



**FOR INFORMATION**

**PUBLIC**

**OPEN SESSION**

**TO:** University Affairs Board

**SPONSOR:** Professor Sandy Welsh, Vice-Provost, Students

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**PRESENTER:** See Sponsor

**DATE:** April 12, 2023 for April 19, 2023

**AGENDA ITEM:** 4

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**ITEM IDENTIFICATION:**

Student Societies: Report on Financial Statements and Auditors' Opinions

**JURISDICTIONAL INFORMATION:**

Section 5 of the University Affairs Board *Terms of Reference* list student societies and compulsory non-academic incidental fees among the Board's areas of responsibility.

Sections 5.2.1 and 5.2.2 provide that compulsory non-academic incidental fees for representative student committees and divisional student societies "are approved by the Board".

**GOVERNANCE PATH:**

- 1. University Affairs Board [For Information] (April 19, 2023)**

**PREVIOUS ACTION TAKEN:**

The report is presented annually to the Board.

**HIGHLIGHTS:**

The submission and review of annual financial statements of student societies is considered an important accountability mechanism (see "Objective and Scope" and "Comparative Summary of Auditors' Opinions" in the attached item.). External auditors' comments on the 2021-22 financial statements are available for viewing by University Affairs Board members through the Office of Vice-Provost, Students.

The following student societies are required to submit audited financial statements or seek an exemption from the audit requirement for their 2021-22 fiscal year:

Student Society Name	2021-22 Student Fees
Architecture and Visual Studies Student Union	\$28,488.41
Arts and Science Students' Union	\$566,964.27
Association of Part-time Undergraduate Students (APUS)	\$2,210,839.80
CFRE 91.9 FM	\$64,627.00
Chestnut Residence Council	\$20,613.45
CIUT 89.5 FM (University of Toronto Community Radio)	\$333,151.98
Dental Students' Society	\$12,870.00
Engineering Athletic Association	\$41,359.50
Engineering Society	\$1,038,443.80
Faculty of Music Undergraduate Association	\$295,476.55
Graduate Architecture, Landscape and Design Student Union	\$28,025.00
Graduate Business Council	\$123,547.50
Graduate House Council	\$10,969.67
Innis College Student Society	\$190,282.61
Innis Residence Council	\$16,324.38
Kinesiology and Physical Education Undergraduate Association	\$34,144.12
Master of Information Student Council	\$15,049.38
Master of Management and Professional Accounting Student Council	\$11,058.00
Medical Radiation Sciences Society	\$6,987.50
Medical Society	\$43,159.74
The Medium	\$170,641.73
New College Residence Council	\$15,900.00
New College Student Council	\$191,265.97
Nursing Undergraduate Society	\$21,294.28
Radio FWD (Scarborough Campus Community Radio)	\$303,280.48
Scarborough Campus Residence Council	\$20,700.00
Scarborough Campus Students' Union (SCSU)	\$6,041,413.20
Scarborough College Athletic Association	\$85,153.25
Students' Law Society	\$52,232.50
Undergraduate Pharmacy Society	\$69,265.50
The Underground (Scarborough Campus Students' Press)	\$85,153.25
University College Literary & Athletic Society	\$106,727.46
University College Residence Council	\$8,647.50
University of Toronto Graduate Students' Union (UTGSU)	\$15,244,018.70
University of Toronto Mississauga Athletic Council	\$149,545.64
University of Toronto Mississauga Residence Council	\$26,609.00
University of Toronto Mississauga Students' Union (UTMSU)	\$7,534,900.63
University of Toronto Students' Union (UTSU)	\$20,464,058.38
Varsity Publications	\$452,812.68
Woodsworth College Students' Association	\$113,778.81

Woodsworth Residence Council	\$12,351.50
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Fee revenues for APUS, the SCSU, the UTGSU, the UTMSU, and the UTSU include portions designated for health and dental insurance plans.

The Office of the Vice-Provost, Students will continue to work with student societies to ensure that the requirements of the *Policy for Compulsory Non-Academic Incidental Fees* are met. Fees are withheld from societies until the relevant financial reporting requirements are satisfied.

**FINANCIAL AND/OR PLANNING IMPLICATIONS:**

There are no direct financial implications for the University's operating budget.

