



CHARTERED ACCOUNTANT

**University of Toronto at
Mississauga Students' Union
Non-Consolidated
Financial Statements**

April 30, 2016

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CHARTERED ACCOUNTANT

Independent Auditor's Report

To the Members of
University of Toronto at Mississauga Students' Union

Report on the Financial Statements

I have audited the accompanying non-consolidated financial statements of University of Toronto at Mississauga Students' Union, which comprise the non-consolidated statement of financial position as at April 30, 2016, and the non-consolidated statements of changes in net assets, 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 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 of material misstatement, whether due to fraud or error.

Auditor's Responsibility

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I 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 judgement, including the assessment of risks of material misstatements 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.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified audit opinion.



CHARTERED ACCOUNTANT

Basis for Qualified Opinion

In common with many non-profit organizations, the organization derives social activities revenue from sources the completeness of which is not susceptible of satisfactory audit verification. Accordingly, my verification of these revenues was limited to amounts recorded in the records of the organization. Therefore I was not able to determine whether as at and for the years ended April 30, 2016 and April 30, 2015, any adjustments might be necessary to revenues, excess of revenues over expenditures, cash flow from operations, assets and fund balances. This caused me to also qualify my audit opinion on the financial statements as at and for the year ended April 30, 2015.

Qualified Opinion

In my opinion, except for the effects of the matters described in the Basis for Qualified Opinion paragraph, the non-consolidated financial statements present fairly, in all material respects, the financial position of University of Toronto at Mississauga Students' Union as at April 30, 2016 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.

Oakville, Canada
November 3, 2016

Chartered Professional Accountant
Chartered Accountant
Licensed Public Accountant
License No. 1-12080

University of Toronto at Mississauga Students' Union

Non-Consolidated Statements of Operations and Changes in Net Assets

Year Ended April 30,	2016	2015
Revenues		
Finance – Schedule A	\$ 1,620,506	\$ 1,600,865
Social Activities and Planning – Schedule B	351,785	345,837
Student Centre – Schedule C	386,406	370,600
Academic Societies Affairs Committee – Schedule D	70,901	65,634
WUSC – Schedule E	49,865	47,110
Duck Stop – Schedule F	<u>86,511</u>	<u>47,110</u>
	2,565,974	2,430,046
Cost of Sales – Schedule F	<u>57,051</u>	
Gross profit	<u>2,508,923</u>	<u>2,430,046</u>
Expenditures		
Finance – Schedule A	1,521,301	1,476,978
Social Activities and Planning – Schedule B	469,279	382,768
Student Centre – Schedule C	375,598	208,695
Academic Societies Affairs Committee – Schedule D	62,718	48,504
WUSC – Schedule E	57,308	41,136
Duck Stop – Schedule F	<u>45,921</u>	<u>41,136</u>
	2,532,125	2,158,081
Excess of (expenditures over revenues) revenues over expenditures	<u>\$ (23,202)</u>	<u>\$ 271,965</u>
Net assets, beginning of year	\$ 1,425,976	\$ 1,154,011
Excess of (expenditures over revenues) revenues over expenditures	<u>(23,202)</u>	<u>271,965</u>
Net assets, end of year	<u>\$ 1,402,774</u>	<u>\$ 1,425,976</u>

See accompanying notes to the non-consolidated financial statements.

University of Toronto at Mississauga Students' Union

Non-Consolidated Statement of Financial Position

April 30,

2016

2015

Assets

Current

Short term investments (Note 4)	\$ 1,421,815	\$ 1,416,426
Receivables	34,312	11,591
Due from The Blind Duck	23,646	37,068
Prepays	11,220	10,398
Inventory	<u>5,196</u>	<u>1,475,483</u>
	1,496,189	
Capital lease (Note 5)	10,619	15,169
Property and equipment (Note 5)	127,293	40,399
Investment in The Blind Duck	<u>1</u>	<u>1</u>
	<u>\$ 1,634,102</u>	<u>\$ 1,531,052</u>

Liabilities

Current

Bank indebtedness (Note 6)	\$ 197,356	\$ 39,276
Payables and accruals (Note 7)	23,650	47,954
Current portion of capital lease obligation (Note 8)	<u>5,100</u>	<u>4,448</u>
	226,106	91,678
Capital lease obligation (Note 8)	<u>5,222</u>	<u>13,398</u>
	<u>231,328</u>	<u>105,076</u>

Net assets

Unrestricted	<u>1,402,774</u>	<u>1,425,976</u>
	<u>\$ 1,634,102</u>	<u>\$ 1,531,052</u>

Contingent liability (Note 12)

On behalf of the Board

President

Vice-President Internal & Services

See accompanying notes to the non-consolidated financial statements.

