

Financial Statements of

**WILFRID LAURIER
UNIVERSITY STUDENTS'
UNION**

And Independent Auditor's Report thereon

Year ended April 30, 2023



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INDEPENDENT AUDITOR'S REPORT

To the Students of Wilfrid Laurier University Students' Union

Opinion

We have audited the financial statements of Wilfrid Laurier University Students' Union (the Entity), which comprise:

- the statement of financial position as at April 30, 2023
- the statement of operations for the year then ended
- the statement of changes in fund balances for the year then ended
- the statement of cash flows for the year then ended
- and notes to the financial statements, including a summary of significant accounting policies

(Hereinafter referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Entity as at April 30, 2023 and its results of operations, its changes in fund balances and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for profit organization.

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 auditor's report.

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

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



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 organization, 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 Entity'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 Entity or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Entity'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 the 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 Entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.



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- 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 Entity'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 Entity 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.
- 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.

A handwritten signature in black ink that reads 'KPMG LLP' in a cursive, slanted font. A horizontal line is drawn underneath the signature.

Chartered Professional Accountants, Licensed Public Accountants

Kitchener, Canada

October 31, 2023

WILFRID LAURIER UNIVERSITY STUDENTS' UNION

Statement of Financial Position

April 30, 2023, with comparative information for 2022

	2023	2022
Assets		
Current assets:		
Cash	\$ 5,460,285	\$ 5,967,123
Accounts receivable	430,687	920,279
Short term investments (note 2)	2,000,000	-
Due from Wilfrid Laurier University	690,911	265,421
Inventories	28,544	32,800
Prepaid expenses	57,718	2,252
	<hr/> 8,668,145	<hr/> 7,187,875
Property and equipment (note 3)	2,684,551	2,542,462
Restricted cash (note 4)	245,438	603,371
	<hr/> \$ 11,598,134	<hr/> \$ 10,333,708

2023

2022

Liabilities and Fund Balances

Current liabilities:

Accounts payable and accrued liabilities (note 5)	\$ 775,279	\$ 383,322
Deferred revenue	1,708,308	1,223,173
Due to Campus Clubs	1,689,381	1,808,512
Current portion of long-term debt (note 6)	300,873	291,346
Demand note to Wilfrid Laurier University (note 7)	10,204	462,387
	<u>4,484,045</u>	<u>4,168,740</u>

Deferred capital contributions	819,559	760,163
Long-term debt (note 6)	1,228,714	1,534,030
	<u>2,048,273</u>	<u>2,294,193</u>
	6,532,318	6,462,933

Fund balances:

Internally restricted (note 8)	1,036,111	808,111
Unrestricted	4,029,705	3,062,664
	<u>5,065,816</u>	<u>3,870,775</u>

Pension plan (note 10)

	<u>\$ 11,598,134</u>	<u>\$ 10,333,708</u>
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See accompanying notes to financial statements.

On behalf of the Board:

_____ Director

_____ Director

WILFRID LAURIER UNIVERSITY STUDENTS' UNION

Statement of Operations

Year ended April 30, 2023, with comparative information for 2022

	2023	2022
Revenue (Schedule 1)	\$ 10,916,131	\$ 9,571,904
Expenses (Schedule 2)	9,138,502	6,155,558
Excess of revenue over expenses before other expenses (Schedule 3)	1,777,629	3,416,346
Other expenses:		
Amortization of property and equipment	516,159	474,485
Interest on long-term debt	66,429	74,614
	582,588	549,099
Excess of revenue over expenses	\$ 1,195,041	\$ 2,867,247

See accompanying notes to financial statements.

WILFRID LAURIER UNIVERSITY STUDENTS' UNION

Statement of Changes in Fund Balances

Year ended April 30, 2023, with comparative information for 2022

	Health plan contingency fund	Essential services revenue fund	Capital reserve fund	Unrestricted fund	Total 2023	Total 2022
Balance, beginning of year	\$ 517,000	\$ 61,111	\$ 230,000	\$ 3,062,664	\$ 3,870,775	\$ 1,003,528
Excess of revenues over expenses	-	-	-	1,195,041	1,195,041	2,867,247
Transfers between funds	228,000	-	-	(228,000)	-	-
Balance, end of year	\$ 745,000	\$ 61,111	\$ 230,000	\$ 4,029,705	\$ 5,065,816	\$ 3,870,775

