

FINANCIAL STATEMENTS
SCARBOROUGH CAMPUS STUDENTS' UNION
AS AT APRIL 30, 2015

SCARBOROUGH CAMPUS STUDENTS' UNION

AS AT APRIL 30, 2015

I N D E X

Independent Auditors' Report	1
Statement of Financial Position	2
Statement of Operations and Changes in Net Assets	3
Statement of Cash Flows	4
Notes to Financial Statements	5

PARTNERS

Amarjit (A.J.) Manhas, CPA, CA H. Gordon Lee, CPA, CA
Earl S. Weiner, CPA, CA Jeffrey R. Dessau, CPA, CA
Munsoor A. Khan, CPA, CA Benjamin J. Detsky, CPA, CA

CONSULTANTS TO THE FIRM

Howard Detsky, CPA, CA
M. Ibrar Khan, CPA, CGA

INDEPENDENT AUDITORS' REPORT

To the Board of Directors:

We have audited the accompanying financial statements of the **Scarborough Campus Students' Union**, which comprise the statement of financial position as at April 30, 2015, the statements of operations and changes in net assets and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management 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 management 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

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we 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 management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of **Scarborough Campus Students' Union** at April 30, 2015, and of its financial performance and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.



Chartered Professional Accountants
Licensed Public Accountants

Toronto, Ontario
November 3, 2015

**SCARBOROUGH CAMPUS STUDENTS' UNION
AT THE UNIVERSITY OF TORONTO**

Page 2

STATEMENT OF FINANCIAL POSITION

**AS AT APRIL 30, 2015
(With comparative figures as at April 30, 2014)**

A S S E T S

	2015	2014
CURRENT		
Cash - unrestricted for general operations	\$ 96,973	\$ 473,366
Cash - restricted for health and dental plan (note 7)	660,376	219,312
Cash - restricted for deferred student levies (note 6)	185,621	62,288
Investments (note 4)	150,391	150,391
Accounts receivable (net of allowance of \$8,005 - 2014 \$8,005)	37,184	60,219
Prepaid expenses	2,273	2,273
Inventory	<u>56,515</u>	<u>37,636</u>
	1,189,333	1,005,485
INVESTMENT IN AND LOANS TO RELATED PARTIES (note 9)	267,645	254,910
PROPERTY AND EQUIPMENT (note 5)	<u>223,954</u>	<u>228,357</u>
TOTAL ASSETS	<u>\$ 1,680,932</u>	<u>\$ 1,488,752</u>

L I A B I L I T I E S

CURRENT		
Accounts payable	46,432	379,019
Harmonized Sales Tax	-	12,522
Deferred rental deposits	6,946	6,946
Deferred health and dental fees (note 7)	660,376	219,312
Deferred student levies (note 6)	185,621	62,288
Current portion of long term debt	<u>-</u>	<u>52,480</u>
TOTAL LIABILITIES	<u>899,375</u>	<u>732,567</u>

N E T A S S E T S

TOTAL NET ASSETS	<u>781,557</u>	<u>756,185</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 1,680,932</u>	<u>\$ 1,488,752</u>

