

NON-CONSOLIDATED FINANCIAL STATEMENTS
UNIVERSITY OF TORONTO MISSISSAUGA STUDENTS' UNION
AS AT APRIL 30, 2020

DRAFT

UNIVERSITY OF TORONTO MISSISSAUGA STUDENTS' UNION

AS AT APRIL 30, 2020

INDEX

Independent Auditors' Report	1 - 2
Statement of Non-Consolidated Financial Position	3
Statement of Non-Consolidated Changes in Net Assets	4
Statement of Non-Consolidated Operations	5
Statement of Non-Consolidated Cash Flows	6
Notes to Non-Consolidated Financial Statements	7 - 10
Schedules to Non-Consolidated Financial Statements	11 - 16

INDEPENDENT AUDITORS' REPORT

To the board of directors of
University of Toronto Mississauga Students' Union

Opinion

We have audited the accompanying non-consolidated financial statements of **University of Toronto Mississauga Students' Union**, which comprise the non-consolidated statement of financial position as at April 30, 2020, and the non-consolidated statements of operations and changes in net assets, 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 non-consolidated financial statements present fairly, in all material respects, the financial position of **University of Toronto Mississauga Students' Union** as at April 30, 2020, and its financial performance 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 Non-Consolidated Financial Statements* section of our report. We are independent of **University of Toronto Mississauga Students' Union** in accordance with the ethical requirements that are relevant to our audit of the non-consolidated 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 Non-Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the non-consolidated 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 non-consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the non-consolidated financial statements, management is responsible for assessing **University of Toronto Mississauga Students' Union'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 **University of Toronto Mississauga Students' Union** or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing **University of Toronto Mississauga Students' Union's** financial reporting process.

Auditor's Responsibilities for the Audit of the Non-Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the non-consolidated 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 non-consolidated 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 **University of Toronto Mississauga Students' Union'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 **University of Toronto Mississauga Students' Union'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 non-consolidated 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 **University of Toronto Mississauga Students' Union** to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the non-consolidated financial statements, including the disclosures, and whether the non-consolidated 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.

Yale PGC LLP

Chartered Professional Accountants
Licensed Public Accountants

Toronto, Ontario
TBD

UNIVERSITY OF TORONTO MISSISSAUGA STUDENTS' UNION

STATEMENT OF FINANCIAL POSITION

AS AT APRIL 30, 2020

(With corresponding figures as at April 30, 2019)

	<u>2020</u>	<u>2019</u>
ASSETS		
CURRENT		
Cash and cash equivalents	\$ 5,382,020	\$ 2,636,604
Short-term investment (note 3)	1,015,000	717,735
Accounts receivable	-	110,118
Inventory (note 4)	3,581	24,630
Prepaid expenses	7,845	7,202
Loan to Blind Duck (note 5)	<u>16,877</u>	<u>12,819</u>
	6,425,323	3,509,108
PROPERTY AND EQUIPMENT (note 6)	66,404	84,230
INVESTMENT	<u>1</u>	<u>1</u>
TOTAL ASSETS	<u>\$ 6,491,728</u>	<u>\$ 3,593,339</u>

LIABILITIES AND NET ASSETS

CURRENT		
Accounts payable and accrued liabilities	\$ 61,355	\$ 166,327
Health and dental premiums payable	<u>793,102</u>	<u>-</u>
TOTAL LIABILITIES	<u>854,457</u>	<u>166,327</u>
NET ASSETS		
Internally restricted	2,623,050	1,286,182
Unrestricted	<u>3,014,221</u>	<u>2,140,830</u>
	<u>5,637,271</u>	<u>3,427,012</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 6,491,728</u>	<u>\$ 3,593,339</u>

APPROVED ON BEHALF OF THE BOARD

_____ Director

_____ Director

UNIVERSITY OF TORONTO MISSISSAUGA STUDENTS' UNION
STATEMENT OF CHANGES IN NET ASSETS
FOR THE YEAR ENDED APRIL 30, 2020
(With corresponding figures for the year ended April 30, 2019)

	Unrestricted	Internally Restricted Health and Denal fund	Internally Restricted Wheelchair Accessibility Fund	2020	2019
Net asset, beginning of year	\$ 2,140,830	\$ 744,868	\$ 541,314	\$ 3,427,012	\$ 1,776,037
Excess of revenue over expenditure for year	2,210,259	-	-	2,210,259	1,650,975
Restricted funds (note 8)	<u>(1,336,868)</u>	<u>1,336,868</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>\$ 3,014,221</u>	<u>\$ 2,081,736</u>	<u>\$ 541,314</u>	<u>\$ 5,637,271</u>	<u>\$ 3,427,012</u>

