



University of Alberta Students' Union

FINANCE COMMITTEE

Monday, January 16, 2018

4:00 PM

SUB 6-06

We would like to respectfully acknowledge that our University and our Students' Union are located on Treaty 6 Territory.

We are grateful to be on Cree, Dene, Saulteaux, Métis, Blackfoot, and Nakota Sioux territory; specifically the ancestral space of the Papaschase Cree. These Nations are our family, friends, faculty, staff, students, and peers. As members of the

University of Alberta Students' Union we honour the nation-to-nation treaty relationship. We aspire for our learning, research, teaching, and governance to acknowledge and work towards the decolonization of Indigenous knowledges and traditions.

AGENDA (FC 2017-10)

2017-10/1 INTRODUCTION

2017-10/1a Call to Order

2017-10/1b Approval of Agenda

2017-10/1c Approval of Minutes

2017-10/1d Chair's Business

2017-10/2 QUESTION/DISCUSSION PERIOD

2017-10/2a Budget Principles Ideas

2017-10/2b Students' Event Initiative Referendum Question Feedback & Recommendations to Bylaw Committee

2017-10/3 COMMITTEE BUSINESS

2017-10/3a PACHES MOVES to approve the disbursement of the 2017/18 Gateway Student Journalism Society's dedicated fee unit as presented.

See FC-2017.02 to FC-2017.06

2017-10/4 INFORMATION ITEMS

2017-10/4a FC-2017-09 *Meeting Minutes*

See FC 2017-10.01

2017-10/4b Gateway Student Journalism Society - Financial Statements (Ended June 30, 2017)

See FC-2017-10.02

- 2017-10/4c** Gateway Student Journalism Society - 2017/18 Budget
- 2017-10/4d** Gateway Student Journalism Society - DFU Submission (2017/18)
- 2017-10/4e** Gateway Student Journalism Society - Signed (2016) Operating Agreement
- 2017-10/4f** Gateway Student Journalism Society - Signed Management Letter
- 2017-10/4g** Gateway Student Journalism Society - Dorward & Company LLP Letter
- 2017-10/5** **ADJOURNMENT**
- 2017-10/5a** **Next Meeting:** Tuesday, January 30, 2018 @ 4:00PM in SUB 6-06.



University of Alberta Students' Union

FINANCE COMMITTEE

Monday, December 11 2017

4:30 PM

SUB 0-55

We would like to respectfully acknowledge that our University and our Students' Union are located on Treaty 6 Territory.

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University of Alberta Students' Union we honour the nation-to-nation treaty relationship. We aspire for our learning, research, teaching, and governance to acknowledge and work towards the decolonization of Indigenous knowledges and traditions.

ATTENDANCE

NAME	PROXY	PRESENT	SUBMISSION OF WRITTEN FEEDBACK (IF ABSENT)
Robyn Paches (Chair)		Y	
Connor Palindat		Y	
James Thibaudeau	Wilson Dolan	Y	
Darren Choi		Y	
Abigail Bridarolli		N	N
Delane Howie		Y	
Habba Mahal		Y	
Monica Lillo		N	N
Ilya Ushakov		N	
Anderson		Y	
Bilac?		Y	

AGENDA (FC 2017-09)

2017-09/1 INTRODUCTION

2017-09/1a Call to Order

Meeting called to order at 4:32 PM.

2017-09/1b Approval of Agenda

2017-09/1c Approval of Minutes

6/0/2 CARRIED.
Anderson/Bilac? Abstained.

2017-09/1d Chair's Business

Paches: To start thinking about during the break - we've been discussing during council about the budget. For ex. One of the projects flagged was jackets, a lot of stuff that boils down to money. Start thinking about into the new year, we will start the process of creating a budget similar to how by-law is created. I'll create a draft first principles, bring for feedback, take that to Council and I'll bring a budget with itemized and everything broken down. Then feedback, work through it and bring it to council. Principles are similar to first reading in that it's the guidelines in which we create the budget. Ex. Funds will be made available for jackets. It's broad, high-level things. This will be implemented into next year.

2017-09/2 QUESTION/DISCUSSION PERIOD

2017-09/2a Winter 2018 -Meeting Schedule (Confirmation)

Paches: Ilya said we talked about this previously is that true?

?: You weren't there but we agreed on 4-5 off-council.

- Discussion re availability -

Paches: Do you think flexibility to expand to 3:30 will be do-able due to a hefty agenda? Let's do 4-5 and have flexibility to expand if needed. Off-council Tuesdays. Or would ppl rather start at 3:30 and expand if needed?

?: Are we starting on Jan 16?

Paches: We'll start on the 16th. Off-council Tuesdays, 4-5 PM.

2017-09/2b Golden Bears & Pandas Legacy Fund Receipt

See FC 2017-09.03

Paches: This is FYI than anything. The disbursement we approved earlier in the year so you can see each of the disbursements. The Golden Bears & Panda's legacy fund is a DFU that's intended to help fund varsity sports and capital equipment so they go to a couple of reps, couple of ppl from the committee, Ilya & I sat in on a committee that went through all of the apps from diff varsity sports which brought a recommendation to the committee.