**RECOMMENDATION:**

The report is presented for information.

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**DOCUMENTATION PROVIDED:**

University of Toronto Student Societies – Summary of 2021-22 Auditors' Opinions



**To:** Members of the University Affairs Board

**From:** Melinda Scott, Executive Director, Office of the Vice-Provost, Students

**Date:** April 5, 2023

**Re:** University of Toronto Student Societies – Summary of 2021-22 Auditors' Opinions

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This report is generated by the Office of the Vice-Provost, Students, in consultation with the Internal Audit Department. The Internal Audit Department performs the duties specified in the *Policy on Compulsory Non-Academic Incidental Fees* and the *Handbook for Student Societies* (published by the Office of the Vice-Provost, Students) concerning the granting of audit exemptions.

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

- they represent and are responsible to given constituencies;
- membership is automatic based on registration in a particular academic division (or residency in a particular residence); and
- the University collects non-academic incidental fees from each student member.

Forty-four student societies fit the above criteria. Pursuant to the *Policy on Compulsory Non-Academic Incidental Fees*, these societies are required to:

- maintain adequate and proper accounting records; and
- submit financial statements audited or reviewed by an independent auditor, licensed under the *Public Accountancy Act*, to the Office of the Vice Provost, Students by December 31 of each year.

Student societies may receive 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; and
- the Internal Audit Department is satisfied that the society is maintaining proper books of account and supporting documentation.

Student 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 31 of each year.

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

### 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 financial statements or requested an exemption.

The report covers the student societies' fiscal years which ended in 2022. Nineteen societies have submitted their financial statements to the Office of the Vice Provost, Students or have been granted an exemption from the audit requirement by the Internal Audit Department. As of April 5, 2023, 25 societies (57%) had not submitted their 2021-22 audited financial statements or had not yet received an audit exemption. Compulsory non-academic incidental fees are not released to the societies until audited financial statements are submitted and reviewed or an exemption to the audit requirement is granted.

### Summary of Significant Notes to Selected Financial Statements

The following summarizes the significant notes to the audited financial statements received.

#### Multiple Societies

Several student societies' audited financial statements included notes pertaining to the World Health Organization's declaration of a global pandemic in March 2020. The notes expressed uncertainties regarding the societies' ability to deliver services, the length of the pandemic, and how domestic and international economies would be affected, and how these uncertainties may have unknown financial impacts on the societies.

#### CIUT 89.5 FM

##### *Note 11. Government Assistance*

As part of the Government of Canada's COVID-19 relief efforts, the Organization was eligible to receive assistance in the form of subsidies relating to payroll costs. The Organization received \$67,607 (2021 - \$63,337) under the Canada Emergency Wage Subsidy ("CEWS"), which was included as a reduction of salaries and benefits.

#### Scarborough Campus Students' Union

##### *Note 5. Investment and Loans to Related Parties*

SCSU's initial investment in SCSU Restaurant Inc. (o/a Rex's Den). included \$100 for 100 common shares together with advances to fund its operations.

SCSU Restaurant Inc. was historically in a deficit position. However, in the 2021 year it was profitable due to the operating subsidy received and operations being suspended for the year due to COVID-19. Accordingly, the value of the investment has been impaired to reflect management's estimate of the net amount that will be recovered within ten years.

	<u>2022</u>	<u>2021</u>
Advances to SCSU Restaurants Inc.	381,507	377,307
Impairment allowance	(203,507)	(203,507)
Accumulated net loss	173,594	40,437
Net investment in SCSU Restaurants Inc.	<u>\$ 351,594</u>	<u>\$ 79,994</u>

## University of Toronto Mississauga Students' Union

### *Note 9. COVID-19*

...COVID-19 has continued to affect the organization during the current fiscal year. Mask mandates, physical distancing and gathering restrictions were put in place by the University of Toronto Mississauga administration until March 2022. As a result, there was minimal activity on campus for Summer 2021. The few events that were able to run during the year were restricted in size. In addition, the majority of classes were conducted online, which resulted in limited on campus traffic. To optimize efficiency, both the organization and the Duck Stop convenience store operated on a limited hour basis. This allowed for operational savings that were re-invested into the purchase of capital assets.

