

## **Waterloo Undergraduate Student Association, University of Waterloo, Winter General Meeting**

### **1. Call to Order**

After an extended recess to reach quorum, President Benjamin Easton formally called to order at 7:10pm.

### **2. Territorial Acknowledgement**

WUSA acknowledges that our work takes place on the traditional territory of the Neutral, Anishinaabeg, and Haudenosaunee peoples. Waterloo is situated on the Haldimand Tract, land granted to the Six Nations that includes six miles on each side of the Grand River.

### **3. Approval of the Agenda**

Call for discussion of approval of the agenda.

**Moved by** Vincent, Stephanie Ye-Mowe

**Motion was Carried.**

Vincent asked to have a consent agenda formed on items 4-7 as they have been presented.

**Moved by** Vincent, Catherine Dong

Elora Deering proposed an amendment: swap items 8 & 9 in the agenda so that the public health measures discussion would take place first.

**Moved by** Elora Deering, Sonja knezic.

Vincent called question on this amendment, seconded by Stephanie Ye-Mowe

**Question carried.**

**Motion failed.**

Elora Deering asked for the adjournment time to be pushed to 9pm.

**Moved by** Elora Deering, Abhiraj Lamba

**Motion was Carried.**

**Agenda was approved.**

#### 4. Receiving FY2021 Audit Report & Appointment of FY2022 Auditors

WUSA General Manager Suzanne Burdett talked about the Organization's financial position and statement of operations. The statement of financial position lists the assets and liabilities. The statement of operations is the income statement for the year and shows all revenues and expenses. The general fund in the statement of operations reflects how some fees were not charged in Spring 2020. Additionally, all the societies funds are recognized as a single channel in the report and a surplus of general funds in investments and salaries.

*Note This financial report is available in the appendix*

**Be it resolved that** the General Meeting re-appoint PricewaterhouseCoopers to conduct the FY2022 Audit, as recommended by the Board of Directors.

**Moved By** Saahil Jaffer, Kanan Sharma.

**Motion carried.**

#### 5. Progress Report on WUSA Governance Review

President Easton began the presentation highlighting how the 2020-25 Strategic and Annual Plan prioritized the governance review. The usage of the term "Officers" refers to President, Vice President, and other position holders.

In terms of motivation for making this change, the organization has outgrown the existing governance system. It was developed in a time when there were less than 15 staff members and service levels were much lower. Board and council have found that a lot of work is being doubled as the growth of work has tended to bloat what decisions need to be made.

The current size of the organization leads to many current officers doing much more managerial activity which leads to burnout for students who are left with not much time to make a change. Student leaders are generally better at advocacy than administration.

President Easton moved into how this governance change has come to be. Approving new bylaws is the first big step. Council had many meetings to consider and will approve the bylaws followed by Board approval, and a special general meeting to ratify the By-laws coming this Spring term. The new model follows a faculty guarantee which is the balance of at-large and faculty representation. The new model will have a single governing body – WUSA Board of Directors - with 13 Directors including 2 Student executive officers and the full-time executive director (current GM).

Elora Deering asked how the burnout will be solved with fewer people in charge. President Easton said that a lot of the burnout is coming from administrative tasks and those will be offloaded to the current full-time staff and the Board will be responsible for advocacy stances and establishing priorities rather than day-to-day operations.

The question was asked: would WUSA be keeping the nomination requirement threshold as it is currently 100 for executives and 25 for councillors. President Easton said there will still be a nomination requirement, but the number is to be determined by the elections procedure.

Councillor Jay Lan recalls Students' Council informally talking about the name being "WUSA Council" for this body, but the draft currently mentions "Board". President Easton said the mentions of "Board" in the recent draft was an oversight and Councillor Jay Lan can propose this final name change at this week's coming council meeting. Additionally, Jay Lan asked about the officers remaining in office and whether this would be until the new bylaws come in force or before the Board was elected. President Easton stated that they would be working reduced hours due to academic obligations and current training of full-time staff to ensure continuity in operations. The officers would remain until the new Bylaws were in place because after the election of the board there would be a period where they have not taken office yet due to the bylaws.

Abhiraj Lamba asked about the faculty guarantee model and if only one person is running from a faculty, will there be a binary vote where students could vote-down someone they did not want to elect? President Easton said this model would not include an acclimation vote of this nature since it would introduce complexities of branched voting.

Glow Coordinator Midas Beglari asked about how services will work in the new model. Will equity-seeking services be included as a stakeholder for advocacy projects? President Easton stated that the new model would formalize services internally in operations. There are plans yet to be drawn out in terms of how equity-seeking services fit into the advocacy model. The services could fit into potential working groups that look after different channels of advocacy.

Councillor Vincent Macri asked, with the faculty guarantee model, how will we be sure that the members have the confidence of their faculty rather than the students at large? President Easton stated that the model makes sure that directors look after the common needs of all students and not exclusively students from their faculty. The faculty guarantee model ensures diverse academic perspectives from each faculty but is not a seat chosen just by students from that faculty.

Sam Faulkner asked if council makes decisions around where services operations go and when would the services themselves be brought into the mix to make sure the decisions are being made? President Easton said the current staffing model in the structure of WUSA will determine how these decisions are made. Catherine Dong stated that the bylaws don't mention services because operations lie elsewhere in how the organization functions. Operational decisions will be made with coordinators and full-time staff in the campus life department. Midas said she wanted to highlight that there are current concerns with how WUSA currently operates, and they hope that in the new model that services advocacy will not be an after-thought.

Nicholas Pfeifle brought up concerns that there are too many general meetings to push off these changes. Power concentration and making changes without ensuring there is greater student attention instead of present apathy is dangerous. Nicholas equated these changes to taking apart a chair and instead of rebuilding it, saying a beanbag would suffice, as such it appears as a rather cosmetic change. President Easton talked about how the process has taken some time to make sure all current bodies had reasonable time to consider the changes and the changes themselves aim to clarify where the accountability structures. Edward voiced support for the governance review as it makes sure due diligence has been done in terms of student engagement and efforts to reach out to students ultimately show diminishing returns. Elora Deering brought up concerns that reducing the number of internal members of WUSA or students involved in the Council reduces the diversity of student voices heard.

Abhiraj Lamba expressed concerns that not enough students have been engaged enough to know this change is happening. Jay Lan stated that it's disappointing that there are not more students involved, especially because it is easy to explain the changes occurring as seen from President Easton's presentation was only 20 minutes. It would be interesting if this change could be passed by Referendum. President Easton mentioned that our bylaws stipulate that a change in bylaws can only be passed by a general meeting – not by referendum.

## 6. Societies Proposal on Compulsory Fee Assessment

WHEREAS Society fees were historically assessed on an opt-out basis, whereby payment was compulsory on Quest and refunds were sought at the respective Society office; and,

WHEREAS the Engineering and Mathematics Societies have, through democratic means, expressed a desire to assess their respective fees on an opt-out basis; then,

BE IT RESOLVED THAT the General Meeting call on the University to honour democratic decision-making by students by permitting Societies to charge their fees compulsorily or optionally.

Mathsoc councillor Naman Sood spoke to this motion and discussed how his observation of students coming to different events often do not realise the consequence of not paying the fee and stated that it would be better to have the fee made compulsory or defaulted with the possibility of opting-out

EngSoc President Carson Bay spoke to this point and stated that the society is having a hard time running big ticket events due to a large opt-out rate. The power of having the opt-out point live at the societies so that students know more about what they are missing out on. The university has stopped this change for some time, but the system can work better if refunds are taken care of by the societies.