WILFRID LAURIER UNIVERSITY STUDENTS' UNION

Statement of Cash Flows

Year ended April 30, 2023, with comparative information for 2022

	2023	2022
Cash provided by (used in):		
Operations:		
Excess of revenue over expenses	\$ 1,195,041	\$ 2,867,247
Item not involving cash:		
Amortization of property and equipment	516,159	474,485
	1,711,200	3,341,732
Changes in non-cash operating working capital:		
Accounts receivable	489,592	(317,977)
Inventories	4,256	-
Prepaid expenses	(55,466)	(1,698)
Accounts payable and accrued liabilities	391,957	241,546
Deferred revenue	485,135	403,703
Due to Campus Clubs	(119,131)	266,665
Due to Wilfrid Laurier University	(425,490)	(1,016,283)
	2,482,053	2,917,688
Financing:		
Deferred capital contributions	59,396	16,732
Repayment of long-term debt	(295,790)	(465,498)
Repayment of demand note	(452,183)	(375,659)
Other long-term liabilities	-	(25,273)
	(688,577)	(849,698)
Investing:		
Short term investments	(2,000,000)	-
Purchase of property and equipment	(658,247)	(2,810)
Decrease (increase) in restricted cash	357,933	(222,156)
	(2,300,314)	(224,966)
(Decrease) increase in cash	(506,838)	1,843,024
Cash, beginning of year	5,967,123	4,124,099
Cash, end of year	\$ 5,460,285	\$ 5,967,123

See accompanying notes to financial statements.

WILFRID LAURIER UNIVERSITY STUDENTS' UNION

Notes to Financial Statements

Year ended April 30, 2023

Nature of operations:

Wilfrid Laurier University Students' Union (the "Organization") is a non-profit organization providing services to the students of Wilfrid Laurier University (the "University"). The Organization is incorporated, without share capital, under the laws of Ontario.

1. Significant accounting policies:

The financial statements have been prepared by management in accordance with the Chartered Professional Accountants of Canada Handbook Part III - Canadian accounting standards for not-for-profit organizations. The significant policies are summarized below:

(a) Revenue recognition:

The Organization follows the deferral method of accounting. Unrestricted donations are recorded as received.

Contributions restricted to the acquisition of capital assets having a limited life are initially recorded as deferred capital contributions in the period in which they are received. They are recognized as revenue over the useful life of the related assets.

Student fees are recognized as revenue when the associated service has been provided. Sales and services revenue is recognized at the point of sale or when the service has been provided.

(b) Internally restricted funds:

In order to ensure observance of the limitations and restrictions on the use of resources available to the Organization, internally restricted funds are held in accordance with the objectives and directives issued by the Board of Directors. Transfers between the funds are made when it is considered appropriate and authorized by the Board of Directors.

For financial reporting purposes, the accounts have been classified in the following funds:

- (i) Health and dental plan contingency fund which records internally restricted reserves relating to the health plan premiums.
- (ii) Essential services reserve fund which records internally restricted reserves relating to future capital purchases for Essential Service Programs on both the Waterloo and Brantford campuses.
- (iii) Capital reserve fund which records internally restricted amounts relating to general future capital purchases.

WILFRID LAURIER UNIVERSITY STUDENTS' UNION

Notes to Financial Statements (continued)

Year ended April 30, 2023

1. Significant accounting policies (continued):

(c) Contributed services:

A substantial number of student volunteers contribute a significant amount of their time each year. Because of the difficulty of determining the fair value, contributed services are not recognized in the financial statements.

(d) Inventories:

Inventories are measured at the lower of cost and net realizable value with cost being determined substantially on a first-in, first-out basis.

(e) Property and equipment:

Property and equipment are stated at cost, less accumulated amortization. Amortization is recorded on all property and equipment on a straight-line basis over the estimated useful life of the assets at the following annual rates:

Asset	Rate
Building	20 years
Entertainment equipment	5 years
Furniture and fixtures	5 years
Vehicles	5 years
Computer hardware	3 years
Leasehold improvements	20 years

(f) Impairment of long-lived assets:

Long-lived assets, including property and equipment are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability is measured by a comparison of the carrying amount to the estimated undiscounted future cash flows expected to be generated by the asset. If the carrying amount of the asset exceeds its estimated future cash flows, an impairment charge is recognized by the amount by which the carrying amount of the asset exceeds the fair value of the asset.

WILFRID LAURIER UNIVERSITY STUDENTS' UNION

Notes to Financial Statements (continued)

Year ended April 30, 2023

1. Significant accounting policies (continued):

(g) Financial instruments:

Financial instruments are recorded at fair value on initial recognition. Freestanding derivative instruments that are not in a qualifying hedging relationship and equity instruments that are quoted in an active market are subsequently measured at fair value. All other financial instruments are subsequently recorded at cost or amortized cost, unless management has elected to carry the instruments at fair value. The Organization has not elected to carry any such financial instruments at fair value.

