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**FINANCIAL STATEMENTS**

**KWANTLEN UNIVERSITY COLLEGE  
STUDENT ASSOCIATION**

**December 31, 2004**

***TOMPKINS, WOZNY, MILLER & Co.***  
Chartered Accountants

A partnership of incorporated professionals

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## AUDITORS' REPORT

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To the Members of  
**Kwantlen University College Student Association**

We have audited the statement of financial position of **Kwantlen University College Student Association** as at December 31, 2004 and the statements of operations and changes in fund balances, and cash flows for the year then ended. These financial statements are the responsibility of the Association's management. 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 plan and perform an audit to obtain reasonable assurance as to whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Association as at December 31, 2004 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles. As required by the Society Act of British Columbia, we report that, in our opinion, these principles have been applied, on a basis consistent with that of the preceding year.

Vancouver, Canada  
March 7, 2005

“  **TOMPKINS, WOZNY, MILLER & Co.** ”  
Chartered Accountants

# Kwantlen University College Student Association

Incorporated under the Society Act of B.C.

## STATEMENT OF FINANCIAL POSITION

As at December 31

|  | 2004             |                    | 2003             |                  |
|--|------------------|--------------------|------------------|------------------|
|  | Operating Fund   | Capital Asset Fund | Totals           |                  |
|  | \$               | \$                 | \$               |                  |
| <b>ASSETS</b>  |                  |                    |                  |                  |
| <b>Current</b>   |                  |                    |                  |                  |
| Cash [note 4]  | 837,700          | 133,209            | 970,909          | 1,061,933        |
| Accounts receivable - Kwantlen University College          | 220,762          | 27,674             | 248,436          | 147,639          |
| - Other  | 659              | —                  | 659              | 1,160            |
| Inventory [note 5]   | 32,468           | —                  | 32,468           | 11,734           |
| Prepaid expenses   | 12,830           | —                  | 12,830           | 7,032            |
| <b>Total current assets</b>                                | <b>1,104,419</b> | <b>160,883</b>     | <b>1,265,302</b> | <b>1,229,498</b> |
| Long-term investments [note 6]                             | 139,820          | 1,047,556          | 1,187,376        | 1,160,985        |
| Interfund receivable                                       | —                | —                  | —                | 192,002          |
| Capital assets [note 7]                                    | —                | 1,468,195          | 1,468,195        | 1,465,407        |
| <b>Total assets</b>  | <b>1,244,239</b> | <b>2,676,634</b>   | <b>3,920,873</b> | <b>4,047,892</b> |
| <b>LIABILITIES AND FUND BALANCES</b>                       |                  |                    |                  |                  |
| <b>Current liabilities</b>                                 |                  |                    |                  |                  |
| Accounts payable and accruals                              | 68,502           | 29,773             | 98,275           | 80,904           |
| Deferred fee revenue [note 8]                              | 284,424          | 94,808             | 379,232          | 391,791          |
| Restricted contributions [note 9[a]]                       | 777,569          | —                  | 777,569          | 702,998          |
| Bank loan [note 10]  | —                | 1,160,000          | 1,160,000        | 1,240,000        |
| <b>Total current liabilities</b>                           | <b>1,130,495</b> | <b>1,284,581</b>   | <b>2,415,076</b> | <b>2,415,693</b> |
| Restricted contributions [note 9[b]]                       | —                | 657,573            | 657,573          | 537,012          |
| Interfund payable  | —                | —                  | —                | 192,002          |
| Deferred contributions related to capital assets [note 11] | —                | 171,064            | 171,064          | 146,220          |
| <b>Total liabilities</b>                                   | <b>1,130,495</b> | <b>2,113,218</b>   | <b>3,243,713</b> | <b>3,290,927</b> |
| <b>Fund balances</b>                                       |                  |                    |                  |                  |
| Invested in capital assets                                 | —                | 107,358            | 107,358          | 79,187           |
| Internally restricted [note 13]                            | —                | 456,058            | 456,058          | 456,058          |
| Unrestricted   | 113,744          | —                  | 113,744          | 221,720          |
| <b>Total fund balances</b>                                 | <b>113,744</b>   | <b>563,416</b>     | <b>677,160</b>   | <b>756,965</b>   |
| <b>Total liabilities and fund balances</b>                 | <b>1,244,239</b> | <b>2,676,634</b>   | <b>3,920,873</b> | <b>4,047,892</b> |