?: For the sum of \$262,000?

Paches: Yes which is around average. They have to spend a little this year because it's been accumulating surplus over the years.

2017-09/3 **COMMITTEE BUSINESS**

2017-09/3a **PACHES/HOWIE MOVES** to approve the disbursement of the 2017/18 dedicated fee unit disbursement for The Landing Society for Gender and Sexual Diversity.

See FC-2017-09.02

Paches: The Landing is an operational DFU. The 2 types of DFU are operational and granting. Operational - we give the group money and they spend it vs. Granting - we give money directly to the recipient eg. refugee student fund. The group recommends the student to give it to. Operation DFU because we're giving them money to work with, they have a reporting checklist they have to adhere to because they're spending student money. We review the report and ensures they include all items outlined. If we feel that the report includes all those things then it will be approved by FC to receive the fees. The Landing didn't include the budget illustrating how funds will be spent during the upcoming year.

APPROVED point B "audited financial statements from previous year"
Evidence of compliance of all contracts with SU? - APPROVED
Evidence of fulfilling mandate; parts of operation DFU when approved, they have to state a mandate. (Reads Landing's mandate) Do we feel this demonstrates that? APPROVED

Any other info that we feel this report should include?

?: It seems pretty thorough to me.

?: I liked the fact that they were audited and were very upfront about

that.

Paches: We like it's upfront, wholistic nature, in-depth. Sounds unanimous. NO opposition. Any abstentions? If anyone is involved fiscally or related to anyone on the board, it's best to abstain from a vote to give that organization money. If you ever feel that your vote here is a conflict of interest - relationships, related, receiving compensation from this - it'll be best practice to abstain.

6/0/0 CARRIED.

2017-09/3b **PACHES/MAHAL MOVES** to approve the 2017/18 Student Legal Services dedicated fee unit disbursement as presented.

See FC-2017-09.04 and FC-2017-09.05.

Paches: We now have more information due to being voted down last meeting because there was no real budget presented, didn't show how it was going to be spend. I asked them for more info and they gave me more thorough information.

?: Starts on pg. 124.

?: They came back with a lot of info.

Paches: Because we did go through this one before and the only point we felt wasn't met was point A. Do we feel that this completes the report?

- Everyone agrees -

6/0/0 CARRIED.

2017-09/4 **INFORMATION ITEMS**

2017-09/4a FC-2017-08 *Meeting Minutes*

See FC 2017-09.01

2017-09/4b Finance Committee, Landing Report - 2017

See FC 2017-09.02

2017-09/4c Golden Bears & Pandas Legacy Fund 2017/18 Invoice

See FC 2017-09.03

2017-09/4d SLS DFU Report (2017)

See FC-2017-09.04

2017-09/4e SLSOE Global Budget (2017/18)

See FC-2017-09.05

2017-09/5 **ADJOURNMENT**

Meeting adjourned at 4:49 PM.

2017-09/5a **Next Meeting:** TBD.

SUMMARY OF MOTIONS

MOTION	VOTES
PACHES MOVES to approve the minutes.	6/0/2 Anderson/Bilac? Abstained CARRIED
PACHES/HOWIE MOVES to approve the disbursement of the 2017/18 dedicated fee unit disbursement for The Landing Society for Gender and Sexual Diversity.	6/0/0 CARRIED
PACHES/MAHAL MOVES to approve the 2017/18 Student Legal Services dedicated fee unit disbursement as presented.	6/0/0 CARRIED

THE GATEWAY STUDENT JOURNALISM SOCIETY
Financial Statements
Year Ended June 30, 2017

INDEPENDENT AUDITOR'S REPORT

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, 2017 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)

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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, 2017 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.

Edmonton, Alberta
October 25, 2017

Osward & Company LLP

CHARTERED ACCOUNTANTS

THE GATEWAY STUDENT JOURNALISM SOCIETY
Statement of Financial Position
June 30, 2017

	2017	2016
ASSETS		
CURRENT		
Cash	\$ 71,135	\$ 57,866
Accounts receivable	5,108	25,984
Goods and services tax recoverable	1,840	301
Prepaid expenses	1,868	1,075
	79,951	85,226
CAPITAL ASSETS <i>(Note 3)</i>	4,776	4,515
LONG TERM INVESTMENTS <i>(Note 4)</i>	3,933	3,897
	\$ 88,660	\$ 93,638
 LIABILITIES AND NET ASSETS		
CURRENT		
Accounts payable	\$ 52,636	\$ 85,046
Employee deductions payable	1,128	1,332
	53,764	86,378
NET ASSETS	34,896	7,260
	\$ 88,660	\$ 93,638

ON BEHALF OF THE BOARD

_____ *Director*

_____ *Director*

THE GATEWAY STUDENT JOURNALISM SOCIETY
Statement of Revenues and Expenditures
Year Ended June 30, 2017

