

FINANCIAL STATEMENTS
STUDENTS' ADMINISTRATIVE COUNCIL
OF THE UNIVERSITY OF TORONTO
OPERATING AS UNIVERSITY OF TORONTO STUDENTS' UNION
AS AT APRIL 30, 2015

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

AS AT APRIL 30, 2015

INDEX

Management Report	1
Auditors' Report	2
Statement of Financial Position	3
Statement of Operations and Changes in Net Assets	4
Statement of Cash Flows	5
Notes to Financial Statements	6 - 14

MANAGEMENT REPORT


Management's Responsibility for Financial Reporting

The accompanying financial statements of the **University of Toronto Students' Union** have been prepared by management and approved by the board of directors. Management is responsible for the integrity, objectivity and reliability of the data presented. This responsibility includes selecting appropriate accounting principles and making judgments and estimates consistent with Canadian generally accepted accounting principles. Management is also responsible for the development of internal controls over the financial reporting process, which are designed to provide reasonable assurance that relevant and reliable financial information is produced, and that the controls ensure that the assets of the corporation are safeguarded.


The board of directors of the **University of Toronto Students' Union** is responsible for reviewing and approving the financial statements, and overseeing management's performance of its financial reporting responsibilities.

Yale & Partners LLP are the external auditors of the **University of Toronto Students' Union**. The external auditors have audited the financial statements in accordance with Canadian generally accepted auditing standards to enable them to express their opinion on the financial statements. Their report is included on the following page of this report.

On behalf of the **University of Toronto Students' Union**



Ben Coleman, President



Ryan Gomez, Vice-President Internal and Services

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 and changes in net assets as at April 30, 2015, the statements of operations and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian 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, 2015, 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 Professional Accountants
Licensed Public Accountants

Toronto, Ontario
August 25, 2015

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

STATEMENT OF FINANCIAL POSITION

**AS AT APRIL 30, 2015
(With comparative figures as at April 30, 2014)**

A S S E T S

	2015	2014
CURRENT		
Cash - Unrestricted for general operations	\$ 1,259,328	\$ 1,588,589
Cash - Restricted for deferred student fees (note 10)	1,627,521	1,551,284
Cash - Restricted for health and dental plan (note 11)	3,831,822	2,555,424
Accounts receivable (note 8)	34,603	10,181
Inventory (note 6)	37,903	64,246
Prepaid expenses	19,492	33,361
Health and dental plan surplus (note 4)	<u>63,098</u>	<u>63,098</u>
	6,873,767	5,866,183
RESTRICTED TERM DEPOSIT (note 5)	529,919	522,603
EQUIPMENT (note 7)	23,792	34,977
STUDENT COMMONS LEVY, IN TRUST (note 9)	<u>3,251,164</u>	<u>2,636,358</u>
TOTAL ASSETS	<u>\$ 10,678,642</u>	<u>\$ 9,060,121</u>

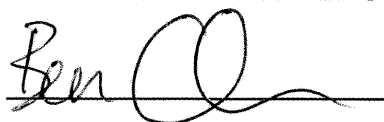
L I A B I L I T I E S

CURRENT		
Government withholdings payable	\$ 13,140	\$ 6,990
Accounts payable and accruals	168,373	105,747
Current portion of deferred student fees (note 10)	1,627,521	1,551,284
Deferred health and dental plan fees (note 11)	3,831,822	2,555,424
Health and dental reserve (note 4)	<u>63,098</u>	<u>63,098</u>
	5,703,954	4,282,543
DEFERRED STUDENT FEES (Note 10)	<u>3,251,164</u>	<u>2,636,358</u>
TOTAL LIABILITIES	8,955,118	6,918,901

N E T A S S E T S

Per statement attached	<u>1,723,524</u>	<u>2,141,220</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 10,678,642</u>	<u>\$ 9,060,121</u>

APPROVED ON BEHALF OF THE BOARD

 Director

 Director

See accompanying notes

To be read in conjunction with our Auditors' Report dated August 25, 2015

Page 3

STUDENTS' ADMINISTRATIVE COUNCIL OF THE UNIVERSITY OF TORONTO
O/A UNIVERSITY OF TORONTO STUDENTS' UNION
STATEMENT OF OPERATIONS AND CHANGES IN NET ASSETS
FOR THE YEAR ENDED APRIL 30, 2015
(With comparative figures for the year ended April 30, 2014)

