

**Arts & Sciences Students'**  
**Union University of Toronto**  
**Financial Statements**  
*April 30, 2019*

**Arts & Sciences Students' Union University of Toronto**

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*For the year ended April 30, 2019*

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## **Independent Auditor's Report**

To the Members of Arts & Sciences Students' Union University of Toronto:

### **Qualified Opinion**

We have audited the financial statements of Arts & Sciences Students' Union University of Toronto (the "Organization"), which comprise the statement of financial position as at April 30, 2019, and the 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, except for the effects of the matter described in the Basis for Qualified Opinion section of our report, the accompanying financial statements present fairly, in all material respects, the financial position of the Organization as at April 30, 2019, and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

### **Basis for Qualified Opinion**

The Organization derives revenue from sales and other miscellaneous income, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, our verification of these revenues was limited to the amounts recorded in the records of the Organization, and we were not able to determine whether any adjustments might be necessary to these sources of revenue, deficiency of revenue over expenses, assets and net assets for the years ended April 30, 2019 and 2018.

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 qualified opinion.

### **Responsibilities of Management for the Financial Statements**

Management is responsible for the preparation and fair presentation of the 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.

### **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.

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.

Mississauga, Ontario

July 29, 2019

*MNP* **LLP**

Chartered Professional Accountants

Licensed Public Accountants

**MNP**

# Arts & Sciences Students' Union University of Toronto

## Statement of Financial Position

*As at April 30, 2019*

	2019	2018
<b>Assets</b>		
<b>Current</b>		
Cash	345,154	173,500
Short-term investment (Note 4)	260,738	150,000
Prepaid expenses and deposits	2,153	2,154
	608,045	325,654
<b>Investment (Note 4)</b>	-	255,000
	608,045	580,654
<b>Liabilities</b>		
<b>Current</b>		
Accounts payable and accrued liabilities	34,379	38,166
<b>Net Assets</b>	573,666	542,488
	608,045	580,654

Approved on behalf of the Council



President



Treasurer

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

# Arts & Sciences Students' Union University of Toronto

## Statement of Operations and Changes in Net Assets

*For the year ended April 30, 2019*

	<b>2019 Budget (Note 6)</b>	<b>2019</b>	<b>2018</b>
<b>Revenue</b>			
Receipts - student fees	520,000	521,889	520,158
Sales and miscellaneous income	15,000	17,491	17,049
Interest income	300	8,608	5,788
	<b>535,300</b>	<b>547,988</b>	<b>542,995</b>
<b>Expenditures</b>			
Salaries and benefits	292,000	299,031	297,581
Course union grants (net of recoveries)	155,000	126,135	118,110
Awards and bursaries	21,660	20,596	21,259
Honorarium	12,504	11,960	11,965
Audit	10,501	10,501	10,501
Office	9,500	8,325	9,342
Orientation and socials	9,000	8,710	8,222
Photocopier leases and copying supplies	11,500	8,705	11,250
Undergraduate travel	7,000	6,610	7,240
Exam jam	3,000	3,390	2,174
Telephone and fax	1,900	2,188	1,245
Insurance	2,000	2,050	1,963
Donations	4,000	2,000	3,118
Campaigns	3,000	1,801	1,213
T-shirts and caps	1,000	1,163	314
Seminars	8,000	1,037	2,849
Conference and meetings	3,000	946	1,422
Tutoring	1,000	864	583
Referendum	-	590	-
Bank charges	400	208	218
Undergraduate research	10,000	-	2,958
Miscellaneous	500	-	-
	<b>566,465</b>	<b>516,810</b>	<b>513,527</b>
<b>Excess (deficiency) of revenue over expenditures</b>	<b>(31,165)</b>	<b>31,178</b>	<b>29,468</b>
<b>Net assets, beginning of year</b>		<b>542,488</b>	<b>513,020</b>
<b>Net assets, end of year</b>		<b>573,666</b>	<b>542,488</b>

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

**Arts & Sciences Students' Union University of Toronto**  
**Statement of Cash Flows**  
*For the year ended April 30, 2019*

	2019	2018
<b>Cash provided by (used for) the following activities</b>		
<b>Operating</b>		
Cash receipts from students and others	539,380	537,207
Interest received	8,608	7,191
Cash paid to suppliers and employees	(520,596)	(504,273)
	27,392	40,125
<b>Investing</b>		
Purchase of investments	(5,738)	(405,000)
Proceeds on disposal of short-term investments	150,000	250,000
	144,262	(155,000)
<b>Increase (decrease) in cash</b>	171,654	(114,875)
<b>Cash, beginning of year</b>	173,500	288,375
<b>Cash, end of year</b>	345,154	173,500

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

# Arts & Sciences Students' Union University of Toronto

## Notes to the Financial Statements

For the year ended April 30, 2019

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### 1. Nature of the Organization

Arts & Sciences Students' Union University of Toronto (the "Organization") is the academic student union for full-time undergraduate students in the Faculty of Arts and Science at the University of Toronto. The Organization is dedicated to improve, and to provide services for the improvement of, the education and academic life of undergraduates in the faculty. The Organization is a not-for-profit organization under the Income Tax Act and accordingly is exempt from income taxes.