	Budget 2017	Actual 2017	Actual 2016
REVENUE			
Student fees	\$ 200,000	\$ 201,506	\$ 194,898
Sponsorships	-	35,788	25,298
Local advertising	20,000	27,784	56,967
Online advertising	10,000	4,824	10,748
Students' Union advertising	2,000	1,352	2,873
Fundraising	500	1,122	2,233
Multimarket advertising	4,800	1,049	12,706
Other income	1,000	140	-
Interest	-	36	72
	238,300	273,601	305,795
EXPENSES			
Wages and benefits	137,176	128,019	211,198
Outreach and marketing	4,000	38,889	28,128
Printing	35,000	36,288	47,875
Rental	9,660	9,910	9,660
Professional fees	10,000	9,560	9,866
Bad debts	-	6,087	-
Insurance	4,700	5,148	5,028
Office	4,750	3,995	2,805
Amortization	500	2,142	1,716
General operating	8,330	2,133	3,062
Public relations	2,000	1,957	2,137
Equipment and infrastructure	1,900	1,557	1,847
Communication	410	180	1,357
Distribution	-	100	2,415
Travel	-	-	6,167
	218,426	245,965	333,261
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES	\$ 19,874	\$ 27,636	\$ (27,466)

THE GATEWAY STUDENT JOURNALISM SOCIETY

Statement of Changes in Net Assets

Year Ended June 30, 2017

	General Fund	Invested in Capital Assets	2017	2016
NET ASSETS - BEGINNING OF YEAR	\$ 2,745	\$ 4,515	\$ 7,260	\$ 34,726
Capital additions	(2,403)	2,403	-	-
Excess of revenue over expenses	29,778	(2,142)	27,636	(27,466)
NET ASSETS - END OF YEAR	<u>\$ 30,120</u>	<u>\$ 4,776</u>	<u>\$ 34,896</u>	<u>\$ 7,260</u>

THE GATEWAY STUDENT JOURNALISM SOCIETY

Statement of Cash Flows

Year Ended June 30, 2017

	2017	2016
OPERATING ACTIVITIES		
Excess (deficiency) of revenue over expenses	\$ 27,636	\$ (27,466)
Amortization of capital assets	2,142	1,716
	<u>29,778</u>	<u>(25,750)</u>
Changes in non-cash working capital:		
Accounts receivable	20,876	14,201
Accounts payable	(32,410)	(164,782)
Prepaid expenses	(793)	(81)
Goods and services tax payable	(1,539)	(1,472)
Employee deductions payable	(204)	(1,052)
	<u>(14,070)</u>	<u>(153,186)</u>
Cash flow from operating activities	<u>15,708</u>	<u>(178,936)</u>
INVESTING ACTIVITIES		
Purchase of capital assets	(2,403)	(1,632)
Long term Investments	(36)	-
	<u>(2,439)</u>	<u>(1,632)</u>
Cash flow used by investing activities	<u>(2,439)</u>	<u>(1,632)</u>
INCREASE (DECREASE) IN CASH FLOW	13,269	(180,568)
Cash - beginning of year	<u>57,866</u>	<u>238,434</u>
CASH - END OF YEAR	<u>\$ 71,135</u>	<u>\$ 57,866</u>

THE GATEWAY STUDENT JOURNALISM SOCIETY

Notes to Financial Statements

Year Ended June 30, 2017

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.

(continues)

THE GATEWAY STUDENT JOURNALISM SOCIETY
Notes to Financial Statements
Year Ended June 30, 2017

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 equipment	30% & 55%	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)

THE GATEWAY STUDENT JOURNALISM SOCIETY

Notes to Financial Statements

Year Ended June 30, 2017

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.

2. ACCOUNTS RECEIVABLE

	<u>2017</u>	<u>2016</u>
Accounts receivable	\$ 5,108	\$ 25,984

3. CAPITAL ASSETS

	Cost	Accumulated amortization	2017 Net book value	2016 Net book value
Computer equipment	\$ 58,420	\$ 54,770	\$ 3,650	\$ 3,614
Equipment	6,237	5,111	1,126	901
Computer software	14,794	14,794	-	-
	<u>\$ 79,451</u>	<u>\$ 74,675</u>	<u>\$ 4,776</u>	<u>\$ 4,515</u>

THE GATEWAY STUDENT JOURNALISM SOCIETY

Notes to Financial Statements

Year Ended June 30, 2017

4. LONG TERM INVESTMENTS

	<u>2017</u>	<u>2016</u>
Guaranteed Investment Certificate bearing interest at 0.90% per annum and maturing in May 2017.	\$ 3,933	\$ 3,897

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.

5. COMMITMENTS

Advertising

The society has an exclusive advertising agreement with F-Media Inc., a third party organization, whereby they will sell all local and multimarket advertising for the society until April 2018. 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 F-Media Inc.

