

**The Southern Alberta Institute of Technology
Students' Association**

Financial Statements

June 30, 2025



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Independent auditor's report

To the Members of The Southern Alberta Institute of Technology Students' Association

Opinion

We have audited the financial statements of The Southern Alberta Institute of Technology Students' Association ("the Association"), which comprise the statement of financial position as at June 30, 2025 and the statements of operations and changes in fund balances and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of The Southern Alberta Institute of Technology Students' Association as at June 30, 2025 and its results of operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Association in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of 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.

In preparing the financial statements, management is responsible for assessing the Association's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Association or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Association's financial reporting process.



Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Association's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Association's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Association to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

A handwritten signature in black ink that reads "Doane Grant Thornton LLP".

Calgary, Canada
December 2, 2025

Chartered Professional Accountants

The Southern Alberta Institute of Technology Students' Association

Statement of Financial Position

As at June 30, 2025

	2025 \$	2024 \$
Assets		
Current assets		
Cash and cash equivalents	17,833,222	10,980,935
Short-term investments (note 3)	9,220,846	12,780,241
Accounts receivable	903,274	952,604
Inventories	34,344	34,936
Prepaid expenses	258,194	247,486
	<u>28,249,880</u>	<u>24,996,202</u>
Reserves (note 4)	1,765,131	1,079,752
Capital assets (note 5)	728,839	417,281
	<u>30,743,850</u>	<u>26,493,235</u>
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities (note 6)	244,141	211,969
Deferred revenue (note 7)	2,461,122	2,016,779
	<u>2,705,263</u>	<u>2,228,748</u>
Fund balances		
Unrestricted	3,756,368	3,590,392
Internally restricted (note 8)	23,553,380	20,256,814
Internally restricted – invested in capital assets	728,839	417,281
	<u>28,038,587</u>	<u>24,264,487</u>
	<u>30,743,850</u>	<u>26,493,235</u>

Commitments (note 9)

Approved by the Board

Signed by:



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Director

Signed by:



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Director

The accompanying notes are an integral part of these financial statements.

The Southern Alberta Institute of Technology Students' Association

Statement of Operations

For the year ended June 30, 2025

	2025	2024
	\$	\$
Revenues		
Student fees:		
General	3,095,920	3,317,082
Capital	233,026	178,374
Future Capital Expansion	2,313,335	2,426,412
Dental plan	2,578,593	2,409,916
Health plan	2,762,916	2,489,811
Sales	1,205,291	943,860
Other	623,878	529,222
Unrealized gain on investments	93,163	9,534
Investment income	900,982	531,973
Locker revenue	182,738	118,143
Realized income from reserves	138,080	61,211
Equipment rentals	136,158	183,838
Donations and sponsorship	64,585	86,939
Advertising revenue	39,866	21,201
Government subsidies	25,950	25,000
	<u>14,394,481</u>	<u>13,332,516</u>
Expenses		
Salaries, wages and benefits	2,634,172	2,366,471
Dental plan premium	2,627,401	2,341,067
Health plan premium	2,779,005	2,482,853
Event costs	878,390	771,146
Administrative	488,221	496,089
Purchases	348,739	347,388
Lobbying and conference costs	153,212	143,213
Office supplies	88,286	113,859
Amortization	168,277	180,735
Donations and sponsorship	129,841	149,340
Promotions	82,913	77,177
Other	151,084	31,011
Repairs and maintenance	53,898	35,651
Printing costs	36,942	36,847
	<u>10,620,381</u>	<u>9,572,847</u>
Excess of revenues over expenses for the year	<u>3,774,100</u>	<u>3,759,669</u>

The accompanying notes are an integral part of these financial statements.

