



**UNIVERSITY OF TORONTO STUDENTS' UNION**  
**FINANCIAL STATEMENTS**  
**Year Ended April 30, 2021**

**UNIVERSITY OF TORONTO STUDENTS' UNION**  
**INDEX TO FINANCIAL STATEMENTS**  
**Year Ended April 30, 2021**

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## INDEPENDENT AUDITOR'S REPORT

To the Members of University of Toronto Students' Union:

### Opinion

We have audited the financial statements of University of Toronto Students' Union ("the Organization"), which comprise the statement of financial position as at April 30, 2021, and the statements of changes in net assets, operations 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 Organization as at April 30, 2021, 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 (ASNPO).

### 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 Organization 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 ASNPO, 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 Organization'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 Organization or to cease operations, or has no realistic alternative but to do so.

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

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### **Auditor's Responsibilities for the Audit of the Financial Statements**

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Organization'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 Organization'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 Organization 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.

Toronto, Ontario  
October 8, 2021

*Sloan Partners LLP*  
Chartered Professional Accountants  
Licensed Public Accountants

**UNIVERSITY OF TORONTO STUDENTS' UNION**  
**STATEMENT OF FINANCIAL POSITION**  
**April 30, 2021**

	2021	2020
<b>ASSETS</b>		
<b>CURRENT</b>		
Cash (Note 4)	\$ 3,185,021	\$ 2,560,416
Short-term investments (Note 5)	572,462	566,333
Inventory (Note 6)	7,924	10,314
Prepaid expenses	16,771	15,037
	<b>3,782,178</b>	3,152,100
Restricted cash - deferred student fees (Note 7)	912,611	920,320
Restricted cash - health and dental fees (Note 8)	2,931,352	1,893,193
Equipment (Note 9)	32,644	37,308
	<b>\$ 7,658,785</b>	<b>\$ 6,002,921</b>
<b>LIABILITIES</b>		
<b>CURRENT</b>		
Accounts payable and accrued liabilities	\$ 1,100,335	\$ 440,455
Government remittances payable	8,665	62,266
	<b>1,109,000</b>	502,721
Restricted student fees (Note 7)	912,611	920,320
Restricted health and dental fees (Note 8)	2,931,352	1,893,193
	<b>4,952,963</b>	3,316,234
<b>NET ASSETS</b>	<b>2,705,822</b>	2,686,687
	<b>\$ 7,658,785</b>	<b>\$ 6,002,921</b>

**APPROVED ON BEHALF OF THE BOARD**

 \_\_\_\_\_ Director

 \_\_\_\_\_ Director

See notes to financial statements

**UNIVERSITY OF TORONTO STUDENTS' UNION**  
**STATEMENT OF CHANGES IN NET ASSETS**  
**Year Ended April 30, 2021**

	<b>2021</b>	<b>2020</b>
<b>NET ASSETS - BEGINNING OF YEAR</b>	<b>\$ 2,686,687</b>	<b>\$ 2,631,164</b>
EXCESS OF REVENUE OVER EXPENSES	<u>19,135</u>	<u>55,523</u>
<b>NET ASSETS - END OF YEAR</b>	<b><u>\$ 2,705,822</u></b>	<b><u>\$ 2,686,687</u></b>

**UNIVERSITY OF TORONTO STUDENTS' UNION**  
**STATEMENT OF OPERATIONS**  
Year Ended April 30, 2021

	2021	2020
<b>REVENUE</b>		
General student fees	\$ 2,887,060	\$ 1,992,671
Interest income	55,471	144,005
Advertising and sponsorship	6,977	230,069
TTC and other ticket sales	-	22,789
	<u>2,949,508</u>	<u>2,389,534</u>
<b>EXPENSES</b>		
Salaries and employee benefits <i>(Notes 10, 11)</i>	2,032,513	1,430,854
Professional fees	322,662	88,918
Office and general	200,404	89,505
Clubs and subsidies	181,770	385,464
Orientation	119,241	177,088
Campaigns	11,811	10,713
Elections	10,249	12,209
Interest and bank charges	9,610	14,339
Equipment expenses	8,067	13,274
Handbook	5,942	28,783
Meetings and conventions	5,302	40,473
Cost of goods sold	2,391	26,817
Amortization	20,411	15,574
	<u>2,930,373</u>	<u>2,334,011</u>
<b>EXCESS OF REVENUE OVER EXPENSES FROM OPERATIONS</b>	<u>19,135</u>	<u>55,523</u>
<b>OTHER ITEMS</b>		
<b>RESTRICTED FEE REVENUES</b>		
Member's health and dental plan fees <i>(Note 8)</i>	12,603,095	11,898,233
Restricted student fees recognized <i>(Note 7)</i>	1,924,752	1,804,741
	<u>14,527,847</u>	<u>13,702,974</u>
<b>RESTRICTED FEE DISBURSEMENTS</b>		
Health and dental plan disbursements <i>(Note 8)</i>	(12,603,095)	(11,898,233)
Restricted student fee disbursements <i>(Note 7)</i>	(1,924,752)	(1,804,741)
	<u>(14,527,847)</u>	<u>(13,702,974)</u>
	-	-
<b>EXCESS OF REVENUE OVER EXPENSES</b>	<u>\$ 19,135</u>	<u>\$ 55,523</u>

