

**COLLINS BLAY & CO.**

**SOCIETY OF GRADUATE AND  
PROFESSIONAL STUDENTS OF  
QUEEN'S UNIVERSITY**

**FINANCIAL STATEMENTS  
WITH AUDITORS' REPORT**

**AUGUST 31, 2010**



Chartered Accountants

## AUDITORS' REPORT

To: The Council  
Society of Graduate and Professional Students of Queen's University

We have audited the statement of financial position of Society of Graduate and Professional Students of Queen's University as at August 31, 2010 and the statements of revenue and expenditures, changes in net assets and cash flows for the year then ended. These financial statements are the responsibility of management. Our responsibility is to express an opinion on these financial statements based on our audit.

Except as explained in the following paragraph, we conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In common with many not-for-profit organizations, the organization derives revenue from social events and advertising, the completeness of which is not susceptible of satisfactory audit verification. Accordingly, our verification of these revenues was limited to the amounts recorded in the records of the organization and we were not able to determine whether any adjustments might be necessary to social events and advertising revenues, excess of expenditures over revenue, assets and net assets.

In our opinion, except for the effect of adjustments, if any, which we might have determined to be necessary had we been able to satisfy ourselves concerning the completeness of the revenue referred to in the preceding paragraph, these financial statements present fairly, in all material respects, the financial position of Society of Graduate and Professional Students of Queen's University as at August 31, 2010 and the results of its operations and cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Kingston, Ontario  
February 3, 2011

*Collins Blay & Co.*  
**Chartered Accountants**  
**Licensed Public Accountants**

**COLLINS BLAY & CO.****SOCIETY OF GRADUATE AND PROFESSIONAL STUDENTS OF  
QUEEN'S UNIVERSITY****STATEMENT OF FINANCIAL POSITION  
AS AT AUGUST 31, 2010**

	<u>2010</u>	<u>Restated 2009</u>
<b>ASSETS</b>		
Current		
Cash	\$ 175,535	\$ 13,177
Investment - Note 2	-	200,000
Accounts receivable	13,722	8,710
Prepaid expenses	<u>17,431</u>	<u>13,320</u>
	<u>206,688</u>	<u>235,207</u>
Capital - Note 3	<u>6,598</u>	<u>5,361</u>
	<u>\$ 213,286</u>	<u>\$ 240,568</u>
<b>LIABILITIES</b>		
Current		
Accounts payable and accrued liabilities	\$ 36,488	\$ 29,545
Deferred revenue	<u>5,547</u>	<u>8,449</u>
	<u>42,035</u>	<u>37,994</u>
<b>NET ASSETS</b>		
General fund	70,181	96,797
Capital fund - Note 4	6,598	5,361
Health Plan fund - Note 4	50,686	50,686
John Deutsch University fund - Note 4	4,889	4,889
Dental Bursary fund - Note 4	-	3,944
Bursary fund - Note 4	18,897	20,897
Infrastructure fund - Note 4	<u>20,000</u>	<u>20,000</u>
	<u>171,251</u>	<u>202,574</u>
	<u>\$ 213,286</u>	<u>\$ 240,568</u>
Approved on behalf of the Council		
_____	President	
_____	Vice President - Operations	

*The accompanying notes are an integral part of these financial statements.*

**COLLINS BLAY & CO.**

**SOCIETY OF GRADUATE AND PROFESSIONAL STUDENTS OF QUEEN'S  
UNIVERSITY**

**STATEMENT OF CHANGES IN NET ASSETS  
FOR THE YEAR ENDED AUGUST 31, 2010**

	2010							
	General Fund	Capital Fund	Health Plan Fund	John Deutsch University Fund	Dental Bursary Fund	Bursary Fund	Infra- structure Fund	Total
Balance - beginning of the year	\$ 96,797	\$ 5,361	\$ 50,686	\$ 4,889	\$ 3,944	\$ 20,897	\$ 20,000	\$ 202,574
Excess expenditures for the year	(17,795)	(3,251)	-	-	(8,277)	(2,000)	-	(31,323)
Investment in capital assets	(4,488)	4,488	-	-	-	-	-	-
Interfund transfer	(4,333)	-	-	-	4,333	-	-	-
Balance - end of the year	<u>\$ 70,181</u>	<u>\$ 6,598</u>	<u>\$ 50,686</u>	<u>\$ 4,889</u>	<u>\$ -</u>	<u>\$ 18,897</u>	<u>\$ 20,000</u>	<u>\$ 171,251</u>