	2015	2014
REVENUES		
Member's health and dental plan fees (note 11)	\$ 9,969,811	\$ 11,160,332
Restricted student fees recognized (note 10)	1,992,532	1,765,384
General student fees	1,408,794	1,389,926
TTC Metropass sales and sponsorship	353,492	455,950
Advertising and other income	316,892	308,341
Ticket sales	130,165	151,925
Interest income	19,954	25,776
	<u>14,191,640</u>	<u>15,257,634</u>
EXPENSES		
Health and dental plan disbursements (note 11)	9,969,811	11,160,332
Restricted student fee disbursements (note 10)	1,992,532	1,765,384
Salaries, wages and benefits	772,326	671,574
TTC Metropass purchases	350,320	446,438
Clubs and other subsidies	296,549	295,991
Orientation	241,280	215,499
Office and general	153,329	212,877
Ticket purchases	125,146	144,468
Elections and referenda	108,356	120,618
Campaigns	107,099	76,310
Services handbook	65,530	70,354
Meetings	32,220	34,370
Equipment expenses	27,029	29,136
Bank, financing, and interest charges	7,091	14,933
TTC program	4,025	4,180
Amortization	14,543	22,940
	<u>14,267,186</u>	<u>15,285,404</u>
DEFICIT FROM REGULAR OPERATIONS	(75,546)	(27,770)
Severance payments (note 16)	<u>342,150</u>	<u>-</u>
DEFICIT FOR THE YEAR	(417,696)	(27,770)
NET ASSETS, BEGINNING OF THE YEAR	<u>2,141,220</u>	<u>2,168,990</u>
NET ASSETS, END OF THE YEAR	<u>\$ 1,723,524</u>	<u>\$ 2,141,220</u>

See accompanying notes

To be read in conjunction with our Auditors' Report dated August 25, 2015

Page 4

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

STATEMENT OF CASH FLOWS

**FOR THE YEAR ENDED APRIL 30, 2015
(With comparative figures for the year ended at April 30, 2014)**

	2015	2014
CASH FLOWS FROM (USED IN):		
OPERATING ACTIVITIES		
Member's health and dental plan fees	\$ 13,317,905	\$ 12,504,381
TTC Metropass sales	353,492	455,950
Restricted student levies received	2,683,575	2,621,744
General student fees	1,408,794	1,389,926
Other sales and advertising	400,579	454,119
Interest income received	36,151	25,776
Health and dental insurance premiums	(9,586,460)	(11,160,332)
TTC Metropass purchases	(358,280)	(416,978)
General operating purchases and payments	(2,136,041)	(1,923,951)
Health and dental plan refunds	(2,095,209)	(1,949,254)
Restricted student levies disbursed	(2,375,877)	(1,765,384)
Interest paid	(7,091)	(14,933)
	<u>1,641,538</u>	<u>221,064</u>
INVESTING ACTIVITIES		
Purchase of equipment	(3,358)	(12,588)
Change in student commons levy, in trust	(614,806)	(598,282)
	<u>(618,164)</u>	<u>(610,870)</u>
CHANGE IN CASH	1,023,374	(389,806)
Cash at beginning of the year	<u>5,695,297</u>	<u>6,085,103</u>
CASH AT END OF THE YEAR	<u>\$ 6,718,671</u>	<u>\$ 5,695,297</u>
CASH REPRESENTED BY		
Cash - General operations	\$ 1,259,328	\$ 1,588,589
Cash - Restricted for health and dental plan	3,831,822	2,555,424
Cash - Restricted deferred student fee	1,627,521	1,551,284
	<u>\$ 6,718,671</u>	<u>\$ 5,695,297</u>

See accompanying notes

To be read in conjunction with our Auditors' Report dated August 25, 2015

Page 5

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

NOTES TO FINANCIAL STATEMENTS

AS AT APRIL 30, 2015

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

These financial statements have been prepared in accordance with Part III of the CPA Canada Handbook - *Accounting Standards for Not-For-Profit Organizations*.

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. Some components of the fee are refundable at the request of the students, and the refunds are included in payments and distributions. Although the Members' health and dental plan fees are shown separately they are recognized using the same deferral method. The administrative and general expenses charged to the H&D fund includes an allocation of wages based on time spent by staff.

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

NOTES TO FINANCIAL STATEMENTS

AS AT APRIL 30, 2015

3. Summary of Significant Accounting Policies - continued

Cash

Cash consists of cash on hand and demand deposits at a Canadian financial institution.

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 statement of financial position date and any change in fair value is recognized in income in the period in which the change occurs. This classification includes cash.

Financial instruments classified as held-to-maturity investments are carried at amortized cost using the effective interest method. No instruments exist in this category.

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. This classification includes accounts receivable, the Health and Dental surplus, Student Commons levy in trust, and accounts payable.

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. No instruments exist in this category.