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STUDENTS' ASSOCIATION OF NORQUEST COLLEGE

Financial Statements

Year Ended June 30, 2026

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STUDENTS' ASSOCIATION OF NORQUEST COLLEGE
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Year Ended June 30, 2026

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INDEPENDENT AUDITOR'S REPORT

To the Members of Students' Association of NorQuest College

Opinion

We have audited the financial statements of Students' Association of NorQuest College (the association), which comprise the statement of financial position as at June 30, 2026, and the statements of operations, changes in net assets 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 association as at June 30, 2026, and the results of its operations and 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 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 the 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:

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- 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.

Edmonton, AB

CHARTERED PROFESSIONAL ACCOUNTANTS

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STUDENTS' ASSOCIATION OF NORQUEST COLLEGE
Statement of Financial Position
As at June 30, 2026

	2026	2025
ASSETS		
CURRENT		
Cash and short-term deposits *(Note 2)*	**$ 410,472**	$ 436,651
Accounts receivable	**3,983**	7,275
Prepaid expenses *(Note 3)*	**354,223**	390,671
	768,678	834,597
INTERNALLY RESTRICTED CASH *(Note 2)*	**2,050,374**	2,010,006
EQUIPMENT *(Note 4)*	**14,740**	30,199
	$ 2,833,792	$ 2,874,802
LIABILITIES		
CURRENT		
Accounts payable and accrued liabilities *(Note 5)*	**$ 7,633**	$ 24,588
Unearned revenue *(Note 6)*	**751,204**	697,635
	758,837	722,223
NET ASSETS		
Invested in equipment	**14,740**	30,199
Internally restricted *(Note 7)*	**2,050,374**	2,010,006
Unrestricted	**9,841**	112,374
	2,074,955	2,152,579
	$ 2,833,792	$ 2,874,802

ON BEHALF OF THE STUDENTS COUNCIL

_____ *Member*

_____ *Member*

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STUDENTS' ASSOCIATION OF NORQUEST COLLEGE
Statement of Operations
Year Ended June 30, 2026

	2026	2025
REVENUE		
U-passes	**$ 2,191,188**	$ 2,887,709
Student benefit premiums	**1,975,944**	2,243,215
Student fees	**1,198,358**	1,246,161
Interest	**54,811**	83,856
Advertising	**7,680**	143
Donations	**6,940**	7,053
Activities	**5,473**	743
	5,440,394	6,468,880
EXPENSES		
U-passes	**2,333,502**	2,728,035
Health and dental premiums	**1,653,314**	1,929,789
Salaries, contract fees and benefits	**997,297**	948,308
Supplies and services	**297,112**	294,651
Bad debts	**133,464**	135,646
Honoraria *(Note 8)*	**45,245**	66,090
Public relations, marketing and fundraising	**15,782**	16,202
Professional fees	**9,504**	20,055
Travel	**8,176**	17,310
Amortization of equipment	**3,686**	7,281
Tickets and passes	**1,118**	15,107
Contribution to NorQuest College Foundation	**-**	50,000
	5,498,200	6,228,474
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES FROM OPERATIONS	**(57,806)**	240,406
OTHER EXPENSES		
Loss on disposal of equipment	**11,773**	-
Expansion costs	**8,045**	5,913
	19,818	5,913
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES	**$ (77,624)**	$ 234,493

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STUDENTS' ASSOCIATION OF NORQUEST COLLEGE
Statement of Changes in Net Assets
Year Ended June 30, 2026

	Invested in Equipment	Internally Restricted (Note 7)	Unrestricted	**2026**	2025
NET ASSETS - BEGINNING OF YEAR	$ 30,199	$ 2,010,006	$ 112,374	**$ 2,152,579**	$ 1,918,086
Excess (deficiency) of revenue over expenses	(15,459)	40,368	(102,533)	**(77,624)**	234,493
NET ASSETS - END OF YEAR	$ 14,740	$ 2,050,374	$ 9,841	**$ 2,074,955**	$ 2,152,579