Transaction costs incurred on the acquisition of financial instruments measured subsequently at fair value are expensed as incurred. All other financial instruments are adjusted by transaction costs incurred on acquisition and financing costs, which are amortized using the straight-line method (or effective interest rate method).

Financial assets are assessed for impairment on an annual basis at the end of the fiscal year if there are indicators of impairment. If there is an indicator of impairment, the Organization determines if there is a significant adverse change in the expected amount or timing of future cash flows from the financial asset. If there is a significant adverse change in the expected cash flows, the carrying value of the financial asset is reduced to the highest of the present value of the expected cash flows, the amount that could be realized from selling the financial asset or the amount the Organization expects to realize by exercising its right to any collateral. If events and circumstances reverse in a future period, an impairment loss will be reversed to the extent of the improvement, not exceeding the initial carrying value.

(h) Use of estimates:

The preparation of the financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the year. Significant items subject to such estimates and assumptions include the carrying amounts of property and equipment, accounts receivable, inventories, and accrued liabilities. Actual results could differ from those estimates.

WILFRID LAURIER UNIVERSITY STUDENTS' UNION

Notes to Financial Statements (continued)

Year ended April 30, 2023

2. Short term investments:

The Organization holds Guaranteed Investment Certificates with maturity dates of nine months or less at the date of acquisition. The details of the GICs held are as follows:

	2023	2022
Non redeemable GIC, maturing May 26, 2023 with an interest rate of 5.24%	\$ 500,000	\$ -
Non redeemable GIC, maturing June 26, 2023 with an interest rate of 5.24%	500,000	-
Non redeemable GIC, maturing July 25, 2023 with an interest rate of 5.24%	500,000	-
Non redeemable GIC, maturing October 23, 2023 with an interest rate of 5.22%	500,000	-
	<hr/> \$ 2,000,000	<hr/> \$ -

WILFRID LAURIER UNIVERSITY STUDENTS' UNION

Notes to Financial Statements (continued)

Year ended April 30, 2023

3. Property and equipment:

			2023	2022
	Cost	Accumulated amortization	Net book value	Net book value
Building	\$ 1,750,000	\$ 1,487,500	\$ 262,500	\$ 350,000
Entertainment equipment	73,568	70,626	2,942	2,942
Furniture and fixtures	1,505,013	1,349,841	155,172	2,808
Vehicles	73,962	73,962	-	-
Computer hardware	527,882	484,112	43,770	13,109
Leasehold improvements	10,669,152	8,448,985	2,220,167	2,173,603
	<u>\$ 14,599,577</u>	<u>\$ 11,915,026</u>	<u>\$ 2,684,551</u>	<u>\$ 2,542,462</u>

4. Restricted cash:

The Board of Directors has restricted \$245,438 (2022 - \$603,371) of cash to be put towards the health and dental plan contingency fund.

5. Accounts payable and accrued liabilities:

Included in accounts payable and accrued liabilities are government remittances payable of \$61,954 (2022 - \$nil), which includes amounts payable for HST and payroll related taxes.

WILFRID LAURIER UNIVERSITY STUDENTS' UNION

Notes to Financial Statements (continued)

Year ended April 30, 2023

6. Long-term debt:

	2023	2022
Non-revolving term loan repayable in blended monthly installments of \$10,868, bearing fixed interest at 3.04%, due July 18, 2026	\$ 352,839	\$ 474,081
Non-revolving term loan repayable in blended monthly installments of \$5,586, bearing fixed interest at 3.08%, due January 4, 2027	332,420	387,027
WLU term loan payable in blended monthly installments of \$13,078, bearing interest at 4.10%, until September 1, 2020 and then 3.5% onwards, due September 1, 2025	844,328	964,268
	1,529,587	1,825,376
Less current portion of long-term debt	300,873	291,346
	\$ 1,228,714	\$ 1,534,030

Principal repayments are due as follows:

2024	\$ 300,873
2025	316,428
2026	308,613
2027	205,693
2028	213,738
Thereafter	184,242
	\$ 1,529,587

7. Demand note to Wilfrid Laurier University:

The note to Wilfrid Laurier University is due on demand, plus interest, defined as the interest rate earned on the University's short-term cash balance. Minimum annual payments will include the minimum principal amount plus applicable interest. The minimum principal payments shall be annually increased from the minimum annual payment of \$150,000 based on the percentage increase in undergraduate student enrolment at the University from the base in the 2012 - 2013 academic year.

