

**UNIVERSITY OF TORONTO
MISSISSAUGA STUDENTS' UNION**

NON-CONSOLIDATED FINANCIAL STATEMENTS

AS AT APRIL 30, 2017

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GLENN • GRAYDON • WRIGHT LLP

CHARTERED ACCOUNTANTS

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INDEPENDENT AUDITORS' REPORT

To the Members
University of Toronto Mississauga Students' Union

We have audited the accompanying non-consolidated financial statements of University of Toronto Mississauga Students' Union which comprise the statement of financial position as at June 30, 2017, and the 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 non-consolidated financial statements in accordance with Canadian accounting standards for not-for-profit organization and for such internal control as management determines is necessary to enable the preparation of non-consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these non-consolidated financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the non-consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the non-consolidated financial statements. The procedures selected depend on the auditors' 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 auditors consider internal control relevant to the entity's preparation and fair presentation of the non-consolidated 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 non-consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Basis for Qualified Opinion

In common with many non-profit organizations, the organization derived social activities' revenue from sources the completeness of which is not susceptible of satisfactory audit verification. Accordingly, our verification of these revenues was limited to amounts recorded in the records of the organization. Therefore, we were not able to determine whether as at and for the years ended April 30, 2017 and April 30, 2016, any adjustment might be necessary to balances. This caused us to also qualify our audit opinion on the financial statements as at and for the year ended April 30, 2016.

Qualified Opinion

In our 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 Mississauga Students' Union as at April 30, 2017 and of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Other matter

The non-consolidated financial statements of University of Toronto Mississauga Students' Union) for the year ended April 30, 2016 were audited by another auditor who expressed a modified opinion on those financial statements on November 3, 2016.

GLENN GRAYDON WRIGHT LLP

Chartered Accountants
Licensed Public Accountants
Oakville, Ontario
November 3, 2017

UNIVERSITY OF TORONTO MISSISSAUGA STUDENTS' UNION
(Incorporated without share capital under the laws of Ontario)
Non-consolidated statement of financial position
As at April 30, 2017

	2017	2016
Assets		
Current assets		
Cash and cash equivalents	\$ 524,175	-
Short-term investments	914,526	1,421,815
Accounts receivable	25,740	34,312
Inventory	14,149	5,196
Advances to The Blind Duck	26,645	23,646
Prepaid expenses	13,057	11,220
	1,518,292	1,496,189
Property and equipment (Note 4)	116,519	137,912
Investments	1	1
	\$ 1,634,812	1,634,102
Liabilities and net assets		
Current liabilities		
Bank indebtedness	\$ -	197,356
Accounts payable and accrued liabilities (Note 5)	82,875	23,650
Deferred revenue	5,398	
Current portion of capital lease obligation (Note 6)	5,222	5,100
	93,495	226,106
Long-term liabilities		
Capital lease obligation (Note 6)	-	5,222
	-	231,328
Net assets		
Unrestricted	1,541,317	1,402,774
	\$ 1,634,812	1,634,102

Contingent liability (Note 8)

Approved by the Board

Director



UNIVERSITY OF TORONTO MISSISSAUGA STUDENTS' UNION

(Incorporated without share capital under the laws of Ontario)

Non-consolidated statement of net assets

For the year ended April 30, 2017

	2017	2016
Net assets, beginning of year	\$ 1,402,774	1,425,976
Excess of revenue over expenditure (expenditure over revenue) for year	138,543	(23,202)
Net assets, end of year	1,541,317	1,402,774



UNIVERSITY OF TORONTO MISSISSAUGA STUDENTS' UNION

(Incorporated without share capital under the laws of Ontario)

Non-consolidated statement of operations

For the year ended April 30, 2017

	2017	2016
Revenue		
Finance – Schedule A	\$ 1,677,207	1,620,506
Social Activities and Planning – Schedule B	294,721	351,785
Student Centre – Schedule C	390,082	386,406
Academic Societies Affairs Committee – Schedule D	83,749	70,901
WUSC – Schedule E	51,898	49,865
Duck Stop – Schedule F	139,951	86,511
	2,637,608	2,565,974
Cost of sales – Schedule F	99,340	57,051
Gross profit	2,538,268	2,508,923
Expenditure		
Finance – Schedule A	1,567,203	1,521,301
Social Activities and Planning – Schedule B	389,580	469,279
Student Centre – Schedule C	248,845	375,598
Academic Societies Affairs Committee – Schedule D	69,716	62,718
WUSC – Schedule E	76,004	57,308
Duck Stop – Schedule F	48,377	45,921
	2,399,725	2,532,125
Excess of revenue over expenditure (expenditure over revenue) for year	\$ 138,543	(23,202)



