
Financial Statements of

**THE GRADUATE STUDENTS
ASSOCIATION OF MCMASTER
UNIVERSITY**

Year ended May 31, 2016



KPMG LLP
Box 976
21 King Street West Suite 700
Hamilton ON L8N 3R1

Telephone (905) 523-8200
Telefax (905) 523-2222
www.kpmg.ca

INDEPENDENT AUDITORS' REPORT

To the Members of the Graduate Students Association of McMaster University

We have audited the accompanying financial statements of The Graduate Students Association of McMaster University, which comprise the statement of financial position as at May 31, 2016, the statements of operations, changes in net assets and cash flows for the year then ended and notes, comprising 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.

Auditors' 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 our 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, we consider 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 qualified audit opinion.



Basis for Qualified Opinion

In common with many not-for-profit organizations, The Graduate Students Association of McMaster University derives revenues from restaurant and bar sales, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, verification of these revenues was limited to the amounts recorded in the records of The Graduate Students Association of McMaster University.

Opinion

In our 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 Graduate Students Association of McMaster University as at May 31, 2016, and its results of operations, changes in net assets and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

KPMG LLP

Chartered Professional Accountants, Licensed Public Accountants

August 24, 2016
Hamilton, Canada

THE GRADUATE STUDENTS ASSOCIATION OF MCMASTER UNIVERSITY

Statement of Financial Position
May 31, 2016, with comparative information for 2015

	2016				2015			
	Phoenix Bar & Grill	GSA Membership	Total		Phoenix Bar & Grill	GSA Membership	Total	
Assets								
Current assets:								
Cash (note 2)	\$ 51,229	\$ 761,766	\$ 812,995	\$ 66,440	\$ 516,216	\$ 582,656		
Accounts receivable (note 3)	8,822	6,753	15,575	2,843	-	2,843		
Other receivables (note 3)	-	-	-	1,170	-	1,170		
Due to GSA from Phoenix	(172,849)	172,849	-	(273,833)	273,833	-		
Due from McMaster University	-	17,366	17,366	-	-	-		
Inventory	24,638	-	24,638	20,723	-	20,723		
Prepaid expenses	11,796	14,000	25,796	9,685	17,019	26,704		
	(76,364)	972,734	896,370	(172,972)	807,068	634,096		
Capital assets (note 4)	50,291	2,190,757	2,241,048	50,730	2,290,947	2,341,677		
	\$ (26,073)	\$ 3,163,491	\$ 3,137,418	\$ (122,242)	\$ 3,098,015	\$ 2,975,773		
Liabilities and Net Assets								
Current liabilities:								
Accounts payable and accrued liabilities (note 5)	\$ 206,786	\$ 145,172	\$ 351,958	\$ 191,328	\$ 29,566	\$ 220,894		
Due to McMaster University	21,285	89	21,374	5,267	9,762	15,029		
Deferred revenue	-	25,764	25,764	3,889	35,571	39,460		
Deferred sponsorship grants	-	2,184	2,184	-	2,184	2,184		
Current portion of long-term debt (note 6)	-	180,000	180,000	-	180,000	180,000		
	228,071	353,209	581,280	200,484	257,083	457,567		
Long-term debt (note 6)	-	374,373	374,373	-	541,534	541,534		
Deferred contributions related to capital building (note 7)	-	1,636,384	1,636,384	-	1,569,413	1,569,413		
Accumulated net assets:								
Invested in capital assets (note 8)	50,291	-	50,291	50,730	-	50,730		
Unrestricted (deficiency)	(304,435)	799,525	495,090	(373,456)	729,985	356,529		
	(254,144)	799,525	545,381	(322,726)	729,985	407,259		
Commitment (note 9)								
Contingent liability (note 10)								
	\$ (26,073)	\$ 3,163,491	\$ 3,137,418	\$ (122,242)	\$ 3,098,015	\$ 2,975,773		

See accompanying notes to financial statements.

