

ATHABASCA UNIVERSITY GRADUATE STUDENTS' ASSOCIATION

Financial Statements

Year Ended December 31, 2022

ATHABASCA UNIVERSITY GRADUATE STUDENTS' ASSOCIATION

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Year Ended December 31, 2022

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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 Board 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.

Russell Rupok

[RussellRupok \(Jun 13, 2023 08:40 MDT\)](#)

Mr. Russell Rupok, Chair

Brittany Hollett

[Brittany Hollett \(Jun 13, 2023 21:02 MDT\)](#)

Ms. Brittany Hollett, Vice Chair

Edmonton, Alberta
June 02, 2023

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, 2022 and the statements of operations, changes in net assets and cash flow 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 December 31, 2022 and its financial performance and its cash flows for the year ended December 31, 2022 and in accordance with Canadian accounting standards for not-for-profit organizations.

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's 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.

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Responsibilities of management and those charged with governance 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.

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 Associations or to cease operations, or has no realistic alternative but to do so.

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

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 controls.
- 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.

ATHABASCA UNIVERSITY GRADUATE STUDENTS' ASSOCIATION

Statement of Financial Position

December 31, 2022

	2022	2021
ASSETS		
CURRENT		
Cash and cash equivalents <i>(Note 3)</i>	\$ 455,307	\$ 494,154
Accounts receivable	15,338	25,912
Short term deposits <i>(Note 4)</i>	105,452	104,348
Prepaid expenses	16,173	8,631
	<u>592,270</u>	633,045
TANGIBLE CAPITAL ASSETS <i>(Note 5)</i>	<u>5,393</u>	5,916
	<u>\$ 597,663</u>	\$ 638,961
LIABILITIES AND NET ASSETS		
CURRENT		
Accounts payable and accrued liabilities	\$ 23,623	\$ 18,492
Employee deductions payable	3,411	4,050
Deferred income <i>(Note 6)</i>	27,200	86,900
	<u>54,234</u>	109,442
NET ASSETS		
General fund	533,029	519,119
Graduate conference reserve fund	10,400	10,400
	<u>543,429</u>	529,519
	<u>\$ 597,663</u>	\$ 638,961

ON BEHALF OF THE BOARD

Russell Rupok RussellRupok (Jun 13, 2023 08:40 MDT) Director

Brittany Hallett Brittany Hallett (Jun 13, 2023 21:02 MDT) Director

See notes to financial statements

ATHABASCA UNIVERSITY GRADUATE STUDENTS' ASSOCIATION

Statement of Operations

Year Ended December 31, 2022

	2022	2021
REVENUES		
Student union fees	\$ 401,867	\$ 439,650
Donations	59,700	3,100
Conference	2,629	3,675
	464,196	446,425
EXPENSES		
Salaries, wages, and benefits	236,054	216,553
Grants and awards	64,200	39,300
Council honorariums	39,600	34,600
Travel	33,683	12,898
Professional fees	20,821	15,232
Office	17,713	13,966
Memberships	15,675	33,585
Insurance	11,208	9,998
Telephone	5,647	5,295
Amortization of tangible capital assets	3,126	2,323
Consulting fees	2,240	1,197
Training and staff development	1,219	31
Interest, bank charges, and transaction fees	215	180
	451,401	385,158
EXCESS OF REVENUES OVER EXPENSES FROM OPERATIONS	12,795	61,267
INTEREST INCOME	1,115	374
EXCESS OF REVENUES OVER EXPENSES	\$ 13,910	\$ 61,641

See notes to financial statements

ATHABASCA UNIVERSITY GRADUATE STUDENTS' ASSOCIATION

Statement of Changes in Net Assets

Year Ended December 31, 2022

	General Fund	Graduate Conference Reserve Fund	2022	2021
NET ASSETS - BEGINNING OF YEAR	\$ 519,119	\$ 10,400	\$ 529,519	\$ 467,878
EXCESS OF REVENUES OVER EXPENSES	13,910	-	13,910	61,641
NET ASSETS - END OF YEAR	\$ 533,029	\$ 10,400	\$ 543,429	\$ 529,519

