

THE UNIVERSITY OF WINNIPEG STUDENTS'
ASSOCIATION INC.

FINANCIAL STATEMENTS

MARCH 31, 2023



CHARTERED PROFESSIONAL ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

To the Members of The University of Winnipeg Students' Association Inc.:

Opinion

We have audited the financial statements of The University of Winnipeg Students' Association Inc. (the Association) which comprise the statement of financial position as at March 31, 2023, and the statement of changes in net assets, statement of operations and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Association as at March 31, 2023, 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 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 report. We are independent of the Association 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 Associations, 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 Association'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 Association or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Association'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 these financial statements.

SCARROW & DONALD, CHARTERED PROFESSIONAL ACCOUNTANTS, LLP

300 - 1001 Corydon Avenue • Winnipeg, Manitoba • R3M 0B6 • Business: (204) 982-9800 • Fax: (204) 474-2886 • www.scarrowdonald.mb.ca

Scarrow & Donald, Chartered Professional Accountants, LLP is a Canadian owned Limited Liability Partnership established under the laws of Manitoba.

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 Association'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 Association'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 Association 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.

We 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.

Scarrow & Donald LLP

Chartered Professional Accountants
December 12, 2024
Winnipeg, Canada

For this communication, together with the work done to prepare this communication and for opinions we have formed, if any, we accept and assume responsibility only to the addressee of this communication, as specified in our letter of engagement.


THE UNIVERSITY OF WINNIPEG STUDENTS' ASSOCIATION INC.

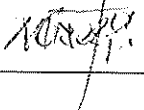
STATEMENT OF FINANCIAL POSITION

MARCH 31

	<u>2023</u>	<u>2022</u>
ASSETS		
Current assets:		
Cash	\$ 1,662,930	\$ 2,160,292
Accounts receivable	346,182	254,912
Prepaid expenses	26	-
	<u>2,009,138</u>	<u>2,415,204</u>
Capital assets (Note 4)	<u>358,672</u>	<u>385,092</u>
	<u>\$ 2,367,810</u>	<u>\$ 2,800,296</u>
LIABILITIES		
Current liabilities:		
Accounts payable	\$ 500,731	\$ 523,466
Deferred revenue (Note 5)	602,490	747,781
	<u>1,103,221</u>	<u>1,271,247</u>
NET ASSETS		
Building fund (Note 3)	742,365	716,921
General fund	<u>522,224</u>	<u>812,128</u>
	<u>1,264,589</u>	<u>1,529,049</u>
	<u>\$ 2,367,810</u>	<u>\$ 2,800,296</u>

APPROVED BY THE BOARD:





Director *PRESIDENT*

Director *Business & Economic
Director*

THE UNIVERSITY OF WINNIPEG STUDENTS' ASSOCIATION INC.

STATEMENT OF CHANGES IN NET ASSETS

FOR THE YEAR ENDED MARCH 31

	<u>Building Fund</u> (Note 3)	<u>General Fund</u>	<u>2023 Total</u>	<u>2022 Total</u>
Balance, beginning of year	\$ 716,921	\$ 812,128	\$ 1,529,049	\$ 1,596,685
Difference between revenue and expenses	-	(264,460)	(264,460)	(67,636)
Transfers (Note 3)	<u>25,444</u>	<u>(25,444)</u>	<u>-</u>	<u>-</u>
Balance, end of year	<u>\$ 742,365</u>	<u>\$ 522,224</u>	<u>\$ 1,264,589</u>	<u>\$ 1,529,049</u>

THE UNIVERSITY OF WINNIPEG STUDENTS' ASSOCIATION INC.

STATEMENT OF OPERATIONS

	Year ended March 31	
	2023	2022
Revenues:		
Student fees	\$ 1,450,882	\$ 1,639,059
Parent fees - parents	506,899	671,257
Parent fees - government	425,152	83,125
Province of Manitoba - operating grant	903,502	765,281
Grants	217,556	119,194
Fundraising	19,706	4,396
Government assistance (Note 6)	-	204,199
Interest income	34,422	7,769
Other revenue	48,630	44,679
Transit sales	329,040	163,161
Chemistry sales	33,876	25,863
	<u>3,969,665</u>	<u>3,727,983</u>
Expenses:		
Advertising	928	866
Amortization	120,037	130,195
Audit	18,305	17,391
Bad debt	426	18,493
Bank charges	17,998	13,687
Campaigns	22,301	27,870
Chemistry costs	17,104	24,304
Consulting fees	52,399	107,645
Copying/printing	17,203	9,898
Donations	41,759	184,741
Equipment rental/lease	47,770	39,093
Food and food supplies	70,868	59,414
Insurance	42,574	37,330
Late penalties and fines	2,599	-
Legal	35,397	20,274
Office supplies	252,753	222,370
Rent	30,000	30,000
Repairs and maintenance	15,731	19,137
Staff training expense	12,006	9,657
Telecommunication	24,370	23,978
Transit costs	324,767	156,566
Travel and event expenses	31,472	36,616
U of W collection service fees	66,982	69,952
Wages and benefits	2,968,376	2,536,142
	<u>4,234,125</u>	<u>3,795,619</u>
Difference between revenue and expenses	<u>\$ (264,460)</u>	<u>\$ (67,636)</u>

THE UNIVERSITY OF WINNIPEG STUDENTS' ASSOCIATION INC.