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STUDENTS' ASSOCIATION OF NORQUEST COLLEGE
Statement of Cash Flows
Year Ended June 30, 2026

	2026	2025
OPERATING ACTIVITIES		
Cash receipts from students	**$ 5,294,358**	$ 6,049,169
Cash receipts from interest	**54,811**	83,856
Cash receipts from advertising, fundraising and activities	**7,680**	143
Cash receipts from grants, donations and wage recoveries	**6,940**	7,053
Cash paid to suppliers and employees	**(5,349,600)**	(6,271,925)
Cash flow from (used by) operating activities	**14,189**	(131,704)
INVESTING AND FINANCING ACTIVITIES		
Proceeds from (purchase of) term deposits, net	**-**	1,875,218
Purchase of equipment	**-**	(2,150)
Cash flow from investing and financing activities	**-**	1,873,068
INCREASE IN CASH	**14,189**	1,741,364
CASH - BEGINNING OF YEAR	**2,446,657**	705,293
CASH - END OF YEAR	**$ 2,460,846**	$ 2,446,657
CASH CONSISTS OF:		
Cash and short-term deposits	**$ 410,472**	$ 436,651
Internally restricted cash	**2,050,374**	2,010,006
	$ 2,460,846	$ 2,446,657

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NATURE OF OPERATIONS

The Students' Association of NorQuest College operates under the authority of the Post-Secondary Learning Act, Chapter P-19.5, Statutes of Alberta 2003.

The association's primary objective is to provide for the administration of the affairs of the students at NorQuest College, provide opportunities for the personal growth of its members, and safeguard the academic, cultural, and general student rights of those members. It is exempt from income taxes under the Income Tax Act.

1. SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

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

Revenue Recognition

The association follows the deferral method of accounting for contributions. Restricted contributions and related interest income are recognized as revenue in the year in which the related expenses are incurred. Unrestricted contributions and other revenue is recognized as revenue when received or receivable.

Student fees collected are recognized over the college term. Fees that relate to the portion of the term that occurs subsequent to year end are recorded as unearned revenue. Revenue from marketing and communications and activities are recognized at the time of the sale.

The health and dental group insurance plan portion of the student fee is also accounted for using the deferral method. Fees collected by the association for the group health and dental insurance plan are remitted to the insurer on a monthly basis. Where student fees collected exceed monthly premiums paid to the insurer during the year, the surplus is retained as health and dental reserves and used to pay for future deficits that may occur from year to year.

U-Passes fees collected are recognized over the college term. Fees that relate to the portion of the term that occurs subsequent to year end are recorded as unearned revenue.

Revenue from all other sources is included in revenue in the year in which it is received or is receivable.

Contributed Services

NorQuest College provides accounting, reporting, registration, other management and administrative services and office space at no cost to the association. These amounts are not recorded in the financial statements because of the difficulty of determining their fair value.

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1. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Financial Instruments

Initial Measurement

The association initially measures its financial assets and liabilities originated or exchanged in arm's length transactions at fair value. Financial assets and liabilities originated or exchanged in related party transactions, except for those that involve parties whose sole relationship with the association is in the capacity of management, are initially measured at cost.

The cost of a financial instrument in a related party transaction depends on whether the instrument has repayment terms. If it does, the cost is determined using its undiscounted cash flows, excluding interest and dividend payments, less any impairment losses previously recognized by the transferor. Otherwise, the cost is determined using the consideration transferred or received by the association in the transaction.

Subsequent Measurement

The association subsequently measures all its financial assets and liabilities at cost or amortized cost, except for investments in equity instruments that are quoted in an active market, which are measured at fair value. Changes in fair value are recognized in earnings in the period incurred.

Financial assets measured at amortized cost using the straight-line method include cash, accounts receivable, and term deposits. Financial liabilities measured at amortized cost using the straight-line method include accounts payable and accrued liabilities.