APPROVED ON BEHALF OF THE BOARD

_____ Director

_____ Director

See accompanying notes

To be read in conjunction with our Auditors' Report dated November 3, 2015

**SCARBOROUGH CAMPUS STUDENTS' UNION
AT THE UNIVERSITY OF TORONTO**

Page 3

STATEMENT OF OPERATIONS AND CHANGES IN NET ASSETS

**FOR THE YEAR ENDED APRIL 30, 2015
(With comparative figures for the year ended April 30, 2014)**

	2015	2014
REVENUES		
Health and dental plan fees recognized (note 7)	2,363,473	2,598,857
TTC Metropass and fare sales (note 12)	991,600	836,936
Unrestricted general student fees	629,112	598,299
Restricted referendum fees recognized (note 6)	316,516	362,735
Admissions, events, sales and advertising	355,848	292,728
Rental and leasing	213,164	213,310
Health and dental plan administration fee	192,404	188,742
U of T Scarborough operating subsidy (note 13)	127,500	130,000
Student Centre Capital Reserve income recognition (note 8)	16,547	33,431
Investment income	11,366	5,793
Grants and sponsorship	<u>-</u>	<u>4,300</u>
	<u>5,217,530</u>	<u>5,265,131</u>
EXPENSES		
Health and dental plan disbursements (note 7)	2,363,473	2,598,857
Cost of TTC Metropasses and fares sold (note 12)	982,863	829,561
Wages and benefits	799,501	705,997
General and administrative	403,607	327,870
Restricted referendum fees disbursed (note 6)	316,516	362,735
Operating subsidy paid to SCSU Restaurants Inc. (note 13)	127,500	130,000
Repairs and maintenance	43,255	57,659
Professional fees	33,731	30,495
Ticket purchases	50,434	91,969
Utilities	16,203	13,688
Credit card and bank charges	7,915	11,874
Interest on long term debt	-	1,191
Loss on disposal of computer equipment	-	12,781
Amortization	<u>33,820</u>	<u>30,836</u>
	<u>5,178,818</u>	<u>5,205,513</u>
SURPLUS FROM OPERATIONS	38,712	59,618
Loss in subsidiaries (note 9)	<u>(13,340)</u>	<u>(41,485)</u>
SURPLUS (DEFICIT) FOR THE YEAR	25,372	18,133
Opening net assets	<u>756,185</u>	<u>738,052</u>
CLOSING NET ASSETS	<u>\$ 781,557</u>	<u>\$ 756,185</u>

See accompanying notes

To be read in conjunction with our Auditors' Report dated November 3, 2015

**SCARBOROUGH CAMPUS STUDENTS' UNION
AT THE UNIVERSITY OF TORONTO**

Page 4

STATEMENT OF CASH FLOWS

**FOR THE YEAR ENDED APRIL 30, 2015
(With comparative figures for the year ended April 30, 2014)**

	2015	2014
CASH FLOWS FROM (USED IN):		
OPERATIONS		
Surplus (deficit) for the year	\$ 25,372	\$ 18,133
<i>Non-cash items:</i>		
Amortization	33,820	30,836
Income (loss) in subsidiaries	13,339	41,485
Gain (loss) on disposal of PP&E	<u>-</u>	<u>12,781</u>
	72,531	103,235
<i>Non-cash working capital:</i>		
Accounts receivable	23,036	9,724
Accounts payable and accruals	(332,587)	320,649
Harmonize sales tax	(12,522)	(2,730)
Prepaid expenses	-	8,789
Inventory	<u>(18,879)</u>	<u>(26,426)</u>
	<u>(268,421)</u>	<u>413,241</u>
INVESTING		
Advances to SCSU Restaurants Inc.	(26,075)	(30,000)
Proceeds from investments	-	16,190
Purchase of furniture and equipment	<u>(29,417)</u>	<u>(15,710)</u>
	<u>(55,492)</u>	<u>(29,520)</u>
FINANCING		
Repayment of long-term debt	(52,480)	3,693
Change in deferral liabilities	(564,397)	14,575
Change in restricted cash	<u>564,397</u>	<u>(14,575)</u>
	<u>(52,480)</u>	<u>3,693</u>
NET CHANGE IN CASH	(376,393)	387,414
Cash at beginning of the year	<u>473,366</u>	<u>85,952</u>
CASH AT END OF THE YEAR	<u>\$ 96,973</u>	<u>\$ 473,366</u>

See accompanying notes

To be read in conjunction with our Auditors' Report dated November 3, 2015

**SCARBOROUGH CAMPUS STUDENTS' UNION
AT THE UNIVERSITY OF TORONTO**

Page 5

NOTES TO FINANCIAL STATEMENTS

AS AT APRIL 30, 2015

1. PURPOSE OF THE ORGANIZATION

Scarborough Campus Student's Union (SCSU) is a not-for-profit organization operating programs and providing services and advocacy for the full-time undergraduate students at the University of Toronto Scarborough and is exempt from income tax under the Income Tax Act. The primary objectives include: improving the quality of campus life, services and education, and to represent the member students in areas of common interest. Financial operations are administered by an executive committee subject to approval by the Board of Directors.

SCSU has a custodial responsibility for the Student Centre building at 1265 Military Trail under a Student Centre Management Agreement with the university dated October 15, 2004.