See notes to financial statements

ATHABASCA UNIVERSITY GRADUATE STUDENTS' ASSOCIATION

**Statement of Cash Flow
Year Ended December 31, 2022**

	2022	2021
OPERATING ACTIVITIES		
Excess of revenues over expenses	\$ 13,910	\$ 61,641
Items not affecting cash:		
Amortization of tangible capital assets	3,126	2,323
Interest income on Term deposits	(1,115)	(374)
	15,921	63,590
Changes in non-cash working capital	(52,175)	107,925
Cash flow from (used by) operating activities	(36,254)	171,515
INVESTING ACTIVITIES		
Purchase of tangible capital assets	(2,604)	(6,721)
Investment in Term deposits	11	101
Cash flow used by investing activities	(2,593)	(6,620)
INCREASE (DECREASE) IN CASH FLOW	(38,847)	164,895
Cash and cash equivalents - beginning of year	494,154	329,259
CASH AND CASH EQUIVALENTS - END OF YEAR (Note 3)	\$ 455,307	\$ 494,154

See notes to financial statements

ATHABASCA UNIVERSITY GRADUATE STUDENTS' ASSOCIATION

Notes to Financial Statements

Year Ended December 31, 2022

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)(k) under the Income Tax Act of Canada.

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.

Funds received for projects with internal restrictions are recorded to deferred revenue and subsequently recorded to revenue when funds are expended.

Cash

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

Short term deposits

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

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ATHABASCA UNIVERSITY GRADUATE STUDENTS' ASSOCIATION

Notes to Financial Statements

Year Ended December 31, 2022

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

Tangible capital assets

Tangible capital assets are stated at cost less accumulated amortization. Tangible capital assets are 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 tangible capital assets to eliminate obsolete items. Government grants are treated as a reduction of tangible capital assets cost.

Tangible capital assets acquired during the year but not placed into use are not amortized until they are placed into use.

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.

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ATHABASCA UNIVERSITY GRADUATE STUDENTS' ASSOCIATION

Notes to Financial Statements

Year Ended December 31, 2022

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

Financial instruments

Measurement of Financial Instruments

Financial instruments are financial assets or liabilities of the Association where, in general, the Association has the right to receive cash or another 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 liabilities at fair value.

The Association subsequently measures all its financial assets and financial liabilities at amortized cost, except for investments in equity instruments that are quoted in an active market, which are measured at fair value. Changes in fair value are recognized in the statement of operations.

Financial assets measured at amortized cost include cash, accounts receivable, and prepaid expenses. The Association's financial assets measured at fair value are short term deposits.

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

Transactions costs

Transaction costs and financing fees are expensed as incurred for financial instruments measured at fair value and capitalized for financial instruments that are subsequently measured at cost or amortized cost.

The Association recognizes its transaction costs in the statement of operations in the period incurred for its short term deposits and all other financial assets and liabilities subsequently measured at fair value. Financial instruments, that are subsequently measured at cost or amortized cost, are adjusted by the transaction costs and financing fees that are directly attributable to their origination, issuance or assumption.

Impairment

Financial assets measured at cost or amortized cost are tested for impairment, at the end of each year, to determine whether there are indicators that the asset may be impaired. The amount of the write-down, if any, is recognized in the statement of operations. The previously recognized impairment loss may be reversed to the extent of the improvement, directly or by adjusting the allowance account. The reversal may be recorded provided it is no greater than the amount that had been previously reported as a reduction in the asset and it does not exceed original cost. The amount of the reversal is recognized in the statement of operations.

3. CASH AND CASH EQUIVALENTS

	2022	2021
General chequing	\$ 455,306	\$ 375,481
Savings	-	50,372
Internally restricted funds	-	68,300
	\$ 455,306	\$ 494,153

ATHABASCA UNIVERSITY GRADUATE STUDENTS' ASSOCIATION

Notes to Financial Statements

Year Ended December 31, 2022

4. SHORT TERM DEPOSITS

The Association is equally invested in two term deposits earning interest at a rate of 3.3% and 2.7% per annum, maturing March 1, 2023 and March 17, 2023. The deposits are typically reinvested for a term of 100 days upon maturity.