UNIVERSITY OF TORONTO MISSISSAUGA STUDENTS' UNION
(Incorporated without share capital under the laws of Ontario)
Non-consolidated statement of cash flows
For the year ended April 30, 2017

	2017	2016
Cash flows from (used in) operating activities		
Excess of revenue over expenditure (expenditure over revenue) for year	\$ 138,543	(23,202)
Adjustment for Amortization	30,556	24,273
	169,099	1,071
Changes in non-cash working capital		
Decrease (increase) in short-term investments	507,289	(5,389)
Decrease (increase) in accounts receivable	8,572	(22,721)
Increase in inventory	(8,953)	(5,196)
(Increase) decrease in advances to The Blind Duck	(2,999)	13,422
Increase in prepaid expenses	(1,837)	(822)
Increase (decrease) in accounts payable and accrued liabilities	59,225	(24,304)
Increase in deferred revenue	5,398	
Cash flows from (used in) operating activities	735,794	(43,939)
Cash flows from (used in) investing activities		
Acquisition of property and equipment	(9,163)	(106,617)
Cash flows used in investing activities	(9,163)	(106,617)
Cash flows from (used in) financing activities		
Capital lease obligations	(5,100)	(7,524)
Cash flows used in financing activities	(5,100)	(7,524)
Net increase (decrease) in cash and cash equivalents during year	721,531	(158,080)
Bank indebtedness, beginning of year	(197,356)	(39,276)
Cash and cash equivalents (bank indebtedness), end of year	\$ 524,175	(197,356)



UNIVERSITY OF TORONTO MISSISSAUGA STUDENTS' UNION

(Incorporated without share capital under the laws of Ontario)

Notes to non-consolidated financial statements

As at April 30, 2017

1. Purpose of the organization

The University of Toronto Mississauga Students' Union ("Students' Union") was incorporated without share capital under the laws of Ontario on August 2, 1983 as a not-for-profit organization and is exempt from tax under the Income Tax Act.

The Students' Union operates exclusively as a representative in promoting the welfare and interest of the full-time undergraduate students of the University of Toronto at Mississauga.

2. Significant accounting policies

These non-consolidated financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations and include the following significant accounting policies where alternatives are available:

a) Management estimates

The preparation of the non-consolidated 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 and disclosure of contingent assets and liabilities at the date of the non-consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. By their nature, these estimates are subject to measurement uncertainty and the effect on the non-consolidated financial statements of changes in such estimates in future periods could be significant.

b) Basis of accounting

The Students' Union follows the deferral method of accounting for contributions.

c) Cash and cash equivalents

Cash and cash equivalents include cash on hand and balances with banks, net of bank overdrafts and highly liquid temporary money market instruments with original maturities of three months or less. Bank borrowings are considered to be financing activities.

d) 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 0.55% and 1.7% (2016 – 1.20% and 2.25%).

e) Inventory

Inventory is valued at the lower of cost and net realizable value with cost being determined substantially on a specific item basis.



UNIVERSITY OF TORONTO MISSISSAUGA STUDENTS' UNION

(Incorporated without share capital under the laws of Ontario)

Notes to non-consolidated financial statements

As at April 30, 2017

2. Significant accounting policies - continued

f) Revenue recognition

Levies and fees are recognized as revenue in the fiscal period in which the related expenses are incurred. Infobooth, photocopier, lockers and services are recognized as revenue when received.

g) Property and equipment

Purchased property and equipment are recorded at acquisition cost. Contributed property and equipment are recorded at their fair value at the date of contribution. Amortization is recorded in the accounts at rates intended to write off the cost of the assets over their estimated useful life. Methods and rates used are:

Equipment, furniture and fixtures
20% diminishing balance basis

Computer
30% diminishing balance basis

Under capital lease
Computer
30% diminishing balance basis

h) 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.

i) Capital lease obligations

Assets financed by capital lease obligations are recorded at their value at the inception of the lease with the principal portion of the rental obligation recorded as a long-term liability. Amortization is recorded as outlined in Note 2(g) and the interest portion of the lease payments is expensed as incurred.