**UNIVERSITY OF TORONTO STUDENTS' UNION**  
**STATEMENT OF CASH FLOWS**  
**Year Ended April 30, 2021**

	2021	2020
<b>OPERATING ACTIVITIES</b>		
Excess of revenue over expenses	\$ 19,135	\$ 55,523
Item not affecting cash:		
Amortization	<u>20,411</u>	15,574
	<u>39,546</u>	<u>71,097</u>
Changes in non-cash working capital:		
Accounts receivable	-	19,172
Inventory	2,390	6,903
Accounts payable and accrued liabilities	659,880	(555,885)
Government remittances	(53,601)	23,190
Prepaid expenses	(1,734)	1,746
Restricted TTC term deposit	-	555,537
	<u>606,935</u>	<u>50,663</u>
Cash flow from operating activities	<u>646,481</u>	<u>121,760</u>
<b>INVESTING ACTIVITIES</b>		
Purchase of equipment	(15,747)	(29,869)
Purchase of short-term investments	<u>(6,129)</u>	<u>(566,333)</u>
Cash flow used by investing activities	<u>(21,876)</u>	<u>(596,202)</u>
<b>INCREASE (DECREASE) IN CASH</b>	<b>624,605</b>	<b>(474,442)</b>
<b>CASH - BEGINNING OF YEAR</b>	<u>2,560,416</u>	<u>3,034,858</u>
<b>CASH - END OF YEAR</b>	<u>\$ 3,185,021</u>	<u>\$ 2,560,416</u>



**UNIVERSITY OF TORONTO STUDENTS' UNION**  
**NOTES TO FINANCIAL STATEMENTS**  
**Year Ended April 30, 2021**

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**1. PURPOSE OF THE ORGANIZATION**

The Students' Administrative Council of the University of Toronto, operating as University of Toronto Students' Union ("UTSU" or "the Organization"), 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. Pursuant to the Canadian Income Tax Act, UTSU is classified as a non-profit organization and, as such, is not subject to income tax.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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.

Use of Estimates

The preparation of financial statements in accordance with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the recognition, measurement and disclosure of amounts reported in the financial statements and accompanying notes. The reported amounts and note disclosures are determined using management's best estimates based on assumptions that reflect the most probable set of economic conditions and planned courses of action. Actual results could differ from these estimates. 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.

These financial statements have, in management's opinion, been properly prepared within reasonable limits of materiality and within the framework of the accounting policies summarized below.

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.

Cash and cash equivalents

Cash includes cash and cash equivalents. Cash equivalents are investments in term deposits and are valued at cost plus accrued interest. The carrying amounts approximate fair value because they have maturities at the date of purchase of less than ninety days.

Short-term investments

Short-term investments consist primarily of term deposits with an original maturity date of purchase of greater than ninety days.

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**UNIVERSITY OF TORONTO STUDENTS' UNION**  
**NOTES TO FINANCIAL STATEMENTS**  
**Year Ended April 30, 2021**

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**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

Financial instruments

The Organization initially measures its financial assets and financial liabilities at fair value except for certain non-arm's length transactions. The Company subsequently measures all its financial assets and financial liabilities at amortized cost.

Financial assets measured at amortized cost represents cash and short-term investments.

Financial liabilities measured at amortized cost include accounts payable and accrued liabilities and government remittances payable.

Financial assets measured at cost are tested for impairment when there are indicators of impairment. The amount of the write-down is recognized in net income. When events occurring after the impairment confirm that a reversal is necessary, the reversal is recognized in net income up to the amount of the previously recognized impairment.

Equipment

Equipment is stated at cost or deemed cost less accumulated amortization and is amortized over its estimated useful life on a declining balance basis at the following rates and methods:

Computer equipment	55% declining balance method
Office equipment	20% declining balance method
Furniture and fixtures	20% declining balance method

The Organization regularly reviews its equipment to eliminate obsolete items and fully amortize items no longer in service.

