



April 11, 2014

Athabasca University Graduate Students' Association
PO 350925
10818 Jasper Ave
Edmonton, Alberta
T5J0B7

Attention: Mrs. Amanda Nielsen, President

Dear Mrs. Nielsen:

We are enclosing:

- One copy of your audited financial statements of Athabasca University Graduate Students' Association for the year ended December 31, 2013.
- One copy of the letter of representation.
- One copy of our standard engagement letter.
- Our invoice, which we trust you will find in order.
- Our year-end journal entries and other relevant working papers are being provided to assist you in updating your accounting system. If you find after inputting our year-end entries that your general ledger does not agree to our closing balances, please contact our office so we may help you rectify the problem.
- One copy of the independence letter. We are required to disclose any relationships between the Association and ourselves that, in our professional judgment, may reasonably be thought to bear on our independence. We are not aware of any relationships between ourselves and the Association.
- One copy of the management letter.

We have relied on you to provide us with the necessary information in a form sufficiently complete to enable us to prepare the financial statements.

We thank you for the opportunity to be of service to you and trust everything is in order. If you have any questions or concerns, please contact us by email at info@chathacga.com or call 780-628-4800.

Yours truly,



Jay Chatha, CGA

CHATHA PROFESSIONAL CORPORATION

Encl.

ATHABASCA UNIVERSITY GRADUATE STUDENTS' ASSOCIATION

Financial Statements

Year Ended December 31, 2013

ATHABASCA UNIVERSITY GRADUATE STUDENTS' ASSOCIATION

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Year Ended December 31, 2013

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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, 2013 and the statement of operations, statement of changes in net assets and cash flow statement 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 judgement, 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.

(continues)

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, 2013 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.

Edmonton, Alberta
Chatha Professional Corporation
April 11, 2014

A handwritten signature in blue ink, consisting of several loops and a long horizontal stroke extending to the right.

CERTIFIED GENERAL ACCOUNTANTS

ATHABASCA UNIVERSITY GRADUATE STUDENTS' ASSOCIATION

Statement of Financial Position

December 31, 2013

	<i>December 31</i> 2013	<i>December 31</i> 2012
ASSETS		
CURRENT		
Cash (<i>Note 5</i>)	\$ 104,683	\$ 90,495
Accounts receivable	44,435	29,570
Prepaid expenses	8,328	78
	<u>\$ 157,446</u>	<u>\$ 120,143</u>
 LIABILITIES AND NET ASSETS		
CURRENT		
Accounts payable & accrued expenses	\$ 24,745	\$ 7,997
Deferred contribution (Restricted)	32,667	0
	57,412	7,997
 NET ASSETS		
General fund	<u>100,034</u>	<u>112,146</u>
	<u>\$ 157,446</u>	<u>\$ 120,143</u>

ON BEHALF OF THE BOARD

_____ *Director*

_____ *Director*

See notes to financial statements

ATHABASCA UNIVERSITY GRADUATE STUDENTS' ASSOCIATION

Statement of Operations

Year Ended December 31, 2013

	2013	2012
REVENUE	\$ 380,848	\$ 353,424
EXPENSES		
Salaries and wages	171,728	145,060
Travel expenses	48,228	42,519
Meals and entertainment	29,129	17,331
Council Honorariums	23,546	20,800
Memberships fees	23,377	1,500
Legal fees	16,386	0
Consulting fees	15,125	24,777
Training and staff development	14,571	8,018
Meetings and conventions	14,198	5,242
Office expenses	9,641	13,260
Accounting Fees	9,351	9,743
Telephone	5,738	5,547
Grant and Awards	4,500	0
Advertising and promotion	2,813	1,352
Insurance	2,647	2,193
Donations	1,712	655
Interest ,bank and service charges	227	2,934
Miscellaneous	43	105
	392,960	301,036
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES	\$ (12,112)	\$ 52,388

See notes to financial statements

ATHABASCA UNIVERSITY GRADUATE STUDENTS' ASSOCIATION

Statement of Changes in Net Assets

Year Ended December 31, 2013

	2013	2012
NET ASSETS - BEGINNING OF YEAR	\$ 112,146	\$ 59,758
Excess (Deficiency) of revenue over expenses	<u>(12,112)</u>	<u>52,388</u>
NET ASSETS - END OF YEAR	<u>\$ 100,034</u>	<u>\$ 112,146</u>

