

FINANCIAL STATEMENTS
STUDENTS' ADMINISTRATIVE COUNCIL
OF THE UNIVERSITY OF TORONTO
O/A UNIVERSITY OF TORONTO STUDENTS' UNION
AS AT APRIL 30, 2013

**STUDENTS' ADMINISTRATIVE COUNCIL OF THE UNIVERSITY OF TORONTO
O/A UNIVERSITY OF TORONTO STUDENTS' UNION**

AS AT APRIL 30, 2013

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INDEPENDENT AUDITORS' REPORT

To the Members
University of Toronto Students' Union,

We have audited the accompanying financial statements of the **University of Toronto Students' Union**, which comprise the statement of financial position as at April 30, 2013, the statement of changes in net assets, the statement of operations, and cash flows statement 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 generally accepted accounting principles 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 accounting standards for not-for-profit organizations. 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.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of **University of Toronto Students' Union** at April 30, 2013, and of its financial performance and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Yale + Partners LLP

Chartered Accountants
Licensed Public Accountants

Toronto, Ontario
October 25, 2013

**STUDENTS' ADMINISTRATIVE COUNCIL OF THE UNIVERSITY OF TORONTO
O/A UNIVERSITY OF TORONTO STUDENTS' UNION**

STATEMENT OF FINANCIAL POSITION

**AS AT APRIL 30, 2013
(With comparative figures as at April 30, 2012)**

A S S E T S

	2013	2012
CURRENT		
Cash	\$ 6,085,103	\$ 6,214,825
Accounts receivable (note 8)	4,034	21,812
Inventory (note 6)	93,706	81,439
Prepaid expenses	43,466	22,905
Health and dental plan surplus (note 4)	168,098	235,459
HST Receivable	<u>-</u>	<u>6,236</u>
	6,394,407	6,582,676
RESTRICTED TERM DEPOSIT (note 5)	507,521	507,521
EQUIPMENT (note 7)	45,328	16,136
STUDENT COMMONS LEVY, IN TRUST (Note 9)	<u>2,038,076</u>	<u>1,533,089</u>
TOTAL ASSETS	<u>\$ 8,985,332</u>	<u>\$ 8,639,422</u>

LI AB I L I T I E S

CURRENT		
Government withholdings payable	\$ 10,460	\$ 22,002
Accounts payable and accruals	145,873	74,961
Current portion of deferred student fees (note 10)	1,293,206	1,132,105
Deferred health and dental plan fees (note 11)	3,160,630	3,420,413
Health and dental reserve (note 4)	<u>168,098</u>	<u>235,459</u>
	4,778,267	4,884,940
DEFERRED STUDENT FEES (Note 10)	<u>2,038,076</u>	<u>1,533,089</u>
TOTAL LIABILITIES	6,816,343	6,418,029

NET ASSETS

Per statement attached	<u>2,168,989</u>	<u>2,221,393</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 8,985,332</u>	<u>\$ 8,639,422</u>

APPROVED ON BEHALF OF THE BOARD

_____ Director

_____ Director

See accompanying notes

To be read in conjunction with our Auditors' Report dated October 25, 2013

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**STUDENTS' ADMINISTRATIVE COUNCIL OF THE UNIVERSITY OF TORONTO
O/A UNIVERSITY OF TORONTO STUDENTS' UNION**

STATEMENT OF CHANGES IN NET ASSETS

**FOR THE YEAR ENDED APRIL 30, 2013
(With comparative figures as at April 30, 2012)**

	2013	2012
BALANCE, BEGINNING OF THE YEAR	\$ 2,221,393	\$ 2,068,768
Surplus (deficit) for the year	<u>(52,404)</u>	<u>152,625</u>
BALANCE, END OF YEAR	<u>\$ 2,168,989</u>	<u>\$ 2,221,393</u>

See accompanying notes
To be read in conjunction with our Auditors' Report dated October 25, 2013