University of Toronto at Mississauga Students' Union

Non-Consolidated Statement of Cash Flows

Year Ended April 30,

2016

2015

Cash derived from (applied to)

Operating

Excess of (expenditures over revenues)		
revenues over expenditures	\$ (23,202)	\$ 271,965
Depreciation	24,273	11,941
Changes in non-cash operating working capital (below)	<u>(39,621)</u>	<u>(7,453)</u>
	<u>(38,550)</u>	<u>276,453</u>

Investing

Purchase of property and equipment	<u>(106,617)</u>	<u>(34,119)</u>
	<u>(106,617)</u>	<u>(34,119)</u>

Financing

Capital lease obligation	<u>(7,524)</u>	<u>17,846</u>
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Net (decrease) increase in cash (152,691) 260,180

Cash, beginning of year 1,377,150 1,116,970

Cash, end of year \$ 1,224,459 \$ 1,377,150

Cash includes the short term investments, net of bank indebtedness

Changes in non-cash operating working capital

Receivables	\$ (22,721)	\$ (11,591)
Due from The Blind Duck	13,422	(13,068)
Prepays	(822)	2,655
Inventory	(5,196)	
Payables and accruals	<u>(24,304)</u>	<u>14,551</u>
	<u>\$ (39,621)</u>	<u>\$ (7,453)</u>

See accompanying notes to the non-consolidated financial statements.

University of Toronto at Mississauga Students' Union

Notes to the Non-Consolidated Financial Statements

April 30, 2016

1. Form of organization

The University of Toronto at Mississauga Students' Union ("Students' Union") was incorporated without share capital under the laws of Ontario on August 2, 1983 and operates exclusively as a representative in promoting the welfare and interests of the full-time undergraduate students of the University of Toronto at Mississauga. Under the provisions of the Income Tax Act, the organization has tax exempt status.

2. Summary of significant accounting policies

Use of estimates

The preparation of the financial statements in conformity with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, revenues and expenditures and disclosure of contingent assets and liabilities. Significant areas requiring the use of significant judgement include rates and basis of depreciation of property and equipment and the amounts included in prepaids and payables and accruals. By their nature, these estimates are subject to measurement uncertainty and the effect on the financial statements of changes in such estimates in the future periods could be significant.

Accrual basis of accounting

Revenue and expenses are recorded on the accrual basis, whereby they are reflected in the accounts in the period in which they have been earned and incurred respectively, whether or not such transactions have been finally settled by the receipt or payment of money.

Financial instruments

The Students' Union financial instruments are initially measured at fair value. All financial instruments are subsequently measured at amortized cost, adjusted by transaction costs, except for investments in equity instruments that are quoted in an active market, which are measured at fair value. Changes in fair value are recognized in revenue as investment income.

Depreciation

Rates and basis of depreciation applied to write off the cost of property and equipment over their estimated lives is as follows:

Equipment, furniture and fixtures	20%, declining balance
Computer	30%, declining balance

Investment in The Blind Duck

The Blind Duck, an operating division, is accounted for by the cost method whereby the investment is recorded at its original cost.

University of Toronto at Mississauga Students' Union

Notes to the Non-Consolidated Financial Statements

April 30, 2016

3. Non-Consolidated Financial Statements

These financial statements are prepared on the basis of accounting for the investment in The Blind Duck using the cost method instead of on a consolidated basis and in this respect are not, and are not intended to be in accordance with accounting standards for not-for-profit organizations. This basis of accounting is considered appropriate because the directors have access to all pertinent information concerning the resources and results of operations of the Pub and have consented to the preparation of non-consolidated financial statements for management purposes. As these financial statements have not been prepared for general purposes, some users may require further information.

4. Short term investments

Short term investments consist of redeemable and non-redeemable Guaranteed Investment Certificates with varying maturity dates up to March 2018, earning interest at rates between 1.20% and 2.25% (2015 – 1.20% and 2.25%).

