

NON-CONSOLIDATED FINANCIAL STATEMENTS
UNIVERSITY OF TORONTO MISSISSAUGA STUDENTS' UNION
AS AT APRIL 30, 2021

UNIVERSITY OF TORONTO MISSISSAUGA STUDENTS' UNION

AS AT APRIL 30, 2021

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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, 2021, and the non-consolidated 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 non-consolidated financial statements present fairly, in all material respects, the financial position of **University of Toronto Mississauga Students' Union** as at April 30, 2021, 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 over seeing **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
November 8, 2021

UNIVERSITY OF TORONTO MISSISSAUGA STUDENTS' UNION
NON-CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT APRIL 30, 2021
(With corresponding figures as at April 29, 2020)

	<u>2021</u>	<u>2020</u>
A S S E T S		
CURRENT		
Cash and cash equivalents	\$ 6,099,607	\$ 5,382,020
Short-term investment (note 3)	2,271,094	1,015,000
Accounts receivable	35,682	-
Inventory (note 4)	-	3,581
Prepaid expenses	11,721	7,845
Loan to Blind Duck (note 5)	<u>16,340</u>	<u>16,877</u>
	8,434,444	6,425,323
PROPERTY AND EQUIPMENT (note 6)	85,422	66,404
INVESTMENT	<u>1</u>	<u>1</u>
TOTAL ASSETS	<u>\$ 8,519,867</u>	<u>\$ 6,491,728</u>

L I A B I L I T I E S A N D N E T A S S E T S

CURRENT		
Accounts payable and accrued liabilities	\$ 104,752	\$ 71,355
Health and dental premiums payable	<u>900,242</u>	<u>793,102</u>
TOTAL LIABILITIES	<u>1,004,994</u>	<u>864,457</u>
NET ASSETS		
Internally restricted	3,720,014	2,623,050
Unrestricted	<u>3,794,859</u>	<u>3,004,221</u>
	<u>7,514,873</u>	<u>5,627,271</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 8,519,867</u>	<u>\$ 6,491,728</u>

APPROVED ON BEHALF OF THE BOARD

_____ Director

_____ Director

UNIVERSITY OF TORONTO MISSISSAUGA STUDENTS' UNION
NON-CONSOLIDATED STATEMENT OF CHANGES IN NET ASSETS
FOR THE YEAR ENDED APRIL 30, 2021
(With corresponding figures for the year ended April 29, 2020)

	<u>Unrestricted</u>	<u>Internally Restricted Health and Dental fund</u>	<u>Internally Restricted Wheelchair Accessibility Fund</u>	<u>2021</u>	<u>2020</u>
Net assets, beginning of year	\$ 3,004,221	\$ 2,081,736	\$ 541,314	\$ 5,627,271	\$ 3,427,012
Excess of revenue over expenditure for year	1,887,602	-	-	1,887,602	2,200,259
Inter-fund transfers (note 8)	<u>(1,096,964)</u>	<u>1,096,964</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>\$ 3,794,859</u>	<u>\$ 3,178,700</u>	<u>\$ 541,314</u>	<u>\$ 7,514,873</u>	<u>\$ 5,627,271</u>

UNIVERSITY OF TORONTO MISSISSAUGA STUDENTS' UNION
NON-CONSOLIDATED STATEMENT OF OPERATIONS
FOR THE YEAR ENDED APRIL 30, 2021
(With corresponding figures for the year ended April 29, 2020)

