

Financial Statements of

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

For the year ended April 30, 2021

SOCIETY OF GRADUATE AND PROFESSIONAL STUDENTS OF QUEEN'S UNIVERSITY

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INDEPENDENT AUDITORS' REPORT

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

Opinion

We have audited the financial statements of the Society of Graduate and Professional Students of Queen's University (the "Entity"), which comprise:

- the statement of financial position as at April 30, 2021
- the statement of operations for the year then ended
- the statement of changes in net assets for the year then ended
- the statement of cash flows for the year then ended
- and notes to the financial statements, including a summary of significant accounting policies

(Hereinafter referred to as the "financial statements").

In our opinion, the accompanying financial statements, present fairly, in all material respects, the financial position of the Entity as at April 30, 2021, and its results of operations and its cash flows for the year then ended 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 "**Auditors' Responsibilities for the Audit of the Financial Statements**" section of our auditors' report.

We are independent of the Entity 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.



Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the 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 Entity'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 Entity or to cease operations, or has no realistic alternative but to do so.

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

Auditors' 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 auditors' 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 the 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 Entity's internal control.
- 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 Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' 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 auditors' report. However, future events or conditions may cause the Entity 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.
- 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.

KPMG LLP

Chartered Professional Accountants, Licensed Public Accountants

Kingston, Canada

November 23, 2021

SOCIETY OF GRADUATE AND PROFESSIONAL STUDENTS OF QUEEN'S UNIVERSITY

Statement of Financial Position

April 30, 2021, with comparative information for April 30, 2020

	2021	2020
Assets		
Current assets:		
Cash and cash equivalents	\$ 993,073	\$ 1,077,328
Short-term investments (note 2)	1,100,000	650,000
Accounts receivable (note 2)	30,283	38,150
Queen's University at Kingston recovery	3,996	–
	2,127,352	1,765,478
Capital assets (note 3)	25,645	29,918
	\$ 2,152,997	\$ 1,795,396
Liabilities, Deferred Contributions and Net Assets		
Current liabilities:		
Accounts payable and accrued liabilities (note 9)	\$ 227,491	\$ 193,717
Queen's University at Kingston recovery	–	9,394
	227,491	203,111
Net assets:		
General Fund	1,295,714	1,200,588
Capital Fund (notes 5 and 6(a))	25,645	29,918
Health Plan Fund (note 6(b))	604,147	361,779
	1,925,506	1,592,285
Commitment (note 11)		
	\$ 2,152,997	\$ 1,795,396

See accompanying notes to financial statements.

Approved on behalf of the Executive:

_____ President

_____ Vice-President, Finance and Services

SOCIETY OF GRADUATE AND PROFESSIONAL STUDENTS OF QUEEN'S UNIVERSITY

Statement of Operations

Year ended April 30, 2021, with comparative information for the year ended April 30, 2020

	2021	2020
Revenue:		
Student fees:		
Collected	\$ 908,775	\$ 1,411,921
Paid to other organizations (note 7(a) and Schedule A)	(419,890)	(868,878)
Net student fees	488,885	543,043
Health and dental plan:		
Collected	2,036,643	2,221,462
Paid to service provider	(1,744,499)	(1,944,789)
Net health and dental plan	292,144	276,673
Other:		
Amortization of capital contributions	–	1,000
Interest income	14,655	24,947
Social events	15	5,031
	14,670	30,978
Total revenue	795,699	850,694
Expenses:		
Wages and benefits	177,263	192,823
Honoraria and stipends (note 7(b))	104,217	92,947
Space costs	70,073	80,314
Bursaries and grants	21,914	37,321
Professional fees	18,079	40,305
Sundry	14,689	23,949
Office and other	11,435	13,199
Insurance	10,962	10,738
Amortization of capital assets	9,514	13,501
Telephone	9,056	9,144
Advertising	7,254	13,453
Council and committees	5,224	7,364
Social events	2,798	14,532
Executive conferences and professional development	–	3,884
	462,478	553,474
Excess of revenue over expenses	\$ 333,221	\$ 297,220

See accompanying notes to financial statements.

SOCIETY OF GRADUATE AND PROFESSIONAL STUDENTS OF QUEEN'S UNIVERSITY

Statement of Changes in Net Assets

Year ended April 30, 2021, with comparative information for 2020

	General Fund	Capital Fund	Health Plan Fund	2021 Total	2020 Total
Balance, beginning of year	\$ 1,200,588	\$ 29,918	\$ 361,779	\$ 1,592,285	\$ 1,295,065
Excess of revenue over expenses (expenses over revenue)	100,367	(9,514)	242,368	333,221	297,220
Net change in investment in capital assets	(5,241)	5,241	–	–	–
Balance, end of year	\$ 1,295,714	\$ 25,645	\$ 604,147	\$ 1,925,506	\$ 1,592,285

See accompanying notes to financial statements.