3. Financial instruments

a) Fair value

The Students' Union initially measures its financial assets and liabilities at fair value, except for certain non-arm's length transactions. The entity subsequently measures all its financial assets and financial liabilities at cost, except for investments in equity instruments that are quoted in an active market, which are measured at fair value.



UNIVERSITY OF TORONTO MISSISSAUGA STUDENTS' UNION

(Incorporated without share capital under the laws of Ontario)

Notes to non-consolidated financial statements

As at April 30, 2017

3. Financial instruments - continued**b) Market risk**

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in underlying market factors. The Students' Union is exposed to interest rate risk and credit risk.

i) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The Students' Union's excess cash is temporarily invested in cashable Guaranteed Investment Certificates which bear interest at current rates of approximately 0.55% to 1.70% per annum at April 30, 2017. The exposure to risk associated with fluctuation of the interest rates is minimal.

ii) Credit risk

Credit risk is the risk that one party to a financial instrument will cause a loss for the other party by failing to discharge an obligation.

The Students' Union is subject to credit risk. To mitigate this, the Students' Union actively manages and monitors its receivables. Bad debt experience has not been significant.

c) Liquidity risk

Liquidity risk is the risk that the Students' Union cannot meet a demand for cash or fund its obligations as they come due. Unless otherwise noted, the Students' Union is not subject to significant liquidity risk. The Students' Union manages liquidity risk by:

- maintaining access to a number of sources of funding which are sufficient to meet anticipated funding requirements.
- investing in liquid fixed income securities and cash equivalents that, if necessary, can be sold to generate cash flow.



UNIVERSITY OF TORONTO MISSISSAUGA STUDENTS' UNION

(Incorporated without share capital under the laws of Ontario)

Notes to non-consolidated financial statements

As at April 30, 2017

4. Property and equipment

		2017		2016
	Cost	Accumulated amortization	Net	Net
Equipment, furniture and fixtures	\$ 240,014	137,897	102,117	117,335
Computer	67,760	60,790	6,970	9,958
	<u>307,774</u>	<u>198,687</u>	<u>109,087</u>	<u>127,293</u>
Under capital lease				
Computer equipment	17,846	10,414	7,432	10,619
	<u>\$ 325,620</u>	<u>209,101</u>	<u>116,519</u>	<u>137,912</u>

Amortization recorded during the year amounted to \$30,556.

During the year, property and equipment were acquired for cash at an aggregate cost of \$9,163.

5. Accounts payable and accrued liabilities

	2017	2016
Trade payables and accruals	\$ 55,121	24,717
Government remittances payable	27,754	(1,067)
	<u>\$ 82,875</u>	<u>23,650</u>

6. Capital lease obligation

	2017	2016
Capital lease bearing interest at a fixed rate of 2.4% per annum, repayable in monthly blended payments of \$445.61, maturing on April 30, 2018, secured by computers	\$ 5,222	10,322
Less current portion	<u>5,222</u>	<u>5,100</u>
	<u>\$ Nil</u>	<u>5,222</u>

Interest expense related to capital lease obligation amounted to \$125 during the year.



UNIVERSITY OF TORONTO MISSISSAUGA STUDENTS' UNION

(Incorporated without share capital under the laws of Ontario)

Notes to non-consolidated financial statements

As at April 30, 2017

7. Incidental fees

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

	2017	2016
June	\$ 124,479	113,375
July	62,911	56,688
September	402,771	379,556
January	186,826	199,593
March	63,800	56,717
	<u>\$ 840,787</u>	<u>805,929</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 non-consolidated 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).

8. Contingent liability

The Students' Union 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.

9. Comparative figures

Certain figures in the 2016 non-consolidated financial statements have been reclassified to conform with the basis of presentation used in 2017.