5. TANGIBLE CAPITAL ASSETS

	Cost	Accumulated amortization	2022 Net book value	2021 Net book value
Computer equipment	\$ 12,906	\$ 10,103	\$ 2,803	\$ 5,607
Furniture and fixtures	3,202	612	2,590	309
	<u>\$ 16,108</u>	<u>\$ 10,715</u>	<u>\$ 5,393</u>	<u>\$ 5,916</u>

6. DEFERRED INCOME

In 2021 the Association received funds from the University of Athabasca to assist graduate students dealing with financial hardship due to the pandemic. As the funds have been designated for a specific use, amounts received have been recorded as deferred revenue until funds are expended. These amounts are recognized as revenue as related program expenses are incurred. The changes in deferred contributions balance are as follows:

	2022	2021
Opening	\$ 86,900	\$ -
Contributions	-	90,000
Amount recognized as revenue during year	(59,700)	(3,100)
	<u>\$ 27,200</u>	<u>\$ 86,900</u>

7. ECONOMIC DEPENDENCE

The Association received \$401,867 (87%) of their revenue (2021 - \$439,650 - (93%)) from the University of Athabasca. Amounts recorded in accounts receivable are 100% (2021 - 100%) comprised from University of Athabasca.

8. INTERNALLY RESTRICTED NET ASSETS

Internally restricted net assets are comprised of the following Funds:

Graduate Conference Reserve Fund

The graduate conference fund was established to ensure that adequate funds would be available to support dissemination/presentation opportunities that showcase the high quality of research being conducted by non-Alberta resident graduate students at Athabasca University.

ATHABASCA UNIVERSITY GRADUATE STUDENTS' ASSOCIATION

Notes to Financial Statements

Year Ended December 31, 2022

9. FINANCIAL RISK MANAGEMENT

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.

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. Accounts receivable are generally amounts receivable from Athabasca University with no history of default.

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 December 31, 2022.

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency rate risk, interest rate risk and other price risk. The Association is mainly exposed to interest rate risk and other price risk.

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.

10. ORGANIZATIONAL RISK

On March 11, 2020, the World Health Organization characterized the COVID-19 outbreak as a pandemic. The impact of the outbreak on the financial results of the Association will depend on future developments, including the duration and spread of the outbreak and related advisories and restrictions.

These developments and the impact of COVID-19 on the overall economy are highly uncertain and cannot be predicted. If the overall economy is impacted for an extended period, the financial results of the Association may be materially adversely affected.

As of the reporting date, no adverse and measurable financial outcome has been noted and as such the financial statements are presented without an adjustment for any results of the pandemic.











2022 Financial Statements

Final Audit Report

2023-06-14

Created:	2023-06-13
By:	Meaghan Sullivan (ed@augsa.com)
Status:	Signed
Transaction ID:	CBJCHBCAABAAf98y-f6NrVoBMzYbcfXrnnXUQR3iUcxW

"2022 Financial Statements" History

-  Document created by Meaghan Sullivan (ed@augsa.com)
2023-06-13 - 2:34:23 PM GMT
-  Document emailed to chair@augsa.com for signature
2023-06-13 - 2:35:07 PM GMT
-  Email viewed by chair@augsa.com
2023-06-13 - 2:39:36 PM GMT
-  Signer chair@augsa.com entered name at signing as RussellRupok
2023-06-13 - 2:40:17 PM GMT
-  Document e-signed by RussellRupok (chair@augsa.com)
Signature Date: 2023-06-13 - 2:40:19 PM GMT - Time Source: server
-  Document emailed to vicechair@augsa.com for signature
2023-06-13 - 2:40:20 PM GMT
-  Email viewed by vicechair@augsa.com
2023-06-13 - 4:22:51 PM GMT
-  Signer vicechair@augsa.com entered name at signing as Brittany Hollett
2023-06-14 - 3:02:49 AM GMT
-  Document e-signed by Brittany Hollett (vicechair@augsa.com)
Signature Date: 2023-06-14 - 3:02:51 AM GMT - Time Source: server
-  Agreement completed.
2023-06-14 - 3:02:51 AM GMT