

**University of Toronto Students' Union**  
**Financial Statements**  
For the year ended April 30, 2022

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**Financial Statements**  
For the year ended April 30, 2022

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## Independent Auditor's Report

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### To the Board of Directors of the University of Toronto Students' Union

#### Opinion

We have audited the financial statements of the University of Toronto Students' Union (the "Organization"), which comprise the statement of financial position as at April 30, 2022, 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, 2022, and its results of operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

#### Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Organization in accordance with the 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.

#### Emphasis of Matter - Restated Comparative Information

We draw attention to Note 3 to the financial statements, which explains that certain comparative information presented for the year ended April 30, 2021 has been restated. The financial statements for the year ended April 30, 2021 (prior to the adjustments that were applied to restate certain comparative information explained in Note 3) were audited by another auditor who expressed an unmodified opinion on those financial statements on October 8, 2021. Our opinion is not modified in respect of this matter.

#### Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian accounting standards for not-for-profit organizations, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the 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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## Independent Auditor's Report (continued)

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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.

*BDO Canada LLP*

Chartered Professional Accountants, Licensed Public Accountants

Oakville, Ontario  
October 30, 2022

## University of Toronto Students' Union Statement of Financial Position

2021  
(Restated -  
Note 3)

**April 30** **2022**

### Assets

#### Current

Cash (Note 4)	\$ 8,042,007	\$ 6,116,373
Restricted cash		
- student fees special programs (Note 6)	1,504,094	912,611
Short-term investments (Note 5)	575,823	572,462
Accounts receivable	12,323	-
Inventories	18,155	7,924
Prepaid expenses	18,710	16,771
	10,171,112	7,626,141

#### Capital assets (Note 8)

123,025	32,644
<b>\$ 10,294,137</b>	<b>\$ 7,658,785</b>

### Liabilities

#### Current

Accounts payable and accrued liabilities	\$ 2,187,801	\$ 1,134,951
Government remittances payable	33,732	8,665
	2,221,533	1,143,616

#### Deferred revenue - student fees special programs (Note 6)

1,504,094	877,995
<b>3,725,627</b>	<b>2,021,611</b>


#### Net assets

Unrestricted	2,336,728	5,637,174
Internally restricted - health and dental plan (Note 10)	4,031,782	-
Internally restricted - student common reserve (Note 10)	200,000	-
	6,568,510	5,637,174

<b>\$ 10,294,137</b>	<b>\$ 7,658,785</b>
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On behalf of the Board:

Dermot O'Halloran  Director  
VP Operations

Omar Gharbiyeh  Director  
President

## University of Toronto Students' Union Statement of Changes in Net Assets

**For the year ended April 30**

	Internally Restricted Student Common Reserves	Internally Restricted Health and Dental Plan	Unrestricted	Total 2022	Total 2021 (Restated - Note 3)
<b>Balance</b> , beginning of year As previously stated	\$ -	\$ -	\$ 2,705,822	\$ 2,705,822	\$ 2,686,687
<b>Prior period adjustments</b> (Note 3)	-	-	2,931,352	2,931,352	1,893,193
<b>As restated</b>	-	-	5,637,174	5,637,174	4,579,880
<b>Excess of revenue over expenses</b>	-	-	931,336	931,336	1,057,294
<b>Transfer to internally restricted funds</b> (Note 10)	200,000	4,131,782	(4,331,782)	-	-
<b>Transfer from internally restricted funds</b> (Note 10)	-	(100,000)	100,000	-	-
<b>Balance</b> , end of year	\$ 200,000	\$ 4,031,782	\$ 2,336,728	\$ 6,568,510	\$ 5,637,174

The accompanying notes are an integral part of these financial statements.

