

Financial Statements of

**GRADUATE STUDENTS'
ASSOCIATION OF THE
UNIVERSITY OF CALGARY**

And Independent Auditors' Report thereon

Year ended March 31, 2021



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INDEPENDENT AUDITORS' REPORT

To the Members of the Graduate Students' Association of the University of Calgary

Opinion

We have audited the accompanying financial statements of the Graduate Students' Association of the University of Calgary (the Entity), which comprise:

- the statement of financial position as at March 31, 2021
- the statement of operations for the year then ended
- the statement of changes in net assets for the year the 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 March 31, 2021, 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.

- 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.



- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group Entity to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

KPMG LLP

Chartered Professional Accountants

Calgary Alberta

August 4, 2021

GRADUATE STUDENTS' ASSOCIATION OF THE UNIVERSITY OF CALGARY

Statement of Financial Position

March 31, 2021, with comparative information for 2020

	2021	2020
Assets		
Current assets:		
Cash and cash equivalents	\$ 5,074,745	\$ 2,157,165
Short term investment (note 3)	-	500,000
Accounts receivable	15,639	23,422
Inventory (note 6)	3,777	17,889
Prepaid expenses and deposits	338,838	329,927
	<u>5,432,999</u>	<u>3,028,403</u>
Investments (note 3)	299,600	1,559,563
Property and equipment (note 4)	634,643	713,834
	<u>\$ 6,367,242</u>	<u>\$ 5,301,800</u>

Liabilities and Net Assets

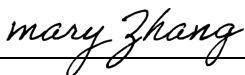
Current liabilities:		
Accounts payable and accrued liabilities (note 5)	\$ 268,938	\$ 284,477
Deferred revenue (health and dental premiums)	1,153,670	1,108,135
	<u>1,422,608</u>	<u>1,392,612</u>
Net assets:		
Unrestricted	2,660,149	2,242,331
Internally restricted (note 2)	2,284,485	1,666,857
	<u>4,944,634</u>	<u>3,909,188</u>
Economic dependence (note 7)		
Commitments (note 9)		
	<u>\$ 6,367,242</u>	<u>\$ 5,301,800</u>

See accompanying notes to financial statements.

Approved on behalf of the Members:



Director



Director

GRADUATE STUDENTS' ASSOCIATION OF THE UNIVERSITY OF CALGARY

Statement of Operations

Year ended March 31, 2021, with comparative information for 2020

	2021	2020
Revenues:		
Graduate Students' Centre Lounge (Schedule 1)	\$ 1,655	\$ 614,580
Graduate Students' Association (Schedule 2)	4,412,061	4,348,937
	<u>4,413,716</u>	<u>4,963,517</u>
Cost of sales (Schedule 1)	6,061	220,741
General and administrative:		
Graduate Students' Centre Lounge (Schedule 1)	107,475	522,645
Graduate Students' Association (Schedule 2)	3,462,126	3,859,730
	<u>3,569,601</u>	<u>4,382,375</u>
Excess of revenues over expenses before other items	\$ 838,054	\$ 360,401
Realized gain on disposal of investments	163,884	8,659
Unrealized gain (loss) on investments	33,508	(59,492)
Loss on disposal of property and equipment	—	(14,033)
Excess of revenues over expenses	<u>\$ 1,035,446</u>	<u>\$ 295,535</u>

See accompany notes to financial statements.

GRADUATE STUDENTS' ASSOCIATION OF THE UNIVERSITY OF CALGARY

Statement of Changes in Net Assets

Year ended March 31, 2021, with comparative information for 2020

	Internally Restricted	Unrestricted	2021	2020
Balance, beginning of year	\$ 1,666,857	\$ 2,242,331	\$ 3,909,188	\$ 3,613,653
Excess of revenues over expenses	617,628	417,818	1,035,446	295,535
Balance, end of year	\$ 2,284,485	\$ 2,660,149	\$ 4,944,634	\$ 3,909,188

See accompanying notes to financial statements.