Mathsoc VPA and WUSA Councillor Vincent stated that Mathsoc council and AGM are in favour of the refund model. If refunds are requested but students use the societies services and resources, the refund is cancelled. This also helps societies reduce the amount of resources spent.

President Easton stated that conversations have happened at the Committee of Presidents (CoPs) and many societies appear to be on-board with this change.

**Moved by** Vincent Macri, Catherine Dong

**Motion was carried.**

## 7. Member Proposal on Support for Ukrainian Students (Discussion)

Nicholas Pfeifle started by stating that the University has a fund to support students being affected by international conflict.

Naman Sood stated that motions such as these that took a position on a conflict in a different country have typically been treated carefully by WUSA. We should focus on supporting students and direct them to supports that exist. Abhiraj disagreed and stated that in order to discuss this, we must know what the University is doing for the situations as students are being affected greatly by this, WUSA should provide

additional mental health supports for affected students. Nicholas stated that he hoped WUSA would begin to support marginalized and equity-seeking groups around the world and become more justice-oriented in the future.

Rama asked if WUSA would be taking a political stance on this issue or if this was a discussion on how to support students during this time. President Easton stated that there is possibility for the discussion to address either point. The following discussion elaborated on the importance of providing supports, the idea that taking a stance is an important act of support, and other considerations to students impacted by the situation.

## 8. Member Proposal on Campus Goose Statue

Whereas the official mascot of the University of Waterloo is "King Warrior"; and  
Whereas in March 2018, Students' Council decided "that the mascot of the Federation of Students shall be a Goose"; and  
Whereas in March 2018, Students' Council set a stance that the mascot of the University should be a goose; and  
Whereas there is a member proposal for a goose statue to be build on-campus; and  
Whereas a goose statue of sufficient quality would be expensive; and  
Whereas it makes sense for the University of Waterloo should pay for a goose statue; then

Be it resolved that WUSA shall strive to undermine any and all University of Waterloo marketing referring to the Warrior, with the goal of making the Warrior not a recognizable symbol of the University of Waterloo, and instead making a goose the recognizable symbol of the University; and  
Be it further resolved that WUSA does not recognize the Warrior as the mascot of the University.  
Be it further resolved that WUSA shall refer to the University of Waterloo sports teams as the "Waterloo Gooses"; and  
Be it further resolved that WUSA shall not refer to the student population as "Warriors" and shall instead refer to the student population as "Gooses"; and  
Be it further resolved that in all marketing and communications, whenever feasible, WUSA will avoid using any variation of "warrior" and instead use some variation of "goose"; and  
Be it further resolved that WUSA calls on the University to abandon King Warrior and replace King Warrior with a goose; and  
Be it further resolved that WUSA calls on the University of Waterloo to erect a large goose statue on campus.

**Moved by** Vincent Macri, Naman Sood

Daniel Pechersky asked about the cost of a potential good statue. President Easton stated that the cost remains to be seen. Evan Girardin agreed with the motion and said pressuring the university to pay for it would be good. Matthew spoke against the motion and said it was too much, especially about how WUSA has no jurisdiction over athletics. Councillor Edward Yang agreed that the motion is restrictive in the many points beyond the statue. Abhiraj Lamba mentioned that WUSA represents and advocates

interest of students AND the University of Waterloo, circumventing the University in the way would be undermining their authority. WUSA would loose out in diplomatic relation with the University which is not in the best interest of the students.

Naman Sood stated that, in terms of funding, UW just got 13.8 million dollars from the government for infrastructure. Naman Sood also suggested that WUSA call students Gooses but still call the sports teams by their name.

**Note:** *After other amendments were introduced and defeated, the following amendment was presented:*

**Amendment moved by** Stephanie Ye-Mowe

Whereas in March 2018, Students' Council decided "that the mascot of the Federation of Students shall be a Goose"; and

Whereas in March 2018, Students' Council set a stance that the mascot of the University should be a goose; and

Whereas there is a member proposal for a goose statue to be built on-campus; and

Whereas a goose statue of sufficient quality would be expensive for WUSA; and

Whereas it makes sense for the University of Waterloo to pay for a goose statue; then

Be it resolved that The General Assembly tasks the Waterloo Undergraduate Student Association to requisition proposals for the construction of a goose sculpture/statute on the University of Waterloo main campus, whose cost will be approved by the Budget and Appropriations Committee if it comes from WUSA's operating budget

Be it further resolved that Waterloo Undergraduate Student Association should seek out external funding sources to offset the cost of the sculpture/statue's construction, including but not limited to the University of Waterloo, the Graduate Student Association, and UWaterloo Alumni

**Amendment was Carried.**

**Question Called by** Elora Deering, Nathaniel Myoung-Ook Kim

**Calling the Question vote Carried**

**Motion Carried**

## 9. Member Proposal on COVID-19 Vaccination Requirements

WHEREAS some WUSA members are prevented from enrolling in both online and in-person courses by the University's mandatory vaccination policy; and,

WHEREAS education is a right for every student, not a privilege; and,

WHEREAS Ontario has lifted vaccination requirements in most indoor settings; and,

WHEREAS Ontario has lifted mandatory masking requirements as of March 21; then,

BE IT RESOLVED THAT WUSA supports the University removing proof of vaccination requirements for the Spring term; and,

BE IT FURTHER RESOLVED THAT WUSA supports the University removing mask-wearing requirements for indoor activities for the Spring term.

**Moved by** Abigail Hammon, Maria Tagonikis

**Motion to extend** the meeting until 9:30pm moved by Abigail Hammon, Noa Morton

Councillor Kanan Sharma called a quorum check. Quorum was not present.

#### 10. Adjournment

Having lost quorum, the meeting ended at 8:58pm.



## **ANNUAL GENERAL MEETING**

Tuesday, March 29, 2022

**5:00PM EDT**

Via Microsoft Teams

### **AGENDA**

1. Call to Order
2. Territorial Acknowledgement
3. Approval of the Agenda
4. Receiving FY2021 Audit Report & Appointment of FY2022 Auditors
5. Progress Report on WUSA Governance Review
6. Societies Proposal on Compulsory Fee Assessment
7. Member Proposal on Support for Ukrainian Students
8. Member Proposal on Campus Goose Statue
9. Member Proposal on COVID-19 Vaccination Requirements
10. Adjournment



**1. CALL TO ORDER**

President Easton in the Chair

**2. TERRITORIAL ACKNOWLEDGEMENT**

WUSA acknowledges that our work takes place on the traditional territory of the Neutral, Anishinaabeg, and Haudenosaunee peoples. Waterloo is situated on the Haldimand Tract, land granted to the Six Nations that includes six miles on each side of the Grand River.

**3. APPROVAL OF THE AGENDA**

Motion

BE IT RESOLVED THAT the General Meeting approve the agenda, as presented.

*Note: The General Meeting may only change the order of business, as the agenda contents have been approved by the Board of Directors.*

**4. RECEIVING FY2021 AUDIT REPORT & APPOINTMENT OF FY2022 AUDITORS**

The General Meeting will have an opportunity to review the FY2021 Audited Financial Statements and to ask question on the Audit Report.

Motion

BE IT RESOLVED THAT the General Meeting re-appoint PricewaterhouseCoopers to conduct the FY2022 Audit, as recommended by the Board of Directors.

**5. PROGRESS REPORT ON WUSA GOVERNANCE**

President Easton will give a brief report on the status of the WUSA governance review, including expected timelines for new bylaw ratification, Spring 2022 elections, and transition.

