

Financial Statements of

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

For the year ended April 30, 2022

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, 2022
- 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, 2022, 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.



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- 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

October 18, 2022

SOCIETY OF GRADUATE AND PROFESSIONAL STUDENTS OF QUEEN'S UNIVERSITY

Statement of Financial Position

April 30, 2022, with comparative information for 2021

	2022	2021
Assets		
Current assets:		
Cash	\$ 2,252,632	\$ 993,073
Short-term investments (note 2)	–	1,100,000
Accounts receivable	–	30,283
Queen's University at Kingston recovery	9,066	3,996
	2,261,698	2,127,352
Capital assets (note 3)	16,326	25,645
	\$ 2,278,024	\$ 2,152,997

Liabilities and Net Assets

Current liabilities:		
Accounts payable and accrued liabilities (note 7)	\$ 306,731	\$ 227,491
Net assets:		
General Fund	951,498	1,295,714
Capital Fund (note 4(a))	16,326	25,645
Health Plan Fund (note 4(b))	960,706	604,147
Student Life Centre Fund (note 4(c))	42,763	–
	1,971,293	1,925,506
Commitment (note 8)		
	\$ 2,278,024	\$ 2,152,997

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, 2022, with comparative information for 2021

	2022	2021
Revenue:		
Student fees:		
Collected	\$ 1,057,273	\$ 908,775
Paid to other organizations (note 5(a) and Schedule A)	(489,128)	(419,890)
Net student fees	568,145	488,885
Health and dental plan:		
Collected	2,469,972	2,036,643
Paid to service provider	(2,513,413)	(1,744,499)
Net health and dental plan	(43,441)	292,144
Other:		
Interest income	12,411	14,655
Social events	-	15
	12,411	14,670
Total revenue	537,115	795,699
Expenses:		
Wages and benefits	156,370	177,263
Honoraria and stipends (note 5(b))	121,068	104,217
Space costs	81,850	70,073
Professional fees	64,849	18,079
Bursaries and grants	18,319	21,914
Sundry	10,099	14,689
Amortization of capital assets	9,319	9,514
Office and other	9,309	11,435
Telephone	5,145	9,056
Council and committees	4,560	5,224
Advertising	3,974	7,254
Insurance	3,022	10,962
Social events	2,399	2,798
Executive conferences and professional development	1,045	-
	491,328	462,478
Excess of revenue over expenses	\$ 45,787	\$ 333,221

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, 2022, with comparative information for 2021

	General Fund	Capital Fund (note 4(a))	Health Plan Fund (note 4(b))	Student Life Centre Fund (note 4(c))	2022 Total	2021 Total
Balances, beginning of year	\$ 1,295,714	\$ 25,645	\$ 604,147	\$ –	\$ 1,925,506	\$ 1,592,285
Excess of revenue over expenses (expenses over revenue)	55,784	(9,319)	(43,441)	42,763	45,787	333,221
Internal transfer	(400,000)	–	400,000	–	–	–
Balances, end of year	\$ 951,498	\$ 16,326	\$ 960,706	\$ 42,763	\$ 1,971,293	\$ 1,925,506

See accompanying notes to financial statements.

SOCIETY OF GRADUATE AND PROFESSIONAL STUDENTS OF QUEEN'S UNIVERSITY

Statement of Cash Flows

Year ended April 30, 2022, with comparative information for 2021

	2022	2021
Cash provided by (used in):		
Operating activities:		
Excess of revenue over expenses	\$ 45,787	\$ 333,221
Items not involving cash:		
Amortization of capital assets	9,319	9,514
Change in non-cash operating working capital:		
Accounts receivable	30,283	7,867
Accounts payable and accrued liabilities	79,240	33,774
Queen's University at Kingston recovery	(5,070)	(13,390)
	159,559	370,986
Investing activities:		
Redemption (purchase) of short-term investments	1,100,000	(450,000)
Purchase of capital assets	-	(5,241)
	1,100,000	(455,241)
Increase (decrease) in cash	1,259,559	(84,255)
Cash, beginning of year	993,073	1,077,328
Cash, end of year	\$ 2,252,632	\$ 993,073

See accompanying notes to financial statements.