## University of Toronto Students' Union Statement of Operations

<b>For the year ended April 30</b>	<b>2022</b>	2021 (Restated - Note 3)
<b>Revenue</b>		
Student fees - health and dental plan (Note 7)	<b>\$ 14,600,965</b>	\$ 13,641,254
General student fees	<b>1,691,714</b>	1,542,896
Student fees - special programs (Note 6)	<b>248,967</b>	352,356
Interest income	<b>169,104</b>	55,471
Advertising and sponsorship	<b>40,385</b>	6,977
	<b>16,751,135</b>	15,598,954
<b>Expenses</b>		
Student fees insurance payments		
- health and dental plan (Note 7)	<b>12,586,791</b>	11,353,692
Salaries and employee benefits (Notes 9, 13)	<b>2,291,891</b>	2,064,666
Student fees - special programs (Note 6)	<b>248,967</b>	352,356
Program and services	<b>272,053</b>	143,594
Professional fees	<b>127,851</b>	368,399
Occupancy cost	<b>124,626</b>	48,568
Governance and administration	<b>63,325</b>	114,678
General and administration	<b>39,695</b>	53,236
Meetings and conventions	<b>32,506</b>	22,060
Amortization	<b>32,094</b>	20,411
	<b>15,819,799</b>	14,541,660
<b>Excess of revenue over expenses</b>	<b>\$ 931,336</b>	\$ 1,057,294

The accompanying notes are an integral part of these financial statements.

## University of Toronto Students' Union Statement of Cash Flows

For the year ended April 30	2022	2021 (Restated - Note 3)
<b>Cash flows from operating activities</b>		
Excess of revenue over expenses	\$ 931,336	\$ 1,057,294
Adjustments to reconcile excess of revenue over expenses to net cash provided by operating activities		
Amortization of capital assets	32,094	20,411
Changes in non-cash working capital balances		
Accounts receivable	(12,323)	-
Inventories	(10,231)	2,390
Prepaid expenses	(1,939)	(1,734)
Accounts payable and accrued liabilities	1,087,466	659,880
Government remittances payable	25,067	(53,601)
	<b>2,051,470</b>	<b>1,684,640</b>
<b>Cash flows from investing activities</b>		
Purchase of capital assets	(122,475)	(15,748)
Purchase of short-term investments	(3,361)	(6,128)
	<b>(125,836)</b>	<b>(21,876)</b>
<b>Increase in cash during the year</b>	<b>1,925,634</b>	<b>1,662,764</b>
<b>Cash, beginning of year</b>	<b>6,116,373</b>	<b>4,453,609</b>
<b>Cash, end of year</b>	<b>\$ 8,042,007</b>	<b>\$ 6,116,373</b>

The accompanying notes are an integral part of these financial statements.



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# University of Toronto Students' Union Notes to Financial Statements

**April 30, 2022**

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## **1. Purpose of the Organization**

The Students' Administrative Council of the University of Toronto, operating as the 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 Organization'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, the UTSU is classified as a not-for-profit organization and, as such, is not subject to income tax.

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## **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 accounting standards for not-for-profit organizations 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 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.

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# University of Toronto Students' Union

## Notes to Financial Statements

**April 30, 2022**

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### 2. Summary of Significant Accounting Policies

#### Financial Instruments

The Organization initially measures its financial instruments at fair value. In subsequent periods they are measured at cost or amortized cost.

Financial instruments 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.

#### Capital Assets

Capital assets are stated at cost less accumulated amortization and are amortized over their estimated useful lives using 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 capital assets to eliminate obsolete items and fully amortized items no longer in service.

Capital assets 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 their protocol in October 1996. This protocol requires a referendum of the student body for significant changes to or the introduction of additional fees. The general component of the fee relates to services provided to students and is recognized as general student fees upon receipt from the University of Toronto's Financial Services Office.

Student health and dental plan fees are recognized as revenue as the fees are collected from the University of Toronto and remitted to the insurance company. Some components of the fee are refundable at the request of the students. Refunded amounts are removed from revenue when the refund is requested by the student.

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# University of Toronto Students' Union Notes to Financial Statements

**April 30, 2022**

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## **2. Summary of Significant Accounting Policies (continued)**

Special program fees are collected from students by the University of Toronto and distributed to the UTSU for specific programs run by UTSU. They are recognized as revenue when the related expenses are incurred and unspent amounts are deferred at year end.

Advertising and sponsorship revenues are recognized at the point when the advertising has been provided and the event to which the sponsorship applies has occurred.

Interest income is recognized on an accrual basis.

### Government assistance

The Organization makes periodic applications for financial assistance under government incentive programs. Government subsidies received during the year are offset against salaries and employee benefits in the year to which they relate.