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**STUDENTS' ADMINISTRATIVE COUNCIL OF THE UNIVERSITY OF TORONTO
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STATEMENT OF OPERATIONS

**FOR THE YEAR ENDED APRIL 30, 2013
(With comparative figures for the year ended April 30, 2012)**

	2013	2012
REVENUES		
Member's health and dental plan fees (note 11)	\$ 9,661,890	\$ 7,715,001
Restricted student fees recognized (note 10)	1,794,043	1,755,871
General student fees	1,363,770	1,306,946
TTC Metropass sales and sponsorship	576,659	727,837
Advertising and other income	236,444	247,155
Ticket sales	182,786	168,212
Interest income	<u>7,923</u>	<u>17,328</u>
	<u>13,823,515</u>	<u>11,938,350</u>
 EXPENSES		
Health and dental plan disbursements (note 11)	9,661,890	7,715,001
Restricted student fee disbursements (note 10)	1,794,043	1,755,871
Salaries, wages and benefits	670,203	737,108
TTC Metropass purchases	632,722	775,982
Office and general	220,598	199,811
Orientation	212,852	169,020
Clubs and other subsidies	211,814	118,774
Ticket purchases	181,902	131,472
Elections and referenda	97,685	66,437
Campaigns	80,886	51,654
Meetings	48,867	18,957
Equipment expenses	26,270	4,145
Bank, financing, and interest charges	8,565	8,767
Book exchange	3,730	8,830
TTC program	3,469	14,052
Amortization	<u>20,423</u>	<u>9,844</u>
	<u>13,875,919</u>	<u>11,785,725</u>
 SURPLUS (DEFICIT) FOR THE YEAR	 <u>\$ (52,404)</u>	 <u>\$ 152,625</u>

See accompanying notes
To be read in conjunction with our Auditors' Report dated October 25, 2013

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**STUDENTS' ADMINISTRATIVE COUNCIL OF THE UNIVERSITY OF TORONTO
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STATEMENT OF CASH FLOWS

**FOR THE YEAR ENDED APRIL 30, 2013
(With comparative figures for the year ended at April 30,2012)**

	2013	2012
CASH FLOWS FROM (USED IN):		
OPERATING ACTIVITIES		
Member's health and dental plan fees	\$ 11,171,706	\$ 10,168,451
TTC Metropass sales	576,659	727,837
Restricted student levies received	2,460,131	1,880,264
General student fees	1,363,770	1,306,946
Other sales and advertising	437,008	567,103
Interest income received	7,923	17,328
Health and dental insurance premiums	(9,661,890)	(7,329,967)
TTC Metropass purchases	(644,989)	(716,332)
General operating purchases and payments	(1,713,230)	(1,571,098)
Health and dental plan refunds	(1,769,599)	(1,868,900)
Restricted student levies disbursed	(1,794,043)	(2,126,999)
Interest paid	<u>(8,565)</u>	<u>(8,767)</u>
	<u>424,881</u>	<u>1,045,866</u>
INVESTING ACTIVITIES		
Purchase of equipment	(49,616)	-
Change in studen commons levy, in trust	<u>(504,987)</u>	<u>570,000</u>
	<u>(554,603)</u>	<u>570,000</u>
CHANGE IN CASH	(129,722)	1,615,866
Cash at beginning of the year	<u>6,214,825</u>	<u>4,598,959</u>
CASH AT END OF THE YEAR	<u>\$ 6,085,103</u>	<u>\$ 6,214,825</u>

See accompanying notes
To be read in conjunction with our Auditors' Report dated October 25, 2013

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**STUDENTS' ADMINISTRATIVE COUNCIL OF THE UNIVERSITY OF TORONTO
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NOTES TO FINANCIAL STATEMENTS

AS AT APRIL 30, 2013

1. Purpose of the Organization

The Students' Administrative Council of the University of Toronto, operating as University of Toronto Students' Union (UTSU), was incorporated on April 20, 1977 under the Canada Business Corporations Act as a non-profit corporation without share capital for the purpose of improving the quality of campus life, services and education for the University of Toronto student body and to represent the member students in areas of common interest. Financial operations of the Organization are administered by an executive committee subject to approval by the Board of Directors. As the union's revenues are derived from the University of Toronto student body, it is economically dependent upon the university. Under the Canadian Income Tax Act, UTSU is classified as a non-profit organization and, as such, is not subject to income tax.

