

FINANCIAL STATEMENTS OF

**TRENT GRADUATE STUDENTS'
ASSOCIATION**

April 30, 2019

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INDEPENDENT PRACTITIONER'S REVIEW ENGAGEMENT REPORT

To the Members of
Trent Graduate Students' Association

We have reviewed the accompanying financial statements of Trent Graduate Students' Association that comprise the statement of financial position as at April 30, 2019, and the statements of operations and changes in fund balances and cash flows 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.

Practitioner's Responsibility

Our responsibility is to express a conclusion on the accompanying financial statements based on our review. We conducted our review in accordance with Canadian generally accepted standards for review engagements, which require us to comply with relevant ethical requirements.

A review of financial statements in accordance with Canadian generally accepted standards for review engagements is a limited assurance engagement. The practitioner performs procedures, primarily consisting of making inquiries of management and others within the entity, as appropriate, and applying analytical procedures, and evaluates the evidence obtained.

The procedures performed in a review are substantially less in extent than, and vary in nature from, those performed in an audit conducted in accordance with Canadian generally accepted auditing standards. Accordingly, we do not express an audit opinion on these financial statements.

Basis for Qualified Conclusion

The Trent Graduate Students' Association does not have access to certain bank statements for an ancillary bank account for the period of May 1, 2018 to April 30, 2019. Accordingly, our verification of the activity in this account was limited to amounts recorded by management. We were not able to determine whether any adjustments might be necessary to the revenues, expenses, excess (deficiency) of revenues over expenses, assets and fund balances.

INDEPENDENT PRACTITIONER'S REVIEW ENGAGEMENT REPORT, continued

Qualified Conclusion

Based on our review, except for the effects of the matter described in the Basis for Qualified Conclusion paragraph, nothing has come to our attention that causes us to believe that the financial statements do not present fairly, in all material respects, the financial position of Trent Graduate Students' Association as at April 30, 2019, and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Chartered Professional Accountants
Licensed Public Accountants

Peterborough, Ontario
Date to be determined

Draft - February 23, 2022

TRENT GRADUATE STUDENTS' ASSOCIATION
STATEMENT OF FINANCIAL POSITION
As at April 30, 2019

	2019	2018
	\$	\$
ASSETS		
Current assets		
Cash	117,092	69,205
Due from Trent University (note 3)	5,339	34,618
Prepaid expenses	378	378
	122,809	104,201
LIABILITIES AND FUND BALANCES		
Current liabilities		
Accounts payable and accrued liabilities	16,991	21,741
Fund balances		
Unrestricted	59,820	37,815
Contingency fund (note 4)	40,998	39,645
Emergency fund (note 5)	5,000	5,000
	105,818	82,460
	122,809	104,201

Draft - February 23, 2022

The accompanying notes are an integral part of these financial statements

TRENT GRADUATE STUDENTS' ASSOCIATION
STATEMENT OF OPERATIONS AND CHANGES IN FUND BALANCES
For the year ended April 30, 2019

	2019	2018
	\$	\$
Revenues		
College and student levy fees	54,101	46,460
Student activities and sponsorships	1,116	1,231
Other	252	200
	<u>55,469</u>	<u>47,891</u>
Expenses		
Conference bursaries	9,844	10,009
Honoraria	8,200	8,000
Emergency bursaries (note 5)	3,856	1,875
Office and miscellaneous	3,480	4,049
Professional fees	3,000	5,262
Insurance	1,725	1,666
Student activities and sponsorships	1,506	1,656
Student seminars	500	1,500
Other	-	507
	<u>32,111</u>	<u>34,524</u>
Excess of revenues over expenses for the year	23,358	13,367
Balance - beginning of year	82,460	69,093
Balance - end of year	<u>105,818</u>	<u>82,460</u>

The accompanying notes are an integral part of these financial statements

TRENT GRADUATE STUDENTS' ASSOCIATION
STATEMENT OF CASH FLOWS
For the year ended April 30, 2019

	2019	2018
	\$	\$
CASH PROVIDED FROM (USED FOR)		
Operating activities		
Excess of revenues over expenses for the year	23,358	13,367
Change in non-cash working capital items		
Due from Trent University	29,279	(20,013)
Prepaid expenses	-	1
Accounts payable and accrued liabilities	(4,750)	9,399
Increase in cash	47,887	2,754
Cash - beginning of year	69,205	66,451
Cash - end of year	117,092	69,205

Draft - February 23, 2022

The accompanying notes are an integral part of these financial statements

TRENT GRADUATE STUDENTS' ASSOCIATION
NOTES TO THE FINANCIAL STATEMENTS
For the year ended April 30, 2019

1. NATURE OF OPERATIONS

Trent Graduate Students' Association (the "Association") is a non-profit organization which provides services to the graduate students of Trent University. Its objectives include: bringing all graduate students into formal association on a democratic and cooperative basis; to contribute to the intellectual growth and cultural development of members of the community; to uphold and respect principles of academic freedom; to promote the welfare of, and advocate for, individual and collective graduate student needs and concerns; and to promote and maintain communication between graduate students and other members of the community, including administration, faculty, staff and undergraduate students.