5. Property and equipment

	<u>Cost</u>	<u>Accumulated Depreciation</u>	<u>2016 Net Book Value</u>	<u>2015 Net Book Value</u>
Equipment, furniture and fixtures	\$ 230,850	\$ 113,515	\$ 117,335	\$ 33,689
Computer	<u>67,760</u>	<u>57,802</u>	<u>9,958</u>	<u>6,530</u>
	<u>298,610</u>	<u>171,317</u>	<u>127,293</u>	<u>40,399</u>
Capital lease	<u>\$ 17,846</u>	<u>\$ 7,227</u>	<u>\$ 10,619</u>	<u>\$ 15,169</u>

6. Bank indebtedness

The bank indebtedness consists of \$81,614 withdrawn from the line of credit as of April 30, 2016. The operating line of credit is due on demand, bears interest at prime plus 1% and is secured by a general security agreement on the Students' Union GICs. The authorized maximum line of credit is \$100,000.

7. Payables and accruals

	<u>2016</u>	<u>2015</u>
Trade payables and accruals	\$ 24,717	\$ 35,810
Government remittance	<u>(1,067)</u>	<u>12,144</u>
	<u>\$ 23,650</u>	<u>\$ 47,954</u>

University of Toronto at Mississauga Students' Union

Notes to the Non-Consolidated Financial Statements

April 30, 2016

8. Capital lease obligation

The lease is secured by the computers and bears interest at 2.4%. Future minimum lease payments required under the capital lease are subject to harmonized sales tax and are as follows:

2017	\$ 5,347
2018	<u>5,347</u>
	10,694
Less: amount represent interest	<u>372</u>
	10,322
Less: current portion	<u>5,100</u>
	<u>\$ 5,222</u>

9. Incidental fees

Incidental fees received from the University of Toronto were received according to the following individual payments:

	<u>2016</u>	<u>2015</u>
June	\$ 113,375	\$ 102,684
July	56,688	51,342
September	379,556	379,338
January	199,593	160,551
March	<u>56,717</u>	<u>55,207</u>
	<u>\$ 805,929</u>	<u>\$ 749,122</u>

The above levy has been recorded in several different revenue accounts in the accounting records of the Students' Union. As such, the above amount is included in the following revenue line items in the schedules to the financial statements: Incidental fees (Schedule A), Blind Duck levy (Schedule A), ECSPERT levy (Schedule A), Services (Schedule A), Student levy (Schedule D) and Student levy (Schedule E).

10. Financial instruments

Interest rate risk

The interest rate risk is the risk to the Organization's operations that arises from fluctuations in interest rates and the degree of volatility of these rates. The Organization's excess cash are temporarily invested in cashable GICs bearing interest at current rates of approximately 1.20% to 2.25% per annum at April 30, 2016. The exposure to risk associated with fluctuation of the interest rates is minimal.

University of Toronto at Mississauga Students' Union

Notes to the Non-Consolidated Financial Statements

April 30, 2016

11. Comparative figures

Certain comparative figures have been reclassified to conform with the current year's presentation.

12. Contingent Liability

The organization has been named in an action by three students claiming Student Group Status for their organization. The outcome of this action is not determinable. An estimate of loss cannot be made but should only result from legal fees which will be expensed as incurred.

University of Toronto at Mississauga Students' Union
Schedule to the Non-Consolidated Statement of
Operations
Finance - Schedule A

Year Ended April 30,	2016	2015
Revenues		
Incidental fees	\$ 1,050,596	\$ 975,001
Blind Duck levy	109,867	105,847
ECSPERT levy	17,853	16,874
Locker income	24,370	22,025
Photocopier	841	138
Infobooth	205,347	231,854
Management fee	80,037	76,226
Services	94,460	142,449
Interest income	13,800	19,058
Other revenue	23,335	11,393
	<u>1,620,506</u>	<u>1,600,865</u>
Expenditures		
Blind Duck levy	109,770	105,805
ECSPERT levy	17,854	16,875
Advertising	12,123	7,836
Wages - office	721,836	650,597
Professional fees	24,213	20,708
Telephone	10,136	10,009
Office and general	49,545	34,551
Insurance	12,659	12,423
Elections	36,252	29,430
Bank charges and interest	11,556	9,311
Depreciation	24,273	11,941
Photocopier	19,176	13,720
Clubs	94,933	101,650
Infobooth	165,902	197,773
Services	146,660	189,023
Meetings	64,132	51,582
Repairs and maintenance	281	1,600
EHT expense		12,144
	<u>1,521,301</u>	<u>1,476,978</u>
Excess of revenues over expenditures	<u>\$ 99,205</u>	<u>\$ 123,887</u>

See accompanying notes to the non-consolidated financial statements.