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, UPASS was cancelled during the summer for the 2022 fiscal year.

## University of Toronto Graduate Students' Union

### *Note 3. Net assets internally restricted for specific purposes*

#### **UTGSU Emergency Student Bursary Fund**

This Fund was created in April 2022 to support students in need of funds due to an unexpected emergency situation.

#### **UTGSU Indigenous Student Bursary Fund**

This Fund was created in April 2022 to support Indigenous students in need of funds to support their graduate studies.

#### **Centre for Women and Trans People Fund**

This fund was created in October 2021 to allocate annual collected levies for Centre for Women and Trans People. This levy group is required to submit audited Financial Statements and Annual Program and Budget Report on yearly basis.

## Varsity Publications

### *Note 6. Scholarship*

During the year the Organization transferred \$26,000 to the University of Toronto's Endowment Fund to establish a scholarship of \$1,000 to be awarded annually to a student pursuing studies in journalism.

## Comparative Summary of Auditors' Opinions

The Chartered Professional Accounts of Canada note in their *Guide to Financial Statements of Not-for-Profit Organizations* that an audit opinion can be unqualified<sup>1</sup> or qualified<sup>2</sup>; with a qualified audit opinion most often due to the auditor's inability to verify cash donations.

Historically, the majority of student societies – owing to cash fundraising activities (e.g., bake sales, benefit dances, etc.) – have received qualified audit opinions.

The following pages summarize the external auditors' opinions and exemptions granted or denied in 2021-22 and 2020-21:

	<b>2021-22 (at April 5, 2023) (41<sup>3</sup> societies)</b>	<b>2020-21 (at March 31, 2022) (42<sup>4</sup> societies)</b>
Unqualified audit opinions	9	12
Qualified audit opinions	7	8
Audit exemptions granted	0	0
Audit exemptions pending at the time of this report	12	13
Audited financial statements outstanding at the time of this report	13	9
<b>Total</b>	<b>41</b>	<b>42</b>

As noted above, in 2020-21, nine student societies did not submit their financial statements by the date of last year's UAB report, and 13 societies had audit exemption requests pending. Since last year's report, the Office of the Vice-Provost, Students has received outstanding financial statements and exemptions for the 2020-21 fiscal year from these student societies, with the exception of the Faculty of Music Undergraduate Association; the Graduate Architecture, Landscape and Design Student Union; the Undergraduate Pharmacy Society; and the University of Toronto Mississauga Athletic Council. The Office of the Vice-Provost, Students will continue its work with these societies to ensure that the requirements of the *Policy* are met.

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<sup>1</sup> An auditor's unqualified opinion is their endorsement that an organization observed compliance with generally accepted accounting principles and statutory requirements.

<sup>2</sup> An auditor's qualified audit opinion alludes to a limitation in the scope of the auditor's work. For auditors, the issue must be material or financially worth consideration; but it should not be pervasive or misrepresent the factual financial position.

<sup>3</sup> This number decreased by one as the Occupational Therapy & Physical Therapy Graduate Students Council discontinued its society fee at the end of the Winter 2021 session. All fees collected on behalf of the Museum Studies Student Association (MUSSA) are remitted to the iSchool Student Tech Fund. All fees collected by the Transitional Year Program Student Association (TYP SA) are disbursed to a University account that is administered by a Transitional Year Program staff member as directed by the TYP SA, as per the TYP SA referendum held in 2004-05. All fees collected on behalf of the University of Toronto Mississauga Association of Graduate Students (UTMAGS) are remitted to the City of Mississauga for the Mississauga Transit U-Pass. Consequently, MUSSA, TYP SA, and UTMAGS are not included in this student society number.

<sup>4</sup> All fees collected on behalf of the Museum Studies Student Association (MUSSA) are remitted to the iSchool Student Tech Fund. All fees collected by the Transitional Year Program Student Association (TYP SA) are disbursed to a University account that is administered by a Transitional Year Program staff member as directed by the TYP SA, as per the TYP SA referendum held in 2004-05. All fees collected on behalf of the University of Toronto Mississauga Association of Graduate Students (UTMAGS) are remitted to the City of Mississauga for the Mississauga Transit U-Pass. Consequently, MUSSA, TYP SA, and UTMAGS are not included in this student society number.