Other information [note 14]

Commitment [note 15]

See accompanying notes

Approved by the Student Executive:

\_\_\_\_\_  
Director of Finance

\_\_\_\_\_  
Director of Operations

**STATEMENT OF OPERATIONS  
AND CHANGES IN FUND BALANCES**

| Year ended December 31   | 2004                    |                             |                  | 2003             |
|--|-------------------------|-----------------------------|------------------|------------------|
|  | Operating<br>Fund<br>\$ | Capital Asset<br>Fund<br>\$ | Totals<br>\$     | Totals<br>\$     |
| <b>REVENUES</b>  |                         |                             |                  |                  |
| Activity fees  | 745,670                 | —                           | 745,670          | 755,511          |
| Student Health and Dental Plan <i>[note 9[a]i]</i>                                   | 870,875                 | —                           | 870,875          | 887,690          |
| Lobbying Fund <i>[note 9[a]ii]</i>   | 24,190                  | —                           | 24,190           | —                |
| Student Health Improvement Program <i>[note 9[a]iii]</i>                             | 255                     | —                           | 255              | —                |
| Revenue from restricted funds <i>[note 9[b]]</i>                                     | —                       | 47,999                      | 47,999           | 59,784           |
| Investment income (net of related expenses)  | 28,702                  | —                           | 28,702           | 31,370           |
| Advertising - handbook   | 3,542                   | —                           | 3,542            | 2,151            |
| Locker rentals   | 7,274                   | —                           | 7,274            | 6,020            |
| Arcade   | 2,005                   | —                           | 2,005            | 4,154            |
| Other  | 19,326                  | —                           | 19,326           | 2,524            |
| Sale – Café Lounge <i>[schedule 1]</i>   | 139,987                 | —                           | 139,987          | 109,972          |
| Fitness Centre   | 12,088                  | —                           | 12,088           | 12,543           |
| Amortization of deferred contributions<br>related to capital assets <i>[note 11]</i> | —                       | 55,156                      | 55,156           | 55,156           |
|  | <b>1,853,914</b>        | <b>103,155</b>              | <b>1,957,069</b> | <b>1,926,875</b> |
| <b>EXPENSES</b>  |                         |                             |                  |                  |
| Activities   | 60,517                  | —                           | 60,517           | 66,456           |
| Amortization of capital assets   | —                       | 119,403                     | 119,403          | 137,552          |
| Café Lounge <i>[schedule 1]</i>  | 155,718                 | —                           | 155,718          | 142,189          |
| Common area expenses   | 16,977                  | —                           | 16,977           | 15,991           |
| Conferences and travel   | 14,062                  | —                           | 14,062           | 19,557           |
| Donations <i>[note 12]</i>   | 366                     | —                           | 366              | 49,117           |
| Executive and rep stipends   | 153,549                 | —                           | 153,549          | 127,897          |
| Handbook   | 27,557                  | —                           | 27,557           | 27,642           |
| Insurance  | 10,468                  | —                           | 10,468           | 10,116           |
| Interest expense <i>[9[b]]</i>   | —                       | 47,999                      | 47,999           | 59,784           |
| Lobbying Fund <i>[note 9[a] ii]</i>  | 24,190                  | —                           | 24,190           | —                |
| Mileage  | 2,557                   | —                           | 2,557            | 2,658            |
| Office, dues, postage, supplies and other  | 32,999                  | —                           | 32,999           | 32,576           |
| Photocopying (net of recoveries)   | 2,801                   | —                           | 2,801            | 10,076           |
| Professional   | 40,242                  | —                           | 40,242           | 12,515           |
| Student Health and Dental Plan <i>[note 9[a]i]</i>                                   | 870,875                 | —                           | 870,875          | 887,690          |
| Student Health Improvement Program <i>[note 9[a]iii]</i>                             | 255                     | —                           | 255              | —                |
| Telephone and fax  | 8,072                   | —                           | 8,072            | 8,445            |
| Transit (net of revenues)  | 4,085                   | —                           | 4,085            | 5,230            |
| Wages, subcontractors and benefits   | 444,182                 | —                           | 444,182          | 413,945          |
|  | <b>1,869,472</b>        | <b>167,402</b>              | <b>2,036,874</b> | <b>2,029,436</b> |
| Deficiency of revenue for the year   | (15,558)                | (64,247)                    | (79,805)         | (102,561)        |
| Fund balances, beginning of year   | 221,720                 | 535,245                     | 756,965          | 859,526          |
| Acquisition of capital assets from Operating Fund                                    | (92,418)                | 92,418                      | —                | —                |
| <b>Fund balances, end of year</b>  | <b>113,744</b>          | <b>563,416</b>              | <b>677,160</b>   | <b>756,965</b>   |

