

**ATHABASCA UNIVERSITY GRADUATE STUDENTS' ASSOCIATION**

**Financial Statements**

**Year Ended December 31, 2017**

ATHABASCA UNIVERSITY GRADUATE STUDENTS' ASSOCIATION

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Year Ended December 31, 2017

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## MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

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The financial statements of Athabasca University Graduate Students' Association have been prepared in accordance with Accounting standards for not-for-profit organizations. When alternative accounting methods exist, management has chosen those it deems most appropriate in the circumstances. These statements include certain amounts based on management's estimates and judgments. Management has determined such amounts based on a reasonable basis in order to ensure that the financial statements are presented fairly in all material respects.

The integrity and reliability of Athabasca University Graduate Students' Association 's reporting systems are achieved through the use of formal policies and procedures, the careful selection of employees and an appropriate division of responsibilities. These systems are designed to provide reasonable assurance that the financial information is reliable and accurate.

The Council is responsible for ensuring that management fulfills its responsibility for financial reporting and is ultimately responsible for reviewing and approving the financial statements.

The financial statements have been audited on behalf of the members by Chatha Professional Corporation, in accordance with Accounting standards for not-for-profit organizations.



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Ms. Lindsay McNena, President



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Mr. Ross Tyson, Executive Director

Edmonton, Alberta  
June 11, 2018

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## INDEPENDENT AUDITOR'S REPORT

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To the Members of Athabasca University Graduate Students' Association

We have audited the accompanying financial statements of Athabasca University Graduate Students' Association, which comprise the statement of financial position as at December 31, 2017 and the statements of operations, changes in net assets and cash flow 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 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.

### Auditor's 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 auditor's 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 auditor considers internal control relevant to the entity'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 entity'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.

### Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Athabasca University Graduate Students' Association as at December 31, 2017 and the results of its operations and its cash flow for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.



Edmonton, Alberta  
June 11, 2018

CHARTERED PROFESSIONAL ACCOUNTANTS

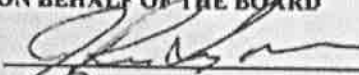
**ATHABASCA UNIVERSITY GRADUATE STUDENTS' ASSOCIATION**

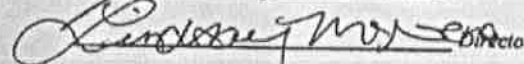
**Statement of Financial Position**

**December 31, 2017**

	<i>December 31</i> <b>2017</b>	<i>December 31</i> <b>2016</b>
<b>ASSETS</b>		
<b>CURRENT</b>		
Cash	\$ 257,155	\$ 209,311
Term deposits (Note 3)	101,075	50,749
Accounts receivable	35,755	53,833
Prepaid expenses and deposits	12,951	15,337
	<u>406,936</u>	<u>329,230</u>
<b>EQUIPMENT (Note 4)</b>	<u>2,199</u>	<u>-</u>
	<u>\$ 409,135</u>	<u>\$ 329,230</u>
<b>LIABILITIES AND NET ASSETS</b>		
<b>CURRENT</b>		
Accounts payable & accrued expenses	\$ 24,075	\$ 29,270
Employee deductions payable	248	-
	<u>24,323</u>	<u>29,270</u>
<b>NET ASSETS</b>		
General fund	<u>384,812</u>	<u>299,960</u>
	<u>\$ 409,135</u>	<u>\$ 329,230</u>

**ON BEHALF OF THE BOARD**

 Director

 Director

See notes to financial statements

**ATHABASCA UNIVERSITY GRADUATE STUDENTS' ASSOCIATION**

**Statement of Operations**

**Year Ended December 31, 2017**

	2017	2016
<b>REVENUE</b>	<b>\$ 404,681</b>	<b>\$ 403,608</b>
<b>EXPENSES</b>		
Salaries and wages	202,658	194,267
Council Honorariums	29,125	23,883
Insurance	19,580	19,484
Memberships fees	16,606	17,368
Travel expenses	13,792	25,096
Professional fees	8,400	8,400
Training and staff development	8,327	7,623
Office expenses	8,163	13,615
Sponsorship	5,250	5,354
Consulting fees	4,104	2,666
Grants and Awards	1,875	2,450
Telephone	1,141	904
Amortization	664	-
Meetings and conventions	446	12,466
Interest, bank and service charges	25	131
Meals and entertainment	-	1,388
Miscellaneous	-	2,996
	<b>320,156</b>	<b>338,091</b>
<b>EXCESS OF REVENUE OVER EXPENSES FROM OPERATIONS</b>	<b>84,525</b>	<b>65,517</b>
<b>OTHER INCOME</b>	<b>327</b>	<b>341</b>
<b>EXCESS OF REVENUE OVER EXPENSES</b>	<b>\$ 84,852</b>	<b>\$ 65,858</b>

ATHABASCA UNIVERSITY GRADUATE STUDENTS' ASSOCIATION

Statement of Changes in Net Assets

Year Ended December 31, 2017

	2017	2016
<b>NET ASSETS - BEGINNING OF YEAR</b>	<b>\$ 299,960</b>	<b>\$ 222,413</b>
Prior period adjustment <i>(Note 6)</i>	-	11,689
	<b>299,960</b>	234,102
Excess of revenue over expenses	<b>84,852</b>	65,858
<b>NET ASSETS - END OF YEAR</b>	<b>\$ 384,812</b>	<b>\$ 299,960</b>

