

UNIVERSITY OF WINNIPEG

STUDENTS' ASSOCIATION, INC.

FINANCIAL STATEMENTS

MARCH 31, 2021

DRAFT

UNIVERSITY OF WINNIPEG STUDENTS' ASSOCIATION INC.

FINANCIAL STATEMENTS

MARCH 31, 2021

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DRAFT

**SIMON HALL
CHARTERED PROFESSIONAL ACCOUNTANT
WINNIPEG, MANITOBA**

INDEPENDENT AUDITOR'S REPORT

To The Board of Directors,
University of Winnipeg Students' Association,
Winnipeg, Manitoba

QUALIFIED OPINION

I have audited the accompanying financial statements of the University of Winnipeg Students' Association (UWSA hereafter), which comprise the statement of financial position as at March 31, 2021, and the statements of operations, cash flows and of changes in net assets for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In my opinion, except for the possible effects of the matter described in the *Basis For Qualified Opinion* paragraph, the financial statements present fairly, in all material respects, the financial position of the UWSA as at 2021, and its financial performance and its cash flows for the year then ended in accordance with Canadian Accounting Standards for Not For Profit Organizations.

BASIS FOR QUALIFIED OPINION

In common with many not for profit organizations, the UWSA derives revenue from donations, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, verification of these donations was limited to the amounts recorded in the accounts of the UWSA. Therefore, I'm not able to determine whether any adjustments might be necessary to donations, the difference between revenue and expenses and cash flows from operating activities for the years ended March 31, 2021 and 2020, current assets as at March 31, 2021 and 2020 and net assets as at March 31, 2021 and 2020. My audit opinion for the year ended March 31, 2020 was modified accordingly because of the possible effects of this limitation in scope.

I conducted my audit in accordance with Canadian generally accepted auditing standards. My responsibilities under those standards are further described in the Auditor's Responsibilities for the audit of the Financial Statements section of my report. I am independent of the UWSA in accordance with the ethical requirements that are relevant to my audit of the financial statements in Canada, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

OTHER INFORMATION

Management is responsible for the other information. The other information comprises the program statements but does not include the financial statements and my auditor's report thereon. My opinion on the financial statements does not cover the other information and I do not express any form of assurance conclusion thereon. In connection with my audit of the financial statements, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact. I have nothing to report in this regard.

RESPONSIBILITIES OF MANAGEMENT & THOSE CHARGED WITH GOVERNANCE OF 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.

In preparing the financial statements, management is responsible for assessing the Organization'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 organization or to cease operations, as has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Organization's financial reporting process.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

My 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 my opinion. Reasonable assurance is a high level of assurance, but it 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 these financial statements.

As a part of an audit in accordance with Canadian generally accepted auditing standards, I exercise professional judgment and maintain professional skepticism throughout the audit. I 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 my 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 controls.
- Obtain an understanding of internal control relevant to the audit to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion of the effectiveness of the UWSA'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 the events or conditions that may cast significant doubt on the UWSA's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the UWSA 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 the manner that achieves fair presentation.

I 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 I identify during my audit.

March 4, 2022
Winnipeg, Manitoba

SIMON HALL
CHARTERED PROFESSIONAL ACCOUNTANT

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UNIVERSITY OF WINNIPEG STUDENTS' ASSOCIATION INC.

STATEMENT OF FINANCIAL POSITION

MARCH 31, 2021

	<u>2021</u>	<u>2020</u>
	\$	\$
<u>ASSETS</u>		
CURRENT ASSETS:		
Bank	1,839,444	1,031,549
Accounts receivable - net (note 3)	375,636	438,812
Prepaid expenses	<u>1,146</u>	<u>861</u>
Total Current Assets	<u>2,216,226</u>	<u>1,471,222</u>
CAPITAL ASSETS: (note 4)	<u>488,223</u>	<u>498,865</u>
OTHER ASSETS:		
Shares in Credit Union	<u>896</u>	<u>884</u>
TOTAL ASSETS	<u><u>2,705,345</u></u>	<u><u>1,970,971</u></u>
<u>LIABILITIES & NET ASSETS</u>		
CURRENT LIABILITIES:		
Accounts payable (note 5)	349,254	383,537
Deferred revenue (note 6)	<u>2,956,801</u>	<u>2,694,021</u>
Total Current Liabilities	<u>3,306,055</u>	<u>3,077,558</u>
NET (DEFICIT)/ASSETS:		
Invested in Capital Assets	488,223	498,865
Unrestricted	<u>(1,088,933)</u>	<u>(1,605,452)</u>
Total Net Deficit	<u>(600,710)</u>	<u>(1,106,587)</u>
TOTAL LIABILITIES AND NET DEFICIT	<u><u>2,705,345</u></u>	<u><u>1,970,971</u></u>
APPROVED ON BEHALF OF THE BOARD:		