### Internally Restricted Net Assets

The financial statements have been prepared in a manner that segregates certain net asset balances as follows:

Internally restricted - health and dental plan amounts represent the excess revenue over expenses related to health and dental fees that the Board has chosen to set aside to cover potential plan shortfalls or to defray the cost of premium increases to students in future periods. The funds are not available for use by the Organization without the prior approval of the Board.

Internally restricted - student common reserve is an internally restricted fund set aside by the Board to cover unanticipated general operating expenses in future periods. The funds are not available for use by the Organization without the prior approval of the Board.

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## University of Toronto Students' Union Notes to Financial Statements

**April 30, 2022**

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### 3. Restatement of Prior Year's Financial Results

During the year, it was determined that excess student fees related to the health and dental plan had been incorrectly recorded as liabilities in prior years' financial statements. In addition, the revenue and expenses related to student fees - special programs for programs not run by the Organization were included in the prior year's statement of operations. As a result, net assets were understated and total liabilities were overstated as at April 30, 2021, and total revenue and total expenses were overstated for the year then ended. The result of the correction to the prior year is as follows:

#### Statement of Change in Net Assets for the year ended April 30, 2021:

<b>Net assets balance, beginning of year</b>	
As previously stated	\$ 2,686,687
As restated	\$ 4,579,880

#### Statement of Financial Position as at April 30, 2021:

<b>Restricted health and dental fees</b>	
As previously stated	\$ 2,931,352
As restated	\$ -
<b>Net assets</b>	
As previously stated	\$ 2,705,822
As restated	\$ 5,637,174

#### Statement of Operations for the year ended April 30, 2021:

<b>Student fee - health and dental plan revenue</b>	
As previously stated	\$ 12,603,095
As restated	\$ 13,641,254
<b>Student fee - special programs revenue</b>	
As previously stated	\$ 1,924,752
As restated	\$ 352,356
<b>Student fee - special programs expenses</b>	
As previously stated	\$ 1,924,752
As restated	\$ 352,356
<b>Excess revenue over expenses</b>	
As previously stated	\$ 19,135
As restated	\$ 1,057,294

## University of Toronto Students' Union Notes to Financial Statements

**April 30, 2022**

### 4. Credit Facility

The Organization has a revolving demand facility in the amount of \$100,000 (2021 - \$100,000), which bears interest at the annual Royal Bank prime rate and is secured by a general security over all personal property of the Organization. As at April 30, 2022, the Organization has drawn \$nil (2021 - \$nil) under this facility.

### 5. Short-term Investments

Short-term investments consist of a term deposit bearing interest at 1% (2021 - 1%) that matured on May 5, 2022 (2021 - May 5, 2021). The amount is unrestricted and used for current operations.

### 6. Deferred Revenue - Student Fees Special Programs

The deferred revenue - student fees special programs relates to programs created by referendum [R] of the student body and are either administered or run by the Organization. The changes in the deferred revenue are as follows:

	Beginning balance	Student fee received	Payments and distributions	Unspent funds 2022	Unspent funds 2021
Wheelchair Acceptability Project [R]	\$ 791,921	\$ 82,157	\$ 4,942	\$ 869,136	\$ 791,921
Foster Children Program [R]	-	4,108	150	3,958	-
Day Care Subsidy [R]	59,351	41,078	16,034	84,395	59,351
Student Refugee Program [R]	26,723	25,227	62,439	(10,489)	26,723
Orientation[R]	-	41,078	41,078	-	-
Radical Roots [R]	-	12,324	12,324	-	-
Accessibility Resource [R]	-	38,402	5,300	33,102	-
Engineering Society [R]	-	106,700	106,700	-	-
Student Common Operation [R]	-	523,992	-	523,992	-
	<b>\$ 877,995</b>	<b>\$ 875,066</b>	<b>\$ 248,967</b>	<b>\$ 1,504,094</b>	<b>\$ 877,995</b>

## University of Toronto Students' Union Notes to Financial Statements

**April 30, 2022**

### 7. Student Fees - Health and Dental Plan

Amounts relating to the Student Health and Dental Plan are as follows:

	<b>2022</b>	2021 (Restated - Note 3)
Health and dental fees collected	<b>\$ 16,309,944</b>	\$ 15,532,920
Refunds issued to students	<b>(1,708,979)</b>	(1,898,312)
Interest income	-	6,646
	<b>14,600,965</b>	13,641,254
Payments remitted to insurer and broker	<b>(12,586,791)</b>	(12,468,321)
Premium refund received from insurer and broker	-	1,114,629
Health and dental plan administrative charge	<b>(648,360)</b>	(1,249,403)
	<b>(13,235,151)</b>	(12,603,095)
Transfer to internally restricted fund (Note 10)	<b>\$ 1,365,814</b>	\$ 1,038,159

Pursuant to an agreement with the University, UTSU charges an annual administrative fee to cover the administrative costs associated with managing and maintaining the plan for the students. The administrative fee for current year was \$648,360 (2021 - \$1,249,403).

### 8. Capital Assets

	<b>2022</b>		2021	
	<b>Cost</b>	<b>Accumulated Amortization</b>	<b>Net Book Value</b>	Net Book Value
Computer equipment	<b>\$ 210,353</b>	<b>\$ 186,327</b>	<b>\$ 24,026</b>	\$ 27,083
Office equipment	<b>75,264</b>	<b>51,652</b>	<b>23,612</b>	3,838
Furniture and fixtures	<b>159,633</b>	<b>84,246</b>	<b>75,387</b>	1,723
	<b>\$ 445,250</b>	<b>\$ 322,225</b>	<b>\$ 123,025</b>	\$ 32,644

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## University of Toronto Students' Union Notes to Financial Statements

**April 30, 2022**

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### 9. Salaries and employee benefits

	<u>2022</u>	<u>2021</u>
<u>Salaries and employee benefits by types</u>		
Full-time	\$ 1,683,808	\$ 1,384,031
Part-time	229,170	391,752
Executive	<u>378,913</u>	<u>288,883</u>
	<u>\$ 2,291,891</u>	<u>\$ 2,064,666</u>

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### 10. Internally Restricted Net Assets

During the year, the Board approved a transfer of \$4,297,166 (2021 - \$nil) from the unrestricted fund to the internally restricted - health and dental plan. This represents the current health and dental plan surplus of \$1,365,814 (Note 7) and the cumulative prior years' surpluses of \$2,931,352. These funds are set aside to ensure that the Organization has adequate reserves in the event that the health and dental plan runs a deficit in future periods.

During the year, the Board approved a transfer of \$165,384 (2021 - \$nil) from the internally restricted - health and dental plan along with \$34,616 from the unrestricted fund to the internally restricted - student common reserve. This represents the funds to ensure the continuity of certain activities of the Organization for the students.

During the year, the Board approved a transfer of \$100,000 (2021 - \$nil) from the internally restricted - health and dental plan to be used for the student wellness program.

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### 11. Financial Instruments Risks

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, 2022.

#### 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, short-term investments and accounts receivable. 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.

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# University of Toronto Students' Union

## Notes to Financial Statements

**April 30, 2022**

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### 11. Financial Instruments Risks (continued)

#### 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 calculations, 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 facility.

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

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### 12. Commitments

The Organization engages its insurer for the health and dental plan for a one-year period beginning each year in September.

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### 13. COVID-19

On March 11, 2020, the World Health Organization declared the COVID-19 outbreak as a pandemic, based on the rapid increase in exposure globally.

The Organization applied for the Canada Emergency Wage Subsidy ("CEWS") and 10% Temporary Wage Subsidy ("TWS") from the Government of Canada. The total amount of CEWS and TWS applied for and received was \$nil (2021 - \$26,771).

There could be further impacts on the Organization from COVID-19 that could affect the timing and amounts recognized in the Organization's financial results. The full potential impact of the ongoing pandemic on the Organization is not known at this time.

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### 14. Comparative Figures

Certain prior year figures have been reclassified to conform to the current year's financial statement presentation.



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<b>FILE NAME</b>	2022-04-30 FS fin...udents' Union.pdf
<b>DOCUMENT ID</b>	e2ad8aaa117e598dbecd6671acdbac5713dbf01a
<b>AUDIT TRAIL DATE FORMAT</b>	MM / DD / YYYY
<b>STATUS</b>	● Signed

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## Document History



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