**ATHABASCA UNIVERSITY GRADUATE STUDENTS' ASSOCIATION**

**Statement of Cash Flow**

**Year Ended December 31, 2017**

	2017	2016
<b>OPERATING ACTIVITIES</b>		
Excess of revenue over expenses	\$ 84,852	\$ 65,858
Item not affecting cash:		
Amortization	664	-
	<b>85,516</b>	<b>65,858</b>
Changes in non-cash working capital:		
Accounts receivable	18,078	25,992
Accounts payable	(5,194)	15,500
Prepaid expenses	2,386	(7,341)
Employee deductions payable	248	-
	<b>15,518</b>	<b>34,151</b>
Cash flow from operating activities	<b>101,034</b>	<b>100,009</b>
<b>INVESTING ACTIVITIES</b>		
Purchase of equipment	(2,864)	-
Term deposits	(50,326)	(341)
Cash flow used by investing activities	<b>(53,190)</b>	<b>(341)</b>
<b>INCREASE IN CASH FLOW</b>	<b>47,844</b>	<b>99,668</b>
Cash - beginning of year	209,311	109,643
<b>CASH - END OF YEAR</b>	<b>\$ 257,155</b>	<b>\$ 209,311</b>

See notes to financial statements



# ATHABASCA UNIVERSITY GRADUATE STUDENTS' ASSOCIATION

## Notes to Financial Statements

Year Ended December 31, 2017

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### 1. DESCRIPTION OF BUSINESS

Athabasca University Graduate Students' Association (the "Association") is established under section 94 of the Post-Secondary Learning Act as a not-for-profit organization that fosters a cohesive graduate student community, acts as an advocate for graduate students, and builds a positive relationship with the University. The Association qualifies for the tax-exempt status under paragraph 149(1)(l) under the Income Tax Act.

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### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO) and include the following significant accounting policies:

#### Revenue recognition

The Association receives contributions from Athabasca University. The Association follows the deferral method of accounting for contributions. Contribution revenue from the University of Athabasca, interest income earned on the contribution and other revenue are recognized in the period in which the related expenditures are incurred.

Unrestricted contributions are recognized when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Other income is unrestricted and recognized in the period earned.

Endowment contributions are recognized as direct increases in net assets.

#### Measurement uncertainty

The preparation of financial statements in conformity with Canadian accounting standards for private enterprises requires management to make estimates and assumptions that affect the reported amount of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Such estimates are periodically reviewed and any adjustments necessary are reported in earnings in the period in which they become known. Actual results could differ from these estimates.

#### Term deposits

Term deposits are recorded at fair market value. Transactions costs are expenses as incurred.

#### Equipment

Equipment is stated at cost less accumulated amortization. Equipment is amortized over their estimated useful lives at the following rates and methods:

Computer equipment	50%	declining balance method
Furniture and fixtures	20%	declining balance method

The Association regularly reviews its equipment to eliminate obsolete items. Government grants are treated as a reduction of equipment cost.

Equipment acquired during the year but not placed into use are not amortized until they are placed into use.

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ATHABASCA UNIVERSITY GRADUATE STUDENTS' ASSOCIATION

Notes to Financial Statements  
Year Ended December 31, 2017

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Contributed services

There is an insignificant amount of time by volunteers and donated materials contributed to the Association. The fair value of donated materials and services cannot be reasonably determined and are therefore not reflected in these financial statements.

Financial instruments

Financial assets and financial liabilities are initially recognized at fair value less transaction costs when the Association becomes a party to the contractual provisions of the financial instrument and subsequently measured at amortized cost with any changes recorded in the statement of operations. Financial assets include cash, term deposits, and accounts receivable. Cash and accounts receivable are measured at amortized cost. The Association currently does not hold any equity instruments that would be measured after initial recognition at fair value.

3. TERM DEPOSITS

The Association is equally invested in two term deposits earning interest at a rate of 0.8% per annum, maturing March 16 2018 and April 6, 2018.

4. EQUIPMENT

	Cost	Accumulated amortization	2017 Net book value	2016 Net book value
Computer equipment	\$ 2,517	\$ 629	\$ 1,888	\$ -
Furniture and fixtures	346	35	311	-
	<u>\$ 2,863</u>	<u>\$ 664</u>	<u>\$ 2,199</u>	<u>\$ -</u>

5. ECONOMIC DEPENDENCE

The Association receives \$404,508 (99%) of their revenue (2016 - \$403,608 ) from the University of Athabasca. Amounts recorded in accounts receivable are 96% (2016 - 99%) comprised from University of Athabasca.

6. PRIOR PERIOD ADJUSTMENT

A prior period adjustment was required to reflect the reimbursement of conference expenses in the prior year that were not recorded as accounts receivable.

7. FINANCIAL INSTRUMENTS

Unless otherwise noted, it is management's opinion that the Association is not exposed to significant credit risks arising from its financial instruments. The fair value of the instruments approximates their carrying values, unless otherwise noted.

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ATHABASCA UNIVERSITY GRADUATE STUDENTS' ASSOCIATION

Notes to Financial Statements

Year Ended December 31, 2017

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7. FINANCIAL INSTRUMENTS *(continued)*

**Credit risk**

The Association is exposed to credit risk with respect to its financial assets as reported on the statement of financial position. Credit risk is not considered significant because the Association's cash and cash equivalents are held in deposit with Canadian financial institutions in insured accounts; grants receivable are due from Athabasca University with no history of default.

**Other price risk**

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. The Association is exposed to other price risk through its investment in term deposits.

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