**6. SOCIETIES PROPOSAL ON COMPULSORY FEE ASSESSMENT**

Motion

WHEREAS Society fees were historically assessed on an opt-out basis, whereby payment was compulsory on Quest and refunds were sought at the respective Society office; and,

WHEREAS the Engineering and Mathematics Societies have, through democratic means, expressed a desire to assess their respective fees on an opt-out basis; then,

BE IT RESOLVED THAT the General Meeting call on the University to honour democratic decision-making by students by permitting Societies to charge their fees compulsorily or optionally.

**7. MEMBER PROPOSAL ON SUPPORT FOR UKRANIAN STUDENTS**

The General Meeting will discuss how WUSA can support Ukrainian students at the University in light of the Russian invasion and ongoing humanitarian crisis in Ukraine.

**8. MEMBER PROPOSAL ON CAMPUS GOOSE STATUE**

The General Meeting will discuss a proposal to install a goose statue on main campus.

**9. MEMBER PROPOSAL ON COVID-19 PUBLIC HEALTH MEASURES**

Motion

WHEREAS some WUSA members are prevented from enrolling in both online and in-person courses by the University's mandatory vaccination policy; and,

WHEREAS education is a right for every student, not a privilege; and,

WHEREAS Ontario has lifted vaccination requirements in most indoor settings; and,

WHEREAS Ontario has lifted mandatory masking requirements as of March 21; then,

BE IT RESOLVED THAT WUSA supports the University removing proof of vaccination requirements for the Spring term; and,

BE IT FURTHER RESOLVED THAT WUSA supports the University removing mask-wearing requirements for indoor activities for the Spring term.

**10. ADJOURNMENT**

Scheduled no later than 8PM EDT.

# Governance Review Update

Prepared for the Annual General Meeting  
*March 29, 2022*



[wusa.ca](http://wusa.ca)

# Contents

1. Background
2. Why change our governance?
3. How to change our governance
4. Proposed election systems
5. The new model, explained
6. Plans for Spring 2022 & beyond



# Background

- The 2020-25 strategic plan has prioritized a comprehensive review of WUSA governance
- In Fall 2021, consultants began assessment of current structure
- By November, Board & Council accepted their proposal to merge both governing bodies & reduce number of officers\*
- On February 1, the Special General Meeting approved postponing the election no later than September 1, 2022



# Why change our governance?

- WUSA has outgrown the current system
  - >30k members, \$7mil/yr operating budget, \$40mil/yr in transfers/programs, >40FTEs, 100s PTS + volunteers (and growing!)
- Complexity of bicameral system creates confusion
  - >400 pages of policy & procedure manuals
  - 'Siloing' student leaders with diverse interests & abilities
- Chronic burnout among student executives
  - Execs often face unrealistic demands & are ill-equipped to effect organizational change, as usually new to management roles
  - Student leaders make better advocates than administrators



# How to change our governance, pt. 1

## 1. Approve new bylaws

- Legal counsel prepared draft according to consultant's report, with officers selected among the Board & no faculty constituencies
- At first reading, Council asked for officers to be directly elected and some form of faculty representation in the new elections system
- At second/third readings, Council joined the Board in supporting the 'faculty guarantee' elections model
- Council will vote to approve the bylaws on April 3, 2022, followed by Board approval later in April
- A Special General Meeting will be called to ratify the new bylaws in May



# Proposed election systems, pt. 1

Board & Council have considered several variations of the STV (ranked ballot) system to elect non-officer Board members:

- At-large elections
  - Members may vote for any candidate, regardless of faculty affiliation
  - Successful candidates must receive 'quota' of ~5% of votes cast
- Constituency elections
  - Reserves Board seats proportionally to size of faculty
  - Members may only vote for candidates within their faculty
- Hybrid elections
  - Some combination of the above
  - 'Faculty guarantee' & 'ex-officio' models considered





# Proposed election systems, pt. 2

## 'Ex-officio' model

- 6 seats for candidates elected within faculties
- 5 seats elected at-large
- Members rank candidates from two discrete groups
- Candidates must choose to run for at-large or faculty seat

## 'Faculty guarantee' model

- Members may vote for any candidate, like at-large system
- Candidates run for the same 11 seats & must reach a 'quota'
- One candidate per faculty is guaranteed to win, unless nobody from the faculty runs

# Proposed election systems, pt. 3

Why was the 'faculty guarantee' model chosen by Board & Council?

- Constituency models would need separate member classes
  - Must amend charter, which has no distinction among undergraduates
  - Could confuse directors' duty to represent all members' interests
- Balance of at-large elections & faculty representation
  - Single pool of candidates means more competitive races, fewer acclamations, simpler elections & higher engagement
  - Maximizing number of directors from unique faculties is still valuable
  - Society interests will continue to be represented through committees



# The new model, explained

- Single governing body: *WUSA Board*
  - 13 members elected at-large, including president and vice president
  - 'Faculty guarantee' election scheme for non-officer directors
- New officer\* roles
  - Executive Director: permanent FTS, reports to Board as CEO
  - President: chairs Board meetings, leads advocacy for university affairs
  - Vice President: leads external advocacy, including at OUSA & UCRU
- Advocacy & stakeholder relations shared by all directors
- Final approval of audit, budget, policy, strategic plans at Board



# How to change our governance, pt. 2

1. Approve new bylaws
  - Expected to come into force on September 1, 2022
2. Elect new WUSA Board
  - Planned for June
  - New elections procedures to be approved in May
3. Orientation & transition
  - July & August to draft important procedures, plan for next governing year
4. Review policies & procedures
  - Condense >400 pages of documents to be more manageable



# Plans for Spring 2022 & beyond

- Incumbent Board, Council & executives will stay in office until new bylaws come into force
- Council has requested plans for advocacy & society relations under the new model
  - Education Advisory Council & Committee of Presidents will be asked to give feedback and report by end of the Spring term
- FTS starting to take on duties traditionally done by executives
- Start informing stakeholders about anticipated changes



**Questions?**



**Federation of Students,  
University of Waterloo**

Financial Statements  
**April 30, 2021**



## Independent auditor's report

To the Members of Federation of Students, University of Waterloo

---

### Our opinion

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Federation of Students, University of Waterloo (the Organization) as at April 30, 2021 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.

#### What we have audited

The Organization's financial statements comprise:

- the statement of financial position as at April 30, 2021;
- the statement of operations for the year then ended;
- the statement of changes in net assets for the year then ended;
- the statement of cash flows for the year then ended; and
- the notes to the financial statements, which include significant accounting policies and other explanatory information.

---

### Basis for opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report.

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

#### Independence

We are independent of the Organization in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada. We have fulfilled our other ethical responsibilities in accordance with these requirements.

PricewaterhouseCoopers LLP  
465 Richmond Street, Suite 400, London, Ontario, Canada N6A 5P4  
T: +1 519 640 8000, F: +1 519 640 8015

"PwC" refers to PricewaterhouseCoopers LLP, an Ontario limited liability partnership.





---

## **Responsibilities of management and those charged with governance for the financial statements**

Management is responsible for the preparation and fair presentation of the 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.

In preparing the financial statements, management is responsible for assessing the Organization's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Organization or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Organization's financial reporting process.

---

## **Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Organization's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.



- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Organization's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Organization to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

*PricewaterhouseCoopers LLP*

Chartered Professional Accountants, Licensed Public Accountants

London, Ontario  
March 21, 2022

# Federation of Students, University of Waterloo

## Statement of Financial Position

As at April 30, 2021

	General Fund \$	Dental Plan Fund \$	Health Plan Fund \$	Legal Protection Fund \$	Capital Fund \$	UPass Fund \$	Orientation Fund \$	SRP Fund \$	Societies Fund \$	2021 \$	2020 \$
<b>Assets</b>											
<b>Current assets</b>											
Cash and cash equivalents (note 3)	2,179,653	2,791,963	3,321,466	805,381	341,365	94,592	62,872	253,665	1,355,365	11,206,322	8,540,111
Accounts receivable	198,220	56,268	83,034	8,754	-	-	27,354	-	45,362	418,992	404,079
Inventory (note 4)	93,528	-	-	-	-	-	-	-	39,758	133,286	214,114
Prepaid expenses and deposits	43,390	-	-	-	-	-	27,282	-	230	70,902	290,912
Interfund receivable (payable)	(6,081,665)	2,132,374	3,599,510	(435,840)	402,674	165,807	288,658	1,411	(72,929)	-	-
Fluctuation reserves	-	-	313,616	-	-	-	-	-	-	313,616	173,899
Due from clubs	-	-	-	-	-	-	-	-	5,345	5,345	-
	(3,566,874)	4,980,605	7,317,626	378,295	744,039	260,399	406,166	255,076	1,373,131	12,148,463	9,623,115
<b>Capital assets</b> (note 5)	919,533	-	-	-	-	-	-	-	152,085	1,071,618	1,382,765
<b>Investments</b> (note 6)	6,845,774	-	-	-	207,760	-	-	-	-	7,053,534	5,795,753
	4,198,433	4,980,605	7,317,626	378,295	951,799	260,399	406,166	255,076	1,525,216	20,273,615	16,801,633
<b>Liabilities</b>											
<b>Current liabilities</b>											
Accounts payable and accrued liabilities (notes 7 and 8)	1,249,006	1,599,907	1,766,634	300,126	-	-	5,122	1,902	168,785	5,091,482	5,043,140
Deferred revenue (note 9)	98,757	429,348	472,707	89,975	944,414	-	16,755	-	64,485	2,116,441	1,307,581
Due to clubs	278,422	-	-	-	-	-	-	-	93,907	372,329	346,782
	1,626,185	2,029,255	2,239,341	390,101	944,414	-	21,877	1,902	327,177	7,580,252	6,697,503
<b>Net Assets</b>											
Internally restricted	-	2,951,350	5,078,285	(11,806)	7,385	260,399	384,289	253,174	1,198,039	10,121,115	8,935,991
Unrestricted	2,572,248	-	-	-	-	-	-	-	-	2,572,248	1,168,139
	2,572,248	2,951,350	5,078,285	(11,806)	7,385	260,399	384,289	253,174	1,198,039	12,693,363	10,104,130
	4,198,433	4,980,605	7,317,626	378,295	951,799	260,399	406,166	255,076	1,525,216	20,273,615	16,801,633
<b>Contingencies</b> (note 10)											
<b>Subsequent event</b> (note 14)											

Approved by the Board of Directors

\_\_\_\_\_  
Director

\_\_\_\_\_  
Director

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

# Federation of Students, University of Waterloo

## Statement of Operations

For the year ended April 30, 2021

	General Fund \$	Dental Plan Fund \$	Health Plan Fund \$	Legal Protection Fund \$	Capital Fund \$	UPass Fund \$	Orientation Fund \$	SRP Fund \$	Societies Fund \$	2021 \$	2020 \$
<b>Revenue</b>											
Student fees – net of refunds	4,682,306	4,352,918	4,818,287	854,017	-	123,410	(6,527)	223,946	385,427	15,433,784	22,519,162
Transfers	-	(4,129,138)	(3,812,732)	(819,119)	-	-	-	-	-	(8,760,989)	(16,901,476)
Net student fees	4,682,306	223,780	1,005,555	34,898	-	123,410	(6,527)	223,946	385,427	6,672,795	5,617,686
Ancillary	1,453,048	27,853	26,788	-	70,228	2,092	47,265	23,146	97,344	1,747,764	5,861,692
	6,135,354	251,633	1,032,343	34,898	70,228	125,502	40,738	247,092	482,771	8,420,559	11,479,378
<b>Expenses</b>											
Ancillary (note 4)	196,093	-	-	-	-	-	-	-	50,880	246,973	3,550,496
Events and organizations	-	-	-	-	-	-	119,182	-	100,276	219,458	1,231,039
General and administration (note 11)	5,206,701	106,723	106,705	38,610	70,603	35,567	-	70,207	409,088	6,044,204	6,319,627
	5,402,794	106,723	106,705	38,610	70,603	35,567	119,182	70,207	560,244	6,510,635	11,101,162
<b>Excess (deficiency) of revenue over expenses before other items</b>	732,560	144,910	925,638	(3,712)	(375)	89,935	(78,444)	176,885	(77,473)	1,909,924	378,216
<b>Other income (loss)</b>											
Miscellaneous	-	-	-	-	-	-	-	-	-	-	13,644
Loss on sale of capital assets	-	-	-	-	-	-	-	-	-	-	(295)
Change in unrealized gain/loss on investments	671,549	-	-	-	7,760	-	-	-	-	679,309	(177,073)
	671,549	-	-	-	7,760	-	-	-	-	679,309	(163,724)
<b>Excess (deficiency) of revenue over expenses</b>	1,404,109	144,910	925,638	(3,712)	7,385	89,935	(78,444)	176,885	(77,473)	2,589,233	214,492

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

# Federation of Students, University of Waterloo

## Statement of Changes in Net Assets

For the year ended April 30, 2021

---

	General Fund \$	Dental Plan Fund \$	Health Plan Fund \$	Legal Protection Fund \$	Capital Fund \$	UPass Fund \$	Orientation Fund \$	SRP Fund \$	Societies Fund \$	2021 \$	2020 \$
<b>Net assets – Beginning of year</b>	1,168,139	2,806,440	4,152,647	(8,094)	-	170,464	462,733	76,289	1,275,512	10,104,130	9,889,638
<b>Excess (deficiency) of revenue over expenses</b>	1,404,109	144,910	925,638	(3,712)	7,385	89,935	(78,444)	176,885	(77,473)	2,589,233	214,492
<b>Net assets – End of year</b>	<u>2,572,248</u>	<u>2,951,350</u>	<u>5,078,285</u>	<u>(11,806)</u>	<u>7,385</u>	<u>260,399</u>	<u>384,289</u>	<u>253,174</u>	<u>1,198,039</u>	<u>12,693,363</u>	<u>10,104,130</u>