Office Lease

The society has a contractual obligation under an operating lease for office space which expires on August 31, 2019. Under the terms of the lease, the Society will pay \$830 per month for rent, utilities and custodial services.

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

2018	\$ 9,960
2019	9,960
2020	<u>3,260</u>
	<u>\$ 23,180</u>

6. BUDGET

The 2017 operating budget was approved by the board of directors on August 11, 2016. The budget figures have been provided for information purposes only and have not been audited or reviewed.

7. ECONOMIC DEPENDENCE

The society receives approximately 74% 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.

THE GATEWAY STUDENT JOURNALISM SOCIETY

Notes to Financial Statements

Year Ended June 30, 2017

8. 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, 2017.

(a) 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 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.

(b) 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 its customers and other related sources, long-term debt, obligations under capital leases, contributions to the pension plan, and accounts payable.

(c) Currency risk

Currency risk is the risk to the company's earnings that arise from fluctuations of foreign exchange rates and the degree of volatility of these rates. The society is exposed to foreign currency exchange risk on cash, accounts receivable, and accounts payable held in U.S. dollars. The company does not use derivative instruments to reduce its exposure to foreign currency risk.

(d) Interest rate risk

Interest rate risk is the risk that the value of a financial instrument might be adversely affected by a change in the interest rates. In seeking to minimize the risks from interest rate fluctuations, the society manages exposure through its normal operating and financing activities. The society is exposed to interest rate risk primarily through its floating interest rate bank indebtedness and credit facilities.

Unless otherwise noted, it is management's opinion that the society is not exposed to significant other price risks arising from these financial instruments.

GATEWAY STUDENT JOURNALISM SOCIETY						
<i>This was some old budget stuff that happened to be in this document</i>						
Revenue	Budget 15/16 (Board Approved Aug. 24/15)		Revenue	Budget 15/16 (Updated Dec. 1st based on sales projections)	2014-15 Revenue	Actual 14/15
Local Sales Revenue			Local Sales Revenue		Local Sales Revenue	
Local Space	98,000.00		Local Space	66,000.00	Local Space	91,808.35
Local Colour	0.00		Local Colour	0.00	Local Colour	0
Local Placement/Ins/Suppl	0.00		Local Placement/Ins/Suppl	0.00	Local Placement/Ins/Suppl	0
Local Sales Total	98,000.00		Local Sales Total	66,000.00	Local Sales Total	91,808.35
Multimarket Sales Revenue			Multimarket Sales Revenue		Multimarket Sales Revenue	
Multimarket Space	18,000.00		Multimarket Space	12,000.00	Multimarket Space	\$17,306.92
Multimarket Colour	0.00		Multimarket Colour	0.00	Multimarket Colour	0
Multimarket Sales Total	18,000.00		Multimarket Sales Total	12,000.00	Multimarket Sales Total	\$17,306.92
SU Sales Revenue			SU Sales Revenue		SU Sales Revenue	
SU Space	8,500.00		SU Space	5,000.00	SU Space	\$5,390.00
SU Colour	0.00		SU Colour	0.00	SU Colour	\$792.43
SU Placement/Ins/Suppl	0.00		SU Placement/Ins/Suppl	0.00	SU Placement/Ins/Suppl	0
SU Sales Total	8,500.00		SU Sales Total	5,000.00	SU Sales Total	\$6,182.43
Online Sales Revenue			Online Sales Revenue		Online Sales Revenue	
Classifieds	0.00		Classifieds	0.00	Classifieds	0
Local Online Space	6,500.00		Local Online Space	6,000.00	Local Online Space	\$5,767.32
Multimarket Impressions	10,000.00		Multimarket Impressions	7,000.00	Multimarket Impressions	\$8,044.61
SU Online Space	600.00		SU Online Space	600.00	SU Online Space	0
Other Sales Total	17,100.00		Other Sales Total	13,600.00	Other Sales Total	\$13,811.93
Other Revenue			Other Revenue		Other Revenue	
Student Fees	189,257.98		Student Fees	189,257.98	Student Fees	\$192,713.08
Interest Income	20.00		Interest Income	20.00	Interest Income	20
Bound Edition Sales	1,500.00		Bound Edition Sales	1,240.00	Bound Edition Sales	0
Swag Sales	500.00		Swag Sales	0.00	Swag Sales	0
Fundraising Income	500.00		Fundraising Income	500.00	Fundraising Income	0
Miscellaneous Income	0.00		Miscellaneous Income	0.00	Miscellaneous Income	0
Donations	0.00		Donations	0.00	Donations	\$0.00
Contra & Sponsorship Advertising	65,000.00		Contra & Sponsorship Advertising	65,000.00	Contra & Sponsorship Advertising	28,500
Alternate Revenue Task Force	5,000.00		Alternate Revenue Task Force	5,000.00		
Total Other Revenue	261,777.98		Total Other Revenue	261,017.98	Total Other Revenue	\$221,233.08
Total Revenue	403,377.98		Total Revenue	357,617.98	Total Revenue	\$350,342.71
EXPENSE			EXPENSE		EXPENSE	
Printing Expense			Printing Expense		Printing Expense	
Base Printing	46,744.95		Base Printing	46,744.95	Base Printing	\$45,870.00
Additional Flats	0.00		Additional Flats	0.00	Additional Flats	\$8,850.00
Insertion Costs	0.00		Insertion Costs	0.00	Insertion Costs	\$160.00
Magazine	0.00		Magazine	0.00	Magazine	\$4,919.23
End Year Joke Issue	0.00		End Year Joke Issue	0.00	End Year Joke Issue	0
Total Printing	46,744.95		Total Printing	46,744.95	Total Printing	\$59,799.23