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UNIVERSITY OF TORONTO MISSISSAUGA STUDENTS' UNION
STATEMENT OF OPERATIONS
FOR THE YEAR ENDED APRIL 30, 2020
(With corresponding figures for the year ended April 30, 2019)

	<u>2020</u>	<u>2019</u>
Revenues		
Finance (Schedule A)	2,296,102	1,982,141
Student centre (Schedule B)	457,612	416,639
Social activities and planning (Schedule C)	303,798	399,064
Academic societies affairs committee (Schedule D)	87,690	84,167
World university service of Canada (Schedule E)	50,704	56,113
Duck Stop (Schedule F)	<u>25,243</u>	<u>32,131</u>
	3,221,149	2,970,255
Expenditures		
Finance (Schedule A)	1,608,496	1,612,233
Social activities and planning (Schedule B)	327,978	492,116
Student centre (Schedule C)	268,380	327,695
Academic societies affairs committee (Schedule D)	73,003	71,873
World university service of Canada (Schedule E)	37,659	38,549
Duck Stop (Schedule F)	<u>32,242</u>	<u>43,245</u>
	<u>2,347,758</u>	<u>2,585,711</u>
Excess of revenue over expenditure, before other	873,391	384,544
Other		
Other levies (note 8)	1,336,868	1,286,182
Write off of advances to The Blind Duck	<u>-</u>	<u>(19,751)</u>
Excess of revenue over expenditure for year	<u>\$ 2,210,259</u>	<u>\$ 1,650,975</u>

UNIVERSITY OF TORONTO MISSISSAUGA STUDENTS' UNION
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED APRIL 30, 2020
(With comparative figures for the year ended at April 30, 2019)

	<u>2020</u>	<u>2019</u>
CASH PROVIDED BY (USED IN)		
OPERATIONS		
Surplus	\$ 2,210,259	\$ 1,650,975
Non-cash item:		
Amortization	17,825	20,855
Non-cash working capital:		
(Increase) decrease in accounts receivable	110,119	(79,717)
(Increase) decrease in inventory	21,049	(7,436)
(Increase) decrease in advances to The Blind Duck	(4,058)	12,015
(Increase) decrease in prepaid expenses	(643)	7,660
Increase (decrease) in accounts payable and accrued liabilities	(104,972)	119,706
Increase (decrease) in health and dental premiums payable	793,102	-
Decrease in deferred revenue	-	(1,283)
	<u>3,042,681</u>	<u>1,722,775</u>
INVESTING		
Increase in short-term investments	(297,265)	(15,750)
Purchase of property and equipment	-	(13,310)
	<u>(297,265)</u>	<u>(29,060)</u>
CHANGE IN CASH	2,745,416	1,693,715
CASH AND CASH EQUIVALENTS, Beginning of year	<u>2,636,604</u>	<u>942,889</u>
CASH AND CASH EQUIVALENTS, End of year	<u>\$ 5,382,020</u>	<u>\$ 2,636,604</u>

UNIVERSITY OF TORONTO MISSISSAUGA STUDENTS' UNION

NOTES TO FINANCIAL STATEMENTS

AS AT APRIL 30, 2020

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.

Use of 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.

Basis of accounting

The Students' Union follows the deferral method of accounting for the health and dental fund and the wheelchair accessibility fund contributions. All other contributions are accounted for using the accrual method.

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.

Inventory

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

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. In the year of acquisition, property and equipment are amortized at one-half of the normal rate. Methods and rates used are:

Equipment, furniture and fixtures	20%
Computer equipment	30%

UNIVERSITY OF TORONTO MISSISSAUGA STUDENTS' UNION

NOTES TO FINANCIAL STATEMENTS

AS AT APRIL 30, 2020

2. **SIGNIFICANT ACCOUNTING POLICIES** - continued

Revenue recognition

All levies, fees, grants and awards and interest revenues are recognized as revenue in the fiscal period in which they are earned.

Infobooth, photocopier, lockers, services and other revenues are recognized as revenue when received.

All social activities and planning revenues, including graduation formal, ministries and orientation, are recognized as revenue when the event takes place.

All Duck Stop sales revenue is recognized as revenue when the sale occurs.

Investment

The investment represents an investment in The Blind Duck, an operating division, which is accounted for by the cost method.