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

# Federation of Students, University of Waterloo

## Statement of Cash Flows

For the year ended April 30, 2021

	General Fund \$	Dental Plan Fund \$	Health Plan Fund \$	Legal Protection Fund \$	Capital Fund \$	UPass Fund \$	Orientation Fund \$	SRP Fund \$	Societies Fund \$	2021 \$	2020 \$
<b>Cash provided by (used in)</b>											
<b>Operating activities</b>											
Excess (deficiency) of revenue over expenses	1,404,109	144,910	925,638	(3,712)	7,385	89,935	(78,444)	176,885	(77,473)	2,589,233	214,492
Adjustments for											
Amortization	512,041	-	-	-	-	-	-	-	112,040	624,081	649,787
Loss on sale of capital assets	-	-	-	-	-	-	-	-	-	-	295
Change in unrealized gain/loss on investments	(671,549)	-	-	-	(7,760)	-	-	-	-	(679,309)	177,073
	1,244,601	144,910	925,638	(3,712)	(375)	89,935	(78,444)	176,885	34,567	2,534,005	1,041,647
Changes in non-cash working capital items											
Accounts receivable	(6,062)	(50,271)	(62,514)	(8,754)	-	-	32,315	-	80,373	(14,913)	278,406
Inventory	62,350	-	-	-	-	-	-	-	18,478	80,828	(33,582)
Prepaid expenses and deposits	10,937	97,909	124,797	-	-	-	(13,633)	-	-	220,010	(36,174)
Interfund receivable (payable)	(167,043)	12,394	(130,106)	435,840	(402,674)	21,250	(2,781)	21,218	211,902	-	-
Fluctuation reserve	-	-	(139,717)	-	-	-	-	-	-	(139,717)	185,993
Accounts payable and accrued liabilities	21,807	94,238	48,286	117,601	-	(362,981)	5,122	1,003	123,266	48,342	2,790,453
Deferred revenue	10,779	(133,383)	(40,223)	18,106	944,414	-	15,685	(23,146)	16,628	808,860	241,873
Due from/to clubs	(2,228)	-	-	-	-	-	-	-	22,430	20,202	131,791
	1,175,141	165,797	726,161	559,081	541,365	(251,796)	(41,736)	175,960	507,644	3,557,617	4,600,407
<b>Investing activities</b>											
Purchase of capital assets	(263,457)	-	-	-	-	-	-	-	(49,477)	(312,934)	(229,122)
Proceeds from sale of investments	-	-	-	-	-	-	-	-	-	-	655,500
Purchase of investments	(378,472)	-	-	-	(200,000)	-	-	-	-	(578,472)	(1,411,374)
	(641,929)	-	-	-	(200,000)	-	-	-	(49,477)	(891,406)	(984,996)
<b>Change in cash and cash equivalents for the year</b>	533,212	165,797	726,161	559,081	341,365	(251,796)	(41,736)	175,960	458,167	2,666,211	3,615,411
<b>Cash and cash equivalents – Beginning of year</b>	1,646,441	2,626,166	2,595,305	246,300	-	346,388	104,608	77,705	897,198	8,540,111	4,924,700
<b>Cash and cash equivalents – End of year</b>	2,179,653	2,791,963	3,321,466	805,381	341,365	94,592	62,872	253,665	1,355,365	11,206,322	8,540,111

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

# Federation of Students, University of Waterloo

## Notes to Financial Statements

For the year ended April 30, 2021

---

### 1 Incorporation and nature of the organization

Federation of Students, University of Waterloo (the Organization) is incorporated under the Ontario Corporations Act without share capital. The Organization is a registered not-for-profit organization and thus is exempt from income taxes under section 149(1)(e) of the Income Tax Act of Canada (the Act). In order to maintain its status as a registered not-for-profit organization under the Act, the Organization must meet certain requirements within the Act. In the opinion of management, these requirements have been met. The Organization is dedicated to providing services to University of Waterloo (the University) students.

### 2 Significant accounting policies

The financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations as issued by the Accounting Standards Board in Canada and include the following significant accounting policies.

#### Fund accounting

The Organization follows the restricted fund method of accounting for contributions and maintains nine funds: General Fund, Dental Plan Fund, Health Plan Fund, Legal Protection Fund (Legal Fund), Capital Fund, UPass Fund, Orientation Fund, Student Refugee Program Fund (SRP Fund) and Societies Fund.

The General Fund reports the Organization's unrestricted revenue from the day-to-day operations of the Organization.

The Dental Plan Fund reports the Organization's internally restricted revenue to pay dental insurance premiums on behalf of members. The fund is intended to be used to fund insurance premiums for members covered under the program.

The Health Plan Fund reports the Organization's internally restricted revenue to pay health premiums on behalf of members. The fund is intended to be used to fund insurance premiums for members covered under the program.

The Legal Fund reports the Organization's internally restricted revenue to pay legal premiums on behalf of members. The fund is intended to be used to fund legal coverage for members covered under the program.

The Capital Fund reports the Organization's internally restricted revenue to fund maintenance, deferred maintenance, renewal, capital improvement and future expansions of the Student Life Centre and other student common areas across campus.

The UPass Fund reports the Organization's internally restricted revenue to pay universal bus pass fees on behalf of members. The fund is intended to be used to fund universal bus pass fees for members covered under the program.

# Federation of Students, University of Waterloo

## Notes to Financial Statements

For the year ended April 30, 2021

---

The Orientation Fund reports the Organization's internally restricted revenue to pay for costs related to Orientation Week on behalf of members. The fund is intended to be used to fund activities, salaries and operating expenses that pertain to Orientation Week for members covered under the program.

The SRP Fund reports the Organization's internally restricted revenue to pay tuition and student housing fees for refugee students. The fund is intended to be used to assist refugee students in attending the University.

The Societies Fund reports the Organization's internally restricted revenues to pay the operating expenses of the nine student societies. The fund is intended to be used to provide services to the University students in certain faculties.

### **Inventory**

Inventory is valued at the lower of cost and net realizable value. Cost is determined on the first in, first out basis. Supplies are recorded as an expense in the year of purchase. Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and selling costs.

### **Capital assets**

Capital assets are recorded at cost. Leasehold improvements are amortized on a straight-line basis over a ten-year period. All other assets, net of estimated future salvage values, are amortized on a straight-line basis over 3 to 5 years. Amortization commences when the capital assets are available for use.

### **Cash and cash equivalents**

Cash and cash equivalents include balances with banks and short-term investments with maturities of three months or less.

### **Revenue recognition**

Student fees are recognized as revenue of the appropriate fund. Amounts received for purposes other than specific funds are recognized as revenue of the General Fund. Student fees are included in income when earned, which is over the related school term.

Ancillary revenue is recognized when the services are rendered.

Health and dental plan revenue is recognized as revenue over the period in which the fees are earned, which is over the period in which health and dental coverage is provided.

Investment income is recognized as revenue when earned.



# Federation of Students, University of Waterloo

## Notes to Financial Statements

For the year ended April 30, 2021

---

### **Contributed services**

Student volunteers contribute an undetermined number of hours during the year to assist the Organization in carrying out its service delivery activities. The University also provides a number of services to the Organization at no cost. Because of the difficulty of determining their value, contributed services are not recognized in the financial statements.

### **Financial instruments**

The Organization recognizes its financial instruments when the Organization becomes party to the contractual provisions of the financial instrument. All financial instruments are initially recorded at their fair value, including financial assets and liabilities originated and issued in a related party transaction with management. Financial assets and liabilities originated and issued in all other related party transactions are initially measured at their carrying or exchange amount in accordance with CPA Canada Handbook Section 3840, Related Party Transactions.

At initial recognition, the Organization may irrevocably elect to measure any financial instrument at fair value. The Organization has not made such an election during the year.

The Organization measures investments in equity instruments quoted in an active market at fair value. Fair value is determined by published price quotations. Investments in equity instruments not quoted in an active market are measured at cost less impairment. With the exception of financial liabilities indexed to a measure of the Organization's performance and those instruments designated at fair value, all other financial assets and liabilities are measured at amortized cost.

Transaction costs and financing fees directly attributable to the origination, acquisition, issuance or assumption of financial instruments subsequently measured at fair value are immediately recognized in the excess (deficiency) of revenue over expenses for the current period. Conversely, transaction costs and financing fees are added to the carrying amount for those financial instruments subsequently measured at cost or amortized cost.