Staff Costs			Staff Costs			Staff Costs	
Editorial Salaries	149,435.84		Editorial Salaries	149,435.84		Editorial Salaries	136,662.43
Business Salaries	49,600.00		Business Salaries	49,600.00		Business Salaries	61,653.31
Vacation Salaries	0.00		Vacation Salaries	0.00		Vacation Salaries	0
CPP Expense	7,563.36		CPP Expense	7,563.36		CPP Expense	7540.99
EI Expense	5,174.93		EI Expense	5,174.93		EI Expense	5066.38
WCB Expense	1,500.00		WCB Expense	1,500.00		WCB Expense	\$1,956.82
Health Benefits	0.00		Health Benefits	0.00		Health Benefits	\$1,268.88
Staff Recruitment	200.00		Staff Recruitment	200.00		Staff Recruitment	\$150.00
Staff Retreat	750.00		Staff Retreat	750.00		Staff Retreat	\$742.00
Staff Training & Development	1,500.00		Staff Training & Development	1,500.00		Staff Training & Development	\$0.00
Total Salaries & Benefits	215,724.13		Total Salaries & Benefits	215,724.13		Total Salaries & Benefits	215,040.81
Distribution Expense			Distribution Expense			Distribution Expense	
Vehicle Rental (incl. fuel)	2,552.00		Vehicle Rental (incl. fuel)	2,552.00		Vehicle Rental (incl. fuel)	\$2,844.98
Circulation NASH Funding	5,040.00		Circulation NASH Funding	5,040.00		Misc Distribution	\$203.97
Misc Distribution	200.00		Misc Distribution	100.00		Total Distribution	\$3,048.95
Total Distribution	7,792.00		Total Distribution	7,692.00			
Equipment & Infrastructure			Equipment & Infrastructure			Equipment & Infrastructure	
Computer Hardware (NC)	2,000.00		Computer Hardware (NC)	2,000.00		Computer Hardware (NC)	0
Computer Software (NC)	1,500.00		Computer Software (NC)	1,500.00		Computer Software (NC)	\$151.49
Photo Equipment (NC)	500.00		Photo Equipment (NC)	559.84		Photo Equipment (NC)	\$162.98
Office Equipment (NC)	0.00		Office Equipment (NC)	0.00		Office Equipment (NC)	0
Furniture (NC)	0.00		Furniture (NC)	0.00		Furniture (NC)	0
Office Improvements (NC)	0.00		Office Improvements (NC)	0.00		Office Improvements (NC)	\$59.98
Multimedia Equipment (NC)	500.00		Multimedia Equipment (NC)	416.31		Multimedia Equipment (NC)	\$20.11
Total Equipment & Infrastructure Expense	4,500.00		Total Equipment & Infrastructure Expense	4,476.15		Total Equipment & Infrastructure Expense	394.56
General & Administrative Expense			General & Administrative Expense			General & Administrative Expense	
Professional Fees	9,500.00		Professional Fees	9,500.00		Professional Fees	\$13,500
Office Supplies	1,000.00		Office Supplies	250.00		Office Supplies	\$644.37
Computer Supplies	750.00		Computer Supplies	250.00		Computer Supplies	0
Postage	50.00		Postage	50.00		Postage	\$4.14
Bank & Service Charges	420.00		Bank & Service Charges	420.00		Bank & Service Charges	\$588.52
Telephone & Communication	1,500.00		Telephone & Communication	1,500.00		Telephone & Communication	\$5,808.38
Bad Debt	0.00		Bad Debt	0.00		Bad Debt	0
Subscriptions	350.00		Subscriptions	350.00		Subscriptions	0
Amortization Expense	500.00		Amortization Expense	500.00		Amortization Expense	0
Legal Fees	500.00		Legal Fees	1,000.00		Legal Fees	\$15.00
FOIP Expense	200.00		FOIP Expense	200.00		Scott Fenwick Memorial FOIP Expense	0
Insurance & Liability	4,500.00		Insurance & Liability	4,500.00		Insurance & Liability	\$4,455.63
Miscellaneous Expense	500.00		Miscellaneous Expense	500.00		Miscellaneous Expense	\$676.18
Scholarships	1,500.00		Scholarships	1,500.00		Scholarships	\$750.00
Repair & Maintenance	500.00		Repair & Maintenance	500.00		Repair & Maintenance	0
Payroll Service	900.00		Payroll Service	900.00		Payroll Service	\$900.00
Rent & Custodial Services	9,660.00		Rent & Custodial Services	9,660.00		Rent & Custodial Services	\$9,660.00
Volunteer Recruitment	250.00		Volunteer Recruitment	0.00		Volunteer Recruitment	0
Volunteer Appreciation	1,500.00		Volunteer Appreciation	1,000.00		Volunteer Appreciation	\$246.22
Bound Editions	2,500.00		Bound Editions	2,488.00		Bound Editions	\$0.00
Orientation Outreach	2,000.00		Orientation Outreach	0.00		Swag	0
Swag	500.00		Swag	0.00		Printing & Duplication	\$944.14
Printing & Duplication	1,000.00		Printing & Duplication	1,000.00		Outreach & Marketing Expense	2193.76
Outreach & Marketing Expense	2,000.00		Outreach & Marketing Expense	2,200.00		Outreach & Marketing Expense Contra	28,500.00
						Contract & Temporary Labour	0