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

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.

Government assistance

Government assistance for current expenses is recorded as a reduction of the related expenditures.

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**UNIVERSITY OF TORONTO STUDENTS' UNION**  
**NOTES TO FINANCIAL STATEMENTS**  
**Year Ended April 30, 2021**

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**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

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 Health and Dental Fund includes and allocation of wages based on the time spent by staff.

**3. CAPITAL MANAGEMENT**

When managing capital, the Organization's objectives are to ensure that the entity continues as a going concern as well as to maintain optimal benefits to its stakeholders. Management adjusts the capital structure as necessary, in order to support the operational requirements of the Organization. The Board of Directors does not establish quantitative return on capital criteria for management but rather relies on the expertise of management to sustain future development of the Organization. The Organization defines capital to include its working capital position and the net assets of the Organization.

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Organization, is appropriate.

There were no changes in the Organization's approach to capital management during the year ended April 30, 2021.

**4. CREDIT FACILITY**

The Organization has a revolving demand facility in the amount of \$100,000, which bears interest at an annual rate of royal bank prime plus 0.00% and is secured by a general security over all personal property of the Organization. As at April 30, 2021, the Organization has drawn \$nil under the facility.

**5. SHORT-TERM INVESTMENTS**

Short-term investments relate to a term deposit bearing interest at 1% and matured on May 5, 2021. The amount is unrestricted and used for current operations.

**6. INVENTORY**

Inventory, which mainly consists of tickets for Cineplex, Ripley's Aquarium of Canada and SPC cards is valued at the lower of cost, measured on first-in-first out basis and net realizable value.

**UNIVERSITY OF TORONTO STUDENTS' UNION**  
**NOTES TO FINANCIAL STATEMENTS**  
**Year Ended April 30, 2021**

**7. RESTRICTED STUDENT FEES**

Changes in the restricted student fee balances created by referendum [R] of the student body.

	Beginning balance	Net student fee levies	Payments and distributions	<b>2021</b>	2020
Bike Chain (formerly BikeShare) [R]	\$ -	\$ 65,263	\$ (65,263)	\$ -	\$ -
Blue Sky Solar Racing Car Team [R]	-	10,616	(10,616)	-	-
Canadian Federation of Students [R]	34,616	683,967	(683,967)	<b>34,616</b>	34,616
Cinema Studies Students' Union [R]	-	20,415	(20,415)	-	-
Ontario Public Interest Research Group [R]	-	40,828	(40,828)	-	-
Foster Children Program [R]	-	4,083	(4,083)	-	-
Downtown Legal Services [R]	-	273,923	(273,923)	-	-
Sex Education & Peer Counselling Centre [R]	-	20,415	(20,415)	-	-
Students for Barrier Free Access [R]	-	81,657	(81,657)	-	-
University of Toronto Environment al Resource Network [R]	-	20,414	(20,414)	-	-
Health Initiatives in Developing Countries [R]	-	20,415	(20,415)	-	-

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**UNIVERSITY OF TORONTO STUDENTS' UNION**  
**NOTES TO FINANCIAL STATEMENTS**  
**Year Ended April 30, 2021**

**7. RESTRICTED STUDENT FEES (continued)**

	Beginning balance	Net student fee levies	Payments and distributions	<b>2021</b>	2020
Women's Centre - St George [R]	-	122,485	(122,485)	-	-
Day Care Subsidy [R]	36,751	40,828	(18,228)	<b>59,351</b>	36,751
Wheelchair Accessibility Projects [R]	810,270	81,651	(100,000)	<b>791,921</b>	810,270
Student Refugee Program [R]	38,683	61,933	(73,893)	<b>26,723</b>	38,683
Orientation [R]	-	40,828	(40,828)	-	-
Engineering Society [R]	-	99,781	(99,781)	-	-
LGBTout [R]	-	18,836	(18,836)	-	-
University of Toronto Aerospace Team [R]	-	208,705	(208,705)	-	-
	<b>\$ 920,320</b>	<b>\$ 1,917,043</b>	<b>\$ (1,924,752)</b>	<b>\$ 912,611</b>	<b>\$ 920,320</b>

**UNIVERSITY OF TORONTO STUDENTS' UNION**  
**NOTES TO FINANCIAL STATEMENTS**  
**Year Ended April 30, 2021**

**8. DEFERRED HEALTH AND DENTAL FEES**

The group health and dental insurance plan fees are also accounted for using the deferred method, consistent with the treatment of the restricted fees listed above. The health and dental plan is shown here separately due to the nature and magnitude of the plan.