University of Toronto at Mississauga Students' Union
Schedule to the Non-Consolidated Statement of
Operations

Social Activities and Planning - Schedule B

Year Ended April 30,	2016	2015
Revenues		
Ministries	\$ 71,552	\$ 67,800
Graduation formal	56,933	46,830
Orientation	<u>223,300</u>	<u>231,207</u>
	<u>351,785</u>	<u>345,837</u>
Expenditures		
Ministries	225,579	163,437
Graduation formal	28,006	32,833
Orientation	<u>215,694</u>	<u>186,498</u>
	<u>469,279</u>	<u>382,768</u>
Excess of expenditures over revenues	<u>\$ (117,494)</u>	<u>\$ (36,931)</u>

See accompanying notes to the non-consolidated financial statements.

University of Toronto at Mississauga Students' Union
Schedule to the Non-Consolidated Statement of
Operations
Student Centre - Schedule C

Year Ended April 30,	2016	2015
Revenues		
Student centre fee	\$ 376,326	\$ 360,520
Shuttle bus subsidy	5,080	5,080
Scotia Bank ABM	<u>5,000</u>	<u>5,000</u>
	<u>386,406</u>	<u>370,600</u>
Expenditures		
Wages - Info Booth	87,078	73,863
Management fee	80,037	76,226
Events and programming	16,107	9,315
Telephone		860
Repairs and maintenance	<u>192,376</u>	<u>48,431</u>
	<u>375,598</u>	<u>208,695</u>
Excess of revenues over expenditures	<u>\$ 10,808</u>	<u>\$ 161,905</u>

See accompanying notes to the non-consolidated financial statements.

University of Toronto at Mississauga Students' Union
Schedule to the Non-Consolidated Statement of
Operations

Academic Societies Affairs Committee - Schedule D

Year Ended April 30,	2016	2015
Revenues		
Student levy	\$ 34,354	\$ 32,507
Dean's contribution	32,507	26,863
Grants and awards	<u>4,040</u>	<u>6,264</u>
	<u>70,901</u>	<u>65,634</u>
Expenditures		
UTM Anthropology Society	1,846	1,244
Erindale Biology Society	5,455	3,767
Erindale Chemistry and Physics Society	2,105	2,504
Undergraduate Economics Council	5,516	6,976
Student Association of Geography and Environment	3,432	2,598
UTM Historical Studies Society	3,754	270
ICCIT Council	2,323	
CCIT Council	1,698	2,266
Student Management Association	513	1,495
Undergraduate Commerce Society	2,495	3,708
Mathematical and Computer Science Society	4,303	1,645
Political Science and Pre-Law Society	2,734	1,105
Psychology Association from Undergraduate Students of Erindale	3,439	4,073
Sociology and Criminology Society	6,318	4,622
Philosophy Academic Society	721	1,608
UTM English and Drama Society	2,763	2,139
Language Studies Academic Society	1,469	349
DVS Student Society	1,639	495
UTM Forensic Society	600	600
Concurrent Teacher Education Program	240	360
Academic Awards	<u>9,355</u>	<u>6,680</u>
	<u>62,718</u>	<u>48,504</u>
Excess of revenues over expenditures	\$ <u>8,183</u>	\$ <u>17,130</u>

See accompanying notes to the non-consolidated financial statements.

University of Toronto at Mississauga Students' Union
Schedule to the Non-Consolidated Statement of
Operations
WUSC - Schedule E

Year Ended April 30,	2016	2015
Revenue		
Student levy	\$ 49,865	\$ 47,110
Expenditure		
Services and programs	57,308	41,136
Excess of (expenditures over revenues)		
revenues over expenditures	\$ (7,443)	\$ 5,974

See accompanying notes to the non-consolidated financial statements.

University of Toronto at Mississauga Students' Union
Schedule to the Non-Consolidated Statement of
Operations

Duck Stop - Schedule F

Year Ended April 30,

2016

Revenue	
Food	\$ 52,412
Beverages	30,615
Sundries	1,813
Stationary	<u>1,671</u>
	86,511
 Cost of Sales	 <u>57,051</u>
 Gross Profit	 <u>29,460</u>
 Expenditures	
Repairs and maintenance	396
Advertising and promotion	6,491
Wages	26,167
Supplies	4,362
Furniture and fixtures	2,287
Flex charges	1,572
Renovations	2,223
Miscellaneous	<u>2,423</u>
	45,921
 Excess of expenditures over revenues	 <u>\$ (16,461)</u>

See accompanying notes to the non-consolidated financial statements.