



*University of Alberta Students' Union*

## **FINANCE COMMITTEE**

**Monday, February 1, 2016**

**5.00pm**

**SUB 6-06**

### **AGENDA (FC 2015-11)**

**2015-11/1      INTRODUCTION**

**2015-11/1a      Call to Order**

**2015-11/1b      Approval of Agenda**

**2015-11/1c      Approval of Minutes**

**2015-11/1d      Chair's Business**

**2015-11/2      QUESTION/DISCUSSION PERIOD**

**2015-11/3      COMMITTEE BUSINESS**

**2015-11/3a      DFU Financial Package Review: The Gateway**

Please see FC 15-11.01

**2015-11/4      INFORMATION ITEMS**

**2015-11/5      ADJOURNMENT**

**2015-11/5a      Next Meeting: Monday, March 7, 2016 @ 5pm in SUB 0-48.**



Dear SU Finance Committee,

Firstly, I wanted to apologize for the tardiness of the submission of The Gateway's financial package. The 2014/15-year was tough for the organization as we struggled through transition and changes. Everything is now up-to-date and I hope you are able to find all the information you need in order to distribute our DFU cheque.

In our budget document, I have included our updated budget as of Dec. 1<sup>st</sup>. There were significant changes due to the nature of advertising sales in this economy. As such, you'll notice that we're now facing a large deficit this year. This is something that will be rectified next year as we diversify our operational model and pursue alternate revenue structures.

We have continued to fulfill our mandate of 30 publications per year with the addition of an orientation issue in August, and a features magazine at the end of April to make up for the week gaps over Fall and Winter reading weeks. We disbursed two scholarships at the Fall SU Awards, each valued at \$750.00.

If you have any further questions, or need clarification on any points, feel free to contact me at any time.

Best,  
Beth Mansell  
Executive Director – Gateway Student Journalism Society  
beth.mansell@gateway.ualberta.ca  
Office: 780 492 6669  
Cell: 586 985 7468

## GATEWAY STUDENT JOURNALISM SOCIETY

Revenue	Budget 15/16 (Board Approved Aug. 24/15)
<b>Local Sales Revenue</b>	
Local Space	98,000.00
Local Colour	0.00
Local Placement/Ins/Suppl	0.00
<b>Local Sales Total</b>	98,000.00
<b>Multimarket Sales Revenue</b>	
Multimarket Space	18,000.00
Multimarket Colour	0.00
<b>Multimarket Sales Total</b>	18,000.00
<b>SU Sales Revenue</b>	
SU Space	8,500.00
SU Colour	0.00
SU Placement/Ins/Suppl	0.00
<b>SU Sales Total</b>	8,500.00
<b>Online Sales Revenue</b>	
Classifieds	0.00
Local Online Space	6,500.00
Multimarket Impressions	10,000.00
SU Online Space	600.00
<b>Other Sales Total</b>	17,100.00
<b>Other Revenue</b>	
Student Fees	189,257.98
Interest Income	20.00
Bound Edition Sales	1,500.00
Swag Sales	500.00
Fundraising Income	500.00
Miscellaneous Income	0.00
Donations	0.00
Contra & Sponsorship Advertising	65,000.00
Alternate Revenue Task Force	5,000.00
<b>Total Other Revenue</b>	261,777.98

<b>Total Revenue</b>	403,377.98
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**EXPENSE**

**Printing Expense**

Base Printing	46,744.95
Additional Flats	0.00
Insertion Costs	0.00
Magazine	0.00
End Year Joke Issue	0.00
<b>Total Printing</b>	46,744.95

**Staff Costs**

Editorial Salaries	149,435.84
Business Salaries	49,600.00
Vacation Salaries	0.00
CPP Expense	7,563.36
EI Expense	5,174.93
WCB Expense	1,500.00
Health Benefits	0.00
Staff Recruitment	200.00
Staff Retreat	750.00
Staff Training & Development	1,500.00

<b>Total Salaries &amp; Benefits</b>	215,724.13
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**Distribution Expense**

Vehicle Rental (incl. fuel)	2,552.00
Circulation NASH Funding	5,040.00
Misc Distribution	200.00
<b>Total Distribution</b>	7,792.00