GRADUATE STUDENTS' ASSOCIATION OF THE UNIVERSITY OF CALGARY

Statement of Cash Flows

Year ended March 31, 2021, with comparative information for 2020

	2021	2020
Cash provided by (used in):		
Operations:		
Excess of revenues over expenses	\$ 1,035,446	\$ 295,535
Adjustments for:		
Amortization (note 4)	87,350	89,719
Realized gain on sale of investments	(163,884)	(8,659)
Change in unrealized (gain) loss on sale of investments	(33,508)	59,492
Loss on disposal of property and equipment	–	14,033
	<u>925,404</u>	<u>450,120</u>
Change in non-cash working capital:		
Accounts receivable	7,783	1,351
Prepaid expenses and deposits	(8,911)	(15,293)
Inventory	14,112	(1,035)
Accounts payable and accrued liabilities	(15,539)	3,392
Deferred revenue (health and dental premiums)	45,535	98,433
	<u>968,384</u>	<u>536,968</u>
Investing:		
Purchase of property and equipment	(8,159)	(141,310)
Sale (purchase) of short-term investments	500,000	(500,000)
Purchase of investments	(506,821)	(171,202)
Proceeds from disposal of investments	1,964,176	136,430
Proceeds from disposal of property and equipment	–	2,179
	<u>1,949,196</u>	<u>(673,903)</u>
Increase (decrease) in cash and cash equivalents	2,917,580	(136,935)
Cash and cash equivalents, beginning of year	2,157,165	2,294,100
Cash and cash equivalents, end of year	<u>\$ 5,074,745</u>	<u>\$ 2,157,165</u>

See accompanying notes to financial statements.

GRADUATE STUDENTS' ASSOCIATION OF THE UNIVERSITY OF CALGARY

Notes to Financial Statements

Year ended March 31, 2021, with comparative information for 2020

The Graduate Students' Association of the University of Calgary (the "Association" or the "GSA") was incorporated on January 19, 1970 under the Societies Act of Alberta. The Association is a not-for-profit organization established to promote and serve the graduate students of the University of Calgary and to represent their interests within the student body at large. The Association also operates the Last Defence Lounge (the "Lounge") and administers a health and dental program for graduate students. Funding of the Association is primarily derived from fees levied on all students registered in the faculties of Graduate Studies. As a not-for-profit organization, the Association is not subject to income tax in accordance with Section 149 of the Income Tax Act. In addition, the Association's net assets are not available for distribution to members.

1. Significant accounting policies:

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

(a) Cash and cash equivalents:

Cash and cash equivalents consist of cash on hand, balances held with financial institutions, money market funds, short-term income funds and investments with maturities of three months or less from the date of acquisition.

(b) Inventory:

Inventory consists of food and liquor and is valued at the lower of cost and net realizable value. Cost is determined using the weighted average method.

(c) 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 amount of assets and liabilities, at the date of the financial statements and the reported amount of revenues and expenses during the reported period. By their nature, these estimates on the financial statements in future periods could be significant. Accounts specifically affected by estimates in these financial statements are property and equipment and inventory. Actual results could differ from these estimates.

On March 11, 2020, the World Health Organization declared the Coronavirus COVID-19 (COVID-19) outbreak a pandemic. This has resulted in governments worldwide, including the Canadian and Alberta governments, enacting emergency measures to combat the spread of the virus. These measures, which include the implementation of travel bans, self-imposed quarantine periods, closures of non-essential businesses, and physical distancing, have caused material disruption to businesses in Calgary resulting in an economic slowdown. Governments and central banks have reacted with significant monetary and fiscal interventions designed to stabilize economic conditions.

GRADUATE STUDENTS' ASSOCIATION OF THE UNIVERSITY OF CALGARY

Notes to Financial Statements, page 2

Years ended March 31, 2021, with comparative information for 2020

1. Significant accounting policies (continued):

(c) Use of estimates (continued):

The Association has experienced temporary declines in the fair value of investments and investment income, decline in revenue activities, etc. in relation to the COVID-19 pandemic. The ultimate duration and magnitude of the impact on the economy and the financial effect on the Association's future revenues, operating results and overall financial performance is not known at this time.