Transaction Costs

Transaction costs attributable to financial instruments subsequently measured at fair value and to those originated or exchanged in a related party transaction are recognized in earnings in the period incurred. Transaction costs related to financial instruments originated or exchanged in an arm’s length transaction that are subsequently measured at cost or amortized cost are recognized in the original cost of the instrument. When the instrument is measured at amortized cost, transaction costs are recognized in earnings over the life of the instrument using the straight-line method.

Impairment

For financial assets measured at cost or amortized cost, the association determines whether there are indications of possible impairment. When there are, and the association determines that a significant adverse change has occurred during the period in the expected timing or amount of future cash flows, a write-down is recognized in earnings. If the indicators of impairment have decreased or no longer exist, the previously recognized impairment loss may be reversed to the extent of the improvement. The carrying amount of the financial asset may be no greater than the amount that would have been reported at the date of the reversal had the impairment not been recognized previously. The amount of the reversal is recognized in earnings.

Cash

Cash is comprised of funds held in financial institutions and is adjusted for outstanding transactions.

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1. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Equipment

Equipment is recorded at cost less accumulated amortization. Amortization is provided on the declining-balance basis using an annual rate of 20%

The association regularly reviews its equipment to eliminate obsolete items. Government grants are treated as a reduction of equipment cost.

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

Pension Plan

Pension costs included in these statements comprise the cost of employer contributions for current service of employees during the year.

Cloud Computing Arrangements

The association applies the simplification method to expenditures in a cloud computing arrangement that fall within the scope of AcG20, Customer's Accounting for Cloud Computing Arrangements. Under this method, expenditures are treated as a supply of services and recognized as an expense when the association receives the service. Expenditures related to implementation activities are expensed as incurred.

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.

2. CASH, SHORT-TERM DEPOSITS AND INTERNALLY RESTRICTED CASH

Cash, short-term deposits and internally restricted cash includes a cashable guaranteed income certificate of $357,356 (2025 - $348,859), bearing an interest rate of 2.25% and maturing August 2026.

3. PREPAID EXPENSES

	2026	2025
U-Pass	**$ 272,574**	$ 308,520
Membership fees	**51,007**	50,956
Subscriptions and software	**14,397**	13,421
Insurance	**11,764**	10,950
Gift Cards	**2,512**	4,083
Tickets	**1,969**	2,741
	$ 354,223	$ 390,671

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4. EQUIPMENT

	Cost	Accumulated amortization	**2026 Net book value**	2025 Net book value
Equipment	$ 79,163	$ 64,423	**$ 14,740**	$ 30,199

5. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	2026	2025
Trades payable	**$ 6,110**	$ 7,815
Payable to NorQuest College	**1,523**	16,773
	$ 7,633	$ 24,588

6. UNEARNED REVENUE

	2026	2025
Health and dental fees	**$ 301,576**	$ 341,104
U-Passes	**297,569**	211,567
Student fees	**152,059**	144,964
	$ 751,204	$ 697,635

7. INTERNALLY RESTRICTED NET ASSETS

Internally restricted net assets have been restricted by the Student Council for the following:

	2026	2025
Future health and dental premiums	**$ 1,949,706**	$ 1,878,498
Legal fund	**100,668**	131,508
	$ 2,050,374	$ 2,010,006

8. RELATED PARTY TRANSACTIONS

The association paid honoraria to council members in the amount of $45,245 (2025 - $66,090).

Related party transactions are in the normal course of operations and are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

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9. FINANCIAL INSTRUMENTS

The association 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 association's risk exposure and concentration as of June 30, 2026.

Credit Risk

Credit risk arises from the potential that a counterparty will fail to perform its obligations. The association is exposed to credit risk from customers. In order to reduce its credit risk, the association 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 association has a significant number of customers which minimizes concentration of credit risk.

10. COMPARATIVE FIGURES

Some of the comparative figures have been reclassified to conform to the current year's presentation.