	<u>2021</u>	<u>2020</u>
REVENUES		
Finance (Schedule A)	2,190,518	2,296,102
Student centre (Schedule B)	443,714	457,612
Social activities and planning (Schedule C)	45,258	303,798
Academic societies affairs committee (Schedule D)	83,556	87,690
World university service of Canada (Schedule E)	60,420	50,704
Duck Stop (Schedule F)	<u>(4,230)</u>	<u>25,243</u>
	<u>2,819,236</u>	<u>3,221,149</u>
EXPENSES		
Finance (Schedule A)	1,619,973	1,618,496
Student centre (Schedule B)	155,255	327,978
Social activities and planning (Schedule C)	149,226	268,380
Academic societies affairs committee (Schedule D)	82,051	73,003
World university service of Canada (Schedule E)	20,411	37,659
Duck Stop (Schedule F)	<u>1,682</u>	<u>32,242</u>
	<u>2,028,598</u>	<u>2,357,758</u>
EXCESS OF REVENUES OVER EXPENSES, BEFORE OTHER	790,638	863,391
OTHER		
Other levies (note 8)	<u>1,096,964</u>	<u>1,336,868</u>
EXCESS OF REVENUES OVER EXPENSES	<u><u>\$ 1,887,602</u></u>	<u><u>\$ 2,200,259</u></u>

UNIVERSITY OF TORONTO MISSISSAUGA STUDENTS' UNION
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED APRIL 30, 2021
(With comparative figures for the year ended at April 29, 2020)

	<u>2021</u>	<u>2020</u>
CASH PROVIDED BY (USED IN)		
OPERATIONS		
Excess of revenues over expenses	\$ 1,887,602	\$ 2,200,259
Non-cash item:		
Amortization	15,466	17,825
Non-cash working capital:		
(Increase) decrease in accounts receivable	(35,683)	110,119
Decrease in inventory	3,581	21,049
Increase in prepaid expenses	(3,876)	(643)
(Increase) decrease in Loan to The Blind Duck	537	(4,058)
Increase (decrease) in accounts payable and accrued liabilities	33,397	(94,972)
Decrease in health and dental premiums payable	<u>107,140</u>	<u>793,102</u>
	2,008,164	3,042,681
INVESTING		
Increase in short-term investments	(1,256,094)	(297,265)
Purchase of property and equipment	<u>(34,483)</u>	<u>-</u>
	<u>(1,290,577)</u>	<u>(297,265)</u>
CHANGE IN CASH	717,587	2,745,416
CASH AND CASH EQUIVALENTS, Beginning of year	<u>5,382,020</u>	<u>2,636,604</u>
CASH AND CASH EQUIVALENTS, End of year	<u>\$ 6,099,607</u>	<u>\$ 5,382,020</u>

UNIVERSITY OF TORONTO MISSISSAUGA STUDENTS' UNION

NOTES TO FINANCIAL STATEMENTS

AS AT APRIL 30, 2021

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.

Revenue recognition

The Students' Union follows the deferral method of accounting for contributions. Restricted contributions, in the form of health and dental levies and contributions to the wheelchair accessibility fund are recognized as revenue in the year in which the related expenses are incurred. Unrestricted contributions are recognized as revenue when they are received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

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.

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.

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

NOTES TO FINANCIAL STATEMENTS

AS AT APRIL 30, 2021

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

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%

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.

Financial instrument measurement

The Students' Union initially measures its financial assets and financial liabilities at fair value. It subsequently measures all its financial assets and financial liabilities at amortized cost.

Financial assets subsequently measured at amortized cost include cash and cash equivalents, short-term investment, accounts receivable and Loan to Blind Duck. Financial liabilities measured at amortized cost include the accounts payable and accrued liabilities and health and dental premiums payable.

3. SHORT-TERM INVESTMENTS

Short-term investments consist of three term deposits, all maturing in August 2021, with one term deposit earning interest at a rate of 1.25% and two term deposits earning interest at a rate of 1.60% per annum.

UNIVERSITY OF TORONTO MISSISSAUGA STUDENTS' UNION

NOTES TO FINANCIAL STATEMENTS

AS AT APRIL 30, 2021

4. INVENTORY

Inventory represents products for sale at the Student Unions' convenience store. For the 2021 fiscal year, the convenience store was operational for only September and part of October 2020. Due to Covid-19, the store closed by Mid-October 2020. By April 2021, all of the inventory (snacks, drinks, chocolates etc) were expired. As a result, no inventory was recorded.