2. BASIS OF PRESENTATION ACCOUNTING CHANGES

These financial statements have been prepared in accordance with Part III of the CPA Canada Handbook - *Accounting Standards for Not-For-Profit Organizations*.

3. SIGNIFICANT ACCOUNTING POLICIES

Revenue Recognition

The collection and amount of non-academic incidental fees charged to students in Ontario is regulated by the Ontario Ministry of Training, Colleges and Universities through its Ontario Operating Funds Distribution Manual and Compulsory Ancillary Fee Policy Guidelines. Pursuant to these, a change to or introduction of a fee must be done in accordance with a long-term protocol established between the university and its student government. SCSU's protocol requires a referendum of the student body for significant changes to or the introduction of additional fees.

All fees collected from the students for a specific purpose, pursuant to referendums of the student body, are accounted for using the deferral method of accounting for externally restricted contributions. Restricted fees are initially shown as a liability upon receipt of the funds. When the funds are disbursed for their intended purpose, the liability is reduced and an equal amount is then recognized as revenue and expense.

These financial statements do not include the student centre levy collected from students as this amount is withheld and retained by the University of Toronto Scarborough and applied to the building's financing. Because the University of Toronto Scarborough retains legal title to the building, any contributions towards the cost of the building, or material renovations made to the fabric of the building, become the property of the university and are therefore treated as either repairs and maintenance expenses, or expensed as a contribution towards the building.

To be read in conjunction with our Auditors' Report dated November 3, 2015

**SCARBOROUGH CAMPUS STUDENTS' UNION
AT THE UNIVERSITY OF TORONTO**

Page 6

NOTES TO FINANCIAL STATEMENTS

AS AT APRIL 30, 2015

3. SIGNIFICANT ACCOUNTING POLICIES - continued

Revenue Recognition - continued

Sales and rental revenues are recognized when the related goods are sold or the services performed. Any monies received as a deposit are initially shown as unearned revenue and deposits under the liabilities and then taken into income when the goods and services are provided.

Leasing revenues are recognized on a straight-line basis over the term of the lease.

Interest is accrued on a daily basis.

Inventory

Inventory consists mainly of admission tickets and TTC fares. It is carried at the lower of cost and net realizable value on a first-in first-out (FIFO) basis.

Property and Equipment

The property and equipment are recorded at cost and amortized over their estimated useful lives. Computer equipment is amortized over five years on a straight-line basis.

Investment in Subsidiaries

SCSU is the sole controlling shareholder of SCSU Restaurants Inc. (o/a Rex's Den). Rex's Den is the sole controlling shareholder of 2277345 Ontario Ltd. (KFC Express franchise), and 2277596 Ontario Ltd, (Hero Burger franchise), all of which operate out of the Student Centre. The consolidated operations of SCSU Restaurants Inc. have been recorded using the equity method.

Contributed Services

The union makes extensive use of volunteers in its activities. Volunteer services have not been recorded due to the difficulty in valuing them.

Use of Estimates

The preparation of financial statements in accordance with Canadian generally accepted accounting principles requires management to make estimates and assumptions which affect the amounts reported in the financial statements and the notes to the financial statements. The primary estimates concern the net amount recoverable from the loans and investments in the for profit subsidiaries. Actual results may differ from these estimates. These amounts are reviewed periodically and adjustments are made to income as appropriate in the year they become known.

To be read in conjunction with our Auditors' Report dated November 3, 2015

SCARBOROUGH CAMPUS STUDENTS' UNION
AT THE UNIVERSITY OF TORONTO

Page 7

NOTES TO FINANCIAL STATEMENTS

AS AT APRIL 30, 2015

3. **SIGNIFICANT ACCOUNTING POLICIES** - continued

Financial instruments

Financial assets and liabilities held for trading

Financial instruments classified as financial assets and financial liabilities held for trading are recorded at fair value at each balance sheet date and any change in fair value is recognized in income in the period in which the change occurs.

Investments held to maturity

Financial instruments classified as held-to-maturity investments are carried at amortized cost using the effective interest method. Interest is included in income for the year.

Loans and receivables and financial liabilities held for purposes other than for trading

Financial instruments classified as loans and receivables, and financial liabilities held for purposes other than for trading, are carried at amortized cost using the effective interest method. Interest income and expenses are included in income for the year.

