ 384,814

ATHABASCA UNIVERSITY GRADUATE STUDENTS' ASSOCIATION

Statement of Cash Flow

Year Ended December 31, 2018

	2018	2017
OPERATING ACTIVITIES		
Excess of revenues over expenses	\$ 33,228	\$ 84,852
Items not affecting cash:		
Amortization	1,646	664
Interest income on Term deposits	(696)	(327)
	<u>34,178</u>	<u>85,189</u>
Changes in non-cash working capital:		
Accounts receivable	5,829	18,078
Accounts payable	(12,044)	(5,194)
Prepaid expenses	7,123	2,386
Employee deductions payable	(248)	248
	<u>660</u>	<u>15,518</u>
Cash flow from operating activities	<u>34,838</u>	<u>100,707</u>
INVESTING ACTIVITIES		
Purchase of equipment	(2,558)	(2,864)
Investment in Term deposits	-	(49,999)
Cash flow used by investing activities	<u>(2,558)</u>	<u>(52,863)</u>
INCREASE IN CASH FLOW	32,280	47,844
Cash - beginning of year	<u>257,155</u>	<u>209,311</u>
CASH - END OF YEAR	\$ 289,435	\$ 257,155

See notes to financial statements

ATHABASCA UNIVERSITY GRADUATE STUDENTS' ASSOCIATION

Notes to Financial Statements

Year Ended December 31, 2018

1. DESCRIPTION OF BUSINESS

Athabasca University Graduate Students' Association (the "Association") is established under section 94 of the Post-Secondary Learning Act as a not-for-profit organization that fosters a cohesive graduate student community, acts as an advocate for graduate students, and builds a positive relationship with the University. The Association qualifies for the tax-exempt status under paragraph 149(1)(l) under the Income Tax Act.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

These financial statements have been prepared by management in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO) as issued by the Canadian Accounting Standards Board. The preparation of financial statements in accordance with ASNPO requires management to make estimates and assumptions that affect reported amounts of assets, liabilities, revenues, and expenses. Future events could alter such estimates in the near term. The Association's significant accounting policies are as follows:

Revenue recognition

The Association receives contributions from Athabasca University. The Association follows the deferral method of accounting for contributions. Contribution revenue from the University of Athabasca, interest income earned on the contribution and other revenue are recognized in the period in which the related expenditures are incurred.

Unrestricted contributions are recognized when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Other income is unrestricted and recognized in the period earned.

Endowment contributions are recognized as direct increases in net assets.

Cash

Cash is held on account with a chartered financial institution.

Term deposits

Term deposits are recorded at fair market value. Transactions costs are expenses as incurred.

Equipment

Equipment is stated at cost less accumulated amortization. Equipment is amortized over their estimated useful lives at the following rates and methods:

Computer equipment	50%	declining balance method
Furniture and fixtures	20%	declining balance method

The Association regularly reviews its equipment to eliminate obsolete items. Government grants are treated as a reduction of equipment cost.

Equipment acquired during the year but not placed into use are not amortized until they are placed into use.

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ATHABASCA UNIVERSITY GRADUATE STUDENTS' ASSOCIATION

Notes to Financial Statements
Year Ended December 31, 2018

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

Impairment of Long Lived Assets

The Association tests 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 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 the carrying value exceeds its fair value.

Contributed services

There is an insignificant amount of time by volunteers and donated materials contributed to the Association. The fair value of donated materials and services cannot be reasonably determined and are therefore not reflected in these financial statements.

Financial instruments

Financial assets and financial liabilities are initially recognized at fair value less transaction costs when the Association becomes a party to the contractual provisions of the financial instrument and subsequently measured at amortized cost with any changes recorded in the statement of operations. Financial assets include cash, term deposits, and accounts receivable. Cash and accounts receivable are measured at amortized cost. The Association currently does not hold any equity instruments that would be measured after initial recognition at fair value.

3. TERM DEPOSITS

The Association is equally invested in two term deposits earning interest at a rate of 1.2% per annum, maturing January 11, 2019 and Feb 1, 2019.

4. EQUIPMENT

	Cost	Accumulated amortization	2018 Net book value	2017 Net book value
Computer equipment	\$ 5,076	\$ 2,213	\$ 2,863	\$ 1,888
Furniture and fixtures	346	97	249	311
	<u>\$ 5,422</u>	<u>\$ 2,310</u>	<u>\$ 3,112</u>	<u>\$ 2,199</u>

5. ECONOMIC DEPENDENCE

The Association receives \$413,471 (100%) of their revenue (2017 - \$404,508) from the University of Athabasca. Amounts recorded in accounts receivable are 100% (2017 - 96%) comprised from University of Athabasca.

6. FINANCIAL INSTRUMENTS

Unless otherwise noted, it is management's opinion that the Association is not exposed to significant credit risks arising from its financial instruments. The fair value of the instruments approximates their carrying values, unless otherwise noted.

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ATHABASCA UNIVERSITY GRADUATE STUDENTS' ASSOCIATION

Notes to Financial Statements

Year Ended December 31, 2018

6. FINANCIAL INSTRUMENTS *(continued)*

Credit risk

The Association is exposed to credit risk with respect to its financial assets as reported on the statement of financial position. Credit risk is not considered significant because the Association's cash and cash equivalents are held in deposit with Canadian financial institutions in insured accounts; grants receivable are due from Athabasca University with no history of default.

Other price risk

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. The Association is exposed to other price risk through its investment in term deposits.