	2009							
	General Fund	Capital Fund	Health Plan Fund	John Deutsch University Fund	Dental Bursary Fund	Bursary Fund	Infra- structure Fund	Total
Balance - beginning of the year	\$ 83,146	\$ 6,291	\$ 39,399	\$ 4,889	\$ 9,079	\$ 22,897	\$ 20,000	\$ 185,701
Excess revenue (expenditures) for the year	16,012	(3,291)	11,287	-	(5,135)	(2,000)	-	16,873
Investment in capital assets	(2,361)	2,361	-	-	-	-	-	-
Balance - end of the year	<u>\$ 96,797</u>	<u>\$ 5,361</u>	<u>\$ 50,686</u>	<u>\$ 4,889</u>	<u>\$ 3,944</u>	<u>\$ 20,897</u>	<u>\$ 20,000</u>	<u>\$ 202,574</u>

*The accompanying notes are an integral part of these financial statements.*

**COLLINS BLAY & CO.****SOCIETY OF GRADUATE AND PROFESSIONAL STUDENTS OF  
QUEEN'S UNIVERSITY****STATEMENT OF REVENUE AND EXPENDITURES  
FOR THE YEAR ENDED AUGUST 31, 2010**

	<u>2010</u>	<u>2009</u>
Revenue - Student fees		
Collected	\$ 479,461	\$ 418,985
Paid to other organizations - Per schedule	<u>(311,128)</u>	<u>(227,583)</u>
Student fees - net	<u>168,333</u>	<u>191,402</u>
Health and dental plan		
Collected	1,337,868	1,158,742
Paid to service provider	<u>(1,287,401)</u>	<u>(1,101,105)</u>
Health and dental plan - net	<u>50,467</u>	<u>57,637</u>
Other revenue		
Advertising	5,258	6,485
Interest and other	1,015	10,212
Social events	<u>18,898</u>	<u>9,964</u>
	<u>25,171</u>	<u>26,661</u>
Total revenue - net	<u>243,971</u>	<u>275,700</u>
Expenditures		
Advertising	1,111	1,476
Amortization	3,251	3,291
Bad debts	1,180	-
Bursaries and grants	31,792	17,872
Campaigns	2,171	2,937
Conferences	4,223	13,781
Council and committees	2,488	814
Discretionary fund	-	1,500
Elections and referendum	1,459	2,634
Equity	3,499	-
Grad Guide	6,251	9,246
Honoraria and stipends	64,280	56,897
Insurance	3,330	3,226
Internal affairs	870	2,812
Office and other	9,570	9,516
Orientation guide	2,919	5,472
Professional fees	9,249	6,635
Promotional material	450	5,900
Social events	43,011	36,579
Telephone	2,825	3,077
Wages and benefits	<u>81,365</u>	<u>75,162</u>
	<u>275,294</u>	<u>258,827</u>
Excess (expenditures) revenue for the year	<u>\$ (31,323)</u>	<u>\$ 16,873</u>

*The accompanying notes are an integral part of these financial statements.*

**COLLINS BLAY & CO.****SOCIETY OF GRADUATE AND PROFESSIONAL STUDENTS OF  
QUEEN'S UNIVERSITY****STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED AUGUST 31, 2010**

	<u>2010</u>	<u>2009</u>
<b>Cash provided by operating activities</b>		
Excess (expenditures) revenue for the year	\$ (31,323)	\$ 16,873
Item not requiring an outlay of cash:		
Amortization	<u>3,251</u>	<u>3,291</u>
	<u>(28,072)</u>	<u>20,164</u>
<b>Net changes in non-cash working capital</b>		
Accounts receivable	(5,012)	(6,010)
Prepaid expenses	(4,111)	(1,102)
Accounts payable and accrued liabilities	6,943	(67,061)
Deferred revenue	<u>(2,902)</u>	<u>5,525</u>
	<u>(5,082)</u>	<u>(68,648)</u>
<b>Cash flows from operating activities</b>	<u>(33,154)</u>	<u>(48,484)</u>
<b>Cash flows from investing activities</b>		
Purchase of capital assets	<u>(4,488)</u>	<u>(2,361)</u>
<b>Net decrease in cash and cash equivalents for the year</b>	(37,642)	(50,845)
<b>Cash and cash equivalents at the beginning of the year</b>	<u>213,177</u>	<u>264,022</u>
<b>Cash and cash equivalents at the end of the year</b>	<u>\$ 175,535</u>	<u>\$ 213,177</u>
<b>Cash and cash equivalents include the following balance sheet amounts:</b>		
Cash	\$ 175,535	\$ 13,177
Investment	<u>-</u>	<u>200,000</u>
	<u>\$ 175,535</u>	<u>\$ 213,177</u>

