



UNIVERSITY OF TORONTO

**UNIVERSITY OF TORONTO STUDENT SOCIETIES
SUMMARY OF 2005/2006 AUDITORS' OPINIONS**

SUBMITTED BY THE INTERNAL AUDIT DEPARTMENT

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INTRODUCTION

Student societies within the University of Toronto vary widely in size, range of interest and level of activity. However, the recognized student societies have at least three things in common:

- they represent and are responsible to given “constituencies”;
- membership is automatic;
- the University collects non-academic incidental fees from each student eligible to be a member.

Thirty-eight student societies and one affiliate fit the above criteria. These societies are required by Governing Council Policy to:

- maintain adequate and proper accounting records;
- submit financial statements audited by an independent auditor, licensed under the Public Accountancy Act, to the Office of Student Affairs of the University by December 31st of each year.

Student societies may apply for an exemption from the audit requirement if the following conditions are met:

- incidental fees collected on behalf of the student society amount to less than \$30,000 in the fiscal year, and “other revenues” amount to less than \$7,500;
- the request for exemption is made prior to the midpoint of the fiscal year concerned and is supported by at least two-thirds of the full membership of the Council or Board of Directors of the society;
- the Internal Audit Department is satisfied that the society is maintaining proper books of account and supporting documentation.

Societies seeking audit exemptions are required to submit their unaudited financial statements and books of accounts and supporting documentation to the Internal Audit Department for review by December 31st of each year.

Regulations and policies relating to student societies are outlined in the *Handbook for Student Societies*, published by the Office of Student Affairs.

OBJECTIVE AND SCOPE

This report summarizes the student societies' Auditors' opinions, noting societies that have been granted an exemption from the audit requirement, as well as societies that have not submitted audited statements or requested an exemption.

The report covers the twelve months, September 1, 2005 to August 31, 2006. Thirty societies have submitted their financial statements to the Office of Student Affairs or have been granted an exemption from the audit requirement by the Internal Audit Department. As at March 15, 2007, 10 societies (25%) had not submitted their 2005/2006 audited financial statements. Incidental fees are not released to the societies until audited financial statements are submitted.

SUMMARY OF SIGNIFICANT NOTES TO SELECTED FINANCIAL STATEMENTS

The following summarizes notes to the audited financial statements received and reported on by Internal Audit:

Arts & Sciences Students' Union – Outstanding loans to employees bearing interest at 1% per month on the outstanding balance and payable in full on demand totalled \$6,916 as at April 30, 2005.

Engineering Society – The Society has been named as a defendant in a pending lawsuit involving a claim for \$1.5 million for damages from injuries sustained by the plaintiff during the normal course of the Society's activity. The outcome of the litigation was not determinable with certainty, so no provision for losses was reflected in the financial statements.

Students' Administrative Council – Effective May 1, 2005, the organization began to record the levies collected from students (in order to fund programs operated by external parties) and administered by the general fund in the statement of operations. Prior to this, the organization recorded these as liabilities. The change was applied retroactively resulting in an increase in levy revenue and related expenses of \$6,448,018 (and \$7,096,343 for 2005).

University of Toronto Community Radio Inc. – There was a restatement of the 2005 Financial Statements as a result of erroneously deferring a portion of the student fees relating to the period from May to August of each year. As a result, the balance of net assets as at May 1, 2004 has been increased by \$56,345, the student fee revenue in 2005 has been increased by \$4,385 and the excess of revenue over expenses has increased by \$4,385. Deferred revenue at April 30, 2005 decreased by \$60,930.