See accompanying notes

STATEMENT OF CASH FLOWS

Year ended December 31

|  | 2004             | 2003             |
|--|------------------|------------------|
|  | \$               | \$               |
| <b>OPERATING ACTIVITIES</b>  |                  |                  |
| Deficiency of revenues for the year  | (79,805)         | (102,561)        |
| Add items not affecting cash   |                  |                  |
| Amortization of capital assets   | 119,403          | 137,552          |
| Amortization of deferred contributions related to capital assets               | (55,156)         | (55,156)         |
| Loss on sale of long-term investments  | —                | (5,787)          |
| Changes in non-cash working capital items                                      |                  |                  |
| Accounts receivable  | (28,099)         | (44,734)         |
| Inventory  | (20,734)         | 39,437           |
| Prepaid expenses   | (5,798)          | 26,947           |
| Accounts payable and accruals  | (12,402)         | 8,705            |
| Deferred fee revenue   | (9,419)          | (5,025)          |
| <b>Cash used in operating activities</b>                                       | <b>(92,010)</b>  | <b>(622)</b>     |
| <b>FINANCING ACTIVITIES</b>  |                  |                  |
| Repayment of bank loan   | (80,000)         | (80,000)         |
| Capital student activity fees collected  | 235,569          | 233,992          |
| Restricted Student Health and Dental Plan fees collected                       | 848,947          | 1,225,891        |
| Restricted Student Health and Dental Plan fees disbursed                       | (870,875)        | (887,690)        |
| Other restricted funds collected   | 58,598           | —                |
| Other restricted funds disbursed   | (24,445)         | —                |
| Interest expense funded with capital fees                                      | (47,999)         | (59,784)         |
| <b>Cash provided by financing activities</b>                                   | <b>119,795</b>   | <b>432,409</b>   |
| <b>INVESTING ACTIVITIES</b>  |                  |                  |
| Purchase of long-term investments  | (37,900)         | (405,229)        |
| Proceeds from sale of long-term investments                                    | 11,509           | 161,768          |
| Purchase of capital assets, net of accounts payable of \$29,773 [2003 - \$Nil] | (92,418)         | (12,694)         |
| <b>Cash used in investing activities</b>                                       | <b>(118,809)</b> | <b>(256,155)</b> |
| <b>Increase (decrease) in cash during the year</b>                             | <b>(91,024)</b>  | <b>175,632</b>   |
| Cash, beginning of year  | 1,061,933        | 886,301          |
| <b>Cash, end of year</b>   | <b>970,909</b>   | <b>1,061,933</b> |
| <b>Supplementary information:</b>  |                  |                  |
| Interest expense paid  | 47,999           | 59,784           |

See accompanying notes

**NOTES TO FINANCIAL STATEMENTS**

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December 31, 2004

**1. PURPOSE OF THE ORGANIZATION**

Kwantlen University College Student Association (“Association”) is a non-profit organization incorporated under the Society Act of British Columbia who provides support services and advocacy representation to the student membership. The Association is exempt from income taxes.

**2. SIGNIFICANT ACCOUNTING POLICIES**

The following is a summary of significant accounting policies used in the preparation of the financial statements.

**Fund Accounting**

Revenues and expenses related to support services and administrative activities are reported in the Operating Fund.

The Capital Asset Fund reports the assets, liabilities, revenues and expenses related to the Association's capital assets.

**Revenue Recognition**

The Association follows the deferral method of accounting for contributions.