5. LOAN TO 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>2021</u>	<u>2020</u>
Furniture and fixtures	\$ 258,806	\$ 202,467	\$ 56,339	\$ 59,550
Computer equipment	<u>114,607</u>	<u>85,524</u>	<u>29,083</u>	<u>6,854</u>
	<u>\$ 373,413</u>	<u>\$ 287,991</u>	<u>\$ 85,422</u>	<u>\$ 66,404</u>

Amortization recorded during the year amounted to \$15,466.

7. FINANCIAL INSTRUMENTS

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.

UNIVERSITY OF TORONTO MISSISSAUGA STUDENTS' UNION

NOTES TO FINANCIAL STATEMENTS

AS AT APRIL 30, 2021

7. FINANCIAL INSTRUMENTS (continued)

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.

8. LEVIES

During the 2020 fiscal 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>2021</u>	<u>2020</u>
<u>Health and Dental Fund</u>		
Opening balance	\$ 2,081,736	\$ 744,868
Health and dental funds received	5,400,266	5,324,939
Write off	-	(32,386)
Health and dental funds spent	<u>(4,303,302)</u>	<u>(3,955,685)</u>
Ending balance	<u>\$ 3,178,700</u>	<u>\$ 2,081,736</u>
<u>Wheelchair Accessibility Fund</u>		
Opening balance	\$ 541,314	\$ 541,314
Wheelchairs accessibility funds received	-	-
Wheelchairs accessibility funds spent	-	-
Ending balance	<u>\$ 541,314</u>	<u>\$ 541,314</u>
Total restricted levies	<u>\$ 3,720,014</u>	<u>\$ 2,623,050</u>

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."

UNIVERSITY OF TORONTO MISSISSAUGA STUDENTS' UNION

NOTES TO FINANCIAL STATEMENTS

AS AT APRIL 30, 2021

9. COVID-19

Countries around the world continue to be 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 organizations can operate, requiring the closure of in-person operations and social distancing measures. While the Students' Union continues to operate, it is unclear what impact this pandemic will have on operations going forward. As such, the impact of this event has not been reflected in the financial statements.

UPASS is the student transit pass. Students do not have the option to opt out of obtaining a UPASS, for which a fee is automatically included on their invoice each semester. Due to COVID-19, in-person classes were cancelled. This resulted in the lack of use of the UPASS, as the students no longer required transportation to campus. To help provide student relief, University of Toronto Mississauga negotiated with MiWay and was successful in obtaining a refund. This allowed for Spring 2021 students to receive a refund and Fall 2020 students to receive a rebate on their UPASS.

UNIVERSITY OF TORONTO MISSISSAUGA STUDENTS' UNION

SCHEDULE A - FINANCE

AS AT APRIL 30, 2021

	<u>2021</u>	<u>2020</u>
<u>FINANCE</u>		
REVENUES		
Incidental fees	1,750,062	1,715,964
The Blind Duck levy	\$ 120,831	\$ 96,319
Services	118,502	150,490
Management fee	80,000	80,000
Interest	45,008	44,019
Other	35,175	81,056
ECSPERT levy	22,133	21,155
UPASS Levy	11,364	-
Infobooth	4,493	93,164
Photocopier	2,950	-
Lockers	-	13,935
	<u>2,190,518</u>	<u>2,296,102</u>
EXPENSES		
Wages-office	708,857	667,833
Designated levies	415,627	345,969
Services	157,088	137,558
The Blind Duck levy	120,623	96,319
Elections	59,095	29,039
Professional fees	37,372	48,281
Office and general	26,046	29,878
ECSPERT levy	22,133	21,155
Clubs	19,494	73,130
Amortization	15,466	17,825
Meetings	15,261	27,319
Insurance	14,878	14,161
Bank charges and interest	4,826	6,188
Telephone	2,429	3,022
Photocopier	716	5,998
Infobooth	62	86,189
Advertising	-	8,632
	<u>1,619,973</u>	<u>1,618,496</u>
EXCESS OF REVENUES OVER EXPENSES	<u>\$ 570,545</u>	<u>\$ 677,606</u>