_____:Board Member

_____:Board Member

"See Auditor's Report and Accompanying Notes"

UNIVERSITY OF WINNIPEG STUDENTS' ASSOCIATION INC.
STATEMENT OF CHANGES IN NET ASSETS
FOR THE YEAR ENDED MARCH 31, 2021

	Invested in Capital Assets	Unrestricted	2021 Total	2020 Total
	\$	\$	\$	\$
Balance, beginning of year	484,684	(1,591,271)	(1,106,587)	(991,661)
Surplus (deficit) for year	(77,909)	583,786	505,877	(114,926)
Purchase of capital assets: general	<u>92,088</u>	<u>(92,088)</u>	<u>-</u>	<u>-</u>
Closing balance	<u><u>498,863</u></u>	<u><u>(1,099,573)</u></u>	<u><u>(600,710)</u></u>	<u><u>(1,106,587)</u></u>

"See Auditor's Report and Accompanying Notes"

UNIVERSITY OF WINNIPEG STUDENTS' ASSOCIATION INC.

STATEMENT OF OPERATIONS

MARCH 31, 2021

	<u>2021</u>	<u>2020</u>
	\$	\$
REVENUES :		
Student fees	1,275,193	1,267,653
Deferred capital	99,485	77,909
Fundraising	6,417	26,812
Interest income	8,246	15,085
Parent fees	523,413	849,124
Province of Manitoba - Daycare	1,316,476	925,577
InfoBooth Sales	37,431	744,968
Used Book Store Sales	-	-
Other revenue	<u>279,515</u>	<u>158,905</u>
	<u>3,546,176</u>	<u>4,066,033</u>
EXPENSES :		
Advertising	1,805	3,010
Audit	14,000	16,540
Bad debt	2,386	-
Bank charges	8,932	18,447
Campaigns	12,783	2,929
Consulting fees	26,987	23,549
Copying/printing	8,619	67,673
Cost of goods sold	58	652,227
Depreciation	99,484	77,909
Donations	55,673	63,553
Equipment rental/lease	64,735	61,932
Food & food supplies	28,513	61,938
Health plan charges	-	-
Insurance	30,881	27,789
Interest/penalties/licences	80	9,834
Legal	40,982	25,357
Office supply	88,897	132,834
Recognized group subsidy	26,206	16,632
Rent	30,000	30,000
Repairs & maintenance	73,747	77,432
Staff training expense	11,083	23,562
Telecommunications	21,483	5,680
Travel & event expenses	97,966	103,409
U of W collection service fees	67,541	59,860
Wages and benefits	<u>2,227,458</u>	<u>2,618,863</u>
	<u>3,040,299</u>	<u>4,180,959</u>
Net (Deficit)/Surplus	<u>505,877</u>	<u>(114,926)</u>

"See Auditor's Report and Accompanying Notes"

UNIVERSITY OF WINNIPEG STUDENTS' ASSOCIATION INC.**STATEMENT OF CASH FLOWS****MARCH 31, 2021**

	<u>2021</u>	<u>2020</u>
	\$	\$
CASH PROVIDED BY (USED FOR) OPERATIONS:		
Surplus/(Deficit) for the year	505,877	(114,926)
Add back amortization	99,484	77,909
Add back bad debt expense	-	-
Add back loss from disposal of equipment	-	-
Changes in working capital:		
Accounts receivable	63,176	204,800
Prepaid expenses	(285)	(861)
Accounts payable & accrued liabilities	(34,283)	79,461
Deferred revenue	<u>262,780</u>	<u>(9,198)</u>
Cash from Operating Activities	<u>896,749</u>	<u>237,185</u>
CASH PROVIDED BY (USED FOR) INVESTMENT AND FINANCING ACTIVITIES:		
Other assets	(12)	(10)
Capital assets	(88,842)	(92,090)
Deferred Contributions	<u>-</u>	<u>-</u>
Cash for Investments and Financing	<u>(88,854)</u>	<u>(92,100)</u>
Increase (decrease) in cash for the year	807,895	145,085
Cash, beginning of year	<u>1,031,549</u>	<u>886,464</u>
Cash, end of year	<u>1,839,444</u>	<u>1,031,549</u>
Represented by:		
Bank	<u>1,839,444</u>	<u>1,031,549</u>

"See Auditor's Report and Accompanying Notes"

UNIVERSITY OF WINNIPEG STUDENTS' ASSOCIATION INC.

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2021

1. FORM OF ORGANIZATION

The UNIVERSITY OF WINNIPEG STUDENTS' ASSOCIATION INC. (UWSA) was incorporated on July 10, 1972 under the Companies Act of Manitoba as a corporation without share capital. UWSA is exempt from corporate tax.