Available-for-sale financial assets

Financial assets classified as available for sale are recorded at fair value at each balance sheet date and any change in fair value is recognized in other comprehensive income in the period in which these changes occur. Upon derecognition, any accrued gains or losses are recognized in income for the year.

4. **INVESTMENTS**

	2015	2014
GIC bearing interest at 1.1% maturing November 3, 2015	\$ 150,391	\$ -
GIC bearing interest at 1.1% maturing November 3, 2014	-	150,391
	<u>\$ 150,391</u>	<u>\$ 150,391</u>

To be read in conjunction with our Auditors' Report dated November 3, 2015

**SCARBOROUGH CAMPUS STUDENTS' UNION
AT THE UNIVERSITY OF TORONTO**

Page 8

NOTES TO FINANCIAL STATEMENTS

AS AT APRIL 30, 2015

5. PROPERTY AND EQUIPMENT

	<u>Cost</u>	<u>Accumulated Amortization</u>	<u>Net Book Value</u>
As at April 30, 2015			
Computers	\$ 12,528	\$ 5,777	\$ 6,751
Equipment and furniture	<u>305,182</u>	<u>87,979</u>	<u>217,203</u>
	<u>\$ 317,710</u>	<u>\$ 93,756</u>	<u>\$ 223,954</u>
As at April 30, 2014			
Computers	\$ 8,028	\$ 1,734	\$ 6,294
Equipment and furniture	<u>280,265</u>	<u>58,202</u>	<u>222,063</u>
	<u>\$ 288,293</u>	<u>\$ 59,936</u>	<u>\$ 228,357</u>

6. DEFERRED STUDENT LEVIES

Changes in the deferred contributions balances are as follows:

	2015	2014
<i>Blue Sky Solar Racing</i>		
Beginning balance	\$ (1)	\$ 2
Net student fee levies	3,251	3,138
Payments and distributions	<u>(3,251)</u>	<u>(3,141)</u>
Ending balance	<u>(1)</u>	<u>(1)</u>
<i>Canadian Federation of Students</i>		
Beginning balance	1	138
Net student fee levies	186,002	176,969
Payments and distributions	<u>(87,675)</u>	<u>(177,106)</u>
Ending balance	<u>98,328</u>	<u>1</u>
<i>Day Care Subsidy</i>		
Beginning balance	9,837	13,428
Net student fee levies	12,505	12,068
Payments and distributions	<u>-</u>	<u>(15,659)</u>
Ending balance	<u>22,342</u>	<u>9,837</u>

To be read in conjunction with our Auditors' Report dated November 3, 2015

**SCARBOROUGH CAMPUS STUDENTS' UNION
AT THE UNIVERSITY OF TORONTO**

Page 9

NOTES TO FINANCIAL STATEMENTS

AS AT APRIL 30, 2015

6. DEFERRED STUDENT LEVIES - continued

	2015	2014
<i>Downtown Legal Services</i>		
Beginning balance	(1)	9
Net student fee levies	12,505	12,068
Payments and distributions	<u>(12,505)</u>	<u>(12,078)</u>
Ending balance	<u>(1)</u>	<u>(1)</u>
<i>Foster Children Program</i>		
Beginning balance	7,532	6,325
Net student fee levies	1,251	1,207
Payments and distributions	<u>-</u>	<u>-</u>
Ending balance	<u>8,783</u>	<u>7,532</u>
<i>Health Initiative in Developing Countries</i>		
Beginning balance	-	31,500
Net student fee levies	6,253	6,034
Payments and distributions	<u>(2,952)</u>	<u>(37,534)</u>
Ending balance	<u>3,301</u>	<u>-</u>
<i>Orientation</i>		
Beginning balance	-	-
Net student fee levies	12,505	12,068
Payments and distributions	<u>(12,505)</u>	<u>(12,068)</u>
Ending balance	<u>-</u>	<u>-</u>
<i>Students for Literacy</i>		
Beginning balance	3,668	3,668
Net student fee levies	11,162	10,703
Payments and distributions	<u>(11,162)</u>	<u>(10,703)</u>
Ending balance	<u>3,668</u>	<u>3,668</u>
<i>Student Refugee Program</i>		
Beginning balance	41,266	34,560
Net student fee levies	7,503	7,241
Payments and distributions	<u>-</u>	<u>(535)</u>
Ending balance	<u>48,769</u>	<u>41,266</u>