### **Financial asset impairment**

At the end of each reporting period, the Organization assesses whether there are any indications that a financial asset measured at amortized cost may be impaired. If there are indicators of impairment, and the Organization determines there has been a significant adverse change in the expected amount of timing of future cash flows, the carrying amount of the asset is reduced to the higher of the expected cash flows expected to be generated by holding the asset, discounted using a current market rate of interest, and the amount that could be realized by selling the asset as at the statement of financial position date.

The Organization reverses impairment losses on financial assets when there is a decrease in impairment and the decrease can be objectively related to an event occurring after the impairment loss was recognized. The amount of the reversal is recognized in operations in the year the reversal occurs.

# Federation of Students, University of Waterloo

## Notes to Financial Statements

For the year ended April 30, 2021

---

### Use of estimates

The preparation of financial statements in conformity with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities as at the date of the financial statements, and the reported amounts of revenue and expenses during the reporting period.

Accounts receivable are stated after evaluation as to their collectibility and an appropriate allowance for doubtful accounts is provided when considered necessary. Provisions are made for slow moving and obsolete inventory. Amortization is based on the estimated useful lives of capital assets. Accrued liabilities are based on expected invoices to be received subsequent to the current fiscal period that relate to the current fiscal period.

These estimates and assumptions are reviewed periodically and, as adjustments become necessary, they are reported in operations in the periods in which they become known.

### 3 Cash and cash equivalents

	2021 \$	2020 \$
Cash	10,639,471	8,062,510
Canadian money market mutual funds	566,851	477,601
	<u>11,206,322</u>	<u>8,540,111</u>

### 4 Inventory

The cost of inventories recognized as an expense and included in ancillary expenses amounts to \$189,178 (2020 – \$2,945,144).

### 5 Capital assets

	<u>2021</u>		
	Cost \$	Accumulated amortization \$	Net \$
Furniture and fixtures	3,879,469	3,704,178	175,291
Leasehold improvements	3,946,843	3,050,516	896,327
	<u>7,826,312</u>	<u>6,754,694</u>	<u>1,071,618</u>

# Federation of Students, University of Waterloo

## Notes to Financial Statements

For the year ended April 30, 2021

	<b>2020</b>		
	<b>Cost</b>	<b>Accumulated amortization</b>	<b>Net</b>
	\$	\$	\$
Furniture and fixtures	3,611,084	3,198,811	412,273
Leasehold improvements	3,902,294	2,931,802	970,492
	<u>7,513,378</u>	<u>6,130,613</u>	<u>1,382,765</u>

Amortization of \$624,081 (2020 – \$649,787) is recognized in expenses.

## 6 Investments

	<b>2021</b>		<b>2020</b>	
	<b>Book value</b>	<b>Fair value</b>	<b>Book value</b>	<b>Fair value</b>
	\$	\$	\$	\$
Canadian equity mutual funds	2,042,501	2,717,914	1,746,170	2,071,212
Foreign equity mutual funds	2,684,409	3,273,419	2,420,291	2,778,731
Foreign fixed income mutual funds	1,018,023	1,062,201	1,000,000	945,810
	<u>5,744,933</u>	<u>7,053,534</u>	<u>5,166,461</u>	<u>5,795,753</u>

## 7 Accounts payable and accrued liabilities

Included in accounts payable and accrued liabilities are government remittances payable of \$6,256 (2020 – \$10,470).

## 8 Related party balances and transactions

The University has an economic interest in the Organization. The University collects the student fees on behalf of the Organization and holds the liquor licence for the bar operations of the Organization.

The University provides a number of services to the Organization at the University's cost. These services include space cost for all businesses, janitorial services, utilities and repairs and maintenance services for the businesses, telephone and voicemail system and orders of alcohol for bar operations.

The University also provides a number of services to the Organization at no cost. These include janitorial services, utilities and repairs and maintenance services for the general office, human resource department services, payroll processing and insurance on the buildings.

International News is linked to the Watcard System of the University that allows Watcards to be used at this location. The Organization pays a user fee to the University of 5% of the purchases made on Watcard.

# Federation of Students, University of Waterloo

## Notes to Financial Statements

For the year ended April 30, 2021

---

	2021 \$	2020 \$
Amount due to University of Waterloo, non-interest bearing, unsecured, with no set repayment terms	752,582	653,523

The amount due is included in accounts payable and accrued liabilities.

### 9 Deferred revenue

Deferred revenue includes fees and other income collected relating to the next fiscal year.

### 10 Contingencies

The Organization is a defendant in various legal claims which have arisen in the ordinary course of operations. At the present time, the outcome of these cases is not determinable and no provision for potential claims has been recorded in the financial statements.

#### Student club

There are a number of student clubs that operate for the benefit of specific university student groups. The Organization has custody of the clubs' cash balances for the purposes of paying club expenditures. If a club's expenditures were to exceed the amount of cash payable to the club, the Organization would be liable for the shortfall.

### 11 Pension plan

27 (2020 – 33) of the employees of the Organization are members of the University of Waterloo Defined Benefit Pension Plan (the Plan), a plan in which the University permits the Organization to participate. The Plan was not fully funded at April 30, 2021 and any unfunded liability is the responsibility of the plan sponsor, the University. Any payments made by the Organization towards the unfunded liability of the plan sponsor will be expensed as incurred. Contributions to the Plan made by the Organization during the year, on behalf of its employees, amounted to \$237,051 (2020 – \$215,977) and are included in general and administration.

### 12 Financial instruments

The Organization, as part of its operations, carries a number of financial instruments. It is management's opinion that the Organization is not exposed to significant interest, currency, credit, liquidity or other price risks arising from these financial instruments except as otherwise disclosed.

# Federation of Students, University of Waterloo

## Notes to Financial Statements

For the year ended April 30, 2021

---

### **Interest rate risk**

Interest rate risk refers to the risk that the fair value of financial instruments or future cash flows associated with the instruments will fluctuate due to changes in market interest rates.

Interest rate exposure of the Organization arises from its interest-bearing assets. The Organization has no interest-bearing liabilities.

The Organization's cash and cash equivalents include amounts on deposit with financial institutions that earn interest at market rates.

The Organization manages its exposure to the interest rate risk of its cash and cash equivalents by maximizing the interest income earned on excess funds while maintaining the minimum liquidity necessary to conduct operations on a day-to-day basis. Fluctuations in market rates of interest on cash and cash equivalents do not have a significant impact on the Organization's results of operations.

Investments in equity securities are not exposed to significant interest rate risk.

### **Liquidity risk**

Liquidity risk is the risk that the Organization will not be able to meet a demand for cash or fund its obligations as they come due. Liquidity risk also includes the risk of the Organization not being able to liquidate assets in a timely manner at a reasonable price.

The Organization meets its liquidity requirements by preparing and monitoring detailed forecasts of cash flows from operations and anticipated investing and financing activities and holding assets that can be readily converted into cash.

### **Other price risk**

Other price risk refers to the risk that the fair value of financial instruments of future cash flows associated with the instruments will fluctuate because of changes in market prices (other than those arising from interest rate risk).

The Organization is exposed to equity securities price risk because of its investment in equity index pooled funds.

## **13 COVID-19**

On March 11, 2020, the World Health Organization declared a global pandemic related to the virus known as COVID-19. As a result of the COVID-19 outbreak, on March 23, 2020, the government of Ontario ordered the closure of all non-essential businesses effective March 24, 2020.

