**Minutes**

Graduate Students Association

**Board of Directors Meeting**

August 29th, 2022

4:00 pm

Teleconference Meeting

**Attendees:** Caroline Seiler (President), Wei Zhao (VP Services), Shuwen Qian (VP Internal), Letizia Dondi (VP Admin), Ashley Ravenscroft (DoO), Samantha Sada (Executive Assistant), Fahad Patel (KPMG), John Pryke (KPMG), Sarah Elshahat (VP External), (Director, Community Member at Larger), David Moore

(Director, Community Member at Large),

Yue Xi (Director, Community Member at Large), Jing Zheng (Director, Community Member at Large)

**Regrets:** None

**Absent:** None

Call to order: 4:05 pm

* 1. **MOTION: Approval of August 2022 agenda**

**Motion to approve the August 2022 Agenda moved by Wei Zhao, seconded by Letizia Dondi, all in favour motion carried.**

* 1. **MOTION**: **Approval of the July 2022 minutes**

**Motion to approve the July 2022 Minutes moved by Letizia Dondi, seconded by Sarah Elshahat all in favour motion carried.**

**Audit**

* John and Fahad from KPMG begin the meeting by walking the Board through the Audit Findings Report for the year ended May 31st, 2022.
* John explains that there were no changes in accounting policies, and no new policies the GSA has adopted in the current year.
* Additionally, John states that they have not identified any significant deficiencies in internal patrols based on the work KPMG has carried out.
* John states that there are no relationships that exist or any work KPMG has performed, for either the GSA or McMaster University that would put them offside with those standards as the GSA’s external.
* Key areas of focus are areas that could potentially be fraudulent activities. John explains that they had done much journal entry testing. The testing consists of running the journal entries for the entire year through a program where anything being inputted outside of certain parameters is highlighted and looked at in detail.
* John states there were no issues identified and no concerns raised when reviewing the journal entries.
* John explains to the Board that the Phoenix has received $134,000 from CEWS (Canada Emergency Wage Subsidy) and HHBRP (Hardest Hit Business Recovery Program).
* John notes that the amount of subsidy applied has been recognized as a reduction in salaries expense and that management expense is appropriate.
* Additionally, John expresses that the University had offered a rent waiver from December 2021- April 2022. Due to this reduction in rent, KPMG has proposed an audit adjustment to correct the rent recognized in the current year. The adjustment of approximately $51k has been included in the summary, making this finding consistent with the prior year.
* Fahad continues to the next focus of the Audit review being capital assets. He notes that there were no significant editions during the year.
* He also mentions that they had noticed a transaction for 5 iPad Minis, however, after discussion with the management; they believe that the individual amount for the iPads was very nominal.
* Fahad explains that the GSA is using the capital build funds received each year to repay the debt acquired to finance the capital additions completed in the fiscal year 2013.
* Each year, there was an adjusting entry required to record the amortization of the deferred capital contributions as revenue.
* Fahad explains, that in 2019, amounts collected for capital purposes matched the total cost of improvements for leaseholds. And any additional amounts are now held for future capital projects and are not amortized until the funds are used for capital purposes.
* He states that the unspent deferred capital contributions are $359,392 and the amortization of funding has been recorded as a corrected audit difference of $101,395.
* Fahad moves on to the next focus area which was cash, short-term deposits, and multiple securities.
* He states that the total balance of the year-end was 1.581 million which represents 49.1% of total assets, representing a good ratio in terms of liquid assets.
* Fahad states that all the reconciling items have been verified and checked, meaning the accounts are properly stated in the financial statements.
* John explains that accounts payable and accrued liability balances are one of the line items in the financial statements that have changed quite a bit in comparison to the prior year. However, he explains that KPMG has gone through the steps to verify each of the individual, significant, approved balances.
* John explains that one adjustment had to be booked as the StudentCare final invoice was received later than in prior years. This increased the accrued liabilities amounts.
* John continues the audit conversation by highlighting that the GSA now has some league revenue as they are coming back.
* He states that there was a small revenue of $4500 related to the softball season last year that should have been recorded last year but wasn’t. This was treated as an uncorrected audit difference but does not cause any concern based on the immaterial amount.
* John goes through the high-level summary of the audit differences. The two items that have not been corrected in the financials are one for $14,000 that relates to two years ago, a rent-free two-month period. He explains that the auditors, management, and board decided collectively that the amount was not material. Secondly, the small amount of softball revenue from fiscal 2021.
* John states that overall KPMG is quite comfortable providing a clean audit opinion with these two items remaining as uncorrected.
* John highlights again that the GSA has seen a drop in cash overall yearly, 1.9 million to 1.6 million but still a healthy cash balance.
* John states that we are seeing more activity in the Phoenix and more activity in terms of paying off suppliers.
* John also explains the drop in the balance sheet as the Phoenix is up and running again, seeing an increase in inventory that we would have not seen in the previous year.
* John mentions that KPMG does confirm with the University any amount due to or due from McMaster. Noting that the Board can see a small amount due to McMaster.
* He explains to the Board, the GSA has got a small net investment in capital assets of $13,000, and still a very healthy and positive unrestricted net asset of $800,000 overall.
* John highlights a new line item in the current year which is the GSA’s COVID relief funding that was used to subsidize and help students proving some financial aid.
* John also highlights that group insurance has increased but the GSA has collected much more member fees in the current year.
* The GSA and the Phoenix did have a net loss of $64,000 compared to a loss last year of $127,000.
* John concludes that the explanation of the GSA and all the significant accounting policies are consistent with the past year.
* John notes that the GSA still has $359,000 that was received from either students or external parties, which has not yet been spent.
* Ashley states that she has sent along the GSA’s depreciation policy which has had a change regarding computer equipment.
* She explains that the GSA did not go with the straight-line declining balance by 20% and that they decided to make that over a smaller period (3 years).
* John states KPMG can get that updated in the final version.

**MOTION: Approve the Audit financial statements pending the update of the final report with the computer depreciation for the year ending May 31st, 2022 as set forth by KPMG moved by Letizia Dondi, seconded by David Moore all in favour motion carried.**

**Chair's remarks and updates (10-min)**

* Caroline begins her updates by highlighting the main activity for the GSA is the preparation for Welcome Week.
* Caroline mentions that the GSA has several meetings planned regarding HSR bus negotiations.
* Additionally, Caroline reminds the Board to attend the GSA’s Bylaws Committee meeting as they are aiming to work on The Student Project Fee Policy and would appreciate some input.
* Caroline notes a small change in the GSA healthcare plan as they are switching over from Empower Me to the Conversations mental health benefit as it introduces long-term care. She explains that it is a bit more expensive, however, the GSA is using its healthcare reserve so that students do not need to change the fee.
* Caroline explains that they will be gathering usage data at the end of the year.

**The Phoenix Updates**

* Ashley states that the Phoenix is grossing pre-pandemic numbers. In June, they hit $150,000 which is great.
* She also mentions that there will be more events in September.
* Ashley explains that in the future the Board will have a conversation about the Graduate Student Phoenix Discount.

**MOTION: To adjourn the meeting moved by Letizia Dondi, seconded by David Moore, all in favour motion carried.**

**Action items:**

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| **Item** | **Action by** | **Due date** | **Status** |
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