**Equipment & Infrastructure**

Computer Hardware (NC)	2,000.00
Computer Software (NC)	1,500.00
Photo Equipment (NC)	500.00
Office Equipment (NC)	0.00
Furniture (NC)	0.00
Office Improvements (NC)	0.00
Multimedia Equipment (NC)	500.00

<b>Total Equipment &amp; Infrastructure E</b>	4,500.00
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**General & Administrative Expense**

Professional Fees	9,500.00
Office Supplies	1,000.00
Computer Supplies	750.00
Postage	50.00
Bank & Service Charges	420.00
Telephone & Communication	1,500.00
Bad Debt	0.00
Subscriptions	350.00
Amortization Expense	500.00
Legal Fees	500.00
FOIP Expense	200.00
Insurance & Liability	4,500.00
Miscellaneous Expense	500.00
Scholarships	1,500.00
Repair & Maintenance	500.00
Payroll Service	900.00
Rent & Custodial Services	9,660.00
Volunteer Recruitment	250.00
Volunteer Appreciation	1,500.00
Bound Editions	2,500.00
Orientation Outreach	2,000.00
Swag	500.00
Printing & Duplication	1,000.00
Outreach & Marketing Expense	2,000.00
Outreach & Marketing Expense Con	65,000.00
Contract & Temporary Labour	0.00
Fundraising Expense	0.00
Website Hosting	480.00
Editor-in-Chief Expense	250.00
Society Function Food	250.00
<b>Total General &amp; Admin. Expense</b>	108,060.00

<b>TOTAL EXPENSE</b>	382,821.08
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<b>NET INCOME</b>	20,556.90
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<b>Revenue</b>	<b>Budget 15/16 (Updated Dec. 1st based on sales projections)</b>
<b>Local Sales Revenue</b>	
Local Space	66,000.00
Local Colour	0.00
Local Placement/Ins/Suppl	0.00
<b>Local Sales Total</b>	<b>66,000.00</b>
<b>Multimarket Sales Revenue</b>	
Multimarket Space	12,000.00
Multimarket Colour	0.00
<b>Multimarket Sales Total</b>	<b>12,000.00</b>
<b>SU Sales Revenue</b>	
SU Space	5,000.00
SU Colour	0.00
SU Placement/Ins/Suppl	0.00
<b>SU Sales Total</b>	<b>5,000.00</b>
<b>Online Sales Revenue</b>	
Classifieds	0.00
Local Online Space	6,000.00
Multimarket Impressions	7,000.00
SU Online Space	600.00
<b>Other Sales Total</b>	<b>13,600.00</b>
<b>Other Revenue</b>	
Student Fees	189,257.98
Interest Income	20.00
Bound Edition Sales	1,240.00
Swag Sales	0.00
Fundraising Income	500.00
Miscellaneous Income	0.00
Donations	0.00
Contra & Sponsorship Advertising	65,000.00
Alternate Revenue Task Force	5,000.00
<b>Total Other Revenue</b>	<b>261,017.98</b>

<b>Total Revenue</b>	357,617.98
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**EXPENSE**

**Printing Expense**

Base Printing	46,744.95
Additional Flats	0.00
Insertion Costs	0.00
Magazine	0.00
End Year Joke Issue	0.00
<b>Total Printing</b>	46,744.95

**Staff Costs**

Editorial Salaries	149,435.84
Business Salaries	49,600.00
Vacation Salaries	0.00
CPP Expense	7,563.36
EI Expense	5,174.93
WCB Expense	1,500.00
Health Benefits	0.00
Staff Recruitment	200.00
Staff Retreat	750.00
Staff Training & Development	1,500.00

<b>Total Salaries &amp; Benefits</b>	215,724.13
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**Distribution Expense**

Vehicle Rental (incl. fuel)	2,552.00
Circulation NASH Funding	5,040.00
Misc Distribution	100.00
<b>Total Distribution</b>	7,692.00

**Equipment & Infrastructure**

Computer Hardware (NC)	2,000.00
Computer Software (NC)	1,500.00
Photo Equipment (NC)	559.84
Office Equipment (NC)	0.00
Furniture (NC)	0.00
Office Improvements (NC)	0.00
Multimedia Equipment (NC)	416.31