As at the reporting date, the Association has determined that COVID-19 has had no impact on its contracts or lease agreements, the assessment of provisions and contingent liabilities, or the timing of revenue recognition. Management has assessed the financial impacts of the COVID-19 pandemic and has determined there to be some impact to operations including cessation of operations of the Lounge and in-person programs.

The Association continues to use its tangible capital assets and management has not assessed any impairment that needs to be recognized on these assets at March 31, 2021. The Association also continues to manage liquidity risk by forecasting and assessing cash flow requirements on an ongoing basis. As at March 31, 2021, the Association continues to meet its contractual obligations within normal payment terms and the Association's exposure to credit risk remains largely unchanged. An estimate of the financial effect of these items is not practicable at this time.

(d) Property and equipment:

Property and equipment are recorded at cost. The Association provides for amortization using the following methods at rates designed to amortize the cost of the property and equipment over their estimated useful lives. The annual amortization rates and methods are as follows:

Asset	Method	Rate
Quality Money – PPE	Declining balance	20%
Lounge renovations	Declining balance	10%
Lounge furniture and equipment	Declining balance	20%
Office equipment	Declining balance	20%
Computer equipment	Declining balance	20%

GRADUATE STUDENTS' ASSOCIATION OF THE UNIVERSITY OF CALGARY

Notes to Financial Statements, page 3

Years ended March 31, 2021, with comparative information for 2020

1. Significant accounting policies (continued):

(e) Revenue recognition:

The Association follows the deferral method of accounting for contributions. Unrestricted contributions are recognized as revenue in the period received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Lounge revenue is recognized at the point of sale.

Health and dental premiums are recognized in the benefit period to which they relate. They are recognized on a gross basis as the organization acts as the principal.

Membership revenue, which includes internally restricted funds revenues, are recognized when membership fees are due and earned.

Externally restricted contributions are deferred and recognized in the period in which the related expenses are incurred.

Interest and investment revenue is recognized on an accrual basis over the term of the related instrument.

Operations and services revenue is recognized in the period the funds are received.

(f) Contributed materials, rent and services:

Contributed materials, rent and services are not recognized in the accounts of the Association. Fair values are disclosed when amounts can be reasonably estimated or where they would not have been purchased by the Association had they not been contributed.

(g) Financial instruments:

(i) Measurement of financial instruments:

The Association initially measures its financial assets and financial liabilities at fair value. The Association subsequently measures all its financial assets and financial liabilities at amortized cost, except for investments in equity instruments that are quoted in an active market, which are measured at fair value. Changes in fair value are recognized in the statement of operations in the period incurred.

Financial assets and liabilities measured at amortized cost include cash and cash equivalents, short term investments, accounts receivable and accounts payable and accrued liabilities.

Investments are measured at fair value.

GRADUATE STUDENTS' ASSOCIATION OF THE UNIVERSITY OF CALGARY

Notes to Financial Statements, page 4

Years ended March 31, 2021, with comparative information for 2020

1. Significant accounting policies (continued):

(g) Financial instruments (continued):

(ii) Impairment:

Financial assets measured at cost or amortized cost are tested for impairment when there are indicators of impairment. The amount of the write-down is recognized in the statement of operations. The previously recognized impairment loss may be reversed to the extent of the improvement, directly or by adjusting the allowance account, provided it is no greater than the amount that would have been reported at the date of the reversal had the impairment not been recognized previously. The amount of the reversal is recognized in the statement of operations.

(iii) Transaction costs:

The Association recognizes its transaction costs in the statement of operations in the period incurred. However, financial instruments that will not be subsequently measured at fair value are adjusted by the transaction costs that are directly attributable to their origination, issuance or assumption.

(h) Impairment of long-lived assets:

The Association tests for impairment whenever events or changes in circumstances indicate that the carrying amount of the assets may not be recoverable. Recoverability is assessed by comparing the carrying amount to the projected future net cash flows the long-lived assets are expected to generate through their direct use and eventual disposition. When a test for impairment indicates that the carrying amount of an asset is not recoverable, an impairment loss is recognized to the extent carrying value exceeds its fair value.

