

*Financial Statements of*

**THE CORPORATION OF THE UNIVERSITY  
COLLEGE LITERARY & ATHLETIC SOCIETY  
AT THE UNIVERSITY OF TORONTO**

*April 30, 2016*

**UNIVERSITY COLLEGE LITERARY & ATHLETIC SOCIETY AT  
THE UNIVERSITY OF TORONTO**

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**April 30, 2016**

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## Independent Auditor's Report

To the members of  
University College Literary & Athletic Society

I have audited the accompanying financial statements of University College Literary & Athletic Society, which comprise the statement of financial position as at April 30, 2016, and the statements of operations & net assets and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

### *Committee's Responsibility for the Financial Statements*

The Committee is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian accounting standards for not-for-profit organizations, and for such internal control as the Board determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

### *Auditor's Responsibility*

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Board, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified audit opinion.



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*Basis for Qualified Opinion*

In common with many not-for-profit organizations, University College Literary & Athletic Society derives revenue and incurs expenses from events the completeness of which is not susceptible of satisfactory audit verification. Accordingly, my verification of these revenues and expenses was limited to the amounts recorded in the records of the Society. Therefore, I was not able to determine whether any adjustments might be necessary to revenue, excess of revenue over expenditures, and cash flows from operations for the year ended April 30, 2016, current assets and net assets as at April 30, 2016.

*Qualified Opinion*

In my opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph, the financial statements present fairly, in all material respects, the financial position of The University College Literary & Athletic Society as at April 30, 2016, 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.

As discussed in Note 6 to the financial statements, additional information was discovered resulting in a restatement of previously reported financials as of April 30, 2015. Accordingly, the financial statements have been restated to reflect such.

*Pardeep Gill, CPA, CA*

Pardeep Gill, C.P.A., C.A., Licensed Public Accountant  
December 23, 2016  
Mississauga, Ontario



**THE CORPORATION OF THE UNIVERSITY COLLEGE LITERARY  
AND ATHLETIC SOCIETY AT THE UNIVERSITY OF TORONTO**

**Statement of Financial Position**

As At April 30, 2016

	2016	(Restated) 2015
<b>ASSETS</b>		
<b>CURRENT</b>		
Bank	\$ 68,661	\$ -
Cash on Hand	11,355	-
Funds held in trust by the University of Toronto	37,529	47,855
Fees and Levies Receivable from the University of Toronto	-	51,450
Other receivables	-	26,995
Receivable from Diabolos	-	688
Prepaid	500	-
<b>TOTAL CURRENT ASSETS</b>	<b>118,045</b>	<b>126,988</b>
<b>CAPITAL</b>		
Equipment, at cost	74,796	66,574
Furniture and fixtures, at cost	40,881	34,239
	115,677	100,813
Less: Accumulated Amortization	(94,908)	(89,716)
<b>TOTAL CAPITAL ASSETS</b>	<b>20,768</b>	<b>11,097</b>
	<b>\$ 138,814</b>	<b>\$ 138,084</b>
<b>LIABILITIES</b>		
<b>CURRENT</b>		
Bank Overdraft	\$ -	\$ 3,636
Accounts payable and accrued liabilities	15,419	23,320
	15,419	26,956
<b>NET ASSETS</b>		
Invested in capital assets	20,768	11,097
Restricted funds	37,529	99,304
Unrestricted funds	65,097	727
	123,394	111,128
	<b>\$ 138,814</b>	<b>\$ 138,084</b>