*The accompanying notes are an integral part of these financial statements.*

# COLLINS BLAY & CO.

## SOCIETY OF GRADUATE AND PROFESSIONAL STUDENTS OF QUEEN'S UNIVERSITY

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED AUGUST 31, 2010

#### General

Society of Graduate and Professional Students of Queen's University was incorporated under Letters of Patent on November 8, 2005, as a not-for-profit corporation without share capital under Part II of the Canadian Corporations Act and is not subject to income taxes.

The purpose of the organization is to serve the interest and needs of the membership, to represent its members in dealing with the University and other organizations, to facilitate communication between its members and graduate and professional students at other universities, to provide services to its members and to maintain concern for the welfare and human rights of its members and, where believed desirable, to take a public stand on policies and practices that affect them and that are unfair, discriminatory or harmful.

#### 1. Accounting policies

##### a) Cash and cash equivalents

Cash and cash equivalents consist of cash on deposit, and highly liquid short-term interest bearing securities with maturities at the date of purchase of three months or less.

##### b) Investments

Investments in mutual funds are classified as available for sale and are carried at fair value. In determining fair values, adjustments have not been made for transaction costs as they are not considered significant. The net unrealized gain or loss on investments, being the difference between book value and fair value, is included in the statement of changes in net assets. Investments in commercial paper are classified as held to maturity and recorded at amortized cost.

##### c) Amortization

Capital assets are recorded at cost and amortization is provided using the straight-line method as follows:

Computer hardware	4 years
Furniture and equipment	7 years

##### d) Revenue recognition

The organization follows the deferral method of accounting for contributions. Restricted contributions are recognized as revenue in the year in which the related expenditures 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 fee revenue is recognized on an annual basis for the school year to which it applies.

Revenue from advertising sales, fees and social events is recognized at the time the services are provided.

# COLLINS BLAY & CO.

## SOCIETY OF GRADUATE AND PROFESSIONAL STUDENTS OF QUEEN'S UNIVERSITY

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED AUGUST 31, 2010

#### 1. Accounting policies (continued)

##### e) Use of estimates

The preparation of financial statements in accordance with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenues and expenditures during the reported period. These estimates are reviewed periodically, and, as adjustments become necessary, they are reported in earnings in the period in which they become known.

#### 2. Investment

The investment consisted of a commercial paper investment with a 0.69% yield and matured in September, 2009.

#### 3. Capital assets

	2010			2009
	<u>Cost</u>	<u>Accumulated Amortization</u>	<u>Net</u>	<u>Net</u>
Computer hardware	\$ 49,728	\$ 44,156	\$ 5,572	\$ 3,822
Furniture and equipment	<u>6,858</u>	<u>5,832</u>	<u>1,026</u>	<u>1,539</u>
	<u>\$ 56,586</u>	<u>\$ 49,988</u>	<u>\$ 6,598</u>	<u>\$ 5,361</u>

#### 4. Restricted funds

The Board of Directors has internally restricted funds as follows:

##### Capital Fund

The Capital Fund represents the organization's investment in capital assets.

##### Health Plan Fund

Surplus from the Health Plan is kept in a separate fund to be used for any shortfalls in Health Plan revenue and expenditures.

##### John Deutsch University Fund

Surplus from the John Deutsch University funding is kept in a separate fund to be used for the organization's share of renovation expenditures and any shortfalls in future expenditures of the organization's share of the John Deutsch University Centre.



**SOCIETY OF GRADUATE AND PROFESSIONAL STUDENTS OF  
QUEEN'S UNIVERSITY**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED AUGUST 31, 2010**

**4. Restricted funds (continued)**

**Dental Bursary Fund**

Through a grant from Queen's University, the organization established the Dental Bursary Fund. The bursary will help members pay for the cost of periodontic procedures, including root canals, crowns and bridges. The funds are accessible to Society of Graduate and Professional Students of Queen's University members currently enrolled in the Health and Dental Plan and are disbursed in accordance with the Society of Graduate and Professional Students Dental Plan Policy.