UNIVERSITY OF TORONTO MISSISSAUGA STUDENTS' UNION

SCHEDULE B - STUDENT CENTRE

AS AT APRIL 30, 2021

	<u>2021</u>	<u>2020</u>
<u>STUDENT CENTRE</u>		
REVENUES		
Student Centre fee	\$ 438,714	\$ 447,532
Scotiabank ABM	5,000	5,000
Shuttle bus subsidy	-	5,080
	<u>443,714</u>	<u>457,612</u>
EXPENSES		
Management fee	80,000	80,000
Repairs and maintenance	55,249	115,390
Wages-Infobooth	18,991	72,811
Telephone	1,015	179
	<u>155,255</u>	<u>268,380</u>
EXCESS OF REVENUES OVER EXPENSES	<u>\$ 288,459</u>	<u>\$ 189,232</u>

UNIVERSITY OF TORONTO MISSISSAUGA STUDENTS' UNION

SCHEDULE C - SOCIAL ACTIVITIES AND PLANNING

AS AT APRIL 30, 2021

	<u>2021</u>	<u>2020</u>
<u>SOCIAL ACTIVITIES AND PLANNING</u>		
REVENUES		
Orientation	\$ 27,298	\$ 241,533
Others	18,260	28,255
Ministries	<u>(300)</u>	<u>34,010</u>
	<u>45,258</u>	<u>303,798</u>
EXPENSES		
Orientation	63,962	227,407
Others	63,099	23,208
Ministries	<u>22,165</u>	<u>77,363</u>
	<u>149,226</u>	<u>327,978</u>
EXCESS OF REVENUES OVER EXPENSES	<u>\$ (103,968)</u>	<u>\$ (24,180)</u>

UNIVERSITY OF TORONTO MISSISSAUGA STUDENTS' UNION
SCHEDULE D - ACADEMIC SOCIETIES AFFAIR COMMITTEE
AS AT APRIL 30, 2021

	<u>2021</u>	<u>2020</u>
<u>ACADEMIC SOCIETIES AFFAIR COMMITTEE</u>		
REVENUES		
Student levy	\$ 42,735	\$ 40,821
Deans' contribution	40,821	36,693
Grants and awards	-	10,176
	83,556	87,690
EXPENSES		
Academic societies	70,751	62,435
Administration fees	7,800	7,339
Academic awards	3,500	3,229
	82,051	73,003
EXCESS OF REVENUES OVER EXPENSES	\$ 1,505	\$ 14,687

UNIVERSITY OF TORONTO MISSISSAUGA STUDENTS' UNION
SCHEDULE E - WORLD UNIVERSITY SERVICE OF CANADA
AS AT APRIL 30, 2021

	<u>2021</u>	<u>2020</u>
<u>WORLD UNIVERSITY SERVICE OF CANADA</u>		
REVENUES		
Student levy	\$ 60,420	\$ 50,704
EXPENSES		
Services and programs	<u>20,411</u>	<u>37,659</u>
EXCESS OF REVENUES OVER EXPENSES	<u>\$ 40,009</u>	<u>\$ 13,045</u>

UNIVERSITY OF TORONTO MISSISSAUGA STUDENTS' UNION

SCHEDULE F - DUCK STOP

AS AT APRIL 30, 2021

	<u>2021</u>	<u>2020</u>
<u>DUCK STOP</u>		
REVENUES		
Food	361	56,232
Beverages	221	27,912
Stationery	14	1,832
Sundries	<u>8</u>	<u>2,652</u>
	604	88,628
Cost of sales	<u>4,834</u>	<u>63,385</u>
Gross Profit	<u>(4,230)</u>	<u>25,243</u>
EXPENSES		
Wages	1,499	30,503
Miscellaneous	178	831
Flex charges	<u>5</u>	<u>908</u>
	<u>1,682</u>	<u>32,242</u>
EXCESS OF REVENUES OVER EXPENSES	<u>\$ (5,912)</u>	<u>\$ (6,999)</u>