The Southern Alberta Institute of Technology Students' Association

Statement of Changes in Fund Balances

For the year ended June 30

					2025
	General	Health and Dental	Capital Asset (Note 8)	Future Capital Expansion	Total
	\$	\$	\$	\$	\$
Fund balances, beginning of year	3,590,392	1,388,630	3,629,790	15,655,675	24,264,487
Excess of revenue over expenses	3,774,100	-	-	-	3,774,100
Interfund transfers	(3,608,124)	620,482	90,774	2,896,868	-
Fund balances, end of year	3,756,368	2,009,112	3,720,564	18,552,543	28,038,587

					2024
	General	Health and Dental	Capital Asset	Future Capital Expansion	Total
	\$	\$	\$	\$	\$
Fund balances, beginning of year	2,793,262	1,251,612	3,337,345	13,122,599	20,504,818
Excess of revenue over expenses	3,759,669	-	-	-	3,759,669
Internal restriction of funds	(2,962,539)	137,018	292,445	2,533,076	-
Fund balances, end of year	3,590,392	1,388,630	3,629,790	15,655,675	24,264,487

The accompanying notes are an integral part of these financial statements.

The Southern Alberta Institute of Technology Students' Association

Statement of Cash Flows

For the year ended June 30, 2025

	2025	2024
	\$	\$
Cash provided by (used in)		
Operating activities		
Excess of revenues over expenses for the year	3,774,100	3,759,669
Items not affecting cash		
Amortization	168,277	180,735
Unrealized gain on investments	(93,163)	(9,534)
	3,849,214	3,930,870
Changes in non-cash working capital items		
Accounts receivable	49,330	(582,341)
Inventories	592	2,001
Prepaid expenses	(10,708)	(114,426)
Reserves	(685,379)	(61,210)
Accounts payable and accrued liabilities	32,172	(82,909)
Deferred revenue	444,343	564,230
	3,679,564	3,656,215
Investing activities		
Proceeds, (purchases) of investments, net	3,652,558	(66,707)
Purchase of capital assets	(479,835)	(194,408)
	3,172,723	(261,115)
Increase in cash and cash equivalents during the year	6,852,287	3,395,100
Cash and cash equivalents – Beginning of year	10,980,935	7,585,835
Cash and cash equivalents – End of year	17,833,222	10,980,935

The accompanying notes are an integral part of these financial statements.

The Southern Alberta Institute of Technology Students' Association

Notes to the Financial Statements

For the year ended June 30, 2025

1 Nature of operations

The Students' Association of the Southern Alberta Institute of Technology, also operating as the Southern Alberta Institute of Technology Students' Association (The "Association," "Saitsa," or "SAIT Students' Association") is incorporated under section 93 of the Alberta Post-Secondary Learning Act, SA 2003, c.P-19.5 and as a non-profit society registered under the Alberta Societies Act, RSA 2000, c.S-14 and is exempt from income taxes under Section 149 of the Income Tax Act of Canada. The Association is a representative organization dedicated to enhancing student life by providing rewarding leadership opportunities and quality services to its membership. The Association operates as an independent autonomous body separate from Southern Alberta Institute of Technology Polytechnic (SAIT).

2 Summary of significant accounting policies

The Association's accounting and reporting policies conform to Canadian accounting standards for not-for-profit organizations (ASNPO) and include the following accounting policies.

Fund accounting

These financial statements represent the general fund and three internally restricted funds of the SAIT Students' Association as follows:

- **General Fund**

The SAIT Students' Association - General Fund was established to be Saitsa's operational fund. All of the business operations and all of the administrative and event expenditures of the Association are transacted through this fund. Operating funds are predominantly provided by student fees as determined by the Saitsa Board of Directors.

- **Health and Dental Plan Fund**

The SAIT Students' Association - Health and Dental Plan Fund was established to operate the Student Health and Dental Plan. SAIT collects the students' health and dental plan fees on behalf of the Association. These fees are received from SAIT and deposited in the fund from which contributions are paid to the benefits provider to adjudicate health and dental claims for the students. Contributions paid to the benefits provider are adjusted based on actual usage of the plan and any surpluses or losses at the end of the fiscal year will be reflected in the Health and Dental Plan Fund.