STATEMENT OF CASH FLOWS

	Year ended March 31	
	2023	2022
Cash flow from operating activities:		
Difference between revenue and expenses	\$ (264,460)	\$ (67,636)
Add back amortization	120,037	130,195
Changes in working capital:		
Accounts receivable	(91,270)	166,528
Prepaid expenses	(26)	1,146
Accounts payable	(22,735)	100,067
Deferred revenue	(145,291)	16,718
	(403,745)	347,018
Cash flow from investing activities:		
Purchase of capital assets	(93,617)	(27,064)
	(93,617)	(27,064)
Change in cash	(497,362)	319,954
Cash, beginning of year	2,160,292	1,840,338
Cash, end of year	\$ 1,662,930	\$ 2,160,292

THE UNIVERSITY OF WINNIPEG STUDENTS' ASSOCIATION INC.

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2023

1. Purpose of the Association:

The University of Winnipeg Students' Association Inc. (the "Association") was incorporated on July 10, 1972 under the Companies Act of Manitoba as a corporation without share capital. The Association is exempt from corporate tax.

The Association's purpose is to provide an association for the students of the University of Winnipeg. The Association develops, maintains and is 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 Association, which is a program or department of UWSA.

2. Significant accounting policies:

The financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations. An assumption underlying the preparation of financial statements in accordance with Canadian accounting standards for not-for-profit organizations is that the entity will continue for the foreseeable future and will be able to realize its assets and discharge liabilities in the normal course of operations.

The financial statements include the following significant accounting policies:

a) Critical accounting estimates and judgments-

The preparation of financial statements in accordance with Canadian accounting standards for not-for-profit Associations requires management to make estimates and judgments that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reported period.

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. It is possible that changes in future economic conditions could require changes in the recognized amounts for accounting estimates. These estimates are reviewed periodically, and, as adjustments become necessary, they are reported in the period in which they became known.

Significant areas of estimation by management include the impairment of non-financial assets, the useful lives of capital assets and the fair value of financial instruments.

Management bases their judgments, estimates and assumptions on factors they believe to be reasonable in the circumstances, but which may be inherently uncertain and unpredictable.

b) Financial instruments-

Except for certain related party transactions, financial instruments are measured at fair value on initial recognition adjusted by, in the case of a financial instrument that will not be measured subsequently at fair value, financing fees and transaction costs that are directly attributable to its origination, acquisition, issuance or assumption. Transaction costs related to financial instruments that will be measured subsequently at fair value are recognized in net income for the period incurred.

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2023

2. Significant accounting policies (continued):

b) Financial instruments (continued)-

In subsequent periods, investments in equity instruments that are quoted in an active market and certain derivative contracts are measured at fair value without any adjustment for transaction costs that may occur on sale or other disposal. The Association may elect to measure any financial instrument at fair value when the asset or liability is first recognized or for equity instruments that previously measured at fair value when the equity instrument ceases to be quoted in an active market. Other investments in equity instruments are measured at cost less any reduction for impairments. All other financial instruments are measured at amortized cost. Amortized cost is the amount at which the financial instrument is measured at initial recognition less principal repayments, plus or minus the cumulative difference between that initial amount and the maturity amount, and minus any reduction for impairment.

The Association measures cash, accounts receivable, and accounts payable at amortized cost.

The Association assesses impairment of all its financial assets, except those measured at fair value. Management considers whether there has been a breach in contract, such as a default or delinquency in interest of principal payments in determining whether objective evidence of impairment exists. Impairment is included in current earnings.

c) Capital assets-

Capital assets are recorded at cost and amortized over their estimated useful lives, except for contributed assets which are recorded at fair market value at the time of the contribution plus all costs directly attributable to the acquisition. This requires estimation of the useful life of the asset and its salvage and residual value. When a capital asset is impaired, the excess of its net carrying amount over the asset's fair value or replacement cost is recognized as an expense. As is true for all accounting estimates, it is possible that changes in future conditions could require changes in the recognized amounts for accounting estimates

Amortization is provided by the following annual rates and methods intended to amortize the cost of the assets over their estimated useful lives:

Furniture and equipment	20%
Computer hardware	30%
Student Centre/Computer lab	30%
Day Care equipment	20%
Day care computer	30%
Leaseholds	Straight line over 10 years
Computer software	50%

d) Revenue recognition-

The Association follows the deferral method of accounting for contributions. Student fees are recorded on an accrual basis according to the academic year. Daycare parent fees are recognized in the year they relate to. Revenue from donations is recognized as income in the period designated by the donor or, if no designation is made, when received. Grants are recognized as revenue at their estimated realizable value at the earlier of the date awarded or the fiscal period to which they relate. Revenue from grants is recognized as income in the period designated by the grantor, which is normally the period in which the expenses that relate to the grant are incurred. Other revenue is recognized when goods or services are provided and collectability is reasonably assured. Interest is recognized on a time proportion basis.