Outreach & Marketing Expense Contra	65,000.00	Outreach & Marketing Expense Contra	65,000.00	Fundraising Expense	0
Contract & Temporary Labour	0.00	Contract & Temporary Labour	0.00	Website Hosting	401.36
Fundraising Expense	0.00	Fundraising Expense	141.05	Editor-in-Chief Expense	337.28
Website Hosting	480.00	Website Hosting	480.00	Total General & Admin. Expense	\$69,625
Editor-in-Chief Expense	250.00	Editor-in-Chief Expense	250.00		
Society Function Food	250.00	Society Function Food	200.00		
Total General & Admin. Expense	108,060.00	Total General & Admin. Expense	104,339.05	TOTAL EXPENSE	\$347,908.53
TOTAL EXPENSE	382,821.08	TOTAL EXPENSE	378,976.28	NET INCOME	\$2,434.18
NET INCOME	20,556.90	NET INCOME	-21,358.30		



Dear Finance Committee,

After a summer of planning and a semester of production, I hope that you'll accept The Gateway Student Journalism Society's DFU submission for 2017-18.

The Gateway has now been running as an online news source and as a magazine for a year and a half. Last year was a question of if this was even possible; this year, it has been a question of figuring out the most efficient ways to make meet our mandate given our resources.

I'm pleased to say that we did make 500 content posts on our website in both Winter 2016 and Fall 2017, which fulfills our mandate. I'm also pleased to present our finalized audit for the year ending in June 2017.

This audit is the first to assess The Gateway's operations purely under the magazine/online model, so I hope it will provide this committee a clearer snapshot of our finances than last year's audit. If you see any large differences between our numbers in 2016 and 2017, it will most likely be attributed to the fact that the 2016 audit covered 10 months of operations (July 2015 to May 2016) under the old newspaper model. For example, the newspaper model spent much more on staff salaries than we do now. When we transitioned to a magazine, salaries for all positions were cut, and the highest-paying position (Executive Director at \$40,000 per year) was eliminated entirely. Printing costs have also gone down as we print once per month rather than once per week.

If you need anything at all to complete your review, please do not hesitate to contact me at eic@gateway.ualberta.ca. I'll be more than happy to provide additional context and information if needed.

Best regards,

Jamie Sarkonak, Editor-in-Chief

September 2016

TERMS OF AGREEMENT

Operating Agreement

Between the University of Alberta Students' Union (the "Students' Union" or the "Landlord") and

the Gateway Student Journalism Society (the "GSJS" or the "Tenant")

The parties agree to the following:

1. The Students' Union agrees to the following:

- a) To provide nineteen hundred and seventy five (1975) square feet of space on the third floor of the Students' Union Building (SUB), as outlined in Schedule 'B', accepted as is, at a total cost to the GSJS of \$830 per month beginning in September of 2016, including utilities and custodial services. The GSJS retains the right to receive custodial services from a source other than the Students' Union provided that the service is adequate and does not result in any undesirable conditions.
- b) To collect, on behalf of the GSJS, Students' Union fees as per the 2002 referendum, and forwarding of said fees to the GSJS if those conditions established by the Students' Union in the Students' Union's Bylaws are met.
- c) To conduct reasonable payroll and other administrative functions for the GSJS at an initial cost of \$900.00 per annum. This sum is to be paid via a monthly payment of \$75.00 by the last day of each month in which these services are rendered. This cost will be determined each year by an estimate of costs incurred in performing agreed to administrative tasks for the GSJS. The GSJS retains the right to receive these services from a source other than the Students' Union.
- d) To grant to the GSJS non-exclusive license to use the common areas of the building for all reasonable purposes, where "common areas" shall mean all lands, improvements, facilities, utilities, installations, and equipment forming part of the building, other than those parts designated by the Students' Union for leasing to tenants of the building and shall include (but not be limited to) washrooms, stairwells, and loading docks.
- e) Quiet enjoyment of the leased premises by the GSJS.

