Financial Statements of

SOCIETY OF GRADUATE AND PROFESSIONAL STUDENTS OF QUEEN'S UNIVERSITY

For the year ended April 30, 2024

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, 2024
- 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, 2024, 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.

KPMG LLP, an Ontario limited liability partnership and member firm of the KPMG global organization of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee. KPMG Canada provides services to KPMG LLP.

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 15, 2024

SOCIETY OF GRADUATE AND PROFESSIONAL STUDENTS OF QUEEN'S UNIVERSITY

Statement of Financial Position

April 30, 2024, with comparative information for 2023

	2024	2023
Assets		
Current assets:		
Cash	$ 1,408,809	$ 3,966,762
Investments (note 7)	799,505	–
Accounts receivable	13,295	–
Queen's University at Kingston recovery	8,226	7,734
	2,229,835	3,974,496
Capital assets (note 2)	5,118	11,593
	$ 2,234,953	$ 3,986,089
Liabilities and Net Assets		
Current liabilities:		
Accounts payable and accrued liabilities (note 6)	$ 298,125	$ 2,084,685
Net assets:		
General Fund	1,140,658	1,094,132
Capital Fund (note 3(a))	18,068	11,593
Health Plan Fund (note 3(b))	735,339	752,916
Student Life Centre Fund (note 3(c))	42,763	42,763
	1,936,828	1,901,404
Commitment (note 8)		
	$ 2,234,953	$ 3,986,089

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, 2024, with comparative information for 2023

	2024	2023
Revenue:		
Student fees:		
Collected	$ 1,688,835	$ 1,689,538
Paid to other organizations (note 4(a) and Schedule A)	(1,108,524)	(1,043,202)
Net student fees	580,311	646,336
Health and dental plan:		
Collected	2,712,402	2,495,766
Paid to service provider	(2,729,979)	(2,703,556)
Net health and dental plan	(17,577)	(207,790)
Other:		
Unrealized gain on investments	44,061	–
Interest income	8,211	493
Other income	13,391	–
Social events	297	245
	65,960	738
Total revenue	628,694	439,284
Expenses:		
Wages and benefits	129,250	120,435
Honoraria and stipends (note 4(b))	133,346	108,167
Space costs	99,771	92,967
Professional fees	67,606	63,152
Bursaries and grants	92,645	61,007
Sundry	11,616	12,034
Insurance	10,476	11,644
Office and other	15,958	8,122
Amortization of capital assets	6,475	7,342
Council and committees	5,362	6,351
Advertising	9,516	6,076
Telephone	5,423	5,524
Social events	4,548	5,572
Executive conferences and professional development	1,278	780
	593,270	509,173
Excess (deficiency) of expenses over revenue	$ 35,424	$ (69,889)

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, 2024, with comparative information for 2023

	General Fund	Capital Fund (note 3(a))	Health Plan Fund (note 3(b))	Student Life Centre Fund (note 3(c))	2024 Total	2023 Total
Balances, beginning of year	$ 1,094,132	$ 11,593	$ 752,916	$ 42,763	$ 1,901,404	$ 1,971,293
Excess (deficiency) of revenue over expenses	46,526	6,475	(17,577)	–	35,424	(69,889)
Balances, end of year	$ 1,140,658	$ 18,068	$ 735,339	$ 42,763	$ 1,936,828	$ 1,901,404

See accompanying notes to financial statements.

SOCIETY OF GRADUATE AND PROFESSIONAL STUDENTS OF QUEEN'S UNIVERSITY

Statement of Cash Flows

Year ended April 30, 2024, with comparative information for 2023

	2024	2023
Cash provided by (used in):		
Operating activities:		
Excess (deficiency) of revenue over expenses	$ 35,424	$ (69,889)
Items not involving cash:		
Amortization of capital assets	6,475	7,342
Unrealized gain on investments	(44,061)	–
Change in non-cash operating working capital:		
Accounts receivable	(13,295)	–
Queen’s University at Kingston recovery	(492)	1,332
Accounts payable and accrued liabilities	(1,786,560)	1,777,954
	(1,802,509)	1,716,739
Investing activities:		
Purchase of investments	(755,444)	–
Purchase of capital assets	–	(2,609)
	(755,444)	(2,609)
Increase (decrease) in cash	(2,557,953)	1,714,130
Cash, beginning of year	3,966,762	2,252,632
Cash, end of year	$ 1,408,809	$ 3,966,762

See accompanying notes to financial statements.

SOCIETY OF GRADUATE AND PROFESSIONAL STUDENTS OF QUEEN'S UNIVERSITY

Notes to Financial Statements

Year ended April 30, 2024

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. Management has elected to record all investments at fair value as they are managed and evaluated on a fair value basis. All investments are quoted in an active market. Changes in fair value are recorded on the Statement of Operations in the period incurred.

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	2024 Net book value	2023 Net book value
Computer hardware	$ 74,926	$ 74,576	$ 350	$ 2,975
Computer software	1,858	1,858	–	–
Furniture and equipment	37,281	37,281	–	–
Leasehold improvements	58,352	53,584	4,768	8,618
	$ 172,417	$ 167,299	$ 5,118	$ 11,593

Cost and accumulated amortization at April 30, 2023 amounted to $172,417 and $160,824, 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 $4,780 in student fees (2023 - $4,561) 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, $133,346 (2023 - $108,167) 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 (2023 - $Nil).

7. Investments:

During the year, the Organization purchased investments in segregated funds. The market and book value of these investments at April 30, 2024 are $799,505 and $755,444, respectively.

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 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 2024 year, the total amount collected was $226,108 (2023 - $210,355), reducing the outstanding commitment to $8,136,451.

The Organization is currently in discussion with Queen's University at Kingston to determine an annual fee for the space rental in the John Deutsch University Centre.

SOCIETY OF GRADUATE AND PROFESSIONAL STUDENTS OF QUEEN'S UNIVERSITY

Schedule A - Payouts to Other Organizations

Year ended April 30, 2024, with comparative information for 2023

	2024	2023
Bus It	$ 619,985	$ 598,207
Canadian Federation of Students	95,596	89,143
Graduate Club	72,420	72,820
Walkhome	67,263	62,959
Law Student Society	37,535	37,416
Legal Aid	27,094	24,516
School of Medicine Fee	20,670	19,390
AMS Food Bank	19,705	6,570
Student Refugee Support	17,143	17,064
Ontario Public Interest Research Group	16,832	16,757
Ban Righ Centre	14,787	14,747
Queen’s Journal	14,779	–
Union Gallery	10,731	10,770
MSCOT and MSCPT	7,630	7,532
Queen's Day Care Centre	7,450	3,785
Education Students Society Fee	6,975	6,990
Centre for Teaching	6,896	6,864
Reelout Queer Film and Video Festival	6,523	6,521
Four Directions Aboriginal Centre	4,927	4,903
Sexual Assault Centre	4,866	4,918
Sexual Health Resource Centre	4,780	4,561
Kingston Youth Shelter	3,878	3,920
Camp Outlook	3,726	3,769
QISS Bursary	3,498	3,482
Talkit	2,872	2,894
Education Graduate Students Society	2,598	1,656
Campus Observation Room	2,463	2,451
Graduate Computing Society	1,806	1,600
Public Health Science Student Association	1,165	1,245
Graduate Geography Student Council Fees	1,020	920
Kinesiology and Health Studies	911	984
HIV/AIDS Regional Support	–	3,848
	$ 1,108,524	$ 1,043,202