<b>Total Equipment &amp; Infrastructure Expense</b>	4,476.15
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<b>General &amp; Administrative Expense</b>	
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Professional Fees	9,500.00
Office Supplies	250.00
Computer Supplies	250.00
Postage	50.00
Bank & Service Charges	420.00
Telephone & Communication	1,500.00
Bad Debt	0.00
Subscriptions	350.00
Amortization Expense	500.00
Legal Fees	1,000.00
FOIP Expense	200.00
Insurance & Liability	4,500.00
Miscellaneous Expense	500.00
Scholarships	1,500.00
Repair & Maintenance	500.00
Payroll Service	900.00
Rent & Custodial Services	9,660.00
Volunteer Recruitment	0.00
Volunteer Appreciation	1,000.00
Bound Editions	2,488.00
Orientation Outreach	0.00
Swag	0.00
Printing & Duplication	1,000.00
Outreach & Marketing Expense	2,200.00
Outreach & Marketing Expense Contra	65,000.00
Contract & Temporary Labour	0.00
Fundraising Expense	141.05
Website Hosting	480.00
Editor-in-Chief Expense	250.00
Society Function Food	200.00
<b>Total General &amp; Admin. Expense</b>	104,339.05

<b>TOTAL EXPENSE</b>	378,976.28
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<b>NET INCOME</b>	-21,358.30
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2014-15 Revenue	Actual 14/15
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<b>Local Sales Revenue</b>	
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Local Space	91,808.35
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Local Colour	0
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Local Placement/Ins/Suppl	0
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<b>Local Sales Total</b>	<b>91,808.35</b>
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<b>Multimarket Sales Revenue</b>	
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Multimarket Space	\$17,306.92
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Multimarket Colour	0
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<b>Multimarket Sales Total</b>	<b>\$17,306.92</b>
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<b>SU Sales Revenue</b>	
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SU Space	\$5,390.00
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SU Colour	\$792.43
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SU Placement/Ins/Suppl	0
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<b>SU Sales Total</b>	<b>\$6,182.43</b>
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<b>Online Sales Revenue</b>	
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Classifieds	0
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Local Online Space	\$5,767.32
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Multimarket Impressions	\$8,044.61
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SU Online Space	0
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<b>Other Sales Total</b>	<b>\$13,811.93</b>
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<b>Other Revenue</b>	
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Student Fees	\$192,713.08
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Interest Income	20
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Bound Edition Sales	0
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Swag Sales	0
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Fundraising Income	0
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Miscellaneous Income	0
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Donations	\$0.00
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Contra & Sponsorship Advertising	28,500
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<b>Total Other Revenue</b>	<b>\$221,233.08</b>
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<b>Total Revenue</b>	\$350,342.71
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**EXPENSE**

**Printing Expense**

Base Printing	\$45,870.00
Additional Flats	\$8,850.00
Insertion Costs	\$160.00
Magazine	\$4,919.23
End Year Joke Issue	0
<b>Total Printing</b>	\$59,799.23

**Staff Costs**

Editorial Salaries	136,662.43
Business Salaries	61,653.31
Vacation Salaries	0
CPP Expense	7540.99
EI Expense	5066.38
WCB Expense	\$1,956.82
Health Benefits	\$1,268.88
Staff Recruitment	\$150.00
Staff Retreat	\$742.00
Staff Training & Development	\$0.00

<b>Total Salaries &amp; Benefits</b>	215,040.81
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**Distribution Expense**

Vehicle Rental (incl. fuel)	\$2,844.98
Misc Distribution	\$203.97
<b>Total Distribution</b>	3048.95

**Equipment & Infrastructure**

Computer Hardware (NC)	0
Computer Software (NC)	\$151.49
Photo Equipment (NC)	\$162.98
Office Equipment (NC)	0
Furniture (NC)	0
Office Improvements (NC)	\$59.98
Multimedia Equipment (NC)	\$20.11
<b>Total Equipment &amp; Infrastructure Expense</b>	394.56

**General & Administrative Expense**

Professional Fees	\$13,500
Office Supplies	\$644.37
Computer Supplies	0
Postage	\$4.14
Bank & Service Charges	\$588.52
Telephone & Communication	\$5,808.38
Bad Debt	0
Subscriptions	0
Amortization Expense	0
Legal Fees	\$15.00
Scott Fenwick Memorial FOIP Expense	0
Insurance & Liability	\$4,455.63
Miscellaneous Expense	\$676.18
Scholarships	\$750.00
Repair & Maintenance	0
Payroll Service	\$900.00
Rent & Custodial Services	\$9,660.00
Volunteer Recruitment	0
Volunteer Appreciation	\$246.22
Bound Editions	\$0.00
Swag	0
Printing & Duplication	\$944.14
Outreach & Marketing Expense	2193.76
Outreach & Marketing Expense Contra	28,500.00
Contract & Temporary Labour	0
Fundraising Expense	0
Website Hosting	401.36
Editor-in-Chief Expense	337.28
<b>Total General &amp; Admin. Expense</b>	<b>\$69,625</b>

