

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

**FINANCIAL STATEMENTS  
WITH AUDITORS' REPORT**

**AUGUST 31, 2011**





## INDEPENDENT AUDITORS' REPORT

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

We have audited the accompanying financial statements of Society of Graduate and Professional Students of Queen's University which comprise the statement of financial position as at August 31, 2011 and the statements of revenue and expenditures, 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 generally accepted accounting principles 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 auditors' 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 auditors consider internal controls relevant to the organization'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 organization'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.

### **Basis for Qualified Opinion**

In common with many not-for-profit organizations, the organization derives revenue from social events, the completeness of which is not susceptible to 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, excess of revenue over expenditures, assets and net assets.

## Qualified Opinion

In our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph, the 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, 2011 and the results of its operations and cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Kingston, Ontario  
March 14, 2012

*Collins Blay LLP*

Chartered Accountants  
Licensed Public Accountants



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

**STATEMENT OF FINANCIAL POSITION  
AS AT AUGUST 31, 2011**

	<u>2011</u>	<u>2010</u>
<b>ASSETS</b>		
Current		
Cash	\$ 441,950	\$ 175,535
Accounts receivable	11,582	13,722
Prepaid expenses	<u>19,585</u>	<u>17,431</u>
	<u>473,117</u>	<u>206,688</u>
Capital - Note 2	<u>30,877</u>	<u>6,598</u>
	<u>\$ 503,994</u>	<u>\$ 213,286</u>
<b>LIABILITIES</b>		
Current		
Accounts payable and accrued liabilities	\$ 273,081	\$ 36,488
Deferred revenue	<u>9,447</u>	<u>5,547</u>
	<u>282,528</u>	<u>42,035</u>
Deferred contributions related to capital assets - Note 3	<u>9,000</u>	<u>-</u>
<b>NET ASSETS</b>		
General fund	98,117	70,181
Capital fund - Note 4	21,877	6,598
Health Plan fund - Note 5	52,321	50,686
Student Life Centre fund - Note 5	4,889	4,889
Bursary fund - Note 5	15,262	18,897
Infrastructure fund - Note 5	<u>20,000</u>	<u>20,000</u>
	<u>212,466</u>	<u>171,251</u>
	<u>\$ 503,994</u>	<u>\$ 213,286</u>

Approved on behalf of the Council

\_\_\_\_\_ President

\_\_\_\_\_ Vice President - Operations



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

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

**STATEMENT OF CHANGES IN NET ASSETS  
FOR THE YEAR ENDED AUGUST 31, 2011**

2011								
	General Fund	Capital Fund	Health Plan Fund	Student Life Centre Fund	Dental Bursary Fund	Bursary Fund	Infra- structure Fund	Total
Balance - beginning of the year	\$ 70,181	\$ 6,598	\$ 50,686	\$ 4,889	\$ -	\$ 18,897	\$ 20,000	\$ 171,251
Excess revenue (expenditures) for the year	59,312	(5,765)	1,635	-	(10,332)	(3,635)	-	41,215
Investment in capital assets	(21,044)	21,044	-	-	-	-	-	-
Interfund transfer	(10,332)	-	-	-	10,332	-	-	-
Balance - end of the year	<u>\$ 98,117</u>	<u>\$ 21,877</u>	<u>\$ 52,321</u>	<u>\$ 4,889</u>	<u>\$ -</u>	<u>\$ 15,262</u>	<u>\$ 20,000</u>	<u>\$ 212,466</u>
2010								
	General Fund	Capital Fund	Health Plan Fund	Student Life Centre 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>

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



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

**STATEMENT OF REVENUE AND EXPENDITURES  
FOR THE YEAR ENDED AUGUST 31, 2011**

	<u>2011</u>	<u>2010</u>
Revenue - Student fees		
Collected	\$ 618,586	\$ 479,461
Paid to other organizations - Per schedule	<u>(264,560)</u>	<u>(311,128)</u>
Student fees - net	<u>354,026</u>	<u>168,333</u>
Health and dental plan		
Collected	1,455,414	1,337,868
Paid to service provider	<u>(1,395,562)</u>	<u>(1,287,401)</u>
Health and dental plan - net	<u>59,852</u>	<u>50,467</u>
Other revenue		
Advertising	4,975	5,258
Amortization of capital contributions - Note 3	1,000	-
Interest and other	5,690	1,015
Social events	<u>13,467</u>	<u>18,898</u>
	<u>25,132</u>	<u>25,171</u>
Total revenue - net	<u>439,010</u>	<u>243,971</u>
Expenditures		
Advertising	1,602	1,111
Amortization of capital assets	6,765	3,251
Bad debts	-	1,180
Bursaries and grants	35,477	31,792
Campaigns	3,295	2,171
Conferences	5,767	4,223
Council and committees	2,543	2,488
Discretionary fund	250	-
Elections and referendum	1,060	1,459
Equity	3,777	3,499
Grad Guide	7,732	6,251
Honoraria and stipends	96,228	64,280
Insurance	3,507	3,330
Internal affairs	772	870
Office and other	15,306	9,570
Orientation guide	3,393	2,919
Professional fees	6,801	9,249
Promotional material	1,699	450
Social events	51,779	43,011
Telephone	4,284	2,825
Wages and benefits	<u>145,758</u>	<u>81,365</u>
	<u>397,795</u>	<u>275,294</u>
Excess revenue (expenditures) for the year	<u>\$ 41,215</u>	<u>\$ (31,323)</u>