The Association is not subject to corporation income taxes and, as provided by its Letters Patent, the Association shall be carried on without the purpose of pecuniary gain for its members and any profits or other accretions to the Association shall be used in promoting its objects.

2. SIGNIFICANT ACCOUNTING POLICIES

These financial statements are prepared in accordance with Canadian accounting standards for not-for-profit organizations. The significant accounting policies are detailed as follows:

(a) Revenue recognition

The Association follows the deferral method of accounting for contributions. Restricted contributions are recognized as revenue in the year in which the related expenditures are incurred. Unrestricted contributions are recognized as revenue when received or receivable when the amount to be received can be reasonably estimated and collection is reasonably assured.

Expenses are reported on the accrual basis of accounting. The accrual basis of accounting recognizes expenses in the period the goods or services are acquired and a legal liability is incurred.

(b) Use of estimates

The preparation of financial statements in conformity with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the balance sheet date and the reported amounts of revenues and expenses during the year. Actual results could differ from those estimates.

(c) Contributed services

Directors and committee members volunteer their time to assist in the Association's activities. While these services benefit the Association considerably, a reasonable estimate of their amount and fair value cannot be made and, accordingly, these contributed services are not recognized in the financial statements.

TRENT GRADUATE STUDENTS' ASSOCIATION
NOTES TO THE FINANCIAL STATEMENTS
For the year ended April 30, 2019

2. **SIGNIFICANT ACCOUNTING POLICIES, continued**

(d) *Financial instruments*

The Association initially records a financial instrument at its fair value except for a related party transaction which is recorded at the carrying or exchange amount depending on the circumstances.

Transaction costs are recognized in net income in the period incurred. However, transaction costs associated with financial instruments carried at cost or amortized cost are recorded as adjustments to the initial fair value recognized and amortized over the expected life of the instrument.

Financial assets and financial liabilities subsequently measured at amortized cost include cash, due from Trent University, and accounts payable and accrued liabilities.

When there is an indication of impairment and such impairment is determined to have occurred, the carrying amount of financial assets measured at amortized cost is reduced to the greater of the discounted future cash flows expected, the proceeds that could be realized from the sale of the financial asset, or the amount that could be realized by exercising the right to any collateral held to secure repayment of the asset. Such impairments can be subsequently reversed to the extent that the improvement can be related to an event occurring after the impairment was recognized.

3. **DUE FROM TRENT UNIVERSITY**

The Association is related to Trent University. The University collects all student fees on behalf of the Association. The funds are maintained by the University and transferred to the Association as stipulated in an agreement between the two parties.

4. **CONTINGENCY FUND**

As per the by-laws of the Association, surplus funds amounting to at least 2.5% of the annual gross college and student levy fees collected must be invested into a contingency fund for future endeavours each year. During the year, \$1,353 (2018 - \$1,162) was transferred to this fund.

5. **EMERGENCY FUND**

As per the by-laws of the Association, surplus funds are transferred to an emergency fund. The emergency fund should have a balance no greater than \$5,000.

During the year, \$3,856 (2018 - \$1,875) was transferred between the Association's funds for this purpose.

TRENT GRADUATE STUDENTS' ASSOCIATION
NOTES TO THE FINANCIAL STATEMENTS
For the year ended April 30, 2019

6. FINANCIAL INSTRUMENTS

Transactions in financial instruments may result in an entity assuming or transferring to another party one or more financial risks. The required disclosures provide information that assists users of financial statements in assessing the extent of risk related to financial instruments. The Association is not subject to significant credit, currency or concentration risk.

The Association is exposed to the following risks in respect of certain of the financial instruments held:

(a) Liquidity risk

Liquidity risk is the risk that the Association will not be able to meet its obligations associated with financial liabilities. Cash flow from student levied fees is sufficient to meet the Association's cash requirements. Therefore, it is management's opinion that the liquidity risk is low.

7. SUBSEQUENT EVENTS

On March 11, 2020, the World Health Organization categorized COVID-19 as a pandemic. The potential economic effects within the Association's environment and in the global markets due to the possible disruption in supply chains, and measures being introduced at various levels of government to curtail the spread of the virus (such as travel restrictions, closures of non-essential municipal and private operations, imposition of quarantines and social distancing) could have a material impact on the Association's operations.

The extent of the impact of this outbreak and related containment measures on the Association's operations cannot be reliably estimated at this time.