2. Basis of Presentation and Future Accounting Changes

These financial statements have been prepared in accordance with Part III of the CICA Handbook - *Accounting Standards for Not-For-Profit Organizations*. Last year they were prepared in accordance with Part V of the CICA Handbook - *Pre-changeover accounting standards*. The application of the new accounting standards did not result in any material changes to comparative figures, see note 16.

3. Summary of Significant Accounting Policies

Revenue Recognition

The collection and amount of non-academic incidental fees charged to students in Ontario is regulated by the Ontario Ministry of Training, Colleges and Universities through its *Ontario Operating Funds Distribution Manual* and *Compulsory Ancillary Fee Policy Guidelines*. Pursuant to these, a change to or introduction of a fee must be done in accordance with a long-term protocol established between the university and its student government. The University of Toronto and UTSU established theirs in October 1996. This protocol requires a referendum of the student body for significant changes to or the introduction of additional fees.

The general 'Society' component of the fee is recognized under revenues as General student fees upon receipt from the University of Toronto's Financial Services Office.

Sales and advertising revenues are recognized, respectively, at the point of sale or when the advertising has been provided. Interest income is recognized on an accrual basis.

Deferral Accounting

All other components of the student fee, which have been collected from students pursuant to referendum and for a specific purpose, are deferred and shown as a liability upon initial receipt from the university. They are recognized as revenues when the related expense is incurred or disbursement is made. Although the Members' health and dental plan fees are shown separately they are recognized using the same deferral method. Some components of the fee are refundable at the request of the students, and the revenue recognized is net of these refunds.

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NOTES TO FINANCIAL STATEMENTS

AS AT APRIL 30, 2013

3. Summary of Significant Accounting Policies - continued

Donated materials and services

The Organization does not record the value of donated items and services, such as the provision of space used by the UTSU offices, because of the difficulty in determining their fair market value.

Inventory

Inventory is valued at the lower of cost and net realizable value and determined on a first-in, first-out basis.

Equipment

Equipment is recorded at cost. Amortization is provided for using management's best estimate of the useful life of the property on a straight-line basis over the following number of years:

Computer equipment	3 years
Office equipment	5 years
Furniture and fixtures	5 years

Use of Estimates

The preparation of financial statements in accordance with Canadian GAAP requires management to make estimates and assumptions that affect the amounts reported in the financial statements and the notes to the financial statements. These estimates relate primarily to the estimated health and dental plan surplus and reserves which affect health and dental plan fees and disbursements. Actual results may vary from these estimates.

Financial instruments

Financial instruments classified as financial assets and financial liabilities held for trading are recorded at fair value at each balance sheet date and any change in fair value is recognized in income in the period in which the change occurs.

Financial instruments classified as held-to-maturity investments are carried at amortized cost using the effective interest method. Interest is included in income for the year.

Financial instruments classified as loans and receivables, and financial liabilities held for purposes other than for trading, are carried at amortized cost using the effective interest method. Interest income and expenses are included in income for the year.

Financial assets classified as available for sale are recorded at fair value at each balance sheet date and any change in fair value is recognized in other comprehensive income in the period in which these changes occur. Upon derecognition, any accrued gains or losses are recognized in income for the year.

**STUDENTS' ADMINISTRATIVE COUNCIL OF THE UNIVERSITY OF TORONTO
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NOTES TO FINANCIAL STATEMENTS

AS AT APRIL 30, 2013

4. Health and Dental Plan Surplus and Reserve

The group health and dental plan is administered on an academic year basis, beginning on September 1st of each year.