	2021	2020
Beginning balance	\$ 1,893,193	\$ 1,783,756
Health and dental fees collected	15,532,920	13,656,295
Refunds issued to students	(1,898,312)	(1,656,622)
Interest income	6,646	7,997
	<b>15,534,447</b>	<b>13,791,426</b>
Payments remitted to insurer and broker	(12,468,321)	(11,549,745)
Premium refund received from insurer and broker	1,114,629	-
Administrative and general expenses	(1,249,403)	(348,488)
Total disbursements and fees recognized as revenue	<b>(12,603,095)</b>	<b>(11,898,233)</b>
	<b>\$ 2,931,352</b>	<b>\$ 1,893,193</b>

**9. EQUIPMENT**

	Cost	Accumulated amortization	2021 Net book value	2020 Net book value
Computer equipment	\$ 196,147	\$ 169,064	\$ 27,083	\$ 30,357
Office equipment	50,861	47,023	3,838	4,798
Furniture and fixtures	75,768	74,045	1,723	2,153
	<b>\$ 322,776</b>	<b>\$ 290,132</b>	<b>\$ 32,644</b>	<b>\$ 37,308</b>

**10. WAGES AND BENEFITS**

	2021	2020
<u>Wages and benefits by types</u>		
Full-time	\$ 1,351,878	\$ 767,388
Part-time	391,752	206,251
Executive	288,883	457,215
	<b>\$ 2,032,513</b>	<b>\$ 1,430,854</b>

**UNIVERSITY OF TORONTO STUDENTS' UNION**  
**NOTES TO FINANCIAL STATEMENTS**  
**Year Ended April 30, 2021**

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**11. GOVERNMENT ASSISTANCE**

Effective April 11, 2020, the Canada Emergency Wage Subsidy (“CEWS”) came into force providing a wage subsidy to eligible Canadian employers to enable them to continue to pay their Canadian employees through their own payroll during the March 15th to December 31st program period. In order to take advantage of the CEWS, employers had to satisfy certain eligibility criteria. In addition, the federal government offered the 10% Temporary Wage Subsidy (“TWS”) for a three-month period to eligible employers. During the year, the Organization received a total of \$26,771 (2020 - \$14,773) for CEWS and TWS. This amount is included as reduction of salary expenses on statement of operations.

**12. FINANCIAL INSTRUMENTS**

The Organization 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 Organization's risk exposure and concentration as of April 30, 2021.

Credit risk

Credit risk arises from the potential that a counter party will fail to perform its obligations. The Organization is exposed to credit risk with respect to cash and short-term investments. The credit risk is insignificant since the cash and short-term investments are held by large financial institutions. In addition, the Organization's receivables are mainly due from the University of Toronto which is a large and reputable university.

Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The Organization is exposed to this risk mainly from its accounts payable and accrued liabilities.

Interest rate risk

Interest rate risk is the risk that the value of a financial instrument might be adversely affected by a change in the interest rates. In seeking to minimize the risks from interest rate fluctuations, the Organization manages exposure through its normal operating and financing activities. The Organization is exposed to interest rate risk primarily through its floating interest rate bank facilities.

Unless otherwise noted, it is management's opinion that the Organization is not exposed to significant other price risks arising from these financial instruments.

**13. COMMITMENTS**

The Organization engages its insurer for the health and dental plan for a one-year period beginning each year in September. The Organization had an agreement with Studentcare for coverage to August 31, 2019, and subsequently also entered into an agreement with Studentcare for coverage to August 31, 2022.

The Organization signed a 60 month agreement with Konica Minolta Business on April 30, 2018, for printer leasing services. Monthly leasing amount is \$967 until April 30, 2023.

**UNIVERSITY OF TORONTO STUDENTS' UNION**  
**NOTES TO FINANCIAL STATEMENTS**  
**Year Ended April 30, 2021**

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**14. IMPACT OF COVID-19**

On March 11, 2020, the World Health Organization categorized COVID-19 as a pandemic. The potential economic effects within the Organization's environment and in the global markets due to the possible disruption in supply chains, and measures being introduced at various levels of government to curtail the spread of the virus (such as travel restrictions, closures of non-essential municipal and private operations, restrictions in on-site delivery of educational services, imposition of quarantines and physical distancing) could have a material impact on the Organization's operations.

The Organization is closely monitoring the situation. The overall effect of these events on the Organization and its operations is too uncertain to be estimated at this time. The impacts will be accounted for when they are known and may be assessed.

**15. ECONOMIC DEPENDENCE**

The Organization derives a substantial portion of its revenues from the University of Toronto.

**16. COMPARATIVE FIGURES**

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