COMPARATIVE SUMMARY OF AUDITORS' OPINIONS

The following summarizes the external auditors' opinions and exemptions granted or denied in 2005/2006 and 2004/2005:

	<u>2005/2006</u> (39 societies, ¹ 1 affiliate)	<u>2004/2005</u> (38 societies, 1 affiliate)
1. Unqualified audit opinions	9	8
2. Qualified audit opinions	18	15
3. Audit exemptions granted	<u>3</u> *	<u>3</u>
Submitted and reported on by Internal Audit	30	26
4. Audited financial statements outstanding at the time of this report	<u>10</u> **	<u>13</u> ***
	<u>40</u>	<u>39</u>

* Table I (Page 5)

** Table II (Page 5)

*** Table III (page 6) Includes 1 society whose exemption was denied.

As noted in the 2004/2005 Internal Audit report, 13 societies (33%) did not submit their financial statements by the date of that report. Financial statements have since been received or exemptions granted for seven of the societies (Table III). The 89 Chestnut Residence Council have not submitted their 2004/2005 and 2005/2006 statements as at the date of this report; the Graduate Architecture, Landscape & Design Student Union have not submitted their 2003/2004, 2004/2005 and 2005/2006 as at the date of this report; and the Erindale Part-Time Undergraduate Students Association, Medical Society and Physical & Occupational Therapy Graduate Student's Council have not submitted their 2002/2003, 2003/2004 and 2004/2005 statements as at the date of this report.

TABLE I: Societies that received an exemption from the audit requirement.

NAME	FEE REVENUE \$	OTHER REVENUE \$
Graduate House Council	15,731	5,544
New College Residence Council	17,430	3,678
Woodsworth College Residence Council	7,130	n/a

TABLE II: Societies that have not submitted their 2005/2006 audited financial statements as at March 15, 2007

1. Woodsworth Residence Council is the only new society this year.

NAME	FEE REVENUE €	YEAR-END
89 Chestnut Residence Council (See also Table III)	17,415	N/A
Erindale Part-Time Undergraduate Students Association (See also Table III)	6,273	April 30, 2006

TABLE II (Cont.)

Graduate Architecture, Landscape & Design Student Union (See also Table III)	22,794	August 31, 2006
Medical Society (See also Table III)	46,715	June 30, 2006
Physical & Occupational Therapy Graduate Students' Council (See also Table III)	3,225	April 30, 2006
Students' Law Society (See also Table III)	48,317	August 31, 2006
The Medium (See also Table III)	63,921	April 30, 2006
University College Residence Council	11,025	September 30, 2006
UTSC College Student Village Council (See also Table III)	18,350	April 30, 2006
VIBE Radio Erindale	36,514	April 30, 2006

TABLE III: Societies that have submitted their 2004/2005 financial statements subsequent to the prior year's Internal Audit Report or are still outstanding as at the date of this report.

NAME	FEE REVENUE \$	YEAR-END
89 Chestnut Residence Council, (2004/2005 statements still outstanding)	16,119	April 30, 2005
Erindale Part-Time Undergraduate Students Association (2002/2003, 2003/2004, 2004/2005 statements still outstanding) ²	6,174	April 30, 2005
Graduate Architecture, Landscape & Design Student Union (2003/2004, 2004/2005, statements still outstanding)	23,175	August 31, 2005

TABLE III (Cont.)

Graduate House Council (Exemption Granted)	16,201	December 31, 2005
Medical Society (2002/2003, 2003/2004, 2004/2005 statements still outstanding) ²	45,925	June 30, 2005
Innis Residence Council (Received)	12,760	April 30, 2005
Nursing Students Council (Received)	12,050	April 30, 2005
Physical & Occupational Therapy Graduate Students' Council (2002/2003, 2003/2004, 2004/2005 statements still outstanding) ²	3,065	April 30, 2005
Physical Health Education Undergraduate Association (Received)	17,237	May 31, 2005

2. As a result of the outstanding Financial Statements, the following societies' funds have been withheld by the University: Erindale Part-Time Undergraduate Students Association (\$14,695.85); Physical & Occupational Therapy Graduate Students' Council (\$11,364.55); Medical Society (\$166,124.83).

Student's Law Society (Received)	38,960	August 31, 2005
The Medium (Received)	59,983	April 30, 2005
UTSC College Student Village Council (Outstanding)	18,625	April 30, 2005
Varsity Publications Inc. (The Varsity) (Received)	63,500	April 30, 2005

Respectfully submitted,

Mr. M.L. Britt
Director
Internal Audit Department

April 24, 2007