Where the monthly premiums paid to the insurer during the year exceed:

- The claims made against the plan by students;
- The amount required to fully fund a reserve for future claims submitted by students after the end of the plan's year on August 31st, and;
- The insurer's administrative charges;

The resulting surplus generally becomes refundable in December, approximately three months after the plan's year ends. This surplus may be refunded at UTSU's request, or it can be kept on account with the insurer and used to pay for future deficits that may occur from year to year. In the event that this amount is refunded and a deficit is subsequently generated, the union's monthly premiums would be increased to eliminate it.

The refundable surplus balance shown is the net amount refundable from all plan years up to August 31, 2012. No adjustment has been made for a surplus or deficit for the subsequent plan year as future claims against the plan fluctuate significantly each year, making estimation of the amount too uncertain.

A reserve equal to the refundable balance shown in the assets has been recorded in the liabilities to reflect management's intention to leave this amount on deposit with the insurer to mitigate the risks associated with future deficits created by higher claims against the plan.

5. Restricted Term Deposit

Term deposit bearing interest at 1.5% and maturing May 5, 2013. The principal amount is unavailable for current operations because it is security for the letter of credit issued in favour of the Toronto Transit Commission described in note 13. This security is renewed annually in January of each year.

6. Inventory

Inventory, which consists mainly of TTC passes and tokens, is recorded at cost on a first-in first-out basis.

7. Equipment

	<u>Cost</u>	<u>Accumulated Amortization</u>	2013 <u>Net Book Value</u>	2012
Furniture & fixtures	\$ 74,402	\$ 67,184	\$ 7,218	\$ 2,779
Computer equipment	97,637	76,194	21,443	554
Office equipment	40,097	23,430	16,667	12,803
	<u>\$ 212,136</u>	<u>\$ 166,808</u>	<u>\$ 45,328</u>	<u>\$ 16,136</u>

**STUDENTS' ADMINISTRATIVE COUNCIL OF THE UNIVERSITY OF TORONTO
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NOTES TO FINANCIAL STATEMENTS

AS AT APRIL 30, 2013

8. Accounts Receivable

Accounts receivable includes an allowance for doubtful accounts of \$25,329 (2012: nil) as at the balance sheet date.

9. Student Commons Levy

The student commons levy, which commenced in 2008 pursuant to student referendum, is being held in trust by the University of Toronto for the future development of a building planned at 230 College Street, to function as a student centre on the U of T campus.

10. Deferred Student Fees

Changes in the deferred contributions balances are as follows:

	2013	2012
<i>Bikechain (Bike share)</i>		
Beginning balance	\$ -	\$ 1,116
Net student fee levies	18,751	18,341
Payments and distributions	<u>(18,751)</u>	<u>(19,457)</u>
Ending balance	<u>-</u>	<u>-</u>
<i>Blue Sky Solar Racing</i>		
Beginning balance	-	-
Net student fee levies	17,658	12,731
Payments and distributions	<u>(17,658)</u>	<u>(12,731)</u>
Ending balance	<u>-</u>	<u>-</u>
<i>Canadian Federation of Students</i>		
Beginning balance	-	3,209
Net student fee levies	726,683	697,519
Payments and distributions	<u>(726,683)</u>	<u>(700,728)</u>
Ending balance	<u>-</u>	<u>-</u>
<i>Cinema Studies Students' Union</i>		
Beginning balance	-	116
Net student fee levies	18,751	18,341
Payments and distributions	<u>(18,751)</u>	<u>(18,457)</u>
Ending balance	<u>-</u>	<u>-</u>
<i>Hot Yam</i>		
Beginning balance	-	888
Net student fee levies	14,993	14,690
Payments and distributions	<u>(14,993)</u>	<u>(15,578)</u>
Ending balance	<u>-</u>	<u>-</u>

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NOTES TO FINANCIAL STATEMENTS