Restricted contributions are recognized as revenue of the appropriate fund in the year in which the related expenses are incurred. Unrestricted contributions are recognized as revenue of the appropriate fund when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Revenue from student activity fees (Operating Fund) are recognized according to the academic terms they relate to.

Revenue from all other sources is recognized when the service is provided or when the respective goods are sold to the customer.

**Long-Term Investments**

Long-term investments are recorded at cost. The carrying value of long-term investments is only written down when a loss in value is considered to be other than a temporary decline.

**NOTES TO FINANCIAL STATEMENTS**

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December 31, 2004

**2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

**Capital Assets**

Purchased capital assets are recorded in the Capital Asset Fund at cost. Contributed capital assets are recorded in the Capital Asset Fund at fair value at the date of contribution.

Amortization is provided on a straight-line basis over the assets' estimated useful lives as follows:

- |                                      |          |
|--------------------------------------|----------|
| ▪ Student Association premises       | 30 years |
| ▪ Fitness Centre equipment           | 5 years  |
| ▪ Café Lounge equipment              | 5 years  |
| ▪ Furniture, equipment and computers | 5 years  |

**Use of Estimates**

The preparation of financial statements in conformity with Canadian generally accepted accounting principles 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 revenues and expenses during the reporting period. Actual results could differ from those estimates.

**Inventory**

Inventory is valued at the lower of cost and net realizable value.

**Statement of Cash Flows**

The Association's statement of cash flows is prepared on a net cash basis and cash flows from operating activities are reported using the indirect method.

**3. FINANCIAL INSTRUMENTS**

The Association's financial instruments consist of cash, accounts receivable, long-term investments, accounts payable and bank loan. It is management's opinion that the Association is not exposed to significant interest, market or credit risks from these financial instruments, except for the exposure to market risk and interest rate risk applicable to the Association's long-term investments and bank loan.

The fair market value of these financial instruments approximates their carrying value except for the long-term investments.

NOTES TO FINANCIAL STATEMENTS

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December 31, 2004

**4. CASH**

Included in cash is \$533,629 [2003 - \$542,915], which is restricted for expenditure on the Student Health and Dental Plans [note 9[a)].

**5. INVENTORY**

|                          | <b>2004</b>   | <b>2003</b> |
|--------------------------|---------------|-------------|
|                          | \$            | \$          |
| Café lounge supplies     | <b>2,391</b>  | 1,738       |
| Photocopier cards        | <b>2,037</b>  | —           |
| Tickets and other        | <b>17,075</b> | 3,629       |
| Transit cards and passes | <b>10,965</b> | 6,367       |
|                          | <b>32,468</b> | 11,734      |

**6. LONG-TERM INVESTMENTS**

The Association's long-term investments, which are managed by CIBC and Quadrus, consist of investments in various bond, money market and equity pools.

In 2002, the Association wrote down the carrying value of its equity investments by \$88,709.

Certain of these equity investments were sold in 2003, increasing the 2003 net investment income by \$16,026.

|   | <b>2004</b>      | <b>2003</b> |
|---|------------------|-------------|
|   | \$               | \$          |
| Investments (market value \$1,271,697 [2003 - \$1,215,364]) | <b>1,187,376</b> | 1,160,985   |

\$320,000 of the investments are held as collateral for the bank loan relating to the Association's premises [note 10].

**7. CAPITAL ASSETS**

**NOTES TO FINANCIAL STATEMENTS**

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December 31, 2004

|                                    | <b>Cost</b>      | <b>Accumulated</b>  | <b>Net Book</b>  |
|------------------------------------|------------------|---------------------|------------------|
|                                    | <b>\$</b>        | <b>Amortization</b> | <b>Value</b>     |
| <b>2004</b>                        |                  | <b>\$</b>           | <b>\$</b>        |
| Student association premises       | <b>1,689,622</b> | <b>311,851</b>      | <b>1,377,771</b> |
| Fitness Centre equipment           | <b>113,562</b>   | <b>111,950</b>      | <b>1,612</b>     |
| Café Lounge equipment              | <b>110,649</b>   | <b>110,649</b>      | <b>—</b>         |
| Furniture, equipment and computers | <b>504,086</b>   | <b>415,274</b>      | <b>88,812</b>    |
|                                    | <b>2,417,919</b> | <b>949,724</b>      | <b>1,468,195</b> |
| <b>2003</b>                        |                  |                     |                  |
| Student association premises       | 1,658,349        | 255,244             | 1,403,105        |
| Fitness Centre equipment           | 113,562          | 94,224              | 19,338           |
| Café Lounge equipment              | 110,649          | 95,260              | 15,389           |
| Furniture, equipment and computers | 413,168          | 385,593             | 27,575           |
|                                    | 2,295,728        | 830,321             | 1,465,407        |