**Bursary Fund**

In March, 2005, the organization approved the transfer of \$30,000 from that year's surplus to create a ten year bursary fund. The organization has established a Financial Need Bursary and a Conference Expense Bursary. The Financial Need Bursary is for Society of Graduate and Professional Students of Queen's University members with financial need. The bursary will grant \$500 to successful applicants. A maximum of four awards will be granted a year. The Conference Expense Bursary is to help offset the cost of Society of Graduate and Professional Students of Queen's University members presenting research at conferences. A maximum of \$1,300 is to be allocated each year.

**Infrastructure Fund**

In April, 2007, the organization approved the transfer of \$20,000 from the Health Plan Fund to create an infrastructure fund. The purpose of this separate fund is to pay for the acquisition of a organization-run space or for renovations to existing graduate and professional student space.

**5. Financial instruments**

**a) Fair value**

The fair values of cash, accounts receivable and accounts payable and accrued liabilities are approximately equal to their carrying values due to their short-term maturity dates.

**b) Credit risk**

The credit risk of the investment in commercial paper arises from the possibility that the counterparty to the agreement may default on their obligation to repay, but the organization does not anticipate such an event to occur. In order to minimize this risk, in general, the organization's policy is to enter such agreements with counterparties with a high credit rating and only invest in short-term investments with maturities of three months or less. The organization's cash is held in credit worthy financial institutions.

**SOCIETY OF GRADUATE AND PROFESSIONAL STUDENTS OF  
QUEEN'S UNIVERSITY**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED AUGUST 31, 2010**

**6. Capital disclosures**

The organization considers its capital to be the amounts included in the balance of net assets. The organization's objective when managing capital is to safeguard the ability to continue as a going concern so that it can continue to provide the appropriate level of benefits and services to the members and stakeholders.

Capital is invested under the direction of the organization's Board of Directors with the objective of providing a reasonable rate of return, minimizing risk and ensuring adequate liquid investments are on hand for current cash flow requirements. The organization is not subject to any externally imposed capital requirements.

**7. Education Students' Society**

During the year, the Education Students' Society changed affiliation from the Alma Mater Society of Queen's University to the Society of Graduate and Professional Students of Queen's University. Society of Graduate and Professional Students of Queen's University provided a one time payment to the Alma Mater Society of Queen's University to compensate for revenues lost due to the change in the Education Students' Society and change in fee structure.

**8. Restatement of prior year**

The financial statements for the prior year have been restated to record a previously unrecorded PayPal account. The effect of this restatement was to increase cash and deferred revenue by \$5,550. This change had no effect on the excess revenues for the year or net assets.

**9. Comparative amounts**

Certain comparative amounts have been reclassified in order to conform with the financial statement presentation adopted in the current year.

**COLLINS BLAY & CO.****SOCIETY OF GRADUATE AND PROFESSIONAL STUDENTS OF  
QUEEN'S UNIVERSITY****SCHEDULE OF PAYOUTS TO OTHER ORGANIZATIONS  
FOR THE YEAR ENDED AUGUST 31, 2010**

	<u>2010</u>	<u>2009</u>
AMS Food Bank	\$ 3,264	\$ 2,652
Ban Righ Centre	3,228	-
Canadian Federation of Students	58,543	45,367
Dawn House Women's Shelter	1,723	1,383
Education Graduate Students Society	2,575	-
Education Students' Society	5,567	-
Four Directions Aboriginal Centre	3,193	-
Graduate Club	64,675	51,319
Graduate Computing Society	1,200	-
HIV/AIDS Regional Support	3,256	2,622
International Affairs	3,170	2,556
Kingston Coalition Against Poverty	8,013	6,570
Kingston Youth Shelter	2,987	2,357
Law Student Society	36,149	37,373
Legal Aid	16,642	13,226
MSCOT and MSCPT	7,812	7,420
Ontario Public Interest Research Group	13,410	10,610
Positive space	862	681
QISS Bursary	2,075	1,684
Queen's AMS for Education Students Society - Note 7	25,551	-
Queen's Day Care Centre	3,228	-
Reelout Queer Film and Video Festival	5,105	4,115
Sexual Assault Crisis Centre	4,626	3,966
Sports Fund	200	1,525
Student Advisors	16,242	16,792
Student Refugee Support	9,714	7,781
Telephone Aid Line Kingston	1,676	2,379
Union Gallery	4,740	3,833
Yellow Bike Action Group	1,702	1,372
	<u>\$ 311,128</u>	<u>\$ 227,583</u>