# Federation of Students, University of Waterloo

## Notes to Financial Statements

For the year ended April 30, 2021

---

These restrictions resulted in the temporary closure of certain ancillary operations of the Organization's, some of which reopened for business during the year, including International News on May 4, 2020, the Prep Kitchen on May 21, 2020 and Feds Used Books on August 24, 2020, while the other store operations remained closed. In addition, the Student Life Centre resumed operations during portions of this period.

As the impacts of COVID-19 continue, there could be further impacts on the Organization, its student fee revenue and other funding and revenue sources. As the Canadian government imposed certain travel restrictions to Canada and a portion of the Organization's student fees are derived from international students, if the travel restrictions to Canada remain in place, the Organization may be impacted by the ability to earn student fees from international students who choose to defer their studies until travel restrictions are lifted. Management is actively monitoring the effect on the Organization's financial condition, liquidity, operations and workforce. As it is not yet known when public health restrictions will be fully removed, nor the long-term impact of COVID-19, it is not possible to estimate the financial impact of this event on the Organization's financial results subsequent to April 30, 2021.

### **14 Subsequent event**

On February 2, 2022, the Organization entered into an agreement with a franchisor in relation to the establishment, development and operation of restaurants specializing in the sale and service of a selection of quality food and beverage products, and related products and services. The establishment will replace current existing food and beverage operations within the Student Life Centre. Capital expenditures will be funded by the capital fund, of which \$600,000 has been approved for spending.

# **University of Waterloo Engineering Society**

Financial Statements  
**April 30, 2021**



## Independent auditor's report

To the Members of University of Waterloo, Engineering Society

---

### Our opinion

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of University of Waterloo, Engineering Society (the Organization) as at April 30, 2021 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.

### What we have audited

The Organization's financial statements comprise:

- the statement of financial position as at April 30, 2021;
  - the statement of operations for the year then ended;
  - the statement of changes in net assets for the year then ended;
  - the statement of cash flows for the year then ended; and
  - the notes to the financial statements, which include significant accounting policies and other explanatory information.
- 

### Basis for opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report.

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

### Independence

We are independent of the Organization in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada. We have fulfilled our other ethical responsibilities in accordance with these requirements.

PricewaterhouseCoopers LLP  
465 Richmond Street, Suite 400, London, Ontario, Canada N6A 5P4  
T: +1 519 640 8000, F: +1 519 640 8015

"PwC" refers to PricewaterhouseCoopers LLP, an Ontario limited liability partnership.





---

## **Responsibilities of management and those charged with governance for the financial statements**

Management is responsible for the preparation and fair presentation of the 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.

In preparing the financial statements, management is responsible for assessing the Organization's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Organization or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Organization's financial reporting process.

---

## **Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Organization's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.



- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Organization's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Organization to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

*PricewaterhouseCoopers LLP*

Chartered Professional Accountants, Licensed Public Accountants

London, Ontario  
March 21, 2022

# University of Waterloo Engineering Society

## Statement of Financial Position

As at April 30, 2021

---

	2021 \$	2020 \$
<b>Assets</b>		
<b>Current assets</b>		
Cash	94,511	98,783
Accounts receivable	8,836	25,964
Inventory (note 3)	15,913	23,849
	<hr/> 119,260	<hr/> 148,596
<b>Capital assets</b> (note 4)	<hr/> 14,802	<hr/> 35,742
	<hr/> <b>134,062</b>	<hr/> <b>184,338</b>
<b>Liabilities</b>		
<b>Current liabilities</b>		
Accounts payable and accrued liabilities (note 6)	11,481	28,883
<b>Deferred capital contributions</b> (note 5)	<hr/> 1,528	<hr/> 5,198
	13,009	34,081
<b>Net Assets</b>	<hr/> 121,053	<hr/> 150,257
	<hr/> <b>134,062</b>	<hr/> <b>184,338</b>

### Approved by the Board of Directors

\_\_\_\_\_ Director \_\_\_\_\_ Director

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

# University of Waterloo Engineering Society

## Statement of Operations

For the year ended April 30, 2021

---

	2021 \$	2020 \$
<b>Revenue</b>		
Advertisements	4,975	23,097
Books	10,392	6,270
Conference funding	-	25,000
Donations	-	1,566
Society and other income (note 5)	6,925	43,844
Stores	11,148	638,285
Student fees – net of refunds	115,441	185,784
	<hr/> 148,881	<hr/> 923,846
<b>Expenses</b>		
Amortization of capital assets	20,940	21,833
Conferences	2,379	25,973
Directorships	1,615	51,569
Events	2,701	10,837
General	7,299	34,227
Operations	16,032	28,797
Printing costs – net of recoveries	194	46,217
Repairs and maintenance	3,829	13,935
Salaries and wages	104,432	298,460
Store	16,754	441,513
Supplies	1,910	7,494
	<hr/> 178,085	<hr/> 980,855
<b>Deficiency of revenue over expenses</b>	<hr/> <b>(29,204)</b>	<hr/> <b>(57,009)</b>

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

# University of Waterloo Engineering Society

## Statement of Changes in Net Assets

For the year ended April 30, 2021

---

	<b>2021</b>	<b>2020</b>
	<b>\$</b>	<b>\$</b>
<b>Net assets – Beginning of year</b>	150,257	207,266
<b>Deficiency of revenue over expenses</b>	(29,204)	(57,009)
<b>Net assets – End of year</b>	<u>121,053</u>	<u>150,257</u>

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

# University of Waterloo Engineering Society

## Statement of Cash Flows

For the year ended April 30, 2021

---

	2021 \$	2020 \$
<b>Cash provided by (used in)</b>		
<b>Operating activities</b>		
Deficiency of revenue over expenses	(29,204)	(57,009)
Adjustments for		
Amortization of capital assets	20,940	21,833
Amortization of deferred capital contributions	(3,670)	(3,670)
	<hr/>	<hr/>
	(11,934)	(38,846)
Changes in non-cash working capital items		
Accounts receivable	17,128	(3,839)
Inventory	7,936	(14,474)
Accounts payable and accrued liabilities	(17,402)	(47,930)
	<hr/>	<hr/>
	(4,272)	(105,089)
<b>Investing activities</b>		
Purchase of capital assets	-	(6,340)
	<hr/>	<hr/>
<b>Change in cash for the year</b>	(4,272)	(111,429)
<b>Cash – Beginning of year</b>	98,783	210,212
	<hr/>	<hr/>
<b>Cash – End of year</b>	94,511	98,783
	<hr/>	<hr/>

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

# University of Waterloo Engineering Society

## Notes to Financial Statements

April 30, 2021

---

### 1 Incorporation and nature of the organization

University of Waterloo Engineering Society (the Organization) is unincorporated and is associated with the Federation of Students, University of Waterloo, which is registered as a not-for-profit organization and thus is exempt from income taxes under the Income Tax Act of Canada. The Organization is dedicated to providing services to University of Waterloo (the University) engineering students.

### 2 Summary of significant accounting policies

These financial statements are prepared in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO) as issued by the Canadian Accounting Standards Board and include the following significant accounting policies.

#### Revenue recognition

The Organization follows the deferral method of accounting for contributions. Restricted contributions are recognized as revenue in the year in which the related expenses are incurred. Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

The Organization recognizes revenue from stores, advertising and book sales at the time the services are rendered to customers, when the customer takes ownership and assumes risk of loss, collection of the relevant receivable is probable, persuasive evidence of an arrangement exists and the sales price is fixed or determinable. Student fees are recognized as revenue when earned.