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2023

3. Building fund:

The Association has established a building fund to provide for future purchases of capital items. The internally restricted funds are not available for other purposes without the approval of the Board of Directors. During the year, the Association's board of directors approved a transfer of \$nil (2022 - \$180,256) from the building fund to the general fund and \$25,444 (2022 - \$nil) from the general fund to the building fund.

4. Capital assets:

	March 31			
	2023		2022	
	Cost	Accumulated Amortization	Cost	Accumulated Amortization
Furniture and equipment	\$ 959,274	\$ 803,711	\$ 931,805	\$ 768,253
Computer hardware	218,231	187,983	204,747	177,909
Student Centre/Computer lab	105,727	105,727	105,727	105,727
Day Care equipment	43,500	35,294	43,500	33,243
Day Care computer	9,908	9,879	9,908	9,866
Leaseholds	709,846	551,944	657,182	486,227
Computer software	41,548	34,824	41,548	28,100
	<u>\$ 2,088,034</u>	<u>\$ 1,729,362</u>	<u>\$ 1,994,417</u>	<u>\$ 1,609,325</u>
Net book value	<u>\$ 358,672</u>		<u>\$ 385,092</u>	

5. Deferred revenue:

Deferred revenue includes student fees and daycare parent fees received during the current year that will be taken into income in the subsequent year.

6. Government assistance:

The Association applied for and received the Canada Emergency Wage Subsidy, related to salaries paid during the year ended March 31, 2022. Canada Emergency Wage Subsidy of \$204,199 have been reflected in the statement of operations as government assistance. No assistance was applied for during the year ended March 31, 2023.

7. Risk management:

Management's risk management policies are typically performed as a part of the overall management of the Association's operations. Management is aware of risks related to these objectives through direct personal involvement with employees and outside parties. In the normal course of its operations, the Association is exposed to a number of risks that can affect its operating performance. Management's close involvement in operations helps identify risks and variations from expectations. The Association has not designated transactions as hedging transactions to manage risk. As a part of the overall operation of the Association, management considers the avoidance of undue concentrations of risk. These risks include, and the actions taken to manage them are as follows:

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2023**

7. Risk management (continued):

Liquidity risk-

Liquidity risk is the risk that the Association cannot meet its financial obligations associated with financial liabilities in full. The Association's main sources of liquidity are its operations and external contributions. The funds are primarily used to finance working capital and capital expenditure requirements and are adequate to meet the Association's financial obligations associated with financial liabilities.

Credit risk-

Credit risk arises from the possibility that debtors may be unable to fulfill their commitments. For a financial asset, this is typically the gross carrying amount, net of any amounts offset and any impairment losses. The Association has credit policies to address credit risk on accounts receivable, which may include the analysis of the financial position of the debtor and review of credit limits. The Association also may review credit history before establishing credit and reviews credit performance. An allowance for doubtful accounts or other impairment provisions are established based upon factors surrounding credit risk, historical trends and other information. No allowance for doubtful accounts has been recorded.

THE UNIVERSITY OF WINNIPEG STUDENTS' ASSOCIATION INC.

DAYCARE SERVICES

SCHEDULE OF REVENUE AND EXPENSES

	Year ended March 31	
	2023	2022
Revenues:		
Student fees	\$ 36,962	\$ 31,913
Parent fees - parents	506,899	671,257
Parent fees - government	425,152	83,125
Province of Manitoba - operating grant	903,502	765,281
Grants	208,096	112,494
Government assistance	-	172,538
Other revenue	24	-
	<u>2,080,635</u>	<u>1,836,608</u>
Expenses:		
Amortization	2,064	2,584
Audit	4,136	4,032
Bad debt	426	13,194
Bank charges	7,844	10,102
Copying/printing	8,069	2,188
Food and food supplies	41,153	29,001
Insurance	6,218	5,675
Legal	-	1,803
Office supplies	149,656	136,891
Rent	30,000	30,000
Repairs and maintenance	4,424	7,104
Staff training expense	5,884	8,498
Wages and benefits	<u>1,742,197</u>	<u>1,557,747</u>
	<u>2,002,071</u>	<u>1,808,819</u>
Difference between revenue and expenses	\$ <u>78,564</u>	\$ <u>27,789</u>