- **Capital Asset Fund**

The SAIT Students' Association - Capital Asset Fund was established for the investment in the Association's capital assets and to plan for the acquisition of items fitting the requirements of a capital asset and to purchase and account for the assets. The allocation of unrestricted contributions from student fees is determined by the Board of Directors annually to be restricted for use on future capital expenditures.

A minimum balance of cash and investments of \$50,000 (2024- \$50,000) must be maintained at all times in the Capital Asset Fund.

The Southern Alberta Institute of Technology Students' Association

Notes to the Financial Statements

For the year ended June 30, 2025

2 Summary of significant accounting policies (Continued)

- **Future Capital Expansion Fund**

The SAIT Students' Association – Future Capital Expansion Fund was established to accumulate funds to provide for major capital investments and long-term infrastructure needs. The allocation of contributions from student fees is determined by the Board of Directors annually to be restricted for use on the future acquisition or construction of a student association building.

Revenue recognition

The Association follows the deferral method of accounting for contributions, donations sponsorships and grants. Under this method, externally restricted contributions and grants are recognized as revenue when the corresponding expenses are incurred. Unrestricted contributions, donations and grants are recognized as revenue when received or receivable if the amount is reasonable estimable and collection is reasonably assured.

Student fees are recognized in the semester to which they relate. Student fees are collected in the General Fund and are transferred to the internally restricted funds on the basis of the allocation approved by the Association's Board of Directors annually.

Health and dental revenues are recognized as revenue in the period to which the premiums collected relate. Deferred revenue arises from health and dental premiums collected before the related services are provided.

Sales revenue and other revenue are recognized at the point of sale or when services are rendered, and collection is reasonably assured.

Investment income is recognized as revenue when earned and is recorded in the statement of operations. Investment income generated on funds held for internally restricted funds is recognized through the statement of operations in the year the income is earned and transferred to the appropriate fund in the statement of changes in fund balances.

Contributed goods/services

Contributed volunteer services and contributed goods and services are not recognized in the financial statements because of the difficulty in determining their value.

Cash and cash equivalents

Cash consists of cash held at financial institutions and on hand, including guaranteed investment certificates (GICs) with terms to maturity of less than 90 days from the date of purchase. There were no cash equivalents held as at June 30, 2025 or 2024.

Capital assets

Capital assets are recorded at cost. The cost of capital assets made up of significant separable component parts is allocated to the component part when practicable and when estimates can be made of the estimated useful life of the separate component. Amortization is provided on a basis and at rates designed to amortize the costs of the assets over their estimated useful lives. Amortization is recorded using the straight-line method as follows:

The Southern Alberta Institute of Technology Students' Association

Notes to the Financial Statements

For the year ended June 30, 2025

3 Summary of significant accounting policies (Continued)

Furniture and equipment	7 years
Electronics and food equipment	4 years
Computer equipment	2 years
Leasehold improvements	14 years
Cargo van	5 years

Capital assets are not subject to amortization until they are put into use.

Capital assets are tested for impairment when conditions indicate that a capital asset no longer contributes to the Association's ability to provide goods and services, or that the value of future economic benefits or service potential associated with the capital asset is less than its net carrying amount. When conditions indicate that a capital asset is impaired, the net carrying amount of the capital asset is written down to the asset's fair value or replacement cost. The write-downs of capital assets are recognized as expenses in the statement of operations and changes in fund balances. Write-downs are not subsequently reversed.

Inventories

Inventories of food, beverages and merchandise are stated at the lower of cost, calculated on a first-in, first-out basis, and net realizable value. Net realizable value is the estimated selling price in the ordinary course of business less the estimated variable selling costs. Inventories are written down to net realizable value when the cost is estimated to not be recoverable, the inventory is damaged, or it becomes obsolete. The amount of any write-down of inventories to net realizable value and any losses are recognized as an expense and included in the statement of operations in the period the write-down or loss occurs.