The Association premises are located on land leased from Kwantlen University College [note 15], and are pledged in support of the Association's bank loan [note 10].

**8. DEFERRED FEE REVENUE**

Deferred fee revenue consists of student activity fees received or receivable by December 31, 2004 which relate to the 2005 college school semester.

**9. RESTRICTED CONTRIBUTIONS**

NOTES TO FINANCIAL STATEMENTS

December 31, 2004

A summary of the restricted contributions is as follows:

|                                 | 2004<br>\$     | 2003<br>\$     |
|---------------------------------|----------------|----------------|
| Students' Health & Dental Plans | 743,416        | 702,998        |
| Lobby Fund                      | 22,303         | —              |
| SHIP Fund                       | 6,264          | —              |
| Women's Centre Fund             | 5,586          | —              |
| <b>Balance, end of year</b>     | <b>777,569</b> | <b>702,998</b> |

a) [i] **Student Health and Dental Plans (Externally Restricted)** [note 14[a]]

Restricted contributions represent unspent contributions externally restricted for the Student Health and Dental Plan.

|                                   | 2004<br>\$       | 2003<br>\$     |
|-----------------------------------|------------------|----------------|
| <b>Balance, beginning of year</b> | <b>702,998</b>   | <b>743,587</b> |
| Contributions – student fees      | <b>911,293</b>   | 847,101        |
|                                   | <b>1,614,291</b> | 1,590,688      |
| Insurers' premiums                | <b>(839,756)</b> | (860,690)      |
| Student bursaries                 | <b>(27,000)</b>  | (27,000)       |
| Legal fees                        | <b>(4,119)</b>   | —              |
| Total expenses                    | <b>(870,875)</b> | (887,690)      |
| <b>Balance, end of year</b>       | <b>743,416</b>   | <b>702,998</b> |

a) [ii] **Lobbying Fund (Externally Restricted)**

Restricted contributions for the Lobbying Fund represent unspent funds collected for lobbying and campaigning.

|                              | 2004<br>\$      | 2003<br>\$ |
|------------------------------|-----------------|------------|
| Contributions – student fees | 46,493          | —          |
| Lobbying expenditures        | <b>(24,190)</b> | —          |
| <b>Balance, end of year</b>  | <b>22,303</b>   | —          |

9. RESTRICTED CONTRIBUTIONS (CONT'D)

NOTES TO FINANCIAL STATEMENTS

December 31, 2004

a) [iii] Students' Health Improvement Program Fund ("SHIP") (Externally Restricted)

Restricted contributions for the SHIP Fund represent unspent amounts received for programs to improve students' health.

|                               | 2004         | 2003     |
|-------------------------------|--------------|----------|
|                               | \$           | \$       |
| Contributions                 | 6,519        | —        |
| Expenditures made during year | (255)        | —        |
| <b>Balance, end of year</b>   | <b>6,264</b> | <b>—</b> |

a) [iv] Women's Centre Fund (Externally Restricted)

Restricted contributions received and unspent for the Women's Centre.

|                             | 2004         | 2003     |
|-----------------------------|--------------|----------|
|                             | \$           | \$       |
| Contributions               | 5,586        | —        |
| <b>Balance, end of year</b> | <b>5,586</b> | <b>—</b> |

[b] Externally Restricted – Premises

Restricted contributions included in the Capital Asset Fund represent unspent contributions externally restricted for the payment of principal and interest on the bank loan used to fund the construction of the Association's premises.