### 2. Significant accounting policies

The financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations set out in Part III of the CPA Canada Handbook - Accounting, as issued by the Accounting Standards Board in Canada, and include the following significant accounting policies:

#### *Financial instruments*

The Organization recognizes its financial instruments when the Organization becomes party to the contractual provisions of the financial instrument. All financial instruments are initially recorded at their fair value, including financial assets and liabilities originated and issued in a related party transaction with management.

At initial recognition, the Organization may irrevocably elect to subsequently measure any financial instrument at fair value.

The Organization subsequently measures investments in equity instruments quoted in an active market at fair value. Investments in equity instruments not quoted in an active market are subsequently measured at cost less impairment. With the exception of financial liabilities indexed to a measure of the Organization's performance or value of its equity and those instruments designated at fair value, all other financial assets and liabilities are subsequently measured at amortized cost.

Transaction costs and financing fees directly attributable to the origination, acquisition, issuance or assumption of financial instruments subsequently measured at fair value are immediately recognized in the excess of revenues over expenditures for the current period. Conversely, transaction costs and financing fees are added to the carrying amount for those financial instruments subsequently measured at cost or amortized cost.

Financial assets measured at amortized cost include cash and short-term investments. Financial liabilities measured at amortized cost include accounts payable and accrued liabilities.

#### *Impairment of financial instruments*

Financial assets measured at amortized cost are tested for impairment when there are indicators of impairment. The amount of the write down is recognized in excess of revenue over expenditures. The previously recognized impairment loss may be reversed to the extent of the improvement, directly or by adjusting the allowance account, provided it is no greater than the amount that would have been reported at the date of the reversal had the impairment not been recognized previously. The amount of the reversal is recognized in excess of revenue over expenditures.

#### *Revenue recognition*

Fee revenue is recognized when it is received and is available for use by the Organization. Sales of examination materials and miscellaneous items are recognized as earned when products have been released and paid for by the students. Other miscellaneous revenue which includes photocopying and rental of lockers is recognized when the service has been provided. Interest on bank balances is recognized as earned when credited by the financial institutions at each month-end.

#### *Contributed services*

Contributions of services are recognized both as contributions and expenses in the statement of operations when a fair value can be reasonably estimated and when the services are used in the normal course of the Organization's operations and would otherwise have been purchased.

Volunteers contribute significant time to assist the Organization in carrying out its mandate. Due to the difficulty in determining their fair value, these contributed services are not recognized in the financial statements.



**Arts & Sciences Students' Union University of Toronto**  
**Notes to the Financial Statements**  
*For the year ended April 30, 2019*

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**2. Significant accounting policies** *(Continued from previous page)*

**Measurement uncertainty (use of estimates)**

The preparation of 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 financial statements, and the reported amounts of revenues and expenditures during the reporting period.

These estimates and assumptions are reviewed periodically and, as adjustments become necessary they are reported in excess of revenues and expenditures in the periods in which they become known.

**3. Line of credit**

The Organization has an overdraft line of credit amounting to \$15,000 with Alterna Savings ("Alterna"). The line of credit is subject to interest at 9.70% (2018 - 9.20%). As at April 30, 2019 and 2018, no amounts have been drawn on the line of credit.

**4. Investment**

Short-term investment consists of a guaranteed investment certificate earning interest at 2.250% maturing August 2019.

**5. Commitments**

As at April 30, 2019, the Organization was committed to an operating lease on certain equipment that provides for minimum lease payments in the following amount:

2020	5,436
2021	906
	<hr/>
	6,342

**6. Budget**

The budget amounts presented in these financial statements are unaudited and are not considered necessary for a fair presentation of the financial position or the results of operations of the Organization. They are provided solely for information purposes.

**7. Financial instruments**

The Organization, as part of its operations, carries a number of financial instruments. It is management's opinion that the Organization is not exposed to significant interest, currency, credit, liquidity or other price risks arising from these financial instruments except as otherwise disclosed.

**Liquidity risk**

The Organization's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As at April 30, 2019, the Organization had a cash balance of \$345,154 (2018 - \$173,500) to settle accounts payable and accrued liabilities of \$34,379 (2018 - \$38,166). All of the Organization's financial liabilities have contractual maturities of less than 30 days and are subject to normal trade terms.