**TOTAL EXPENSE** \$347,908.53

**NET INCOME** \$2,434.18

**THE GATEWAY STUDENT JOURNALISM SOCIETY**  
**Financial Statements**  
**Year Ended June 30, 2015**

**THE GATEWAY STUDENT JOURNALISM SOCIETY**

**Index to Financial Statements**

**Year Ended June 30, 2015**

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## INDEPENDENT AUDITOR'S REPORT

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To the Members of The Gateway Student Journalism Society

We have audited the accompanying financial statements of The Gateway Student Journalism Society, which comprise the statement of financial position as at June 30, 2015 and the statements of revenues and expenditures, changes in net assets and cash flows for the year then ended, and 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.

### Auditor's 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 the auditor's 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, the auditor considers 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 audit opinion.

*(continues)*

Independent Auditor's Report to the Members of The Gateway Student Journalism Society *(continued)*

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of The Gateway Student Journalism Society as at June 30, 2015 and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

The financial statements for the year ended June 30, 2014 were audited by another accounting firm and are presented for comparative purposes only.

*Howard & Company LLP*

Edmonton, Alberta  
January 8, 2016

CHARTERED ACCOUNTANTS

**THE GATEWAY STUDENT JOURNALISM SOCIETY**

**Statement of Financial Position**

**June 30, 2015**

	2015	2014
<b>ASSETS</b>		
<b>CURRENT</b>		
Cash	\$ 238,434	\$ 62,255
Accounts receivable <i>(Note 3)</i>	40,185	64,880
Goods and services tax recoverable	-	1,498
Prepaid expenses	994	986
	<u>279,613</u>	<u>129,619</u>
<b>CAPITAL ASSETS <i>(Note 4)</i></b>	4,598	6,367
<b>LONG TERM INVESTMENTS <i>(Note 5)</i></b>	<u>3,825</u>	<u>3,825</u>
	<u>\$ 288,036</u>	<u>\$ 139,811</u>
<b>LIABILITIES AND NET ASSETS</b>		
<b>CURRENT</b>		
Accounts payable	\$ 249,755	\$ 82,386
Goods and services tax payable	1,171	-
Employee deductions payable	2,384	1,245
	<u>253,310</u>	<u>83,631</u>
<b>NET ASSETS</b>		
General fund	30,128	49,813
Invested in capital assets	4,598	6,367
	<u>34,726</u>	<u>56,180</u>
	<u>\$ 288,036</u>	<u>\$ 139,811</u>

COMMITMENTS *(Note 6)*

**ON BEHALF OF THE BOARD**

\_\_\_\_\_*Director*

\_\_\_\_\_*Director*



**THE GATEWAY STUDENT JOURNALISM SOCIETY**

**Statement of Revenues and Expenditures**

**Year Ended June 30, 2015**

	Budget 2015	Actual 2015	Actual 2014
<b>REVENUE</b>			
Student fees	\$ 195,257	\$ 189,713	\$ 193,673
Local advertising	117,000	86,636	117,737
Sponsorships	28,500	26,891	44,192
Multimarket advertising	7,500	24,965	8,460
Online advertising	15,000	6,116	15,208
Students' Union advertising	12,350	4,565	7,399
Guarantee shortfall recovery	-	-	1,500
Miscellaneous	2,400	-	996
Interest	20	-	38
	<u>378,027</u>	<u>338,886</u>	<u>389,203</u>
<b>EXPENSES</b>			
Wages and benefits	226,502	216,850	259,130
Printing	61,500	61,549	71,700
Outreach and marketing	30,500	29,085	46,596
Accounting fees	13,000	22,515	13,662
General overhead	9,220	10,559	10,222
Communication	5,300	5,813	5,950
Insurance	4,700	4,742	4,656
General operating	3,170	3,336	4,022
Distribution	2,800	3,049	3,224
Supplies and maintenance	3,250	2,019	2,419
Amortization	5,000	1,770	5,076
Public relations	5,500	857	4,503
Equipment and infrastructure	1,800	395	1,719
Memberships	-	-	5,576
Bad debts (recovery)	-	(2,199)	(5,542)
	<u>372,242</u>	<u>360,340</u>	<u>432,913</u>
<b>EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES</b>	<u>\$ 5,785</u>	<u>\$ (21,454)</u>	<u>\$ (43,710)</u>