UNIVERSITY OF TORONTO MISSISSAUGA STUDENTS' UNION

(Incorporated without share capital under the laws of Ontario)

Schedule to non-consolidated statement of operations

For the year ended April 30, 2017

	2017	2016
Finance		
Revenue		
The Blind Duck levy	\$ 112,778	109,867
ECSPERT levy	18,665	17,853
Incidental fees	1,094,873	1,050,596
Infobooth	187,269	205,347
Interest	21,361	13,800
Lockers	12,530	24,370
Management fee	84,039	80,037
Other	56,276	23,335
Photocopier	2,142	841
Services	87,274	94,460
	1,677,207	1,620,506
Expenditure		
Advertising	11,183	12,123
Amortization	30,556	24,273
Bank charges and interest	9,751	11,556
Blind Duck levy	112,778	109,770
Clubs	87,955	94,933
ECSPERT levy	15,647	17,854
Elections	8,165	36,252
Infobooth	113,039	165,902
Insurance	15,835	12,659
Meetings	66,997	64,132
Office and general	28,776	49,545
Photocopier	12,499	19,176
Professional fees	91,682	24,213
Repairs and maintenance	-	281
Services	142,536	146,660
Telephone	6,123	10,136
Wages – office	813,681	721,836
	1,567,203	1,521,301
Excess of revenue over expenditure for year	\$ 110,004	99,205



UNIVERSITY OF TORONTO MISSISSAUGA STUDENTS' UNION

(Incorporated without share capital under the laws of Ontario)

Schedule to non-consolidated statement of operations

For the year ended April 30, 2017

	2017	2016
Social Activities and Planning		
Revenue		
Graduation formal	\$ 50,497	56,933
Ministries	42,602	71,552
Orientation	201,622	223,300
	294,721	351,785
Expenditure		
Graduation formal	35,131	28,006
Ministries	165,199	225,579
Orientation	189,250	215,694
	389,580	469,279
Excess of expenditure over revenue for year	\$ (94,859)	(117,494)



UNIVERSITY OF TORONTO MISSISSAUGA STUDENTS' UNION

(Incorporated without share capital under the laws of Ontario)

Schedule to non-consolidated statement of operations

For the year ended April 30, 2017

	2017	2016
Student Centre		
Revenue		
Scotiabank ABM	\$ 5,000	5,000
Shuttle bus subsidy	-	5,080
Student Centre fee	385,082	376,326
	390,082	386,406
Expenditure		
Events and programming	2,176	16,107
Management fee	84,039	80,037
Repairs and maintenance	70,000	192,376
Telephone	1,485	
Wages – Infobooth	91,145	87,078
	248,845	375,598
Excess of revenue over expenditure for year	\$ 141,237	10,808



UNIVERSITY OF TORONTO MISSISSAUGA STUDENTS' UNION

(Incorporated without share capital under the laws of Ontario)

Schedule to non-consolidated statement of operations

For the year ended April 30, 2017

	2017	2016
Academic Societies Affairs Committee		
Revenue		
Dean's contribution	\$ 34,354	32,507
Grants and awards	13,454	4,040
Student levy	35,941	34,354
	83,749	70,901
Expenditure		
Academic awards	5,670	9,355
Academic societies	64,046	53,363
	69,716	62,718
Excess of revenue over expenditure for year	\$ 14,033	8,183



UNIVERSITY OF TORONTO MISSISSAUGA STUDENTS' UNION

(Incorporated without share capital under the laws of Ontario)

Schedule to non-consolidated statement of operations

For the year ended April 30, 2017

	2017	2016
WUSC		
Revenue		
Student levy	\$ 51,898	49,865
Expenditure		
Services and programs	76,004	57,308
Excess of expenditure over revenue for year	\$ (24,106)	(7,443)



UNIVERSITY OF TORONTO MISSISSAUGA STUDENTS' UNION

(Incorporated without share capital under the laws of Ontario)

Schedule to non-consolidated statement of operations

For the year ended April 30, 2017

	2017	2016
Duck Stop		
Revenue		
Beverages	\$ 47,812	30,615
Food	85,916	52,412
Stationery	2,889	1,671
Sundries	3,334	1,813
	139,951	86,511
Cost of sales	99,340	57,051
Gross profit	40,611	29,460
Expenditures		
Advertising and promotion	-	6,491
Flex charges	2,753	1,572
Furniture and fixtures	1,833	2,287
Miscellaneous	13	2,423
Renovations	-	2,223
Repairs and maintenance	-	396
Supplies	1,248	4,362
Wages	42,530	26,167
	48,377	45,921
Excess of expenditure over revenue for year	\$ (7,766)	(16,461)