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

**STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED AUGUST 31, 2011**

	<u>2011</u>	<u>2010</u>
<b>Cash provided by operating activities</b>		
Excess revenue (expenditures) for the year	\$ 41,215	\$ (31,323)
Items not requiring an outlay of cash:		
Amortization of deferred contributions	(1,000)	-
Amortization of capital assets	<u>6,765</u>	<u>3,251</u>
	<u>46,980</u>	<u>(28,072)</u>
Net changes in non-cash working capital		
Accounts receivable	2,140	(5,012)
Prepaid expenses	(2,154)	(4,111)
Accounts payable and accrued liabilities	236,593	6,943
Deferred revenue	<u>3,900</u>	<u>(2,902)</u>
	<u>240,479</u>	<u>(5,082)</u>
Cash flows from operating activities	<u>287,459</u>	<u>(33,154)</u>
<b>Cash flows from investing activities</b>		
Purchase of capital assets	(31,044)	(4,488)
Contributions received for the purchase of capital assets	<u>10,000</u>	<u>-</u>
Cash flows from investing activities	<u>(21,044)</u>	<u>(4,488)</u>
Net increase (decrease) in cash for the year	266,415	(37,642)
Cash at the beginning of the year	<u>175,535</u>	<u>213,177</u>
Cash at the end of the year	<u>\$ 441,950</u>	<u>\$ 175,535</u>



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

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED AUGUST 31, 2011**

**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. Significant accounting policies**

**a) Amortization**

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

Computer hardware	4 years
Computer software	7 years
Furniture and equipment	7 years
Leasehold improvements	10 years

**b) 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 and health and dental plan revenue is recognized on an annual basis for the school year to which it applies.

Interest revenue is recorded as earned.

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

**c) 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. Estimates used include the useful life of capital assets and the net realizable value of accounts receivable.





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

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED AUGUST 31, 2011**

**2. Capital assets**

	2011			2010 Net
	Cost	Accumulated Amortization	Net	
Computer hardware	\$ 59,023	\$ 48,055	\$ 10,968	\$ 5,572
Computer software	540	270	270	-
Furniture and equipment	8,216	6,442	1,774	1,026
Leasehold improvements	<u>19,850</u>	<u>1,985</u>	<u>17,865</u>	<u>-</u>
	<u>\$ 87,629</u>	<u>\$ 56,752</u>	<u>\$ 30,877</u>	<u>\$ 6,598</u>

**3. Deferred contributions related to capital assets**

Deferred contributions related to capital assets represent restricted contributions with which the organization purchased capital assets. The changes in the deferred contributions balance for the year are as follows:

	2011	2010
Balance - beginning of the year	\$ -	\$ -
Add: Contributions received and assets purchased	10,000	-
Less: Amounts amortized to revenue	<u>(1,000)</u>	<u>-</u>
Balance - end of the year	<u>\$ 9,000</u>	<u>\$ -</u>

**4. Investment in capital assets**

Investment in capital assets consist of:

	2011	2010
Capital	\$ 30,877	\$ 6,598
Less: Deferred contributions related to capital assets	<u>(9,000)</u>	<u>-</u>
	<u>\$ 21,877</u>	<u>\$ 6,598</u>

**5. 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.



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

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED AUGUST 31, 2011**

**5. Restricted funds (continued)**

**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.

**Student Life Centre Fund**

Surplus from Student Life Centre 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.

**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 periodontal 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, \$2,000, 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.

**6. Related party transactions**

During the year, \$96,228 (2010 - \$64,280) was paid to executive and board members as stipends. These transactions are in the normal course of operations and are measured at the exchange amount of consideration established and agreed to by the related parties.



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

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED AUGUST 31, 2011**

**7. 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) Concentration of credit risk**

Included in accounts receivable are \$5,400 of Theology fees from Queen's University . This is not considered a credit risk.

Cash and investments are held at a major Canadian financial institution

**8. 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.



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

**SCHEDULE OF PAYOUTS TO OTHER ORGANIZATIONS  
FOR THE YEAR ENDED AUGUST 31, 2011**

	<u>2011</u>	<u>2010</u>
AMS Food Bank	\$ 3,002	\$ 3,264
Ban Righ Centre	2,929	3,228
Canadian Federation of Students	60,064	58,543
Dawn House Women's Shelter	1,617	1,723
Education Graduate Students Society	2,538	2,575
Education Students' Society	6,784	5,567
Four Directions Aboriginal Centre	2,893	3,193
Graduate Club	59,435	64,675
Graduate Computing Society	1,240	1,200
HIV/AIDS Regional Support	2,964	3,256
International Affairs	2,839	3,170
Kingston Coalition Against Poverty	7,323	8,013
Kingston Youth Shelter	2,774	2,987
Law Student Society	37,863	36,149
Legal Aid	-	16,642
MSCOT and MSCPT	7,630	7,812
Ontario Public Interest Research Group	11,984	13,410
Oxfam	2,948	-
Positive space	810	862
QISS Bursary	1,918	2,075
Queen's AMS for Education Students Society	-	25,551
Queen's Day Care Centre	2,931	3,228
Reelout Queer Film and Video Festival	4,593	5,105
Sexual Assault Crisis Centre	-	4,626
Sexual Health Resource Centre	2,508	-
Sports Fund	1,187	200
Student Advisors	17,929	16,242
Student Refugee Support	8,851	9,714
Sustainability Action Fund	1,164	-
Telephone Aid Line Kingston	-	1,676
Union Gallery	4,270	4,740
Yellow Bike Action Group	<u>1,572</u>	<u>1,702</u>
	<u>\$ 264,560</u>	<u>\$ 311,128</u>