AS AT APRIL 30, 2013

10. <u>Deferred Student Fees</u> - continued	2013	2012
<i>Ontario Public Interest Research Group</i>		
Beginning balance	-	231
Net student fee levies	37,502	36,681
Payments and distributions	<u>(37,500)</u>	<u>(36,912)</u>
Ending balance	<u>2</u>	<u>-</u>
<i>Plan Canada (Foster Children Program)</i>		
Beginning balance	-	6,917
Net student fee levies	4,998	4,897
Payments and distributions	<u>(4,998)</u>	<u>(11,814)</u>
Ending balance	<u>-</u>	<u>-</u>
<i>Downtown Legal Services</i>		
Beginning balance	-	695
Net student fee levies	124,983	122,329
Payments and distributions	<u>(124,983)</u>	<u>(123,024)</u>
Ending balance	<u>-</u>	<u>-</u>
<i>Sex Education - St George</i>		
Beginning balance	-	116
Net student fee levies	18,751	18,341
Payments and distributions	<u>(18,751)</u>	<u>(18,457)</u>
Ending balance	<u>-</u>	<u>-</u>
<i>Sex Education - Mississauga</i>		
Beginning balance	-	1
Net student fee levies	24,951	24,571
Payments and distributions	<u>(24,951)</u>	<u>(24,572)</u>
Ending balance	<u>-</u>	<u>-</u>
<i>Students for Barrier-free access</i>		
Beginning balance	-	464
Net student fee levies	75,005	73,362
Payments and distributions	<u>(75,005)</u>	<u>(73,826)</u>
Ending balance	<u>-</u>	<u>-</u>
<i>Student Commons (held in trust by U of T)</i>		
Beginning balance	1,533,089	1,084,854
Net student fee levies	504,987	448,235
Payments and distributions	<u>-</u>	<u>-</u>
Ending balance	<u>2,038,076</u>	<u>1,533,089</u>

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O/A UNIVERSITY OF TORONTO STUDENTS' UNION**

NOTES TO FINANCIAL STATEMENTS

AS AT APRIL 30, 2013

10. <u>Deferred Student Fees</u> - continued	2013	2012
<i>U of T Environmental Resource Network</i>		
Beginning balance	-	232
Net student fee levies	49,978	48,967
Payments and distributions	<u>(49,978)</u>	<u>(49,199)</u>
Ending balance	<u>-</u>	<u>-</u>
<i>Mississauga Students' Union - Membership Fee</i>		
Beginning balance	-	14
Net student fee levies	367,046	353,871
Payments and distributions	<u>(367,046)</u>	<u>(353,885)</u>
Ending balance	<u>-</u>	<u>-</u>
<i>Mississauga Students' Union - Orientation</i>		
Beginning balance	-	1
Net student fee levies	9,356	9,214
Payments and distributions	<u>(9,356)</u>	<u>(9,215)</u>
Ending balance	<u>-</u>	<u>-</u>
<i>Mississauga Students' Union - Daycare Subsidy</i>		
Beginning balance	-	1
Net student fee levies	12,475	12,286
Payments and distributions	<u>(12,475)</u>	<u>(12,287)</u>
Ending balance	<u>-</u>	<u>-</u>
<i>Mississauga Students' Union - Student Refugee Program</i>		
Beginning balance	-	1
Net student fee levies	16,443	15,920
Payments and distributions	<u>(16,443)</u>	<u>(15,921)</u>
Ending balance	<u>-</u>	<u>-</u>
<i>Health Initiative in Developing Countries</i>		
Beginning balance	13,877	116
Net student fee levies	33,961	24,483
Payments and distributions	<u>(47,838)</u>	<u>(10,722)</u>
Ending balance	<u>-</u>	<u>13,877</u>
<i>Women's Centre - St George</i>		
Beginning balance	-	695
Net student fee levies	124,983	122,329
Payments and distributions	<u>(76,576)</u>	<u>(123,024)</u>
Ending balance	<u>48,407</u>	<u>-</u>