2. The Gateway Student Journalism Society agrees to the following:


- a) Not to reassign the space specified in Schedule 'B' without the express written consent of the Students' Union, such consent not to be unreasonably withheld.
- b) To be responsible for all property insurance for all capital assets and furniture owned by the GSJS, in the event of theft, fire, and vandalism.
- c) To carry Liability insurance in an amount not less than \$2,000,000 and Publisher Liability insurance in an amount not less than \$1,000,000 which will also include legal fees. The premium and retention will be paid for in full by GSJS with proof of coverage confirmed by a certificate of insurance that includes the Students' Union as an additional insured. The policy will be endorsed to provide that 30 days prior written notice of cancellation or material change of the policy will be mailed to the Students' Union. The insurance coverage will be in place within 30 days of this contract being signed with proof of coverage provided to the Personnel Manager of the Students' Union. Proof of coverage must also be provided to the Personnel Manager of the Students' Union upon annual renewal of the insurance.
- d) To use the space solely for the purpose of producing a publication and for other necessarily related activities, and to do so in such a manner as to reflect well on the Students' Union and the University of Alberta.
- e) To keep the leased premises in a neat and orderly manner, including the kitchen, as outlined in Schedule 'B.'
- f) To provide the Students' Union with advertising rates in the Gateway at a discount fixed at thirty per cent (30%) below retail for display advertising.
- g) To not alter the Leased Premises or remove fixtures upon termination of the Agreement unless the Students' Union has first consented, such consent not to be unreasonably withheld.
- h) To follow all relevant Students' Union Operating Policies unless otherwise specified in the Agreement. In the event of a change in Operating Policy, the Students' Union will notify the GSJS in writing.
- i) To share the use of the kitchen, as outlined in Schedule 'B,' with the University of Alberta Interfaith Chaplains Associations.

3. Notwithstanding the articles contained herein, the following is understood by both parties:

- a) The term of the lease and the license herein granted will be from September 1, 2016 until August 31, 2019, upon which time it will be reviewed with an option to renew the lease based on the similar terms and conditions.

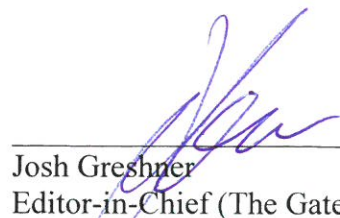
- i. In the event of an alteration of the fee referred to in 1(b), the Students' Union reserves the right to initiate a renewal of the lease under revised terms and conditions on or before April 30th of the following year in which the referendum is held.
- b) Contravention of any the "Default and Termination" conditions outlined in Schedule 'A' by the GSJS may result in the termination of this agreement by the Students' Union. In this circumstance the GSJS shall receive written notice of termination at least 30 days prior to the termination coming into effect.
- c) The GSJS may terminate this agreement, with the exception of clause 2(g), at any time and for any reason provided it gives six months written notice.
- d) Any article or portion thereof may be amended with the mutual written consent of both parties.
- e) Subject to subparagraph 1(a) and 1(c) above, all rental and lease rates are subject to change provided that the Students' Union provides six months notice.
- f) Where a dispute arises between the Students' Union and the GSJS under the terms of this agreement and this dispute cannot be settled by agreement between the two aforementioned parties, then such a dispute shall be settled by arbitration by a single arbitrator, if the parties can agree on one, or by three arbitrators if a single arbitrator cannot be agreed upon. In this situation, one arbitrator shall be appointed by the Students' Union, one shall be appointed by the GSJS, and one shall be appointed by the University of Alberta. Otherwise, such proceedings shall be subject to the provisions of the Arbitration Act of the Province of Alberta and amendments thereto, or such other Act or procedure as may have been substituted, the cost of which is to be borne equally by both parties.
- g) As of April 30, 2003, this agreement is the extent of any agreement between the Students' Union and the GSJS insofar as space costs, asset transfer(s), and the provision of administrative services to the GSJS by the Students' Union, and that this agreement supersedes any previous agreement between the two parties which addresses the aforementioned areas.

For the Students' Union



Robyn Paches
Vice President (Operations & Finance)

For the GSJS



Josh Greshner
Editor-in-Chief (The Gateway)

September 2016



Margriet Tilroe-West
Witness

Signed this ^{20th} day of September 2016.