SOCIETY OF GRADUATE AND PROFESSIONAL STUDENTS OF QUEEN'S UNIVERSITY

Notes to Financial Statements

Year ended April 30, 2022

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. Financial instruments are subsequently recorded at cost or amortized cost, unless management has elected to carry the instruments at fair value. The Organization has not elected to subsequently carry its financial instruments at fair value.

Transaction costs incurred on the acquisition of financial instruments measured subsequently at fair value are expensed as incurred. All other financial instruments are adjusted by transaction costs incurred on acquisition and financing costs, which are amortized using the straight-line method.

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 or 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 reversed 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, 2022

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

The carrying value of an item of capital assets is tested for recoverability whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized when the carrying amount is not recoverable and exceeds its fair 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) 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, 2022

2. Investments:

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

Interest earned in the amount of \$7,392 (2021 - \$14,917) relating to these investments is included in interest income on the Statement of Operations.

3. Capital assets:

	Cost	Accumulated amortization	2022 Net book value	2021 Net book value
Computer hardware	\$ 72,317	\$ 69,652	\$ 2,665	\$ 4,638
Computer software	1,858	1,701	157	345
Furniture and equipment	37,281	36,245	1,036	4,344
Leasehold improvements	58,352	45,884	12,468	16,318
	<u>\$ 169,808</u>	<u>\$ 153,482</u>	<u>\$ 16,326</u>	<u>\$ 25,645</u>

Cost and accumulated amortization at April 30, 2021 amounted to \$169,808 and 144,163, respectively.

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

4. 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 future shortfalls in Health Plan revenue and expenses.

(c) Student Life Centre Fund:

Surplus from the Student Life Centre is kept in a separate fund to be used to fund future space costs incurred by the Organization.

SOCIETY OF GRADUATE AND PROFESSIONAL STUDENTS OF QUEEN'S UNIVERSITY

Notes to Financial Statements (continued)

Year ended April 30, 2022

5. 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 \$4,710 in student fees (2021 - \$528) 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 year, \$121,068 (2021 - \$104,217) 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.

6. 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.

7. Accounts payable and accrued liabilities:

Included in accounts payable and accrued liabilities are government remittances payable of \$Nil (2021 - \$Nil).

8. 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. During the fiscal 2022 year, the total amount collected was \$205,836 (2021 - \$183,018), reducing the outstanding commitment to \$5,378,414 (2021 - \$5,584,250).

SOCIETY OF GRADUATE AND PROFESSIONAL STUDENTS OF QUEEN'S UNIVERSITY

Schedule A - Payouts to Other Organizations

Year ended April 30, 2022, with comparative information for 2021

	2022	2021
Canadian Federation of Students	\$ 89,016	\$ 80,728
Graduate Club	79,500	63,920
Walkhome	62,535	43,354
Law Student Society	36,344	36,730
Legal Aid	25,317	23,117
School of Medicine Fee	19,245	18,228
Ontario Public Interest Research Group	18,481	14,949
Queen's Journal	17,722	16,182
Student Refugee Support	17,621	16,090
Ban Righ Centre	15,192	13,871
Union Gallery	11,823	9,570
Loving Spoonful	8,330	6,973
Education Students Society Fee	7,418	3,792
Reelout Queer Film and Video Festival	7,147	5,816
Centre for Teaching	7,089	6,473
MSCOT and MSCPT	6,748	6,616
AMS Food Bank	6,533	5,915
Sexual Assault Centre	5,301	4,485
Four Directions Aboriginal Centre	5,063	4,623
Sexual Health Resource Centre	4,710	528
Kingston Youth Shelter	4,221	3,562
HIV/AIDS Regional Support	4,153	3,470
Queen's Day Care Centre	4,096	3,402
Camp Outlook	4,080	3,388
International Affairs	3,983	3,215
QISS Bursary	3,596	3,283
Talkit	3,137	2,640
Campus Observation Room	2,531	-
Education Graduate Students Society	1,819	-
Graduate Computing Society	1,650	1,164
Urban and Regional Planning Society	1,260	1,339
Graduate Geography Student Council Fees	1,260	40
Public Health Science Student Association	1,210	939
Kinesiology and Health Studies	997	437
Kingston Coalition Against Poverty	-	8,572
Bus It	-	2,479
	\$ 489,128	\$ 419,890