2. Internally restricted funds:

The Association's Executive Committee have approved the restriction of use of some of the Association's general funds. Transfers among funds are recorded when approved by the Executive Committee. The purpose of each fund is as follows:

(a) Quality initiative reserve:

During the 2020/2021 academic year, the University of Calgary provided the Graduate Students' Association with "Quality Enhancement Money" in the amount of \$457,578 (2020 – \$449,372), and the Association earned an additional \$14,734 (2020 – \$71,217) in event sales and related initiatives.

GRADUATE STUDENTS' ASSOCIATION OF THE UNIVERSITY OF CALGARY

Notes to Financial Statements, page 5

Years ended March 31, 2021, with comparative information for 2020

2. Internally restricted funds (continued):

(a) Quality initiative reserve (continued):

Quality Enhancement Money is the money that the University of Calgary gives back to the Undergraduate Students' Union as well as the Graduate Students' Association each year, in order to reinvest in student driven initiatives that enhance the student experience.

Amounts given to each student group are derived from a formula based on student enrolment numbers. The University allows both student groups to determine how best to use this funding; both student groups report on their respective quality money expenditure at the University of Calgary Board of Governors meeting each year.

During the year, the Association spent \$262,838 (2020 – \$481,084) on Quality Money student driven initiatives.

(b) Professional development awards grants:

During the year, the Association collected \$5 per student (2020 – \$5), included in membership fees, to fund academic projects and assist in alleviating any associated expenses. This fund is intended to make money available to graduate students who are actively involved in an academic project conducted during their studies (but not necessarily related to their thesis work), which will be of value to their future academic careers or will enhance the intellectual life of the graduate community on campus. Recognized academic projects may include, but are not limited to, presenting thesis research at a conference, organizing a conference or symposium, participating in academic or research competitions or presenting an exhibition or performance. Awards are granted twice per year, once in the fall and once in the winter, and may be granted for costs already incurred. Applications may be made by an individual who may be awarded up to \$750.

(c) CA Reserve (Collective Agreement Levy):

The Collective Agreement between the Board of Governors of the University of Calgary and The Graduate Students' Association requires the Board to deduct a levy assessed by the GSA from the scholarships and salaries payable to all Graduate Assistants covered by the agreement. This levy is remitted to the GSA for the administration of the Graduate Assistantship contracts.

(d) CA Arbitration reserve:

The Collective Agreement requires the GSA to pay half of any expenses related to binding arbitration of any disputes. Since the GSA has never been to arbitration with the University, the Board and the Finance Standing Committee thought it appropriate to set aside a reserve out of the GAT Levy to cover any future costs.

In the 2021 fiscal year, the Association incurred \$2,185 (2019/20 – \$1,997) in legal fees for consultation on agreements, and reviewing and mediating grievances.

GRADUATE STUDENTS' ASSOCIATION OF THE UNIVERSITY OF CALGARY

Notes to Financial Statements, page 6

Years ended March 31, 2021, with comparative information for 2020

2. Internally restricted funds (continued):

(e) Advocacy reserve:

During the 2020/2021 year, the Advocacy levy remained at \$9 per student to cover the Association's membership for both ab-GPAC and CASA. The ab-GPAC fee of approximately \$4 per student and CASA fee of approximately \$3.50 per student is paid to cover the Association's membership, with the balance remaining with the Association to be spent on other advocacy related activities and memberships.

(f) Health and dental reserve:

Health and dental related expenses in the year were less than the health and dental premiums earned by \$344,461 (2020 – savings of \$89,756), resulting in a surplus that has been added to the health and dental reserve. The reserve contains surplus funds of \$1,248,079 (2020 – \$903,620), which relate to prior year health and dental insurance premiums charges to students, the surplus amounts are restricted to use for health and dental premium increases and other health and dental related expenses.