To be read in conjunction with our Auditors' Report dated November 3, 2015

**SCARBOROUGH CAMPUS STUDENTS' UNION
AT THE UNIVERSITY OF TORONTO**

Page 10

NOTES TO FINANCIAL STATEMENTS

AS AT APRIL 30, 2015

6. DEFERRED STUDENT LEVIES - continued

	2015	2014
<i>U of T Environmental Resource Network</i>		
Beginning balance	(14)	(969)
Net student fee levies	6,253	6,034
Payments and distributions	<u>(5,807)</u>	<u>(5,079)</u>
Ending balance	<u>432</u>	<u>(14)</u>
 <i>Wheelchair Accessibility Projects</i>		
Beginning balance	-	8,881
Net student fee levies and interest earned	25,011	24,135
Payments and distributions	<u>(25,011)</u>	<u>(33,016)</u>
 <i>Women's Centre - UTSC</i>		
Beginning balance	-	28
Net student fee levies	37,516	36,203
Payments and distributions	<u>(37,516)</u>	<u>(36,231)</u>
Ending balance	<u>-</u>	<u>-</u>
 <i>WUSC/Refugee Student Program</i>		
Beginning balance	-	(2)
Net student fee levies	19,804	19,128
Payments and distributions	<u>(19,804)</u>	<u>(19,126)</u>
 <i>Summary</i>		
Beginning balance	62,288	97,568
Net student fee levies	341,521	326,996
Disbursements and revenue recognized	<u>(218,188)</u>	<u>(362,276)</u>
Ending balance	<u>\$ 185,621</u>	<u>\$ 62,288</u>

To be read in conjunction with our Auditors' Report dated November 3, 2015

**SCARBOROUGH CAMPUS STUDENTS' UNION
AT THE UNIVERSITY OF TORONTO**

Page 11

NOTES TO FINANCIAL STATEMENTS

AS AT APRIL 30, 2015

7. DEFERRED GROUP HEALTH AND DENTAL PLAN FEES

The health and dental group insurance plan portion of the student fees collected are also accounted for using the deferral method, consistent with the treatment of the other restricted fees above. It is shown here separately due to the magnitude of the plan. The ending balance represents the amount remaining in the fund at the fiscal year-end. Payments made subsequent to the year-end are disclosed to show the amount in the fund at the end of the academic year.

	2015	2014
<i>Group Health and Dental Plan</i>		
Beginning balance	\$ 219,312	\$ 198,606
Net student fee levies	2,804,537	2,422,308
Payments and distributions	<u>(2,363,473)</u>	<u>(2,401,602)</u>
Ending balance at the end of the fiscal year	660,376	219,312
Premiums paid to August 31st	<u>192,504</u>	<u>-</u>
Balance at the end of academic year	<u>\$ 467,872</u>	<u>\$ 219,312</u>

The higher balance at the end of the current year is due primarily to two factors. First, the union was able to negotiate lower premiums for the same level of coverage this fiscal year. Second, the union has planned for a higher balance because the plan will be switched from a fully insured model to a fully funded model. Under a fully funded model, the risk of fluctuating claims for benefits is transferred from the insurer to the union as the union will be liable to cover claims against the plan instead of paying insurance premiums to cover the liability as determined by the insurer's actuaries. Management believes that this will result in lower over-all costs and provide management with greater control over the costs and benefits under the plan.

8. STUDENT CENTRE CAPITAL FUNDS

Student Centre Loan repayments are withheld from student fee remittances by the university. The fees withheld is recognized as Student Centre Capital Reserve income as the debt to the university is repaid. This fiscal year is the last for which this amount will be withheld from the student fees.

To be read in conjunction with our Auditors' Report dated November 3, 2015

**SCARBOROUGH CAMPUS STUDENTS' UNION
AT THE UNIVERSITY OF TORONTO**

Page 12

NOTES TO FINANCIAL STATEMENTS

AS AT APRIL 30, 2015

9. INVESTMENT AND LOANS TO RELATED PARTIES

SCSU's initial investment in the Restaurant included \$100 for 100 common shares together with advances to fund its operations. SCSU Restaurants Inc. has invested in two subsidiary franchises - Hero Burger and KFC Express. The SCSU wholly owns all shares either directly and indirectly in each of these related parties.