**THE GATEWAY STUDENT JOURNALISM SOCIETY**

**Statement of Changes in Net Assets**

**Year Ended June 30, 2015**

	General Fund	Invested in Capital Assets	2015	2014
<b>NET ASSETS - BEGINNING OF YEAR</b>	\$ 49,813	\$ 6,367	\$ 56,180	\$ 99,890
Deficiency of revenue over expenses	(19,685)	(1,769)	(21,454)	(43,710)
<b>NET ASSETS - END OF YEAR</b>	<u>\$ 30,128</u>	<u>\$ 4,598</u>	<u>\$ 34,726</u>	<u>\$ 56,180</u>

**THE GATEWAY STUDENT JOURNALISM SOCIETY**

**Statement of Cash Flows**

**Year Ended June 30, 2015**

	2015	2014
<b>OPERATING ACTIVITIES</b>		
Excess of revenue over expenses	\$ (21,454)	\$ (43,710)
Items not affecting cash:		
Amortization of capital assets	1,770	5,076
Interest reinvested in long term investment	-	(38)
	<u>(19,684)</u>	<u>(38,672)</u>
Changes in non-cash working capital:		
Accounts receivable	24,695	(36,219)
Accounts payable	167,368	70,220
Prepaid expenses	(8)	1,021
Goods and services tax payable	2,669	(1,498)
Employee deductions payable	1,139	(3,034)
	<u>195,863</u>	<u>30,490</u>
Cash flow from operating activities	<u>176,179</u>	<u>(8,182)</u>
<b>INVESTING ACTIVITY</b>		
Purchase of capital assets	<u>-</u>	<u>(1,281)</u>
Cash flow from (used by) investing activity	<u>-</u>	<u>(1,281)</u>
<b>INCREASE (DECREASE) IN CASH FLOW</b>	176,179	(9,463)
Cash - beginning of year	<u>62,255</u>	<u>71,718</u>
<b>CASH - END OF YEAR</b>	<u>\$ 238,434</u>	<u>\$ 62,255</u>

# **THE GATEWAY STUDENT JOURNALISM SOCIETY**

## **Notes to Financial Statements**

**Year Ended June 30, 2015**

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### **1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

#### Basis of presentation

The Gateway Student Journalism Society is a not-for-profit organization incorporated under the Societies Act - Alberta and is exempt from income taxes.

The society's purposes are:

1. To sponsor the advancement of the education of University of Alberta Students through the various practices of journalism and the publication of Gateway, the student newspaper.
2. To provide a fair, reliable, clear source of information, focused mainly, but not exclusively, on issues which directly affect students, whether they are local, national or international.

The financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations (ASNFPO).

#### Cash

Cash includes cash and cash equivalents. Cash is defined by the society as funds on deposit at Canadian financial institutions.

#### Fund accounting

The Gateway Student Journalism Society follows the deferral method of accounting for contributions.

Revenues and expenses related to program delivery and administrative activities are reported in the General Fund.

The Invested in Capital Assets Fund reports the assets, liabilities, revenues, and expenses related to The Gateway Student Journalism Society's capital assets.

#### Investments

Short term investments, which consist primarily of Guaranteed Investment Certificate with original maturities at date of purchase beyond three months and less than twelve month, are carried at cost.

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# THE GATEWAY STUDENT JOURNALISM SOCIETY

## Notes to Financial Statements

Year Ended June 30, 2015

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### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

#### Capital assets

Capital assets are stated at cost or deemed cost less accumulated amortization. Capital assets are amortized over their estimated useful lives on a declining balance basis at the following rates and methods:

Equipment	20%	declining balance method
Computer software	100%	declining balance method

The society regularly reviews its capital assets to eliminate obsolete items.

Capital assets acquired during the year but not placed into use are not amortized until they are placed into use.