**APPROVED BY THE SOCIETY:**

\_\_\_\_\_ Director

\_\_\_\_\_ Director

**THE CORPORATION OF THE UNIVERSITY COLLEGE LITERARY  
AND ATHLETIC SOCIETY AT THE UNIVERSITY OF TORONTO**

**Statement of Operations**

For the year ended April 30, 2016

	<b>2016</b>	(Restated) <b>2015</b>
<b>REVENUES</b>		
Fees and levies - University of Toronto	\$ 131,453	\$ 125,560
Refugee Sponsorship Program	15,000	21,365
Fireball	34,974	31,149
Event Revenue	71,848	78,404
	<u>253,275</u>	<u>256,479</u>
<b>EXPENSES</b>		
<b>Commissions</b>		
President	9,379	18,410
Vice-President	6,859	8,252
Finance	994	833
Services, including Fireball	61,868	66,087
Audit Fees	3,955	3,955
Social	12,603	15,504
Literary and Creative Arts	7,642	10,035
UC Recognized Clubs	55,142	66,069
Equity & Outreach	6,138	8,643
University and Academic Affairs	4,131	1,918
Athletics	12,541	4,082
Amortization of capital assets	5,192	2,830
Spirit and Communications	15,155	8,974
Off Campus Commission	8,105	5,043
Other Expenses	38,212	-
	<u>247,915</u>	<u>220,635</u>
<b>Campus clubs, levies and other activities</b>		
Loss on disposal of assets	-	500
Bad Debt	688	-
WUSC Program	21,155	21,365
	<u>22,843</u>	<u>22,865</u>
<b>TOTAL EXPENSES</b>	<u>269,758</u>	<u>242,500</u>
<b>EXCESS OF REVENUES OVER EXPENSES (EXPENSES OVER REVENUES)</b>	<u><u>\$ (16,484)</u></u>	<u><u>\$ 13,979</u></u>

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

**THE CORPORATION OF THE UNIVERSITY COLLEGE LITERARY  
AND ATHLETIC SOCIETY AT THE UNIVERSITY OF TORONTO**

**Statement of Changes in Net Assets**

For the year ended April 30, 2016

				(Restated)	
	Unrestricted	Invested in Capital Assets	Restricted Funds	<b>2016</b>	<b>2015</b>
<b>Net Assets - beginning of year</b>	\$ 727	\$11,097	\$99,305	\$111,128	\$72,237
Excess (deficiency) of revenue over expenses	(11,292)	(5,192)	-	(16,484)	13,979
Net change in investment in capital assets	-	14,863	(14,863)	-	-
Other adjustments	75,662		(46,912)	28,749	24,912
<b>NET ASSETS - end of year</b>	<b>\$ 65,097</b>	<b>\$ 20,768</b>	<b>\$ 37,529</b>	<b>\$ 123,394</b>	<b>\$111,128</b>

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

**THE CORPORATION OF THE UNIVERSITY COLLEGE LITERARY  
AND ATHLETIC SOCIETY AT THE UNIVERSITY OF TORONTO**

**Statement of Cash Flows**

For the year ended April 30, 2016

	<b>2016</b>	(Restated) <b>2015</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Excess of revenue over expenses (expenses over revenue)	\$ (16,484)	\$ 13,979
Changes in non-cash elements of working capital:		
Decrease in accounts receivable	88,771	(100,575)
Increase in prepaid asset	(500)	-
Increase in accounts payable and accrued liabilities	(7,900)	4,264
Adjustment to opening net assets	28,749	24,912
Bad Debt Expense	688	-
Amortization of capital assets	5,192	2,830
	<u>98,516</u>	<u>(54,588)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Acquisition of fixed assets	<u>(14,863)</u>	<u>(2,300)</u>
<b>INCREASE (DECREASE) IN CASH</b>	83,652	(56,888)
<b>CASH - beginning of year</b>	(3,636)	53,252
<b>CASH - end of year</b>	<u>\$ 80,016</u>	<u>\$ (3,636)</u>

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



# UNIVERSITY COLLEGE LITERARY & ATHLETIC SOCIETY AT THE UNIVERSITY OF TORONTO

## Notes to the Financial Statements

For the year ended April 30, 2016

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### 1. PURPOSE OF THE ORGANIZATION

The Corporation of the University College Literary and Athletic Society at the University of Toronto is a commission of students sharing a special interest in promoting an atmosphere of collegiality that best serves the needs of the University College community at the University of Toronto. The Society was incorporated under Letters Patent in the Province of Ontario on December 5, 2005.