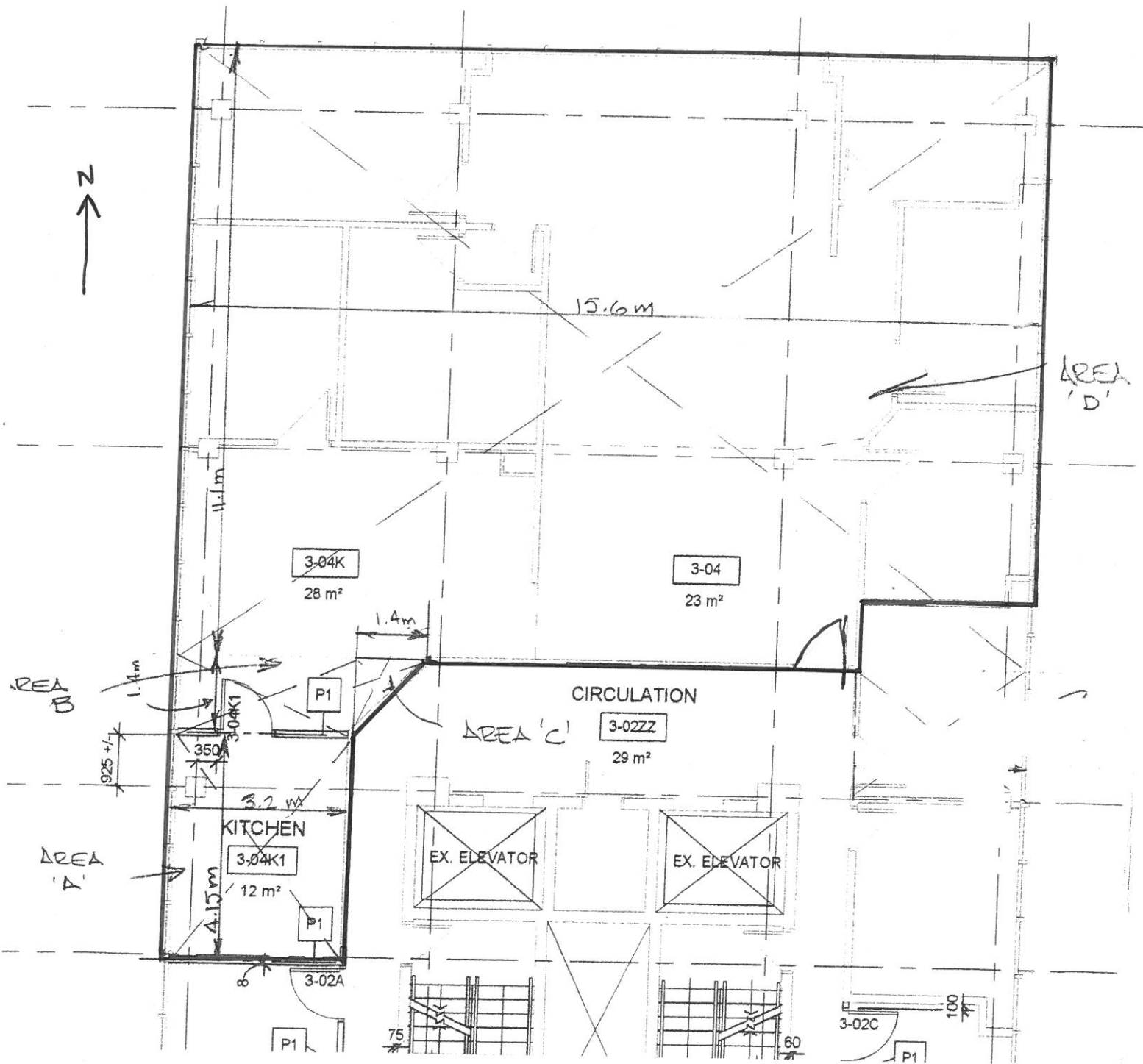


Jonathan Zilinski
Witness

GATEWAY

AREA 'A' - $\frac{1}{2} \times 13.28 \text{ m}^2 = 6.64 \text{ m}^2$
 AREA 'B' - $\phantom{\frac{1}{2} \times 13.28 \text{ m}^2} = 4.48 \text{ m}^2$
 AREA 'C' - $\frac{1}{2} \times 1.96 \text{ m}^2 = .98 \text{ m}^2$
 AREA 'D' - $\phantom{\frac{1}{2} \times 1.96 \text{ m}^2} = 173.16 \text{ m}^2$

$18526 \text{ m}^2 = 1975 \square'$



**Dorward
& Company**^{LLP}
Chartered Accountants

October 26, 2017

The Gateway Student Journalism Society
3-04 Students' Union Building
University of Alberta
Edmonton AB T6G 2J7

Attention: Jamie Sarkonak, Editor-in-Chief

Dear Jamie Sarkonak:

The objective of our audit was to obtain reasonable assurance that the financial statements were free of material misstatement; our audit was not designed for the purpose of identifying matters to communicate. Accordingly, our audit would not usually identify all such matters that may be of interest to you and it is inappropriate to conclude that no such matters exist.

During the course of our audit of The Gateway Student Journalism Society for the year ended June 30, 2017, we did not identify any of the following matters: misstatements, other than trivial errors; fraud; misstatements that may cause future financial statements to be materially misstated; illegal or possibly illegal acts, other than ones considered inconsequential; or significant weaknesses in internal control.

This communication is prepared solely for the information of management and is not intended for any other purpose. We accept no responsibility to a third party who uses this communication.

Yours truly,



Stephen A. Johnson CA, BComm
Partner

DORWARD & COMPANY LLP