(g) Changes in internally restricted net assets:

	Balance, 2020	Funds expended	Funds received	Funds transferred	Balance, 2021
Quality Initiative Reserve	\$ 235,737	\$ (262,838)	\$ 472,312	\$ –	\$ 445,211
Health & Dental Reserve	903,619	(2,181,072)	2,525,533	–	1,248,080
Advocacy Reserve	66,608	(55,102)	65,556	–	77,262
Professional Development Awards Grants Reserve	–	(24,649)	36,677	–	12,028
CA Arbitration Reserve	21,080	(2,185)	–	31,105	50,000
CA Reserve (Collective Agreement Levy)	139,613	(54,373)	97,769	(31,105)	151,904
Federal Advocacy Contingency Fund	300,000	–	–	–	300,000
	\$ 1,666,857	\$ (2,580,219)	\$ 3,197,847	\$ –	\$ 2,284,485

GRADUATE STUDENTS' ASSOCIATION OF THE UNIVERSITY OF CALGARY

Notes to Financial Statements, page 7

Years ended March 31, 2021, with comparative information for 2020

3. Investments

(a) Long term investments:

March 31, 2021	Cost	Fair value
Fixed income	\$ –	\$ –
Marketable securities	299,401	299,600
	<u>\$ 299,401</u>	<u>\$ 299,600</u>

March 31, 2020	Cost	Fair value
Fixed income	\$ 1,126,965	\$ 1,118,458
Marketable securities	465,907	441,105
	<u>\$ 1,592,872</u>	<u>\$ 1,559,563</u>

(b) Short term investments:

Short-term investments include one-year cashable guaranteed investment certificates of \$500,000, held in one-year terms, earning interest of 1.7%. The GSA held no short-term investments as at March 31, 2021.

4. Property and equipment:

	Cost	Accumulated amortization	Net book value 2021	Net book value 2020
Quality Money – PPE	\$ 46,319	\$ 23,120	\$ 23,199	\$ 28,999
Lounge renovations	1,708,046	1,199,458	508,588	559,840
Lounge furniture and equipment	234,240	156,197	78,043	97,554
Office equipment	134,085	126,109	7,976	9,970
Computer equipment	49,091	32,254	16,837	17,471
	<u>\$ 2,171,781</u>	<u>\$ 1,537,138</u>	<u>\$ 634,643</u>	<u>\$ 713,834</u>

The amount of amortization recorded in the statement of operations is \$87,350 (2020 – \$89,719).

GRADUATE STUDENTS' ASSOCIATION OF THE UNIVERSITY OF CALGARY

Notes to Financial Statements, page 8

Years ended March 31, 2021, with comparative information for 2020

5. Accounts payable and accrued liabilities:

	2021	2020
Trade payable	\$ 269,229	\$ 282,188
Government remittances	(291)	2,289
	\$ 268,938	\$ 284,477

6. Inventory:

	2021	2020
Food	\$ 509	\$ 8,782
Beverage and Liquor	3,268	9,107
	\$ 3,777	\$ 17,889

The amount of inventory expensed in cost of sales was \$nil (2020 – \$220,741). There was a write-down of inventory for the year ended March 31, 2021 due to the temporary closure of the Lounge as the result of the COVID-19 pandemic. \$6,061 was discarded as waste, \$7,189 was donated, and \$862 of inventory was returned to the vendor.

7. Economic dependence:

The Association's operations include collecting membership fees from the graduate students of the University of Calgary. These mandatory fees amount to 72% (2020 – 65%) of revenues excluding health and dental premiums in the current year. The Association is dependent on the University of Calgary continuing to allocate a portion of student fees, to remain a viable organization.

GRADUATE STUDENTS' ASSOCIATION OF THE UNIVERSITY OF CALGARY

Notes to Financial Statements, page 9

Years ended March 31, 2021, with comparative information for 2020

8. Financial instruments:

The Association manages its exposure to the risks associated with financial instruments that have the potential to affect its operating and financial performance in accordance with its annual budget. The objective of the budget is to reduce volatility in cash flow. The board of directors monitor compliance with the budget on an ongoing basis.

The Association is exposed to various risks through its financial instruments without being exposed to concentrations of risk. The following analysis provides a measure of the Association's risk exposure at year end:

(a) Market risk:

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk.