**STUDENTS' ADMINISTRATIVE COUNCIL OF THE UNIVERSITY OF TORONTO
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NOTES TO FINANCIAL STATEMENTS

AS AT APRIL 30, 2013

10. <u>Deferred Student Fees</u> - continued	2013	2012
<i>Women's Centre - Mississauga</i>		
Beginning balance	-	1
Net student fee levies	24,951	24,571
Payments and distributions	<u>(24,951)</u>	<u>(24,572)</u>
Ending balance	<u>-</u>	<u>-</u>
<i>Radical Roots</i>		
Beginning balance	39,727	39,727
Net student fee levies	-	-
Payments and distributions	<u>-</u>	<u>-</u>
Ending balance	<u>39,727</u>	<u>39,727</u>
<i>Wheelchair Accessibility Projects</i>		
Beginning balance	1,037,027	934,228
Net student fee levies and interest earned	105,344	102,799
Payments and distributions	<u>-</u>	<u>-</u>
Ending balance	<u>1,142,371</u>	<u>1,037,027</u>
<i>Orientation</i>		
Beginning balance	-	-
Net student fee levies	40,621	39,753
Payments and distributions	<u>(40,621)</u>	<u>(39,753)</u>
Ending balance	<u>-</u>	<u>-</u>
<i>Day Care Subsidy</i>		
Beginning balance	3,320	4,672
Net student fee levies	37,503	36,681
Payments and distributions	<u>(37,048)</u>	<u>(38,033)</u>
Ending balance	<u>3,775</u>	<u>3,320</u>
<i>Student Refugee Program</i>		
Beginning balance	38,154	14,210
Net student fee levies	49,457	47,587
Payments and distributions	<u>(28,687)</u>	<u>(23,643)</u>
Ending balance	<u>58,924</u>	<u>38,154</u>
<i>Summary</i>		
Beginning balance	2,665,194	2,092,566
Net student fee levies	2,460,131	2,328,499
Disbursements, and fees recognized as revenue	<u>(1,794,043)</u>	<u>(1,755,871)</u>
Ending balance	3,331,282	2,665,194
Long-term portion (Student Commons)	<u>2,038,076</u>	<u>1,533,089</u>
Current portion	<u>\$ 1,293,206</u>	<u>\$ 1,132,105</u>

**STUDENTS' ADMINISTRATIVE COUNCIL OF THE UNIVERSITY OF TORONTO
O/A UNIVERSITY OF TORONTO STUDENTS' UNION**

NOTES TO FINANCIAL STATEMENTS

AS AT APRIL 30, 2013

11. Deferred Health and Dental Fees

The health and dental group insurance plan portion of the student fee is also accounted for using the deferral method, consistent with the treatment of the restricted fees listed above. The Health and Dental plan is shown here separately due to the magnitude of the plan.

	2013	2012
Beginning balance	<u>\$ 3,420,413</u>	<u>\$ 2,821,960</u>
Health and dental fees collected	11,147,557	10,168,451
Refunds issued to students	(1,769,599)	(1,868,900)
Interest income	<u>24,149</u>	<u>13,903</u>
	<u>9,402,107</u>	<u>8,313,454</u>
Payments remitted to insurer	(9,287,803)	(7,329,967)
Administrative and general expenses	<u>(374,087)</u>	<u>(385,034)</u>
Total disbursements and fees recognized as revenue	<u>(9,661,890)</u>	<u>(7,715,001)</u>
Ending balance	<u>\$ 3,160,630</u>	<u>\$ 3,420,413</u>

12. Commitments

UTSU chooses its insurer for the health and dental plan for a one-year period beginning in September of each year. UTSU had an agreement with Green Shield Canada for coverage to August 31, 2013, and subsequently also entered into an agreement for coverage to August 31, 2014. Under the 2013 agreement, UTSU committed to pay monthly premiums of approximately \$700,000 from May through August of 2013 for a total of approximately \$2.8 million.