Government assistance

The Association recognizes government assistance toward current expenses in the statement of operations. When government assistance received is specified to relate to future expenses, the Association defers the assistance and recognizes it in the statement of operations as the related expenses are incurred. When government assistance relates to the acquisition of capital assets, the Association capitalizes the assistance received and recognizes it as revenue on the same basis as the underlying capital assets acquired.

Financial instruments

The Association's financial instruments are recorded at fair value on initial recognition, except for certain non-arm's length transactions which are measured at cost or fair value, depending on the nature of the transaction.

Equity instruments that are quoted in an active market are subsequently recorded at fair value. All other financial instruments are recorded at cost or amortized cost unless management has elected to record at fair value. The Association has elected to carry all investments at fair value and has no non-arm's length transactions measured at fair value. All other financial assets and liabilities are subsequently measured at amortized cost.

Transaction costs related to financial instruments measured at fair value are expensed as incurred. For all other financial instruments, the transaction costs are added to the carrying value of the asset or netted against the

The Southern Alberta Institute of Technology Students' Association

Notes to the Financial Statements

For the year ended June 30, 2025

2 Summary of significant accounting policies (Continued)

carrying value of the liability and are then recognized over the expected life of the instrument using the straight-line method. Any premium or discount related to an instrument measured at amortized cost is amortized over the expected life of the item using the straight-line method and recognized in the statement of operations and changes in fund balances.

With respect to financial assets measured at cost or amortized cost, the Association recognizes in the statement of operations and changes in fund balances an impairment loss, if any, when it determines that a significant adverse change has occurred during the period in the expected timing or amount of future cash flows. When the extent of impairment of a previously written down asset decreases and the decrease can be related to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed in the statement of operations and changes in fund balances in the period the reversal occurs.

Measurement uncertainty

The preparation of financial statements in accordance with ASNPO requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Significant items subject to such estimates and assumptions include the collectability of accounts receivable, net realizable value of inventories, fair value of investments, useful life and potential impairment of capital assets, and accrued liabilities. Management reviews its estimates annually based on current available information. Actual results could differ from these estimates.

Cloud Computing Costs

Effective July 1, 2024, the Association has adopted Accounting Guidelines 20, Customer's accounting for cloud computing arrangements, which provides guidance on the accounting for expenditures on cloud computing arrangements. As part of the adoption, the Association elected to apply the simplification approach to account for its expenditure in its cloud computing arrangements.

When there are multiple elements within a single cloud computing arrangement, the Association allocates the consideration to each separable element based on the relative stand-alone selling prices. Expenditures in all cloud computing agreements, excluding tangible capital assets and rights to use tangible capital assets, are treated as a supply of services and expensed as the Association receives the services. Amounts paid in advance of receiving the services are recognized as a prepaid expense. In accordance with the transitional provisions, the Association has applied the new accounting guideline retrospectively. As a result of applying the amendments, there was no impact on the Association's previously reported financial position or results of operations or cash flows.

During the year, the Association entered into cloud computing arrangements and expensed \$111,408 (2024 – \$82,164) in connection with the arrangements, which is presented in the statement of operations within administrative expenses.

The Southern Alberta Institute of Technology Students' Association

Notes to the Financial Statements

For the year ended June 30, 2025

3 Investments

Investments consist of high-interest savings accounts, government bonds and corporate bonds.

4 Reserves

Reserves consist of amounts held related to the Association's Health and Dental Plan. The amounts are interest bearing, a reserve of \$1,765,131 (2024 – \$1,079,752) is currently held with the insurance provider. The Association has no control over the investments of the reserve assets therefore any realized net income or loss associated with the reserve is recognized in the statement of operations as identified by the insurance provider. Reserves will be used in future years to fund the expenses of the Health and Dental Plan for the Association.