#### Net assets

- a) Net assets invested in capital assets represents the organization's net investment in capital assets which is comprised of the amortized amount of property and equipment purchased with restricted funds.
- b) Unrestricted net assets comprise the excess of revenue over expenses accumulated by the organization each year, not of transfers, and are available for general purposes.

#### Measurement uncertainty

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, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Such estimates are periodically reviewed and any adjustments necessary are reported in earnings in the period in which they become known. Actual results could differ from these estimates.

#### Revenue recognition

The Gateway Student Journalism Society follows the deferral method of accounting for contributions.

Revenue from advertising sales are recognized at the time the ad is first run. Revenue from student fees is recognized over the course of the academic term to which the fees relate. Interest income is recognized when earned.

*(continues)*

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# THE GATEWAY STUDENT JOURNALISM SOCIETY

## Notes to Financial Statements

Year Ended June 30, 2015

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### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

#### Non-monetary transactions

In the normal course of business, the society enters into non-monetary transactions under which suppliers provide goods and services in exchange for advertising space in the society's publications. These goods and services, which would otherwise be paid for in cash, are accounted for at the more reliably measurable of the fair value of the advertising services provided or the fair value of the goods and services received.

#### Financial instruments policy

Financial instruments are recorded at fair value when acquired or issued. In subsequent periods, financial assets with actively traded markets are reported at fair value, with any unrealised gains and losses reported in income. All other financial instruments are reported at amortized cost, and tested for impairment at each reporting date. Transaction costs on the acquisition, sale, or issue of financial instruments are expensed when incurred.

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### 2. GOING CONCERN

The accompanying financial statements have been prepared on the going concern assumption that the society will be able to realize its assets and discharge its liabilities in the normal course of business. The society has incurred significant losses over the past three years. Their continued existence depends upon its ability to restore and maintain profitable operations.

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### 3. ACCOUNTS RECEIVABLE

	2015	2014
Accounts receivable	\$ 25,576	\$ 60,380
Accrued receivables	19,483	3,000
Guarantee recovery receivable	-	1,500
Allowance for doubtful accounts	(4,874)	-
	<u>\$ 40,185</u>	<u>\$ 64,880</u>

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**THE GATEWAY STUDENT JOURNALISM SOCIETY**

**Notes to Financial Statements**

**Year Ended June 30, 2015**

**4. CAPITAL ASSETS**

	Cost	Accumulated amortization	2015 Net book value	2014 Net book value
Equipment	\$ 60,621	\$ 56,023	\$ 4,598	\$ 6,367
Computer software	14,794	14,794	-	-
	<u>\$ 75,415</u>	<u>\$ 70,817</u>	<u>\$ 4,598</u>	<u>\$ 6,367</u>

**5. LONG TERM INVESTMENTS**

	2015	2014
Guaranteed Investment Certificate bearing interest at 1.00% per annum and maturing in May 2016.	<u>\$ 3,825</u>	<u>\$ 3,825</u>

This GIC has been pledged as collateral for the society's credit cards held with the Bank of Montreal. As the society intends to hold this investment to maturity and then reinvest the funds in a similar instrument, it has been classified as long term.

**6. COMMITMENTS**

Advertising

The society has an exclusive advertising agreement with Free Media Inc. ("Free"), a third party organization, whereby Free will sell all local and multimarket advertising for the society until April 2016. Under the agreement the society receives 65% of advertising amounts collected, subject to a guaranteed minimum of \$100,000. The agreement will automatically renew for another year each April 30th unless either party terminates the agreement. The agreement makes the society economically dependent on the successful operations and collection efforts of Free.

Office Lease

The society has a contractual obligation under an operating lease for office space which expires on August 31, 2016.

The society's total estimated lease obligations are as follows:

2016	\$ 9,660
2017	<u>1,610</u>
	<u>\$ 11,270</u>

## **THE GATEWAY STUDENT JOURNALISM SOCIETY**

### **Notes to Financial Statements**

**Year Ended June 30, 2015**

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#### **7. BUDGET**

The 2015 operating budget was approved by the board of directors in July 2014, with amendments being made in October 2014. The budget figures have been provided for information purposes only and have not been audited or reviewed.