|                                       | 2004           | 2003     |
|---------------------------------------|----------------|----------|
|                                       | \$             | \$       |
| <b>Balance, beginning of year</b>     | <b>537,012</b> | 424,960  |
| Contributions – student activity fees | 248,560        | 251,836  |
| Repayment of bank loan                | (80,000)       | (80,000) |
| Interest expense                      | (47,999)       | (59,784) |
| <b>Balance, end of year</b>           | <b>657,573</b> | 537,012  |

10. BANK LOAN

**NOTES TO FINANCIAL STATEMENTS**

December 31, 2004

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|  | <b>2004</b>      | <b>2003</b> |
|--|------------------|-------------|
|  | <b>\$</b>        | <b>\$</b>   |
| Demand bank loan, bearing interest at CIBC prime rate. Interest is payable on a monthly basis. The loan principal is repayable at \$40,000 semi-annually on September 30 and January 31. | <b>1,160,000</b> | 1,240,000   |

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The Association's assets and a mortgage over the leasehold interest in the Association's premises [notes 6 and 7] are pledged as collateral for the loan.

**11. DEFERRED CONTRIBUTIONS RELATED TO CAPITAL ASSETS**

Deferred contributions related to capital assets reported in the Capital Asset Fund represent the unamortized portion of restricted contributions expended on debt relating to the Association's premises and other capital asset acquisitions. The balance in the account is as follows:

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|   | <b>2004</b>     | <b>2003</b> |
|---|-----------------|-------------|
|   | <b>\$</b>       | <b>\$</b>   |
| <b>Balance, beginning of year</b>                     | <b>146,220</b>  | 121,376     |
| Repayment of bank loan used to acquire capital assets | <b>80,000</b>   | 80,000      |
| Amounts amortized to revenue                          | <b>(55,156)</b> | (55,156)    |
| <b>Balance, end of year</b>                           | <b>171,064</b>  | 146,220     |

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**12. DONATIONS**

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|                | <b>2004</b> | <b>2003</b> |
|----------------|-------------|-------------|
|                | <b>\$</b>   | <b>\$</b>   |
| Daycare        | —           | 15,000      |
| Emergency Fund | —           | 7,000       |
| Scholarships   | —           | 12,000      |
| Single Parents | —           | 2,000       |
| Young Parents  | —           | 12,000      |
| Other          | <b>366</b>  | 1,117       |
|                | <b>366</b>  | 49,117      |

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**13. INTERNALLY RESTRICTED FUND BALANCES**

**NOTES TO FINANCIAL STATEMENTS**

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December 31, 2004

In previous years, the Association internally restricted \$456,058 to be used for expansion of the Association's premises.

**14. CONTINGENCIES**

**a) Student Health and Dental Plans – Collection of fees**

The Association is currently in a dispute with Kwantlen University College (the "College") with respect to the collection of student health and dental plan fees.

The Association contends that the College has not collected fees from select students.

The amount of the Association's claim is currently not determinable as the College is in possession of the accounting information relating to the fees.

The likelihood that the Association will be successful with its claim is currently indeterminable.

**b) Student Society Elections**

In February 2005 the Society held its annual election for executive and council members. Various complaints have been filed with the Chief Returning Officer with respect to the elections. Possible claims, if any, that result from the complaints are currently indeterminable.

**15. COMMITMENT**

**Lease Commitment**

The Association leases space from Kwantlen University College. The annual lease cost to the Association is \$1 plus its share of common area maintenance expenses. The lease expires in May 2029.

The estimated common area maintenance expenses over the next five years are as follows:

|      | \$            |
|------|---------------|
| 2005 | 17,268        |
| 2006 | 17,268        |
| 2007 | 17,268        |
| 2008 | 17,268        |
| 2009 | 17,268        |
|      | <b>86,340</b> |

**SCHEDULE OF REVENUE AND EXPENSES  
- CAFÉ LOUNGE**

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December 31, 2004

|                             | <b>2004</b>     | <b>2003</b> |
|-----------------------------|-----------------|-------------|
|                             | \$              | \$          |
| <b>Sales</b>                | <b>139,987</b>  | 109,972     |
| Cost of sales               | <b>98,243</b>   | 79,848      |
| <b>Gross profit</b>         | <b>41,744</b>   | 30,124      |
| Wages and benefits          | <b>57,475</b>   | 62,341      |
| <b>Loss from operations</b> | <b>(15,731)</b> | (32,217)    |