See notes to financial statements

ATHABASCA UNIVERSITY GRADUATE STUDENTS' ASSOCIATION

Statement of Cash Flows

Year Ended December 31, 2013

	2013	2012
OPERATING ACTIVITIES		
Excess (deficiency) of revenue over expenses	\$ (12,112)	\$ 52,388
Changes in non-cash working capital:		
Accounts receivable	(14,865)	4,390
Accounts payable & accrued liabilities	16,748	(751)
Deferred income	32,667	0
Prepaid expenses	(8,250)	(7)
Employee deductions payable	0	(172)
	26,300	3,460
INCREASE IN CASH FLOW	14,188	55,848
Cash - beginning of year	90,495	34,647
CASH - END OF YEAR (Note 5)	\$ 104,683	\$ 90,495

See notes to financial statements

ATHABASCA UNIVERSITY GRADUATE STUDENTS' ASSOCIATION

PO 350925
10818 Jasper Ave
Edmonton, Alberta
T5J0B7

April 11, 2014

Chatha Professional Corporation
3120 Parsons Road NW
Edmonton, Alberta
T6N 1L6

Dear Sir / Madam:

We are providing this letter in connection with your audit of the financial statements of Athabasca University Graduate Students' Association as of December 31, 2013 and for the year then ended, for the purpose of expressing an opinion as to whether the financial statements present fairly, in all material respects, the financial position, results of operations, and cash flows of Athabasca University Graduate Students' Association in accordance with Canadian generally accepted accounting principles.

We acknowledge that we are responsible for the fair presentation of the financial statements in accordance with Canadian generally accepted accounting principles and for the design and implementation of internal control to prevent and detect fraud and error. We have assessed the risk that the financial statements may be materially misstated as a result of fraud, and have determined such risk to be low. Further, we acknowledge that your examination was planned and conducted in accordance with Canadian generally accepted auditing standards so as to enable you to express an opinion on the financial statements. We understand that while your work includes an examination of the accounting system, internal control and related data to the extent you considered necessary in the circumstances, it is not designed to identify, nor can it necessarily be expected to disclose fraud, shortages, errors and other irregularities, should any exist.

Certain representations in this letter are described as being limited to matters that are material. An item is considered material, regardless of monetary value, if it is probable that its omission from or misstatement in the financial statements would influence the decision of a reasonable person relying on the financial statements.

We confirm, to the best of our knowledge and belief, as of April 11, 2014, the following representations made to you during your audit.

General

1. The financial statements referred to above present fairly, in all material respects, the financial position of the Association as at December 31, 2013, and the results of its operations and its cash flows for the year then ended, in accordance with Canadian generally accepted accounting principles.
2. We have made available to you all financial records and related data.
3. We have responded fully to all enquiries made to us and have made available to you all accounting and financial records and related data of the Association during your audit.
4. There are no material transactions that have not been properly recorded in the accounting records underlying the financial statements.
5. We are unaware of any known or probable instances of non-compliance with the requirements of regulatory or governmental authorities, including their financial reporting requirements.
6. We are unaware of any violations or possible violations of laws or regulations the effects of which should be considered for disclosure in the financial statements or as the basis of recording a contingent loss.
7. We have identified to you all known related parties and related party transactions, including guarantees, non-monetary transactions and transactions for no consideration.

8. We have no knowledge of fraud or suspected fraud affecting the entity involving management; employees who have significant roles in internal control; or others, where the fraud could have a nontrivial effect on the financial statements.
9. We have no knowledge of any allegations of fraud or suspected fraud affecting the entity's financial statements communicated by employees, former employees, analysts, regulators or others.
10. We believe that the significant assumptions used in arriving at the fair values of financial instruments as measured and disclosed in the financial statements are reasonable and appropriate in the circumstances.
11. We have no plans or intentions that may materially affect the carrying value or classification of assets and liabilities reflected in the financial statements.
12. All related party transactions have been appropriately measured and disclosed in the financial statements.
13. The nature of all material measurement uncertainties has been appropriately disclosed in the financial statements, including all estimates where it is reasonably possible that the estimate will change in the near term and the effect of the change could be material to the financial statements.
14. We have informed you of all outstanding and possible claims, whether or not they have been discussed with legal counsel.
15. All liabilities and contingencies, including those associated with guarantees, whether written or oral, have been disclosed to you and are appropriately reflected in the financial statements.
16. The Association has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets nor has any asset been pledged as collateral.
17. We have disclosed to you, and the Association has complied with, all aspects of contractual agreements that would have a material effect on the financial statements in the event of non-compliance, including all covenants, conditions or other requirements of all outstanding debt.
18. There have been no events subsequent to the balance sheet date up to the date hereof that would require recognition or disclosure in the financial statements. Further, there have been no events subsequent to the date of the comparative financial statements that would require adjustment of those financial statements and the related notes.