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#### **8. ECONOMIC DEPENDENCE**

The society receives approximately 56% of its funding from the University of Alberta Students' Union. Should the students' union withhold funding or significantly change its dealings with the society, management is of the opinion that continued viable operations would be doubtful.

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#### **9. FINANCIAL INSTRUMENTS**

The society is exposed to various risks through its financial instruments and has a comprehensive risk management framework to monitor, evaluate and manage these risks. The following analysis provides information about the society's risk exposure and concentration as of June 30, 2015.

##### **Credit risk**

Credit risk arises from the potential that a counter party will fail to perform its obligations. The society is exposed to credit risk from customers. In order to reduce its credit risk, the society reviews outstanding account regularly. The society has contracted out its advertising sales. The contractor is responsible for reviewing a new customer's credit history before extending credit and conducts regular reviews of its existing customers' credit performance. An allowance for doubtful accounts is established based upon factors surrounding the credit risk of specific accounts, historical trends and other information. The society has a significant number of customers which minimizes concentration of credit risk.

##### **Liquidity risk**

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The society is exposed to this risk mainly in respect of its receipt of funds from student fees collect by the University of Alberta, advertising revenue collected by Free Media and accounts payable.

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#### **10. COMPARATIVE FIGURES**

The prior year comparative figures were audited by another firm of public accountants. Some of the comparative figures have been reclassified to conform to the current year's presentation.

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# 2015-2016 Publishing Schedule

AUGUST 2015						
S	M	T	W	T	F	S
2	3	4	5	6	7	8
9	10	11	12	13	14	15
16	17	18	19	20	21	22
23	24	25	26	27	28	29
26 <sup>th</sup> : ORIENTATION ISSUE						

SEPTEMBER 2015						
S	M	T	W	T	F	S
		1	2	3	4	5
6	7	8	9	10	11	12
13	14	15	16	17	18	19
20	21	22	23	24	25	26
27	28	29	30			

OCTOBER 2015						
S	M	T	W	T	F	S
				1	2	3
4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28	29	30	31

NOVEMBER 2015						
S	M	T	W	T	F	S
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30					

DECEMBER 2015						
S	M	T	W	T	F	S
		1	2	3	4	5
6	7	8	9	10	11	12
13	14	15	16	17	18	19
20	21	22	23	24	25	26
27	28	29	30	31		

JANUARY 2016						
S	M	T	W	T	F	S
					1	2
3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28	29	30

FEBRUARY 2016						
S	M	T	W	T	F	S
	1	2	3	4	5	6
7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28	29					

MARCH 2016						
S	M	T	W	T	F	S
		1	2	3	4	5
6	7	8	9	10	11	12
13	14	15	16	17	18	19
20	21	22	23	24	25	26
27	28	29	30	31		

APRIL 2016						
S	M	T	W	T	F	S
					1	2
3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28	29	30

INDICATES  
SPECIAL ISSUE

April 27<sup>th</sup> - Features Magazine

**FINANCE**  
**COMMITTEE****Monday, January 11, 2016****5:00 pm****SUB 6-06****ATTENDANCE**

NAME	PROXY	PRESENT
Cody Bondarchuk (Chair)		Y
Levi Flaman		Y
Alex Kwan		Y
Charles Lewis		Y
Robyn Paches		Y
Kevin Wang		Y
Jane Yu		Y
Vivian Kwan		Y
Brett Stephen		N

**MINUTES (FC 2015-10)****2015-10/1            INTRODUCTION****2015-10/1a            Call to Order**

Meeting called to order at 17:05.

**2015-10/1b            Approval of Agenda**

FLAMAN/LEWIS move to approve the agenda.

7/0/0  
CARRIED

**2015-10/1c      Approval of Minutes**

FLAMAN/WANG K. move to approve the minutes.

7/0/0  
CARRIED

**2015-10/1d      Chair's Business**

**2015-10/2      QUESTION/DISCUSSION PERIOD**

**2015-10/2a      Bill 12 Consultation**

BONDARCHUK wants to change the structure of Finance Committee and he needs feedback from the committee.

BONDARCHUK proposed the following changes:

1. VPOF to be the de facto chair of Finance Committee each year
2. Additional staff resources, adding the accounting supervisor as another non-voting member of Finance Committee
3. Size of the committee

PACHES agreed with adding another non-voting member, however he did not favour the idea of having VPOF to be the de facto chair. He thinks that it should not be mandated. FLAMAN also thinks that someone can share the workload of VPOF.