WILFRID LAURIER UNIVERSITY STUDENTS' UNION

Notes to Financial Statements (continued)

Year ended April 30, 2023

8. Internally restricted funds:

Funds are transferred to the Health Plan Contingency Fund and the Essential Services Revenue Fund which are internally restricted. The unspent funds are disclosed as internally restricted in these financial statements as follows:

	2023	2022
Health and dental plan contingency fund	\$ 745,000	\$ 517,000
Essential services reserve fund	61,111	61,111
Capital reserve fund	230,000	230,000
	<u>\$ 1,036,111</u>	<u>\$ 808,111</u>

9. Credit facilities:

The Organization has an available \$200,000 revolving bank line of credit which bears interest at prime plus 0.25%. No amount was drawn on this facility as at April 30, 2023.

The bank line of credit and the non-revolving term loans are secured by a guarantee and postponement of claim in the amount of \$3,000,000 signed by the University. The agreement with the bank requires the Organization to comply with certain covenants, which, if violated, could affect the terms of the loan. As at April 30, 2023, the Organization was in compliance with all bank covenants.

10. Pension plan:

A few employees of the Organization are members of the Wilfrid Laurier University Defined Contribution Pension Plan, a multi-employer plan. Contributions to the plan made by the Organization during the year on behalf of employees amounts to \$21,539 (2021 - \$27,170) and are included as a charge to the statement of operations.

11. Fair values:

The carrying amount of accounts receivable, accounts payable and accrued liabilities, due from/to Wilfrid Laurier University and long-term debt approximates their fair values.

WILFRID LAURIER UNIVERSITY STUDENTS' UNION

Notes to Financial Statements (continued)

Year ended April 30, 2023

12. Capital management:

The Organization's objective in managing its capital is to ensure sufficient liquidity to meet its monthly operating requirements and undertake program initiatives for the benefit of its purposes, while at the same time taking a conservative approach towards management of financial risk. The Organization's capital is comprised of net assets. The Organization's primary use of capital is to finance capital expenditures, ongoing operations, and future projects. The Organization currently funds these requirements out of its internally generated cash flows. The Organization is not subject to any internally imposed capital requirements.

WILFRID LAURIER UNIVERSITY STUDENTS' UNION

Schedule 1 - Revenue

Year ended April 30, 2023, with comparative information for 2022

	2023	2022
Fred Nichol's Campus Centre	\$ 1,710,750	\$ 1,460,175
Health and dental	4,519,663	4,279,695
Wilfs	1,279,317	800,415
Brantford hospitality services	48,008	31,692
U-Desk	13,507	35,023
Food court/leasing operations	705,047	593,923
Services and programming	654,788	413,065
Governance and fees	1,718,126	1,690,932
Brantford BSC, Administration, Fees, EVP and Governance	266,925	266,984
	<u>\$ 10,916,131</u>	<u>\$ 9,571,904</u>

WILFRID LAURIER UNIVERSITY STUDENTS' UNION

Schedule 2 - Expenses

Year ended April 30, 2023, with comparative information for 2022

	2023	2022
Fred Nichol's Campus Centre	\$ 2,433,382	\$ 1,570,708
Health and dental	3,397,409	2,525,642
Turret	2,311	53
Wilfs	1,611,346	919,873
Brantford hospitality services	60,197	18,777
U-Desk	72,997	33,766
Food court/leasing operations	216,704	208,673
University affairs	80,097	60,229
Campus clubs and faculty associations	143,946	101,175
Services and programming	582,355	391,018
Administration	107,588	31,774
Governance and fees	2,983	10,204
President	85,530	30,173
Brantford BSC, Administration, Fees, EVP and Governance	232,492	195,572
Brantford activities, services and operations	109,165	57,921
	<u>\$ 9,138,502</u>	<u>\$ 6,155,558</u>

WILFRID LAURIER UNIVERSITY STUDENTS' UNION

Schedule 3 - Net Revenues and Expenses

Year ended April 30, 2023, with comparative information for 2022

	2023	2022
Fred Nichol's Campus Centre	\$ (722,631)	\$ (110,532)
Health and dental	1,122,254	1,754,053
Turret	(2,311)	(53)
Wilfs	(332,029)	(119,458)
Brantford hospitality services	(12,189)	12,915
U-Desk	(59,490)	1,257
Food court/leasing operations	488,343	385,250
University affairs	(80,097)	(60,229)
Campus clubs and faculty associations	(143,946)	(101,175)
Services and programming	72,433	22,047
Administration	(107,588)	(31,774)
Governance and fees	1,715,142	1,680,727
President	(85,530)	(30,173)
Brantford BSC, Administration, Fees, EVP and Governance	34,433	71,412
Brantford activities, services and operations	(109,165)	(57,921)
	<u>\$ 1,777,629</u>	<u>\$ 3,416,346</u>