SCSU Restaurants Inc. continues to accumulate a deficit, as do the Hero Burger and KFC Express. Accordingly, the value of these investments have been impaired to reflect management's estimate of the net amount that will be recovered within ten years.

	<u>2015</u>	<u>2014</u>
Advances to 2277345 Ontario Ltd. o/a KFC Express	\$ 87,040	\$ 90,965
Advances to 2275596 Ontario Ltd. O/A Hero Burger	74,593	44,593
Advances to SCSU Restaurants Inc.	364,343	364,343
Impairment allowance	(203,506)	(203,506)
Accumulated net loss	<u>(54,825)</u>	<u>(41,485)</u>
Net investment in SCSU Restaurants Inc.	<u>\$ 267,645</u>	<u>\$ 254,910</u>

10. COMMITMENTS

SCSU entered into an agreement with the University of Toronto Scarborough to pay for custodial services in the Student Centre building. The total cost for the year ending April 30, 2016 will be approximately \$223,000. Management estimates that this will result in savings of approximately \$40,000 per year.

To be read in conjunction with our Auditors' Report dated November 3, 2015

**SCARBOROUGH CAMPUS STUDENTS' UNION
AT THE UNIVERSITY OF TORONTO**

Page 13

NOTES TO FINANCIAL STATEMENTS

AS AT APRIL 30, 2015

11. FINANCIAL INSTRUMENTS

Cash

The cash is denominated in Canadian dollars and consists of cash on hand as well as current deposit accounts with Canadian financial institutions. Cash is classified as held-for-trading and carried at fair value. Cash gives rise to some small interest rate risk as the rate of interest received on deposits is determined by the bank's prime rate of interest and therefore subject to change. There are no foreign currencies and therefore no foreign exchange or valuation risk.

Accounts receivable

The Union provides goods and services to a variety of groups, associations, unions, departments, and other customers closely related to the University of Toronto Scarborough. Approximately all of accounts receivable are due from these related parties. Receivables are classified as loans and receivables, initially recognized at fair value, and subsequently carried at amortized cost using the effective interest method. Impairment charges are recognized as bad debts expense. Management is of the opinion that credit risk is minimal.

Accounts payable

The Union's payables arise from the operational expenses and purchases. Payables and accruals are classified as loans and receivables, they are initially recognized at fair value, and subsequently carried at amortized cost using the effective interest method. Payables closely approximate their fair value due to their short-term nature.

Long-term debt

The carrying amount of the long-term debt is based upon the amount and terms agreed to in the operating agreement with university and therefore classified as held-to-maturity and carried at amortized cost. The loans bear interest at a fixed rate and are therefore not subject to interest rate risk.

12. TTC METROPASSES AND FARES

	<u>2015</u>	<u>2014</u>
TTC Metropass and fare sales	\$ 991,600	\$ 836,936
Cost of TTC Metropasses and fares sold	<u>982,863</u>	<u>829,561</u>
Net profit	<u>\$ 8,737</u>	<u>\$ 7,375</u>

The net profit realized is due to commissions received from the sale of TTC on tokens. Metropasses do not generate a profit as they are sold to students at cost.

To be read in conjunction with our Auditors' Report dated November 3, 2015

SCARBOROUGH CAMPUS STUDENTS' UNION
AT THE UNIVERSITY OF TORONTO

Page 14

NOTES TO FINANCIAL STATEMENTS

AS AT APRIL 30, 2015

13. OPERATING SUBSIDY

	<u>2015</u>	<u>2014</u>
U of T Scarborough operating subsidy received	\$ 127,500	\$ 130,000
Operating subsidy paid to SCSU Restaurants Inc.	<u>127,500</u>	<u>130,000</u>
Net amount	<u>\$ -</u>	<u>\$ -</u>

The operating subsidy is received from the university. The university restricted the use of these funds to offset the costs of operating Rex's Den. This subsidy is not student fees, and is passed directly through to the restaurant. This funding is therefore not available for use in the union's general operations.

To be read in conjunction with our Auditors' Report dated November 3, 2015