#### Inventory

Inventory is valued at the lower of cost and net realizable value. Cost is determined by on the first-in, first-out basis. Supplies are recorded as an expense in the year of purchase. Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and selling costs.

#### Capital assets

Purchased capital assets are recorded at cost. Contributed capital assets are recorded at fair value at the date of contribution if fair value can be reasonably determined.

Amortization is provided using the straight-line method at rates intended to amortize the cost of assets over their estimated useful lives. Amortization commences when the capital assets are available for use at the following rates:

Computer equipment	2 years
Equipment	3 years
Furniture and fixtures	3 years
Leasehold improvements	10 years

# University of Waterloo Engineering Society

## Notes to Financial Statements

April 30, 2021

---

### **Contributed services**

Student volunteers contribute an undetermined number of hours per year to assist the Organization in carrying out its service delivery activities. The University also provides a number of services to the Organization at no cost. Because of the difficulty of determining their value, contributed services are not recognized in the financial statements.

### **Use of estimates**

The preparation of financial statements in conformity with ASNPO organizations requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities as at the date of the financial statements, and the reported amounts of revenue and expenses during the reporting period.

Accounts receivable are stated after evaluation as to their collectibility and an appropriate allowance for doubtful accounts is provided where considered necessary. Provisions are made for slow-moving and obsolete inventory. Amortization is based on the estimated useful lives of capital assets. Accrued liabilities are based on expected invoices to be received subsequent to the current fiscal period that relate to the current fiscal period.

These estimates and assumptions are reviewed periodically and, as adjustments become necessary, are reported in deficiency of revenue and expenses in the period in which they become known.

### **Financial instruments**

The Organization recognizes its financial instruments when the Organization becomes party to the contractual provisions of the financial instrument. All financial instruments are initially recorded at their fair value, including financial assets and liabilities originated and issued in a related party transaction with management. Financial assets and liabilities originated and issued in all other related party transactions are initially measured at their carrying or exchange amount in accordance with the Chartered Professional Accountants of Canada Handbook Section 3840, Related Party Transactions.

At initial recognition, the Organization may irrevocably elect to subsequently measure any financial instrument at fair value. The Organization has not made such an election during the year. Fair value is determined by reference to recent arm's length transactions.

### **Financial asset impairment**

At the end of each reporting period, the Organization assesses whether there are any indications that a financial asset measured at amortized cost may be impaired. If there are indicators of impairment, and the Organization determines there has been a significant adverse change in the expected amount or timing of future cash flows, the carrying amount of the asset is reduced to the higher of the expected cash flows expected to be generated by holding the asset, discounted using a current market rate of interest, and the amount that could be realized by selling the asset as at the statement of financial position date.



# University of Waterloo Engineering Society

## Notes to Financial Statements

April 30, 2021

---

The Organization reverses impairment losses on financial assets when there is a decrease in impairment and the decrease can be objectively related to an event occurring after the impairment loss was recognized. The amount of the reversal is recognized in operations in the year the reversal occurs.

### 3 Inventory

The cost of inventories recognized as an expense and included in store expenses amounted to \$11,654 (2020 – \$436,226).

### 4 Capital assets

	<b>2021</b>		
	<b>Cost</b>	<b>Accumulated amortization</b>	<b>Net</b>
	\$	\$	\$
Computer equipment	4,283	4,227	56
Equipment	84,651	74,463	10,188
Furniture and fixtures	34,165	33,732	433
Leasehold improvements	21,568	17,443	4,125
	<hr/> 144,667	<hr/> 129,865	<hr/> 14,802
			<hr/> <b>2020</b> <hr/>
	<b>Cost</b>	<b>Accumulated amortization</b>	<b>Net</b>
	\$	\$	\$
Computer equipment	4,283	3,777	506
Equipment	84,651	56,567	28,084
Furniture and fixtures	34,165	33,296	869
Leasehold improvements	21,568	15,285	6,283
	<hr/> 144,667	<hr/> 108,925	<hr/> 35,742

# University of Waterloo Engineering Society

## Notes to Financial Statements

April 30, 2021

---

### 5 Deferred capital contributions

Deferred capital contributions represent the unamortized portion of contributed capital assets and restricted capital contributions that were used to purchase certain equipment of the Organization. Recognition of these amounts as revenue is deferred to periods when the related capital assets are amortized and are included in society and other income.

	<b>2021</b>	<b>2020</b>
	\$	\$
<b>Balance – Beginning of year</b>	5,198	8,868
Deduct:		
Amount recognized as revenue during the year	(3,670)	(3,670)
<b>Balance – End of year</b>	<u>1,528</u>	<u>5,198</u>

### 6 Related party balances and transactions

The University has an economic interest in the Organization. The University collects the student fees on behalf of the Federation of Students, University of Waterloo and allocates to the Organization.

The University provides a number of services to the Organization at the University's cost. These services include space cost for the stores, janitorial services, utilities, repairs and maintenance services for the stores and the telephone and voicemail system.

The University also provides a number of services to the Organization at no cost. These services include janitorial services, utilities and repairs and maintenance services for the general office, human resource services and payroll processing.

Included in accounts payable and accrued liabilities as at April 30, 2021 is \$11,436 (2020 – \$19,879) payable to the University in respect of these transactions.

### 7 Financial instruments

The Organization, as part of its operations, carries a number of financial instruments. It is management's opinion that the Organization is not exposed to significant interest, currency, credit, liquidity or other price risks arising from these financial instruments, except as otherwise disclosed.

# University of Waterloo Engineering Society

## Notes to Financial Statements

April 30, 2021

---

### **Liquidity risk**

Liquidity risk is the risk that the Organization will encounter difficulty in meeting obligations associated with financial liabilities. Liquidity risk is also the risk of the Organization not being able to liquidate assets in a timely manner at a reasonable price.

The Organization meets its liquidity requirements by preparing and monitoring detailed forecasts of cash flows from operations, anticipated investing and financing activities and holding assets that can be readily converted into cash.

### **8 COVID-19**

On March 11, 2020, the World Health Organization declared a global pandemic related to the virus known as COVID-19. As a result of the COVID-19 outbreak, on March 23, 2020, the government of Ontario ordered the closure of all non-essential businesses effective March 24, 2020.

These restrictions resulted in the closure of the Organization's ancillary operations in March 2020. Beginning September 2020, the Novelties store resumed online operations and on February 14, 2022, reopened its physical location for operation. The E7 Coffee and Donut store reopened on February 7, 2022, after a series of reopenings and closures and the CPH Coffee and Donut store reopened February 7, 2022. The Engineering Society Office reopened its office on March 7, 2022, with opt-in student fees being transacted online only prior to this.

As the impacts of COVID-19 continue, there could be further impacts on the Organization, its student fee revenue and other funding and revenue sources. Management is actively monitoring the effect on the Organization's financial condition, liquidity, operations and workforce. As it is not yet known when public health restrictions will be fully removed, nor the long-term impact of COVID-19, it is not possible to estimate the financial impact of this event on the Organization's financial results subsequent to April 30, 2021.

As at April 30, 2021, the COVID-19 global pandemic had not yet had a significant impact on the Organization's operations, therefore no significant adjustments have been recorded in the financial statements relating to this crisis for the year then ended.

### **9 Comparative figures**

Certain comparative figures have been reclassified to conform to the current year financial statement presentation.