Financial Statements of

SOCIETY OF GRADUATE AND PROFESSIONAL STUDENTS OF QUEEN'S UNIVERSITY

For the year ended April 30, 2023

SOCIETY OF GRADUATE AND PROFESSIONAL STUDENTS OF QUEEN'S UNIVERSITY

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INDEPENDENT AUDITOR'S 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, 2023
- 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, 2023, 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 "***Auditor's Responsibilities for the Audit of the Financial Statements***" section of our auditor's 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.

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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.

Auditor's 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 auditor's 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 auditor’s 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 auditor’s 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 24, 2023

SOCIETY OF GRADUATE AND PROFESSIONAL STUDENTS OF QUEEN'S UNIVERSITY

Statement of Financial Position

April 30, 2023, with comparative information for 2022

	2023	2022
Assets		
Current assets:		
Cash	$ 3,966,762	$ 2,252,632
Queen's University at Kingston recovery	7,734	9,066
	3,974,496	2,261,698
Capital assets (note 2)	11,593	16,326
	$ 3,986,089	$ 2,278,024
Liabilities and Net Assets		
Current liabilities:		
Accounts payable and accrued liabilities (note 6)	$ 2,084,685	$ 306,731
Net assets:		
General Fund	1,094,132	951,498
Capital Fund (note 3(a))	11,593	16,326
Health Plan Fund (note 3(b))	752,916	960,706
Student Life Centre Fund (note 3(c))	42,763	42,763
	1,901,404	1,971,293
Commitment (note 7)		
	$ 3,986,089	$ 2,278,024

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, 2023, with comparative information for 2022

	2023	2022
Revenue:		
Student fees:		
Collected	$ 1,689,538	$ 1,057,273
Paid to other organizations (note 4(a) and Schedule A)	(1,043,202)	(489,128)
Net student fees	646,336	568,145
Health and dental plan:		
Collected	2,495,766	2,469,972
Paid to service provider	(2,703,556)	(2,513,413)
Net health and dental plan	(207,790)	(43,441)
Other:		
Interest income	493	12,411
Social events	245	–
	738	12,411
Total revenue	439,284	537,115
Expenses:		
Wages and benefits	120,435	156,370
Honoraria and stipends (note 4(b))	108,167	121,068
Space costs	92,967	81,850
Professional fees	63,152	64,849
Bursaries and grants	61,007	18,319
Sundry	12,034	10,099
Insurance	11,644	3,022
Office and other	8,122	9,309
Amortization of capital assets	7,342	9,319
Council and committees	6,351	4,560
Advertising	6,076	3,974
Telephone	5,524	5,145
Social events	5,572	2,399
Executive conferences and professional development	780	1,045
	509,173	491,328
Excess (deficiency) of expenses over revenue	$ (69,889)	$ 45,787

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, 2023, with comparative information for 2022

	General Fund	Capital Fund (note 3(a))	Health Plan Fund (note 3(b))	Student Life Centre Fund (note 3(c))	2023 Total	2022 Total
Balances, beginning of year	$ 951,498	$ 16,326	$ 960,706	$ 42,763	$ 1,971,293	$ 1,925,506
Excess (deficiency) of revenue over expenses	142,634	(4,733)	(207,790)	–	(69,889)	45,787
Balances, end of year	$ 1,094,132	$ 11,593	$ 752,916	$ 42,763	$ 1,901,404	$ 1,971,293

See accompanying notes to financial statements.

SOCIETY OF GRADUATE AND PROFESSIONAL STUDENTS OF QUEEN'S UNIVERSITY

Statement of Cash Flows

Year ended April 30, 2023, with comparative information for 2022

	2023	2022
Cash provided by (used in):		
Operating activities:		
Excess (deficiency) of revenue over expenses	$ (69,889)	$ 45,787
Items not involving cash:		
Amortization of capital assets	7,342	9,319
Change in non-cash operating working capital:		
Accounts receivable	–	30,283
Prepaid expenses	1,332	–
Accounts payable and accrued liabilities	1,777,954	79,240
Queen's University at Kingston recovery	–	(5,070)
	1,716,739	159,559
Investing activities:		
Redemption of short-term investments	–	1,100,000
Purchase of capital assets	(2,609)	–
	(2,609)	1,100,000
Increase in cash	1,714,130	1,259,559
Cash, beginning of year	2,252,632	993,073
Cash, end of year	$ 3,966,762	$ 2,252,632

See accompanying notes to financial statements.

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.

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.

2. Capital assets:

	Cost	Accumulated amortization	2023 Net book value	2022 Net book value
Computer hardware	$ 74,926	$ 71,951	$ 2,975	$ 2,665
Computer software	1,858	1,858	–	157
Furniture and equipment	37,281	37,281	–	1,036
Leasehold improvements	58,352	49,734	8,618	12,468
	$ 172,417	$ 160,824	$ 11,593	$ 16,326

Cost and accumulated amortization at April 30, 2022 amounted to $169,808 and 153,482, respectively.

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

3. 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.

4. 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 $4,561 in student fees (2022 - $4,710) 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, $108,167 (2022 - $121,068) 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.

5. 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.

6. Accounts payable and accrued liabilities:

Included in accounts payable and accrued liabilities are government remittances payable of $Nil (2022 - $Nil).

7. 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 for $5,957,500. In June 2022, this agreement was amended to increase the contribution amount to $9,152,000.

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 2023 year, the total amount collected was $210,355 (2022 - $205,836), reducing the outstanding commitment to $8,362,559.

SOCIETY OF GRADUATE AND PROFESSIONAL STUDENTS OF QUEEN'S UNIVERSITY

Schedule A - Payouts to Other Organizations

Year ended April 30, 2023, with comparative information for 2022

	2023	2022
Canadian Federation of Students	$ 89,143	$ 89,016
Graduate Club	72,820	79,500
Walkhome	62,959	62,535
Law Student Society	37,416	36,344
Legal Aid	24,516	25,317
School of Medicine Fee	19,390	19,245
Ontario Public Interest Research Group	16,757	18,481
Queen's Journal		17,722
Student Refugee Support	17,064	17,621
Ban Righ Centre	14,747	15,192
Union Gallery	10,770	11,823
Loving Spoonful		8,330
Education Students Society Fee	6,990	7,418
Reelout Queer Film and Video Festival	6,521	7,147
Centre for Teaching	6,864	7,089
MSCOT and MSCPT	7,532	6,748
AMS Food Bank	6,570	6,533
Sexual Assault Centre	4,918	5,301
Four Directions Aboriginal Centre	4,903	5,063
Sexual Health Resource Centre	4,561	4,710
Kingston Youth Shelter	3,920	4,221
HIV/AIDS Regional Support	3,848	4,153
Queen's Day Care Centre	3,785	4,096
Camp Outlook	3,769	4,080
International Affairs		3,983
QISS Bursary	3,482	3,596
Talkit	2,894	3,137
Campus Observation Room	2,451	2,531
Education Graduate Students Society	1,656	1,819
Graduate Computing Society	1,600	1,650
Urban and Regional Planning Society	–	1,260
Graduate Geography Student Council Fees	920	1,260
Public Health Science Student Association	1,245	1,210
Kinesiology and Health Studies	984	997
Kingston Coalition Against Poverty		–
Bus It	598,207	–
	$ 1,043,202	$ 489,128