(i) Interest rate risk:

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Association is exposed to interest rate risk on its short term investments and fixed income investments.

(ii) Currency risk:

Currency risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Association is not exposed to currency risk.

(iii) Other price risk:

Other price risk is the risk that fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from currency risk or interest rate 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 not exposed to other price risk.

(b) Liquidity risk:

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The Association is exposed to this risk mainly in respect of its accounts payable. The Association manages its exposure to liquidity risk by holding additional cash and other short-term investments. The events as described in note 1(c) have increased the Association's exposure to liquidity risk in the current year.

GRADUATE STUDENTS' ASSOCIATION OF THE UNIVERSITY OF CALGARY

Notes to Financial Statements, page 10

Years ended March 31, 2021, with comparative information for 2020

8. Financial instruments (continued):

(c) Credit risk:

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Association is exposed to credit risk with its accounts receivable from the University of Calgary. The Association manages its exposure to credit risk by holding additional cash and other short-term investments.

Significantly all of the Association's cash and cash equivalents and short-term investments were held at two recognized Canadian financial institutions. As a result, the Association was exposed to all of the risks associated with those two institutions.

There has been no change to as Association's risk exposure from 2020 other than as noted above.

9. Commitments:

The Association has commitments under an operating lease, which expires November 30, 2024. The commitment includes occupancy costs, which are estimated at approximately \$15,278 plus applicable GST per annum. These occupancy costs are subject to change April 1 of each year.

GRADUATE STUDENTS' ASSOCIATION OF THE UNIVERSITY OF CALGARY

Schedule of Operations – Graduate Students' Centre Lounge

Schedule 1

Year ended March 31, 2021, with comparative information for 2020

	2021	2020
Revenue:		
Sales	\$ –	\$ 611,384
Interest and other income	1,655	3,196
	<u>1,655</u>	<u>614,580</u>
Cost of sales:		
Food and beverages	6,061	157,284
Liquor	–	63,457
	<u>6,061</u>	<u>220,741</u>
Gross margin	(4,406)	393,839
Expenses:		
Amortization	61,774	60,450
Credit card fees	807	12,341
Equipment lease	269	3,383
Insurance	5,327	6,783
Marketing and promotion	275	5,068
Office	9,477	14,172
Repairs and maintenance	796	10,992
Occupancy costs	–	12,690
Salaries and related benefits	28,750	372,171
Restaurant supplies	–	24,595
	<u>107,475</u>	<u>522,645</u>
Loss on disposal of property and equipment	–	(14,033)
Deficiency of revenue over expenses	<u>\$ (111,881)</u>	<u>\$ (142,839)</u>

GRADUATE STUDENTS' ASSOCIATION OF THE UNIVERSITY OF CALGARY

Schedule of Operations – Graduate Students' Association

Schedule 2

Year ended March 31, 2021, with comparative information for 2020

	2021	2020
Revenue:		
Health and dental premiums (note 2)	\$ 2,525,533	\$ 2,399,712
Quality enhancement money (note 2)	472,312	520,589
Internally restricted funds revenue (note 2)	200,002	185,201
Operations and services	1,158,817	1,170,559
Investment income	55,397	72,876
	<u>4,412,061</u>	<u>4,348,937</u>
General and administrative:		
Alberta Graduate Advocacy (note 2)	55,102	68,688
Amortization	25,576	29,269
Fellowships	202,052	203,127
Health and dental premiums (note 2)	2,181,072	2,309,954
Insurance	9,731	10,518
Meetings and committees	42,896	64,483
Office	65,248	101,383
Professional development and group project grants (note 2)	24,649	34,660
Professional fees	35,648	60,403
Quality enhancement money (note 2)	262,838	481,084
Recognition	9,500	19,775
Salaries and related benefits	547,814	476,386
	<u>3,462,126</u>	<u>3,859,730</u>
Realized gains on disposal of investments	163,884	8,659
Unrealized gains (loss) on investments	33,508	(59,492)
Loss on disposal of property and equipment	-	-
	<u>\$ 1,147,327</u>	<u>\$ 438,374</u>