Volunteer time

The value of volunteer time of board members and other volunteer services is not reflected in these financial statements.

3. **SHORT-TERM INVESTMENTS**

Short-term investments consist of a term deposit maturing in August 2020, earning interest at a rate of 2% per annum.

4. **INVENTORY**

Closing inventory is comprised entirely of finished goods. During the year, \$63,385 was expensed to cost of sales.

5. **ADVANCES TO THE BLIND DUCK**

Advances to The Blind Duck are non-interest bearing, unsecured and due on demand.

6. **PROPERTY AND EQUIPMENT**

	<u>Cost</u>	<u>Accumulated Amortization</u>	<u>Net Book Value</u>	
			<u>2020</u>	<u>2019</u>
Furniture and fixtures	250,107	190,557	59,550	74,438
Computer equipment	88,823	81,969	6,854	9,792
	<u>\$ 338,930</u>	<u>\$ 272,526</u>	<u>\$ 66,404</u>	<u>\$ 84,230</u>

Amortization recorded during the year amounted to \$17,825.

During the year, no property and equipment was acquired.

UNIVERSITY OF TORONTO MISSISSAUGA STUDENTS' UNION

NOTES TO FINANCIAL STATEMENTS

AS AT APRIL 30, 2020

7. FINANCIAL INSTRUMENTS

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.

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 short-term investments bear interest at fixed rates. Consequently, the cash flow risks are not significant. However, there is a risk of fair value on this part of the debt.

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.

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:

i) maintaining access to a number of sources of funding which are sufficient to meet anticipated funding requirements.

ii) 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

NOTES TO FINANCIAL STATEMENTS

AS AT APRIL 30, 2020

8. LEVIES

During the year, the Students' Union wrote-off \$32,386 in levies from the University of Toronto Students' Union as result of an over-estimation from a separation and termination agreement between the two organizations.

	<u>2020</u>	<u>2019</u>
<u>Health and Dental Fund</u>		
Opening balance	\$ 744,868	\$ -
Health and dental funds received	5,324,939	744,868
Write off	(32,386)	-
Health and dental funds spent	<u>(3,955,685)</u>	<u>-</u>
Ending balance	<u>2,081,736</u>	<u>744,868</u>
<u>Wheelchair Accessibility Fund</u>		
Opening balance	\$ 541,314	\$ -
Wheelchairs accessibility funds received	-	541,314
Wheelchairs accessibility funds spent	<u>-</u>	<u>-</u>
Ending balance	<u>541,314</u>	<u>541,314</u>
 Total restricted levies	 <u>\$ 2,623,050</u>	 <u>\$ 1,286,182</u>

During the year, the Students' Union severed an agreement with the University of Toronto Students' Union (St. George) with regards to the funding and administration of the health and dental plan. Starting in 2019-2020, the Students' Union started its' own health and dental plan which is funded through the "Health and Dental" levy collected by the University of Toronto on behalf of the Students' Union. The students have the ability to opt-out of this plan, and the cost of the opt-out clause is captured in "health and dental funds spent."

9. SUBSEQUENT EVENTS

Subsequent to December 31, 2019, countries around the world have been affected by the COVID-19 virus, which was declared a pandemic by the World Health Organization on March 11, 2020. This pandemic has placed restrictive boundaries on how businesses can operate, requiring social distancing measures. While the Company continues to operate, it is unclear what impact this pandemic will have on business going forward. As such, the impact of this event has not been reflected in the financial statements.

UNIVERSITY OF TORONTO MISSISSAUGA STUDENTS' UNION

SCHEDULE A

AS AT APRIL 30, 2020

	<u>2020</u>	<u>2019</u>
<u>FINANCE</u>		
REVENUE		
The Blind Duck levy	\$ 96,319	\$ 117,354
ECSPERT levy	21,155	20,155
Incidental fees	1,715,964	1,437,250
Infobooth	93,164	96,245
Interest	44,019	26,138
Lockers	13,935	7,690
Management fee	80,000	85,000
Other	81,056	92,311
Photocopier	-	2,272
Services	<u>150,490</u>	<u>97,727</u>
	<u>2,296,102</u>	<u>1,982,141</u>
EXPENDITURES		
Advertising	8,632	3,741
Amortization	17,825	20,855
Bank charges and interest	6,188	3,450
The Blind Duck levy	96,319	117,354
Clubs	73,130	92,526
Designated levies	345,969	144,144
ECSPERT levy	21,155	20,155
Elections	29,039	38,521
Infobooth	86,189	67,114
Insurance	14,161	18,154
Meetings	27,319	65,935
Office and general	29,878	40,273
Photocopier	5,998	7,761
Professional fees	38,281	36,213
Services	137,558	161,958
Telephone	3,022	4,000
Wages-office	<u>667,833</u>	<u>770,077</u>
	<u>1,608,496</u>	<u>1,612,233</u>
Excess of revenue over expenditure for year	<u>\$ 687,606</u>	<u>\$ 369,908</u>