BONDARCHUK thinks that it will create double work. And WANG K. thinks that for practicality it is better for VPOF to be the chair as the position needs specialized knowledge.

PACHES countered that everyone did not have the knowledge at the start of their term, so the position does not necessary need relevant background as everyone has to learn from the process.  
BONDARCHUK agreed.

PACHES also suggested that it is a good opportunity for Councilors to learn and prepare them to run for VPOF in the future. He also pointed out that if VPOF runs for the chair, there will not be much opposition, so there is no need to mandate it. FLAMAN agreed.

The committee thinks that 9 member is a suitable size for Finance Committee.

**2015-10/3**

**COMMITTEE BUSINESS**

**2015-10/3a**

BONDARCHUK laid out the plan of increasing membership fee. Instead of a 10% increase, he recommended a 7.7% based on the saving on cost. The increase is adjustable and will be evaluated each year.

BONDARCHUK/KWAN A. move to have Finance Committee recommend to Students' Council the following increases to the Students' Union Membership Fee above the mandated CPI adjustment to partially offset the cost of increases to Alberta's minimum wage:

- On May 1, 2016, increase full-time Fall/Winter Term fees by \$3.00 per term, part-time Fall/Winter Term fees by \$1.50 per term, and Spring and Summer term fees by \$1.50.

- On May 1, 2017, increase full-time Fall/Winter Term fees by \$3.25 per term, part-time Fall/Winter Term fees by \$1.63 per term, and Spring and Summer term fees by \$1.63.

- On May 1, 2018, increase full-time Fall/Winter Term fees by \$3.50 per term, part-time Fall/Winter Term fees by \$1.75 per term, and Spring and Summer term fees by \$1.75.

7/1/0  
CARRIED

**2015-10/3b**

BONDARCHUK used new format for the Budget Principles and explained the structure and principles to the committee. He amended Principle 15 to remove the word “additional” and Principle 20 to remove the word “additional.”

FLAMAN asked about Principle 12. BONDARCHUK explained that recurring projects might not be put in the budget, such as Be Book Smart. This will allow the project to have resources without going to project allocation.

KWAN V. explained the role of Dean of Students and Students' Union on Student Groups. DoS is more about risk management and SU is more about constitutional and aid to Student Groups. BONDARCHUK added that most students unions in the other universities manage their student groups so he wants to move forward to this initiative and this needs more resources.

FLAMAN asked about Principle 22 if it will generate more revenue. BONDARCHUK explained that it will as the process will be more efficient and this does not require extra staff but more resources.

BONDARCHUK/FLAMAN move to have Finance Committee recommend the 2016-17 Budget Principles to Students' Council.

8/0/0  
CARRIED

**2015-10/4**

**INFORMATION ITEMS**

**2015-10/5**

**ADJOURNMENT**

**2015-10/5a**

**Next Meeting:** Monday, February 1, 2016 @ 5pm in SUB 6-06.

Meeting adjourned at 17:57.

## **SUMMARY OF MOTIONS**

<b>MOTION</b>	<b>VOTES</b>
FLAMAN/LEWIS move to approve the agenda.	7/0/0 - CARRIED
FLAMAN/WANG K. move to approve the minutes.	7/0/0 - CARRIED
<p>BONDARCHUK/KWAN A. move to have Finance Committee recommend to Students' Council the following increases to the Students' Union Membership Fee above the mandated CPI adjustment to partially offset the cost of increases to Alberta's minimum wage:</p> <p>- On May 1, 2016, increase full-time Fall/Winter Term fees by \$3.00 per term, part-time Fall/Winter Term fees by \$1.50 per term, and Spring and Summer term fees by \$1.50.</p> <p>- On May 1, 2017, increase full-time Fall/Winter Term fees by \$3.25 per term, part-time Fall/Winter Term fees by \$1.63 per term, and Spring and Summer term fees by \$1.63.</p> <p>- On May 1, 2018, increase full-time Fall/Winter Term fees by \$3.50 per term, part-time Fall/Winter Term fees by \$1.75 per term, and Spring and Summer term fees by \$1.75.</p>	7/1/0 - CARRIED
BONDARCHUK/FLAMAN move to have Finance Committee recommend the 2016-17 Budget Principles to Students' Council.	8/0/0 - CARRIED