SOCIETY OF GRADUATE AND PROFESSIONAL STUDENTS OF QUEEN'S UNIVERSITY

Statement of Cash Flows

Year ended April 30, 2021, with comparative information for 2020

	2021	2020
Cash provided by (used in):		
Operating activities:		
Excess of revenue over expenses	\$ 333,221	\$ 297,220
Items not involving cash:		
Amortization of deferred capital contributions	–	(1,000)
Amortization of capital assets	9,514	13,501
Change in non-cash operating working capital:		
Accounts receivable	7,867	(25,747)
Accounts payable and accrued liabilities	33,774	51,114
Queen's University at Kingston recovery	(13,390)	8,774
Deferred revenue	–	(1,078)
	370,986	342,784
Investing activities:		
Repayment of loan receivable	–	21,011
Increase in short-term investments	(450,000)	(150,000)
Purchase of capital assets	(5,241)	–
	(455,241)	(128,989)
Increase (decrease) in cash and cash equivalents	(84,255)	213,795
Cash and cash equivalents, beginning of year	1,077,328	863,533
Cash and cash equivalents, end of year	\$ 993,073	\$ 1,077,328

See accompanying notes to financial statements.

SOCIETY OF GRADUATE AND PROFESSIONAL STUDENTS OF QUEEN'S UNIVERSITY

Notes to Financial Statements

Year ended April 30, 2021

The Society of Graduate and Professional Students of Queen's University (the "Organization") 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 Queen's University at Kingston and other organizations, to facilitate communication between its members and graduate and professional students at other universities, to provide services to its members, 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:

The financial statements have been prepared by management in accordance with Canadian accounting standards for not-for-profit organizations in Part III of the CPA Canada Handbook – Accounting.

(a) Financial instruments:

Financial instruments are recorded at fair value on initial recognition. Freestanding derivative instruments that are not in a qualifying hedging relationship and equity instruments that are quoted in an active market are subsequently measured at fair value. All other financial instruments are subsequently recorded at cost or amortized cost, unless management has elected to carry the instruments at fair value.

Financial assets are assessed for impairment on an annual basis at the end of the fiscal year if there are indicators of impairment. If there is an indicator of impairment, the Organization determines if there is a significant adverse change in the expected amount of timing of future cash flows from the financial asset. If there is a significant adverse change in the expected cash flows, the carrying value of the financial asset is reduced to the highest of the present value of the expected cash flows, the amount that could be realized from selling the financial asset or the amount the Organization expects to realize by exercising its right to any collateral. If events and circumstances reverse in a future period, an impairment loss will be reserved to the extent of the improvement, not exceeding the initial carrying value.

SOCIETY OF GRADUATE AND PROFESSIONAL STUDENTS OF QUEEN'S UNIVERSITY

Notes to Financial Statements (continued)

Year ended April 30, 2021

1. Significant accounting policies (continued):

(b) Capital assets:

Capital assets are recorded at cost. Capital assets are amortized on a straight-line basis using the following useful lives:

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

When a capital asset no longer contributes to the Organization's ability to provide services, its carrying amount is written down to its residual value.

(c) 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 expenses 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 fees and health and dental plan revenue are recognized in the year received.

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

Interest income is recognized as it is earned.

(d) Cash and cash equivalents:

Cash and cash equivalents include cash on hand and short-term deposits with original maturities of less than three months.

(e) Use of estimates:

The preparation of financial statements 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 revenue and expenses during the year. Actual results could differ from these estimates.

SOCIETY OF GRADUATE AND PROFESSIONAL STUDENTS OF QUEEN'S UNIVERSITY

Notes to Financial Statements (continued)

Year ended April 30, 2021

2. Investments:

The Organization's short-term investments are comprised of guaranteed investment certificates earning a rate of interest of 0.55% annually, maturing October 2021. These investments were not re-invested subsequent to year-end.

Interest earned in the amount of \$7,392 (2020 - \$14,917) relating to these investments is included in interest income on the Statement of Operations, and accounts receivable on the Statement of Financial Position.

3. Capital assets:

	Cost	Accumulated amortization	2021 Net book value	2020 Net book value
Computer hardware	\$ 72,317	\$ 67,679	\$ 4,638	\$ 261
Computer software	1,858	1,513	345	534
Furniture and equipment	37,281	32,937	4,344	8,293
Leasehold improvements	58,352	42,034	16,318	20,830
	<u>\$ 169,808</u>	<u>\$ 144,163</u>	<u>\$ 25,645</u>	<u>\$ 29,918</u>

Cost and accumulated amortization at April 30, 2020 amounted to \$164,566 and 134,648, respectively.

Capital assets have been reviewed for full or partial impairment and management has determined there are none.

4. 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 period are as follows:

	2021	2020
Balance, beginning of period	\$ —	\$ 1,000
Less: amounts amortized to revenue	—	(1,000)
Balance, end of period	<u>\$ —</u>	<u>\$ —</u>

SOCIETY OF GRADUATE AND PROFESSIONAL STUDENTS OF QUEEN'S UNIVERSITY

Notes to Financial Statements (continued)

Year ended April 30, 2021

5. Capital fund:

The balance of the capital fund consists of:

	2021	2020
Capital assets	\$ 25,645	\$ 29,918
Less: deferred contributions related to capital assets	–	–
	\$ 25,645	\$ 29,918

6. Restricted funds:

The Board of Directors has internally restricted funds as follows:

(a) Capital Fund:

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

(b) Health Plan Fund:

Surplus, net of administration costs, from the Health Plan is kept in a separate fund to be used for any shortfalls in Health Plan revenue and expenses.