13. Contingency

The union has a \$500,000 letter of credit outstanding in favour of the Toronto Transit Commission to secure the purchase of discounted student passes and other fares. The letter expires on December 31, 2014 and is secured by the restricted term deposit described in note 5.

14. Financial Instruments

Fair value - The carrying value of the union's cash, accounts receivable, the health and dental plan surplus, the student commons trust balance, the restricted term deposit, and the accounts payable approximate their fair value due to their underlying current nature and their short maturity periods.

Credit risk - Effectively all of the union's receivables are due from the University of Toronto and other parties related to the university.

Interest rate risk - the union's interest income is tied to the prime rate and therefore subject to fluctuation as determined by the financial institution.

**STUDENTS' ADMINISTRATIVE COUNCIL OF THE UNIVERSITY OF TORONTO
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NOTES TO FINANCIAL STATEMENTS

AS AT APRIL 30, 2013

15. Management of Working Capital

Management of the union's working capital is primarily concerned with controlling cash disbursements such that sufficient cash is on hand at any point in time to cover:

- Payment of operational expenses before receipt of the next student fee payment. Payments are typically received in five installments: three installments for the Fall / Winter term in September, January, and March, and two installments for the Summer term in June and July;
- The purchase of TTC passes and fares;
- The total deferred amount of restricted student fees; and
- To cover upcoming monthly premiums under the Group Health and Dental Insurance Plan to the extent that they exceed the amount of deferred Health and Dental student fees received.

	2013	2012
Cash	\$ 6,085,103	\$ 6,214,825
Accounts receivable	4,034	21,812
Inventory	<u>93,706</u>	<u>81,439</u>
	<u>6,182,843</u>	<u>6,318,076</u>
Accounts payable	145,873	74,961
Deferred student fees	1,293,206	1,132,105
Deferred Health and Dental fees	<u>3,160,630</u>	<u>3,420,413</u>
	<u>4,599,709</u>	<u>4,627,479</u>
Net working capital available for operational expenses	<u>\$ 1,583,134</u>	<u>\$ 1,690,597</u>

16. IMPACT OF THE CHANGE IN THE BASIS OF ACCOUNTING

Initial application

The union has adopted the requirements of the CICA Handbook and has adopted Canadian Accounting Standards for Not-for-Profit Organizations. This framework is in accordance with Canadian GAAP. These are the first financial statements prepared in accordance with this new framework which has been applied retrospectively to the comparative figures for the year ended April 30, 2012 and in the preparation of an opening balance sheet at May 1, 2011, which is the date of transition for comparison purposes.

No adjustments were required to the opening balances on the date of transition on May 1, 2011 presented below:

STUDENTS' ADMINISTRATIVE COUNCIL OF THE UNIVERSITY OF TORONTO
O/A UNIVERSITY OF TORONTO STUDENTS' UNION

NOTES TO FINANCIAL STATEMENTS

AS AT APRIL 30, 2013

16. IMPACT OF THE CHANGE IN THE BASIS OF ACCOUNTING - continued

ASSETS	
CURRENT	
Cash	\$ 4,598,959
Accounts receivable	181,069
Inventory	94,321
Prepaid expenses	30,943
Health and dental surplus	<u>399,694</u>
	5,304,986
RESTRICTED TERM DEPOSIT	1,070,000
EQUIPMENT	25,875
STUDENT COMMONS LEVY, IN TRUST	<u>1,084,854</u>
TOTAL ASSETS	<u>\$ 7,485,715</u>
LIABILITIES	
CURRENT	
Accounts payable and other accruals	102,727
Current portion of deferred student fees	1,007,712
Deferred health and dental plan fees	2,821,959
Health and dental reserve	<u>399,694</u>
	4,332,092
DEFERRED STUDENT FEES	<u>1,084,854</u>
TOTAL LIABILITIES	<u>5,416,946</u>
NET ASSETS	
TOTAL NET ASSETS	<u>2,068,769</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 7,485,715</u>