UNIVERSITY OF TORONTO MISSISSAUGA STUDENTS' UNION

SCHEDULE B

AS AT APRIL 30, 2020

	<u>2020</u>	<u>2019</u>
<u>STUDENT CENTRE</u>		
REVENUE		
Student Centre fee	\$ 452,532	\$ 406,559
Shuttle bus subsidy	5,080	5,000
Scotiabank ABM	<u>-</u>	<u>5,080</u>
	457,612	416,639
EXPENDITURES		
Repairs and maintenance	115,390	185,757
Management fee	80,000	85,000
Wages-Infobooth	72,811	55,134
Telephone	<u>179</u>	<u>1,804</u>
	<u>268,380</u>	<u>327,695</u>
Excess of revenue over expenditure for year	<u>\$ 189,232</u>	<u>\$ 88,944</u>

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UNIVERSITY OF TORONTO MISSISSAUGA STUDENTS' UNION

SCHEDULE C

AS AT APRIL 30, 2020

	<u>2020</u>	<u>2019</u>
<u>SOCIAL ACTIVITIES AND PLANNING</u>		
REVENUE		
Orientation	\$ 241,533	\$ 311,243
Ministries	34,010	58,481
Graduation formal	<u>28,255</u>	<u>29,340</u>
	303,798	399,064
EXPENDITURES		
Orientation	227,407	365,859
Ministries	77,363	106,140
Graduation formal	<u>23,208</u>	<u>20,117</u>
	<u>327,978</u>	<u>492,116</u>
Excess of revenue over expenditure for year	<u>\$ (24,180)</u>	<u>\$ (93,052)</u>

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UNIVERSITY OF TORONTO MISSISSAUGA STUDENTS' UNION

SCHEDULE D

AS AT APRIL 30, 2020

	<u>2020</u>	<u>2019</u>
<u>ACADEMIC SOCIETIES AFFAIR COMMITTEE</u>		
REVENUE		
Student levy	\$ 40,821	\$ 38,866
Deans' contribution	36,693	36,694
Grants and awards	<u>10,176</u>	<u>\$ 8,606</u>
	87,690	84,167
EXPENDITURES		
Academic societies	62,435	63,085
Administration fees	7,339	7,339
Academic awards	<u>3,229</u>	<u>1,450</u>
	<u>73,003</u>	<u>71,873</u>
Excess of revenue over expenditure for year	<u>\$ 14,687</u>	<u>\$ 12,294</u>

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UNIVERSITY OF TORONTO MISSISSAUGA STUDENTS' UNION

SCHEDULE E

AS AT APRIL 30, 2020

	<u>2020</u>	<u>2019</u>
<u>WORLD UNIVERSITY SERVICE OF CANADA</u>		
REVENUE		
Student levy	\$ 50,704	\$ 56,113
EXPENDITURES		
Services and programs	<u>37,659</u>	<u>38,549</u>
Excess of revenue over expenditure for year	<u>\$ 13,045</u>	<u>\$ 17,564</u>

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UNIVERSITY OF TORONTO MISSISSAUGA STUDENTS' UNION

SCHEDULE F

AS AT APRIL 30, 2020

	<u>2020</u>	<u>2019</u>
<u>DUCK STOP</u>		
REVENUE		
Food	56,232	74,068
Beverages	27,912	40,648
Sundries	2,652	3,608
Stationery	<u>1,832</u>	<u>2,186</u>
	88,628	120,512
Cost of sales	<u>63,385</u>	<u>88,381</u>
Gross Profit	<u>25,243</u>	<u>32,131</u>
EXPENDITURES		
Wages	30,503	40,062
Flex charges	908	1,315
Miscellaneous	<u>831</u>	<u>1,868</u>
	<u>32,242</u>	<u>43,245</u>
Excess of revenue over expenditure for year	<u>\$ (6,999)</u>	<u>\$ (11,114)</u>

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