



**FOR INFORMATION**

**PUBLIC**

**OPEN SESSION**

**TO:** University Affairs Board

**SPONSOR:** Professor Sandy Welsh, Vice-Provost, Students  
**CONTACT INFO:** 416-978-3870, vp.students@utoronto.ca

**PRESENTER:** See Sponsor

**DATE:** April 4, 2024, for April 11, 2024

**AGENDA ITEM:** 4

**ITEM IDENTIFICATION:**

Student Societies: Report on Financial Statements and Auditors' Opinions

**JURISDICTIONAL INFORMATION:**

Section 5 of the *Terms of Reference* lists student societies and compulsory non-academic incidental fees among the University Affairs 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 11, 2024)

**PREVIOUS ACTION TAKEN:**

This report is compiled and presented annually and was last presented to the University Affairs Board for information on April 19, 2023.

**HIGHLIGHTS:**

As discussed in the included memorandum from Professor Sandy Welsh, Vice-Provost, Students, the submission and review of annual financial statements of student societies is considered an important accountability mechanism. Auditors' notes on the 2022-23 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 2022-23 fiscal year:

Student Society	2022-23 Student Fees
Architecture and Visual Studies Student Union	\$29,937.39
Arts and Science Students' Union	\$687,945.68
Association of Part-time Undergraduate Students	\$2,140,580.91
CFRE 91.9 FM	\$60,236.00
Chestnut Residence Council	\$21,103.56
CIUT 89.5 FM (University of Toronto Community Radio)	\$339,826.07
Dental Students' Society	\$22,490.00
Engineering Athletic Association	\$42,590.25
Engineering Society	\$1,091,607.57
Faculty of Music Undergraduate Association	\$325,800.00
Graduate Architecture, Landscape and Design Student Union	\$27,920.00
Graduate Business Council	\$122,858.75
Graduate House Council	\$14,964.39
Innis College Student Society	\$198,208.70
Innis Residence Council	\$17,997.65
Kinesiology and Physical Education Undergraduate Association	\$37,934.25
Master of Information Student Council	\$15,557.68
Master of Management and Professional Accounting Student Council	\$10,902.00
Medical Radiation Sciences Society	\$7,237.50
Medical Society	\$115,474.92
The Medium	\$163,042.30
New College Residence Council	\$16,870.00
New College Student Council	\$203,431.10
Nursing Undergraduate Society	\$23,025.52
Radio FWD (Scarborough Campus Community Radio)	\$286,912.92
Scarborough Campus Residence Council	\$24,450.00
Scarborough Campus Students' Union	\$6,553,697.41
Scarborough College Athletic Association	\$86,654.75
Students' Law Society	\$65,137.50
Undergraduate Pharmacy Society	\$68,838.27
The Underground (Scarborough Campus Students' Press)	\$86,654.75
University College Literary & Athletic Society	\$166,468.44
University College Residence Council	\$9,765.00
University of Toronto Graduate Students' Union	\$16,021,213.13
University of Toronto Mississauga Athletic Council	\$141,480.35
University of Toronto Mississauga Residence Council	\$27,445.00
University of Toronto Mississauga Students' Union	\$7,492,504.87
University of Toronto Students' Union	\$21,775,362.41
Varsity Publications	\$466,300.96
Woodsworth College Students' Association	\$111,232.50
Woodsworth Residence Council	\$7,170.00

**FINANCIAL IMPLICATIONS:**

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

**RECOMMENDATION:**

This report is presented for information.

**DOCUMENTATION PROVIDED:**

- Student Societies: Financial Statements and Auditors’ Opinions 2022-23



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

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

**Date:** April 1, 2024

**Re:** Student Societies: Financial Statements and Auditors' Opinions 2022-23

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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 2023. Twenty-two 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 1, 2024, 22 societies (50%) had not submitted their 2022-23 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.

#### University of Toronto Mississauga Students' Union

##### *Note 4. Commitment*

During the year, the Students' Union agreed to cover the costs associated with a full roof replacement of the University of Toronto Mississauga (UTM) Student Centre. The construction is being managed by UTM. The total budgeted amount is \$1,257,466 was transferred to the University, from which payments will be made. As at April 30, 2023, \$24,008 of these funds had been spent on the renovations to date. Should the cost of the replacement exceed the amount advanced to the University, the Students' Association will be responsible for the additional cost.

#### University of Toronto Students' Union

##### *Note 11. Subsequent Event - Purchase of 229 Lippincott St*

On July 28, 2023, subsequent to the balance sheet date, the Company completed the acquisition of the property located at 229 Lippincott St for a total consideration of \$2,250,000. The acquisition was financed using a combination of cash on hand and external financing.