Other

1. None of the members were in debt to the Association, other than in the ordinary course of business at the year-end or at any time during the year.
2. The Association did not make any related party transactions during the year that have not been disclosed to you.
3. All management fees, bonuses or other remuneration paid to or accrued on behalf of members or related parties represent the fair market value of services performed for, or goods provided to, the Association.
4. We hereby acknowledge that Chatha Professional Corporation have made us aware of your legal obligations under the Proceeds of Crime (Money Laundering) and Terrorist Financing Act. We hereby acknowledge that we are aware of potential conflict of interest that may arise as a result of your legal obligations under this Act and authorize Chatha Professional Corporation to release and disclose information about Athabasca University Graduate Students' Association as required by statute.

Yours truly,

ATHABASCA UNIVERSITY GRADUATE STUDENTS' ASSOCIATION

Mrs. Amanda Nielsen, President

April 11, 2014

Date signed

Mr. Phil Ferguson, Vice President Operations & Finance

April 11, 2014

Date signed

ATHABASCA UNIVERSITY GRADUATE STUDENTS' ASSOCIATION

Notes to Financial Statements

Year Ended December 31, 2013

1. NATURE OF OPERATIONS

Athabasca University Graduate Students' Association is incorporated under the Provincial Society 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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO) and include the following significant accounting policies:

The association follows the deferral method of accounting for contributions.

Fund accounting

Revenues and expenses related to the program delivery and administrative activities are reported in the General Fund. There is a restricted funds of \$ 32,667 received from Alberta Students' Executive Council in Dec 2013 in the name of Alberta Campus Mental Health Innovation Fund, to be used for the purpose of expanding addiction and mental health prevention, early intervention and treatment services at a post-secondary institutions in Alberta. This fund has been shown as deferred contribution under Statement of Financial Position as per accounting policy of Deferral Method.

Contributed services

Volunteers contributed about 2200 hours in 2013 to assist the Association in carrying out its service delivery activities. Because of the difficulty of determining their fair value, contributed services are not recognized in the financial statements.

Capital assets

Purchased capital assets are recorded at cost. Contributed capital assets are recorded at fair value at the date of contribution. Equipment purchased with value of \$2,500 or lower is expensed in the year it is purchased.

Revenue recognition

Unrestricted contributions are recognized as revenue of the General Fund in the year received or receivable if the amount to be recorded can be reasonably assumed. Restricted contributions are recognized as revenue with the matching concept of expenditure in the period in which the expenditure for the specified fund is made as per the instructions of the fund grantor.

3. 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.

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.

ATHABASCA UNIVERSITY GRADUATE STUDENTS' ASSOCIATION

Notes to Financial Statements

Year Ended December 31, 2013

4. LEGAL FEES

The Association had paid \$ 16,385 as legal fees for getting advice and opinions in regard to the removal of Vice President Academic (AUGSA) and ultimately council voted to remove the Vice President Academic from her position.

5. CASH

	2013	2012
Cash	\$ 104,683	\$ 90,495

Athabasca University Graduate Students' Association

Year End: December 31, 2013

Adjusting Journal Entries

Date: 1/1/2013 To 12/31/2013

Preparer	Reviewer

5D

Number	Date	Name	Account No	Reference	Annotation	Debit	Credit	Recurrence	Misstatement
1	12/31/2013	Petty Cash	1000			725.07			
1	12/31/2013	Bank - Edmonton	1020				725.07		
		Reclassification of Cash account-transferred to Bank Account							
3	12/31/2013	Training & Professional Development	9250			6,352.33			
3	12/31/2013	Wages and benefits	9800				6,352.33		
		Recalssification of tuition fees paid and booked under Payroll expenses							
4	12/31/2013	Honorarium	8950			1,500.00			
4	12/31/2013	Wages and benefits	9800				1,500.00		
		Recalssification of honorarium paid to Victoria Jones-booked under Payroll exps. transferred to Professional fees-Honorariums							
5	12/31/2013	Bank Charges	8350				10.10		
5	12/31/2013	interest and bank/service charges	7700			80.75			
5	12/31/2013	Interest Expense:Late Charges	7710				70.65		
		Recalssification of bank charges, interest and penalties to Interest and service charges							
6	12/31/2013	Auto and truck Expenses	9200				276.15		
6	12/31/2013	Auto and Truck Expenses: Mileage & Travel	9205				8,626.96		
6	12/31/2013	Auto and Travel: Vehicle Rental	9210				639.87		
6	12/31/2013	Parking Fee	9215				1,657.35		
6	12/31/2013	Travel and Hotel	9220			11,200.33			
		Recalssification of vehicle expenses into travel expenses							
7	12/31/2013	Opening Balance Equity	3995				1.95		
7	12/31/2013	Miscellaneous	8500				7.23		
7	12/31/2013	Reconciliation Discrepancies	9970			9.18			
		Adjusting Opening balance equity and reconciliation discrepancy							
8	12/31/2013	Meeting and conventons	6416			11,093.92			
8	12/31/2013	Dues, memberships and subscriptions	8800				11,093.92		
		To reclassify membership fees into meeting & conventions							
						30,961.58	30,951.58		
		Net Income (Loss)	(12,111.66)						