The University of Winnipeg Students' Association Inc. purpose is to provide an association of the students of the University of Winnipeg. The UWSA develops and maintains responsible student government and unity as well as encourages cooperation among the students. Further, the UWSA promotes the interests of the students and promotes the improvement of education in the Province of Manitoba. Finally, UWSA institutes, sponsors and directs activities the students are involved in.

These financial statements include the assets, liabilities, net assets and operations of the UWSA Day Care Centre, which is a program or department of UWSA.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

These financial statements have been prepared in accordance with Canadian generally accepted accounting principles for non-profit organizations which encompass the following principles:

i) Revenue Recognition:

UWSA 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 are recorded on an accrual basis according to the academic year.

UNIVERSITY OF WINNIPEG STUDENTS' ASSOCIATION INC.

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2021

ii) Capital Assets:

Capital assets are recorded at cost at the time of acquisition.

Amortization has been provided for on a declining balance basis using the following annual rates:

Equipment	20%
Computer equipment	30%
Computer software	100%

Leasehold improvements are amortized on a straight line basis over the number of years remaining on the lease plus one renewal term estimated in total to be five years.

Building Fund revenues received which are designated for capital purchases are deferred in the year of receipt and recognized annually at the same rate as the amortization on the related assets.

iii) Economic Dependence:

The University of Winnipeg Students Association derives a significant portion of its income as a result of an agreement with the University of Winnipeg, Inc. whereby a student levy is collected by the University and remitted to the UWSA.

iv) Use of Estimates

Accounting estimates are included in financial statements to approximate the effect of past business transactions or events, or to approximate the present status of an asset or liability. An example is the estimated useful life of an asset. It is possible that changes in future conditions could require changes in the recognized amounts for accounting estimates. Should an adjustment become necessary, it would be reported in the earnings period in which it became known.

UNIVERSITY OF WINNIPEG STUDENTS' ASSOCIATION INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2021

v) Financial Instruments

It is management's opinion that the University of Winnipeg Students Association Inc. is not exposed to significant interest, currency or credit risks arising from its financial instruments.

3. ACCOUNTS RECEIVABLE		<u>2021</u>	<u>2020</u>
		\$	\$
Trade receivables		367,561	256,373
Loans receivable		-	158,807
Parent fees: Day Care		-	14,701
GST		963	1,896
Other		<u>7,112</u>	<u>7,035</u>
		<u><u>375,636</u></u>	<u><u>438,812</u></u>

4. CAPITAL ASSETS	Cost	Accumulated Amortization	Net <u>2021</u>	Net <u>2020</u>
	\$	\$	\$	\$
Furniture & equip.	911,010	(729,965)	181,045	200,952
Computer hardware	198,477	(167,750)	30,727	28,511
Student Centre/ Computer lab	105,727	(120,379)	(14,652)	(3,126)
Day Care equipment	43,500	(30,679)	12,821	430
Day Care computer	9,908	(9,848)	60	86
Leaseholds	657,182	(420,508)	236,674	250,663
Computer software	<u>41,548</u>	<u>-</u>	<u>41,548</u>	<u>21,349</u>
Total	<u><u>1,967,352</u></u>	<u><u>(1,479,129)</u></u>	<u><u>488,223</u></u>	<u><u>498,865</u></u>

"See Auditor's Report"

UNIVERSITY OF WINNIPEG STUDENTS' ASSOCIATION INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2021

5. ACCOUNTS PAYABLE	<u>2021</u>	<u>2020</u>
	\$	\$
Trade payables	18,243	79,159
Payroll & benefits	188,307	200,847
Partner organizations	<u>142,704</u>	<u>103,531</u>
	<u><u>349,254</u></u>	<u><u>383,537</u></u>
6. DEFERRED REVENUE	<u>2021</u>	<u>2020</u>
	\$	\$
Student health admin levies	-	-
Student health premium levies	51,400	23,000
Student non refundable fees	81,065	59,000
Administration	591,739	431,741
Student Groups	38,732	42,539
Building Fund	2,187,005	2,104,534
Inclusion support	<u>6,860</u>	<u>33,207</u>
	<u><u>2,956,801</u></u>	<u><u>2,694,021</u></u>

"See Auditor's Report"

UNIVERSITY OF WINNIPEG STUDENTS' ASSOCIATION INC.

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2021

7. COMPARATIVE FIGURES

Certain prior year comparative figures have been reclassified to conform with the current year presentation.

8. OTHER STUDENT LEVIES

The UWSA receives levies collected by the University of Winnipeg on behalf of specific organizations. The UWSA is a conduit for these levies and the related amounts paid out to the respective organizations during the year have not been included in the statement of operations.

9. RECOGNIZED GROUPS' BANKING SERVICES

The UWSA acts as a bank for several student groups. The UWSA does not charge any fees related to this service and neither the revenues nor the expenses are reflected in the UWSA financial statements.

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