On behalf of the Board:  Director

 Director

THE GRADUATE STUDENTS ASSOCIATION OF MCMASTER UNIVERSITY

Statement of Operations

Year ended May 31, 2016, with comparative information for 2015

	Phoenix Bar & Grill	GSA Membership	2016 Total	Phoenix Bar & Grill	GSA Membership	2015 Total
Revenue:						
Bar and restaurant	\$ 1,489,811	\$ -	\$ 1,489,811	\$ 1,436,593	\$ -	\$ 1,436,593
Members' fees	-	1,382,081	1,382,081	-	1,381,608	1,381,608
Other income	-	2,540	2,540	1,992	3,856	5,848
League fees	-	74,537	74,537	-	78,158	78,158
	1,489,811	1,459,158	2,948,969	1,438,585	1,463,622	2,902,207
Cost of sales:						
Bar and food supplies	636,379	-	636,379	658,472	-	658,472
Wages and benefits	575,327	-	575,327	548,133	-	548,133
	1,211,706	-	1,211,706	1,206,605	-	1,206,605
	278,105	1,459,158	1,737,263	231,980	1,463,622	1,695,602
Expenses:						
Advertising	27,497	-	27,497	21,183	-	21,183
Bank charges	32,347	-	32,347	28,717	639	29,356
Group insurance	-	1,103,609	1,103,609	-	1,040,567	1,040,567
Honoraria	-	28,492	28,492	-	31,546	31,546
Insurance	12,140	21,984	34,124	13,792	16,354	30,146
Interest on long-term debt	-	48,704	48,704	-	60,068	60,068
League expenses	-	70,146	70,146	-	51,699	51,699
McMaster University fees	-	15,163	15,163	-	16,010	16,010
Membership and club support	-	3,673	3,673	-	6,694	6,694
Office supplies and maintenance	7,594	-	7,594	11,880	-	11,880
Office salaries	-	70,788	70,788	-	72,591	72,591
Professional fees	20,114	21,718	41,832	24,252	37,372	61,624
Rent	55,219	-	55,219	50,937	-	50,937
Repairs and maintenance	14,517	-	14,517	11,595	-	11,595
Supplies and services	30,012	7,741	37,753	20,792	7,218	28,010
Travel and events	-	42,523	42,523	-	27,835	27,835
Utilities	2,279	-	2,279	2,567	-	2,567
	201,719	1,434,541	1,636,260	185,715	1,368,593	1,554,308
Excess of revenue over expenses before amortization	76,386	24,617	101,003	46,265	95,029	141,294
Amortization of capital assets	(7,803)	(103,971)	(111,774)	(34,440)	(103,806)	(138,246)
Amortization of deferred contributions	-	148,893	148,893	-	144,407	144,407
Excess of revenue over expenses	\$ 68,583	\$ 69,539	\$ 138,122	\$ 11,825	\$ 135,630	\$ 147,455

See accompanying notes to financial statements

THE GRADUATE STUDENTS ASSOCIATION OF MCMASTER UNIVERSITY

Statement of Changes in Net Assets

Year ended May 31, 2016, with comparative information for 2015

May 31, 2016	Invested in capital assets	Unrestricted		Total
		Phoenix Bar & Grill	GSA Membership	
Balance, beginning of year	\$ 50,730	\$ (373,456)	\$ 729,985	\$ 407,259
Excess of revenue over expenses	37,119	76,386	24,617	138,122
Net change in investment in capital assets (note 8)	(37,558)	(7,365)	44,923	-
Balance, end of year	\$ 50,291	\$ (304,435)	\$ 799,525	\$ 545,381

May 31, 2015	Invested in capital assets	Unrestricted		Total
		Phoenix Bar & Grill	GSA Membership	
Balance, beginning of year	\$ 98,313	\$ (413,397)	\$ 574,888	\$ 259,804
Excess of revenue over expenses	6,161	46,265	95,029	147,455
Net change in investment in capital assets (note 8)	(53,744)	(6,324)	60,068	-
Balance, end of year	\$ 50,730	\$ (373,456)	\$ 729,985	\$ 407,259

See accompanying notes to financial statements.