7. Related party transactions:

(a) Sexual Health Resource Centre:

The Organization exercises influence over the Sexual Health Resource Centre (SHRC) by virtue of its ability to vote on the SHRC's Management Board, which oversees the long-term strategic planning and financial operations of the SHRC. The SHRC is a confidential, non-judgmental, pro-choice, feminist and queer information and referral service on sexuality and sexual health.

During the period, the Organization collected \$528 in student fees (2020 - \$3,290) that was subsequently paid to the SHRC. These payments are included in payments to other organizations on the Statement of Operations.

(b) Executive and Board:

During the period, \$104,217 (2020 - \$92,947) 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 Financial Statements (continued)

Year ended April 30, 2021

8. Financial instrument risks:

The Organization is not exposed to any significant risks relating to its financial instruments. Cash and investment balances are held at a major Canadian financial institution. There have been no changes in the Organization's risk exposure from the previous period.

9. Accounts payable and accrued liabilities:

Included in accounts payable and accrued liabilities are government remittances payable of \$Nil (2020 - \$Nil), which includes amounts payable for harmonized sales tax and payroll-related taxes.

10. Commitment:

In 2020, the Organization entered into an agreement with the Alma Mater Society of Queen's University Inc. and Queen's University at Kingston to redevelop the John Deutsch University Centre.

The Organization has committed \$5,957,500 to this redevelopment. Beginning in fiscal 2020, the Organization collected and remitted \$40 per registration and will continue to do so until the committed amount is contributed. As at April 30, 2021, the total amount collected during the year was \$183,018 (2020 - \$190,232), reducing the outstanding commitment to \$5,584,250.

11. Impact of COVID-19:

In March 2020, the COVID-19 outbreak was declared a pandemic by the World Health Organization and has had a significant financial, market and social dislocating impact.

At the time of approval of these financial statements, the Organization has experienced the following indicators of financial implications and undertaken the following activities in relation to the COVID-19 pandemic.

- Closure of all the Organization's offices including the Main Office on Queen's Campus based on public health recommendations.
- Mandatory working from home requirements for all staff. If staff must come into the office, they must receive the approval of both the President and the Executive Director beforehand.
- Any in person events that would have been run by our organization were canceled based on public health recommendations.
- All financial transactions have been moved from cheques to electronic funds transfer or payment via Visa.
- Front desk employees were temporarily terminated.

SOCIETY OF GRADUATE AND PROFESSIONAL STUDENTS OF QUEEN'S UNIVERSITY

Notes to Financial Statements (continued)

Year ended April 30, 2021

11. Impact of COVID-19 (continued):

The Organization continues to respond to the pandemic and plan for continued operational and financial impacts during the 2022 fiscal year and beyond. Management has assessed the impact of COVID-19 and believes there are no significant financial issues as the Organization has access to sufficient financial resources to sustain operations in the coming year. The outcome and time frame to a recovery from the current pandemic is highly unpredictable, thus it is not practicable to estimate and disclose its financial effect on future operations at this time.

SOCIETY OF GRADUATE AND PROFESSIONAL STUDENTS OF QUEEN'S UNIVERSITY

Schedule A - Payouts to Other Organizations

Year ended April 30, 2021, with comparative information for 2020

	2021	2020
Canadian Federation of Students	\$ 80,728	\$ 55,103
Graduate Club	63,920	67,532
Walkhome	43,354	56,995
Law Student Society	36,730	38,666
Legal Aid	23,117	17,905
School of Medicine Fee	18,228	17,383
Queen's Journal	16,182	11,538
Student Refugee Support	16,090	11,754
Ontario Public Interest Research Group	14,949	15,302
Ban Righ Centre	13,871	14,265
Union Gallery	9,570	9,801
Kingston Coalition Against Poverty	8,572	8,674
Loving Spoonful	6,973	7,063
MSCOT and MSCPT	6,616	6,342
Centre for Teaching	6,473	4,910
AMS Food Bank	5,915	4,461
Reelout Queer Film and Video Festival	5,816	5,923
Four Directions Aboriginal Centre	4,623	4,754
Sexual Assault Centre	4,485	4,510
Education Students Society Fee	3,792	2,625
Kingston Youth Shelter	3,562	3,605
HIV/AIDS Regional Support	3,470	3,515
Queen's Day Care Centre	3,402	3,452
Camp Outlook	3,388	3,459
QISS Bursary	3,283	2,421
International Affairs	3,215	3,286
Talkit	2,640	2,642
Bus It	2,479	458,460
Urban and Regional Planning Society	1,339	1,200
Graduate Computing Society	1,164	800
Public Health Science Student Association	939	980
Sexual Health Resource Centre	528	3,290
Kinesiology and Health Studies	437	663
Graduate Geography Student Council Fees	40	1,460
Campus Observation Room	-	2,377
Education Graduate Students Society	-	6,073
Levana	-	2,750
Oxfam	-	2,939
	\$ 419,890	\$ 868,878