April 11, 2014

Athabasca University Graduate Students' Association
PO 350925
10818 Jasper Ave
Edmonton, Alberta
T5J0B7

Attention: Mrs. Amanda Nielsen, President

Dear Audit Committee Members:

We have been engaged to audit the financial statements of Athabasca University Graduate Students' Association for the year ending December 31, 2013.

Canadian generally accepted auditing standards require that we communicate at least annually with you regarding all relationships between the Association and ourselves that, in our professional judgment, may reasonably be thought to bear on our independence.

In determining which relationships to report, the standards require us to consider relevant rules and related interpretations prescribed by the Certified General Accountants Association of Alberta and applicable legislation, covering such matters as:

- a) holding a financial interest, either directly or indirectly, in a client;
- b) holding a position, either directly or indirectly, that gives the right or responsibility to exert significant influence over the financial or accounting policies of a client;
- c) personal or business relationships of immediate family, close relatives, partners or retired partners, either directly or indirectly, with a client;
- d) economic dependence on a client; and
- e) provision of services in addition to the audit engagement.

We have prepared the following comments to facilitate our discussion with you regarding independence matters arising since April 12, 2013, the date of our last letter.

We are not aware of any relationships between the Association and ourselves that, in our professional judgment, may reasonably be thought to bear on our independence, that have occurred from April 12, 2013 to April 11, 2014.

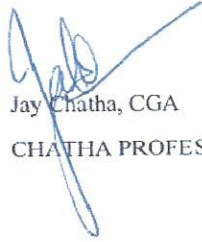
The total fees charged to the Association for audit services were \$8,000 during the period from April 12, 2013 to April 11, 2014.

Canadian generally accepted standards for audit engagements require that we confirm our independence to the proprietor in the context of the Code of Ethical Principles and Rules of Conduct of the Certified General Accountants Association of Alberta. Accordingly, we hereby confirm that we are independent with respect to the Association within the meaning of the Code of Ethical Principles and Rules of Conduct of the Certified General Accountants Association of Alberta as of April 11, 2014.

This report is intended solely for the use of and should not be used for any other purpose.

Should you wish to discuss this matter with us further, please contact us at your earliest convenience. Thank you again for the opportunity of providing our services to your Association.

Yours truly,

A handwritten signature in blue ink, appearing to read "Jay Chatha", with a long, sweeping flourish extending upwards and to the right.

Jay Chatha, CGA

CHATHA PROFESSIONAL CORPORATION



April 11, 2014

Athabasca University Graduate Students' Association
PO 350925
10818 Jasper Ave
Edmonton, Alberta
T5J0B7

Attention: Mrs. Amanda Nielsen, President

Dear Mrs. Nielsen:

During the course of our audit of Athabasca University Graduate Students' Association for the year ended December 31, 2013, we identified matters that may be of interest to management. The objective of an audit is to obtain reasonable assurance whether the financial statements are free of material misstatement and it is not designed to identify matters that may be of interest to management. Accordingly, an audit would not usually identify all such matters.

The matters identified were as follows:

Honorariums & Awards Paid

Weakness #1

Honorariums & awards are paid without issuing appropriate tax slips.

Implications

Canada Revenue Agency may assess and impose penalties for non compliance

Recommendations

Appropriate tax slips should be issued based on the nature of the payments.

Employment Contract

Weakness #1

Tuition reimbursement clause was missing in the employment contract.

Implications

Association funds may be used for purposes which have not been approved by the board.

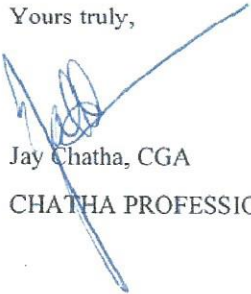
Recommendations

Employment contract should be well clear, concise and well defined.

This communication is prepared solely for the information of management and is not intended for any other purpose. We accept no responsibility to a third party who uses this communication.

We trust you will implement our recommendations; however, should you require further clarification or information, please contact the undersigned.

Yours truly,

A handwritten signature in blue ink, appearing to read 'Jay Chatha', is written over a diagonal line that extends from the top right towards the bottom left.

Jay Chatha, CGA

CHATHA PROFESSIONAL CORPORATION