## 2021-22 STUDENT SOCIETY AUDIT TRACKING

### Multi-Campus Student Societies

Student Society	Total Student Fee Revenue for Fiscal Year	2021-22 Audit Submitted	2020-21 Audit Submitted
Association of Part-time Undergraduate Students	\$2,210,839.80	X	✓
CIUT 89.5 FM (U of T Community Radio)	\$333,151.98	✓	✓
University of Toronto Graduate Students' Union	\$15,244,018.70	✓	✓
Varsity Publications	\$452,812.68	✓	✓

### UTM Student Societies

Student Society	Total Student Fee Revenue for Fiscal Year	2021-22 Audit Submitted	2020-21 Audit Submitted
CFRE 91.9 FM	\$64,627.00	✓	✓
Master of Management and Professional Accounting Student Council	\$11,058.00	Exemption pending	Exemption granted
The Medium	\$170,641.73	✓	✓
UTM Athletic Council	\$149,545.64	X	X
UTM Residence Council	\$26,609.00	Exemption pending	Exemption granted
UTM Students' Union	\$7,534,900.63	✓	✓

### UTSC Student Societies

Student Society	Total Student Fee Revenue for Fiscal Year	2021-22 Audit Submitted	2020-21 Audit Submitted
Radio FWD (Scarborough Campus Community Radio)	\$303,280.48	X	✓
Scarborough Campus Residence Council	\$20,700.00	Exemption pending	Exemption granted
Scarborough Campus Students' Union	\$6,041,413.20	✓	✓
Scarborough College Athletic Association	\$85,153.25	✓	✓
The Underground (Scarborough Campus Students' Press)	\$85,153.25	✓	✓



**2021-22 STUDENT SOCIETY AUDIT TRACKING**

**St. George Student Societies**

<b>Student Society</b>	<b>Total Student Fee Revenue for Fiscal Year</b>	<b>2021-22 Audit Submitted</b>	<b>2020-21 Audit Submitted</b>
Architecture and Visual Studies Student Union	\$28,488.41	Exemption pending	Exemption granted
Arts and Science Students' Union	\$566,964.27	✓	✓
Chestnut Residence Council	\$20,613.45	Exemption pending	Exemption granted
Dental Students' Society	\$12,870.00	✓	✓
Engineering Athletic Association	\$41,359.50	X	✓
Engineering Society	\$1,038,443.80	✓	✓
Faculty of Music Undergraduate Association	\$295,476.55	X	X
Graduate Architecture, Landscape and Design Student Union	\$28,025.00	X	Exemption pending
Graduate Business Council	\$123,547.50	✓	✓
Graduate House Council	\$10,969.67	Exemption pending	Exemption granted
Innis College Student Society	\$190,282.61	X	✓
Innis Residence Council	\$16,324.38	Exemption pending	Exemption granted
Kinesiology and Physical Education Undergraduate Association	\$34,144.12	X	✓
Master of Information Student Council	\$15,049.38	Exemption pending	Exemption granted
Medical Radiation Sciences Society	\$6,987.50	Exemption pending	Exemption granted
Medical Society	\$43,159.74	✓	✓
New College Residence Council	\$15,900.00	Exemption pending	Exemption granted
New College Student Council	\$191,265.97	X	✓
Nursing Undergraduate Society	\$21,294.28	X	✓

**2021-22 STUDENT SOCIETY AUDIT TRACKING****St. George Student Societies (continued)**

<b>Student Society</b>	<b>Total Student Fee Revenue for Fiscal Year</b>	<b>2021-22 Audit Submitted</b>	<b>2020-21 Audit Submitted</b>
<b>Students' Law Society</b>	\$52,232.50	✓	✓
<b>Undergraduate Pharmacy Society</b>	\$69,265.50	X	X
<b>University College Literary &amp; Athletic Society</b>	\$106,727.46	X	✓
<b>University College Residence Council</b>	\$8,647.50	Exemption pending	Exemption granted
<b>University of Toronto Students' Union</b>	\$20,464,058.38	✓	✓
<b>Woodsworth College Students' Association</b>	\$113,778.81	X	✓
<b>Woodsworth Residence Council</b>	\$12,351.50	Exemption pending	Exemption granted