## 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 2022-23 and 2021-22:

	<b>2022-23 (at April 1, 2024) (41<sup>3</sup> societies)</b>	<b>2021-22 (at April 5, 2022) (41 societies)</b>
Unqualified audit opinions	11	9
Qualified audit opinions	6	7
Audit exemptions granted	2	0
Audit exemptions pending at the time of this report	10	12
Audited financial statements outstanding at the time of this report	12	13
<b>Total</b>	<b>41</b>	<b>41</b>

As noted above, in 2021-22, 13 student societies did not submit their financial statements by the date of last year's UAB report, and 12 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 2021-22 fiscal year from these student societies, with the exception of the Faculty of Music Undergraduate Association, Innis College Student Society, Kinesiology & Physical Education Undergraduate Association, Master of Information Student Council, Undergraduate Pharmacy Society, University College Literary & Athletic Society, and University of Toronto Mississauga Residence 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> 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.

## 2022-23 STUDENT SOCIETY AUDIT TRACKING

### University-Wide Student Societies

Student Society	Total Student Fee Revenue for Fiscal Year	2022-23 Audit Submitted	2021-22 Audit Submitted
Association of Part-time Undergraduate Students	\$2,140,580.91	X	✓
CIUT 89.5 FM (U of T Community Radio)	\$339,826.07	✓	✓
University of Toronto Graduate Students' Union	\$16,021,213.13	✓	✓
Varsity Publications	\$466,300.96	✓	✓

### UTM Student Societies

Student Society	Total Student Fee Revenue for Fiscal Year	2022-23 Audit Submitted	2021-22 Audit Submitted
CFRE 91.9 FM	\$60,236.00	✓	✓
Master of Management and Professional Accounting Student Council	\$10,902.00	Exemption pending	Exemption granted
The Medium	\$163,042.30	✓	✓
UTM Athletic Council	\$141,480.35	✓	✓
UTM Residence Council	\$27,445.00	Exemption pending	Exemption pending
UTM Students' Union	\$7,492,504.87	✓	✓

### UTSC Student Societies

Student Society	Total Student Fee Revenue for Fiscal Year	2022-23 Audit Submitted	2021-22 Audit Submitted
Radio FWD (Scarborough Campus Community Radio)	\$286,912.92	✓	✓
Scarborough Campus Residence Council	\$24,450.00	Exemption pending	Exemption granted
Scarborough Campus Students' Union	\$6,553,697.41	✓	✓
Scarborough College Athletic Association	\$86,654.75	✓	✓
The Underground (Scarborough Campus Students' Press)	\$86,654.75	✓	✓

**2022-23 STUDENT SOCIETY AUDIT TRACKING (cont.)**

**St. George Student Societies**

<b>Student Society</b>	<b>Total Student Fee Revenue for Fiscal Year</b>	<b>2022-23 Audit Submitted</b>	<b>2021-22 Audit Submitted</b>
Architecture and Visual Studies Student Union	\$29,937.39	Exemption pending	Exemption granted
Arts and Science Students' Union	\$687,945.68	✓	✓
Chestnut Residence Council	\$21,103.56	Exemption pending	Exemption granted
Dental Students' Society	\$22,490.00	✓	✓
Engineering Athletic Association	\$42,590.25	X	✓
Engineering Society	\$1,091,607.57	✓	✓
Faculty of Music Undergraduate Association	\$325,800.00	X	X
Graduate Architecture, Landscape and Design Student Union	\$27,920.00	X	✓
Graduate Business Council	\$122,858.75	✓	✓
Graduate House Council	\$14,964.39	Exemption pending	Exemption granted
Innis College Student Society	\$198,208.70	X	X
Innis Residence Council	\$17,997.65	Exemption granted	Exemption granted
Kinesiology and Physical Education Undergraduate Association	\$37,934.25	X	X
Master of Information Student Council	\$15,557.68	Exemption pending	Exemption pending
Medical Radiation Sciences Society	\$7,237.50	Exemption pending	Exemption granted
Medical Society	\$115,474.92	✓	✓
New College Residence Council	\$16,870.00	Exemption pending	Exemption granted
New College Student Council	\$203,431.10	X	✓
Nursing Undergraduate Society	\$23,025.52	X	✓



**2022-23 STUDENT SOCIETY AUDIT TRACKING (cont.)****St. George Student Societies (continued)**

<b>Student Society</b>	<b>Total Student Fee Revenue for Fiscal Year</b>	<b>2022-23 Audit Submitted</b>	<b>2021-22 Audit Submitted</b>
<b>Students' Law Society</b>	\$65,137.50	X	✓
<b>Undergraduate Pharmacy Society</b>	\$68,838.27	X	X
<b>University College Literary &amp; Athletic Society</b>	\$166,468.44	X	X
<b>University College Residence Council</b>	\$9,765.00	Exemption granted	Exemption granted
<b>University of Toronto Students' Union</b>	\$21,775,362.41	✓	✓
<b>Woodsworth College Students' Association</b>	\$111,232.50	X	✓
<b>Woodsworth Residence Council</b>	\$7,170.00	Exemption pending	Exemption granted