The Society qualifies as a Not-For-Profit organization under the terms of the Income Tax Act (Canada) and, as such, is exempt from income taxes.

The financial statements reflect the assets, liabilities, net assets, receipts, expenditures and other transactions of all the operations, clubs and organizations controlled by the Society. Accordingly, these financial statements include the administrative and operating expenditures funded by fees provided by the University of Toronto and other general receipts; restricted purpose trust funds, and the ancillary operations of the Society.

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the Society are in accordance with Canadian generally accepted accounting principles, and their basis of application is consistent with that of the previous year. The precise determination of many assets and liabilities is dependent upon future events. Accordingly, the preparation of financial statements for a reporting period necessarily involves the use of estimates and approximations, which have been made using careful judgement. Actual results could differ from those estimates. The financial statements have, in the Society's management's opinion, been properly prepared within reasonable limits of materiality and within the framework of the accounting policies summarized below.

#### (a) Funds held in trust

Funds held in trust by the University of Toronto relate to receipts of an annual levy intended for capital asset acquisitions and includes the interest earned on the funds. The funds will be made available upon acceptance by the University of Toronto of an application made by the Society

#### (b) ) Accrual Basis of Accounting

Revenues and expenditures are recorded on the accrual basis, whereby they are reflected in the accounts in the period in which they have been earned and incurred, respectively, whether or not such transactions have been finally settled by the receipt or payment of cash.

# UNIVERSITY COLLEGE LITERARY & ATHLETIC SOCIETY AT THE UNIVERSITY OF TORONTO

## Notes to the Financial Statements

For the year ended April 30, 2016

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### **(c) Capital Assets**

Capital assets are recorded as capital additions in the year the cost is incurred. Amortization is provided on a declining balance basis at the rate of 20% per annum and is intended to write-off the cost of the capital assets over their estimated useful lives.

### **(d) Revenue Recognition**

The Society follows the deferral method of accounting for contributions and records all cash receipts and expenditures as on account of general operating funds. Contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured. Certain contributions are restricted in nature and are paid to various committees upon receipt.

### **e) Society Organizations**

These financial statements do not reflect the assets, liabilities and result of operations of the various clubs and student organizations at the Society.

### **(f) Contributed Services**

Volunteers contribute an indeterminable number of hours per year to assist the Society in carrying out its service delivery and administrative activities. Because of the difficulty of determining their fair value, contributed services are not recognized in these financial statements.

### **(g) Net assets invested in capital assets**

Net assets invested in capital assets is comprised of the net book value of capital assets. Capital asset additions are financed by monies held in trust by the University of Toronto if application is made for the release of those funds.

### **(h) Use of estimates**

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, receipts and expenditures during the period. Actual results could differ from these estimates. These estimates are reviewed annually and as adjustments become necessary, they are recorded in the financial statements in the period in which they become known. Management has made estimates on the following items:

# **UNIVERSITY COLLEGE LITERARY & ATHLETIC SOCIETY AT THE UNIVERSITY OF TORONTO**

## **Notes to the Financial Statements**

**For the year ended April 30, 2016**

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- Accrued Liabilities
- Amortization

### **3. FINANCIAL INSTRUMENTS**

The Society's financial instruments consist of cash, accounts receivable and accounts payable. The fair value of these financial instruments approximate their carrying values, unless otherwise stated. It is management's opinion that the Society is not exposed to significant interest, currency or credit risk arising from these financial instruments.

### **4. ECONOMIC DEPENDENCE**

The Society is dependent upon the University of Toronto for its funding.

### **5. RELATED PARTY TRANSACTIONS**

The Society receives student fees from the University of Toronto and occupies space at no charge in the offices at the University of Toronto. All other purchases are in the normal course of business.

### **6. PRIOR PERIOD ADJUSTMENT**

Additional information was identified that requires restatement of the audited financial statements for the year ended March 31, 2015. The restatement increased assets and net assets.