5 Capital assets

			<u>2025</u>	<u>2024</u>
	Cost \$	Accumulated amortization \$	Net \$	Net \$
Furniture and equipment	184,083	101,009	83,074	54,039
Electronics and food equipment	576,982	401,674	175,308	204,824
Computer equipment	164,661	147,169	17,492	34,153
Leasehold improvements	773,980	373,473	400,507	124,265
Cargo Van	58,286	5,828	52,458	-
	<u>1,757,992</u>	<u>1,029,153</u>	<u>728,839</u>	<u>417,281</u>

6 Government remittances

Government remittances consist of amounts that are required to be paid to or are recoverable from government authorities and are recognized when the amounts are due. Included in accounts payable and accrued liabilities are government remittances payable of \$36,206 (2024 - \$32,035).

7 Deferred revenue

Deferred revenue consists of the following:

	<u>2025</u> \$	<u>2024</u> \$
Health and dental	2,039,359	1,987,274
Student fees	393,926	-
Survival guide advertising	27,837	29,505
	<u>2,461,122</u>	<u>2,016,779</u>

The Southern Alberta Institute of Technology Students' Association

Notes to the Financial Statements

For the year ended June 30, 2025

8 Internally restricted fund balances

Annually the Board of Directors establish the allocation of student membership fees between the General Fund and the internally restricted Capital Asset Fund and the Future Capital Expansion Fund. The approval of the allocation acts as the internal restriction of the funds collected to be used towards the specific purpose of the fund as directed by the Board. Health and Dental Plan Fund premiums collected are internally restricted for use towards future expenditures incurred by the benefits plan. The Association has internally restricted the following amounts:

	<u>2025</u> \$	<u>2024</u> \$
Health and dental expenditures	2,009,112	1,388,630
Future capital asset expenditures	2,991,725	3,212,509
Future Capital Expansion	<u>18,552,543</u>	<u>15,655,675</u>
	<u>23,553,380</u>	<u>20,256,814</u>

The contingency reserve was transferred in the prior year to the Capital Asset Fund in the amount of \$260,475 to support the expenses related to the renovation of Odyssey Market and any other future capital asset expenditures approved by the Board of Directors.

Net assets invested in capital assets of \$728,839 (2024 - \$417,201) are presented as a component of the Capital Asset Fund balance in the statement of changes in fund balances.

9 Commitments

The Association has two lease agreements with SAIT, in which the Association is charged an annual fee for the use of space within the Campus Centre, the Stan Grad Centre and the Senator Burns Building. The lease term is for a period of 3 years, which will be automatically extended, if required, to coincide with occupancy in the new building. The annual fee remains at \$1 (2024 - \$1). The lease agreement for the Stan Grad and Senator Burns building is for ten years with a five-year renewal option with an annual fee of \$1 (2024 - \$1).

10 Financial instruments and related risks

Interest rate and price risk

Interest rate risk is the risk that the fair value of the Association's interest-bearing investments will fluctuate due to changes in prevailing market interest rates. Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. The value of fixed income and debt securities such as bonds or convertible debt is affected by interest rates. Generally, the value of these securities increases if interest rates fall and decreases if interest rates rise. The Association has mitigated this risk by having its investments managed professionally by a fund manager.

The Southern Alberta Institute of Technology Students' Association

Notes to the Financial Statements

For the year ended June 30, 2025

10 Financial instruments and related risks (continued)

Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failure to discharge an obligation. The Association has a concentration of credit risk pertaining to its cash and cash equivalents, investments and accounts receivable.

The Association mitigates its exposure to credit loss pertaining to cash by placing its cash and cash equivalents and investments with reputable financial institutions and fund managers. The Association is exposed to credit risk relating to its accounts receivable to the extent that its customers may experience financial difficulty and would be unable to meet their obligations.

Liquidity risk

Liquidity risk is the risk that the Association will not be able to meet a demand for cash or fund its obligations as they come due. The Association manages its liquidity risk by monitoring cash flows from operations and monitoring and reviewing actual and forecasted cash flows to ensure there is available cash resources to meet these needs.

11 Comparative figures

Certain of the comparative figures have been reclassified to conform to the presentation adopted for the current year.