Toronto Metropolitan Students' Union
Financial Statements
For the Year Ended April 30, 2025

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Tel: 519 576 5220
Fax: 519 576 5471
www.bdo.ca

BDO Canada LLP
The Bauer Buildings
150 Caroline St S Suite 201
Waterloo ON N2L 0A5 Canada

Independent Auditor's Report

To the Members of Toronto Metropolitan Students' Union

Qualified Opinion

We have audited the financial statements of Toronto Metropolitan Students' Union (the organization), which comprise the statement of financial position as at April 30, 2025, the statements of changes in net assets, operations and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, except for the effects of the matter described in the Basis for Qualified Opinion section of our report, the accompanying financial statements present fairly, in all material respects, the financial position of the organization as at April 30, 2025, and its results of operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Basis for Qualified Opinion

The organization incurred expenses during the year ended April 30, 2025, for which the business rationale of the expenses are in question, as disclosed in Note 13. Because the business rationale of the expenses is in question, we were unable to determine the appropriateness of the accounting treatment of these expenses, which are classified as Social Events expenses in the Statement of Operations. As a result, we were unable to determine whether adjustments may need to be made to the classification of the Social Events expenditures, for the year ended April 30, 2025. We have therefore expressed a qualified audit opinion on the financial statements for the year ended April 30, 2025, due to the possible effects of this limitation in scope.

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 are independent of the organization 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 qualified opinion.

Emphasis of Matter - Subsequent Event and Contingency

We draw attention to Note 12 to the financial statements, which explains that an Interim Operating Agreement was entered into with The Toronto Metropolitan University. We also draw attention to Note 13 to the financial statements, which explains how the organization is involved in legal proceedings arising from governance and operational matters relating to current and prior periods.

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.

BDO Canada LLP

Chartered Professional Accountants, Licensed Public Accountants

Waterloo, Ontario
November 11, 2026

Toronto Metropolitan Students' Union
Statement of Financial Position

April 30	2025	2024
Assets		
Current		
Cash (Note 2)	$ 7,877,019	$ 10,893,985
Restricted cash (Note 3)	8,475,815	7,074,384
Accounts receivable (Note 4)	1,469,446	833,382
Inventories	-	10,712
Prepaid expenses	50,866	45,126
	17,873,146	18,857,589
Tangible capital assets (Note 6)	705,077	699,556
	$18,578,223	$ 19,557,145
Liabilities and Net Assets		
Current		
Accounts payable and accrued liabilities	$ 325,048	$ 387,157
Deferred health and dental fees	4,137,188	3,788,489
Student groups trust liability (Note 7)	206,353	217,631
Externally restricted funds (Note 5)	1,204,697	481,582
	5,873,286	4,874,859
Deferred capital contributions (Note 8)	3,191,804	2,823,759
	9,065,090	7,698,618
Net Assets		
Invested in tangible capital assets	440,848	462,478
Internally restricted (Note 9)	7,290,667	7,412,354
Unrestricted	1,781,618	3,983,695
	9,513,133	11,858,527
	$18,578,223	$ 19,557,145

On behalf of the Board:

_____ Director _____ Director

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

Toronto Metropolitan Students' Union
Statement of Changes in Net Assets

For the year ended April 30	Invested in Tangible Capital Assets	Internally Restricted (Note 9)	Unrestricted	2025 Total	2024 Total
Balance, beginning of the year	$ 462,478	$ 7,412,354	$ 3,983,695	$11,858,527	$ 11,064,264
Excess (deficiency) of revenues over expenses (Note 9)	(21,630)	(121,687)	(2,202,077)	(2,345,394)	794,263
Balance, end of the year	$ 440,848	$ 7,290,667	$ 1,781,618	$ 9,513,133	$ 11,858,527

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

Toronto Metropolitan Students' Union
Statement of Operations

For the year ended April 30	2025	2024
Revenue		
Group health and dental plan revenue	$ 11,617,721	$ 10,459,605
TMSU membership fees (Note 11)	3,265,738	3,267,293
Interest income	671,117	800,510
Good food centre	214,883	203,978
Sexual assault survivors' support line (SASSL)	214,883	201,518
Amortization of deferred contributions recognized (Note 8)	36,794	209,295
Graduate photo service	56,370	55,700
Social events	196,648	41,202
Membership development and communication	21,793	38,148
CopyRite	557	23,549
Grants, sponsorships, donations and other	4,149	2,500
	16,300,653	15,303,298
Expenses		
Health and dental plan insurance premiums	11,755,585	10,510,998
Social events	2,173,678	368,906
Wages, benefits and staff development	1,820,054	1,279,388
Professional fees	1,456,077	434,991
MyLegalPlan insurance premiums	620,805	608,318
Campus group	203,448	201,363
Membership development and communication	144,238	110,139
Grants, sponsorship and donations	71,541	133,065
Organizational governance and meetings	61,290	84,886
Amortization	58,424	110,733
Administrative and office	49,761	90,715
Equity service group	47,398	59,297
Sexual assault survivors' support line (SASSL)	44,035	126,115
CopyRite	32,716	80,228
Insurance	31,303	62,141
Good food centre	30,615	108,496
Interest and bank charges	23,546	19,731
Bad debt expense	11,848	-
Other	7,555	2,444
Executive members	1,816	827
Equity and sustainability issues	314	1,222
RSU services	-	4,530
Educational issues and advocacy	-	389
Graduate students recoveries	-	(10,079)
Impairment of tangible capital assets	-	120,192
	18,646,047	14,509,035
Excess (deficiency) of revenues over expenses	$ (2,345,394)	$ 794,263

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

Toronto Metropolitan Students' Union
Statement of Cash Flows

For the year ended April 30	2025	2024
Cash flows from operating activities		
Excess (deficiency) of revenues over expenses	$ (2,345,394)	$ 794,263
Items not affecting cash:		
Amortization of tangible capital assets	58,424	110,733
Amortization of deferred capital contributions	(36,794)	(209,295)
Impairment of tangible capital assets	-	120,192
	(2,323,764)	815,893
Changes in non-cash working capital:		
Accounts receivable	(636,064)	(33,123)
Inventories	10,712	5,764
Prepaid expenses	(5,740)	183,822
Accounts payable and accrued liabilities	(62,110)	(28,706)
Deferred health and dental fees	348,699	178,680
Student group trust liability	(11,278)	(3,044)
	(2,679,545)	1,119,286
Cash flows from investing activities		
Purchase of tangible capital assets	(63,944)	(194,013)
Externally restricted funds payable	723,115	(164,922)
	659,171	(358,935)
Cash flows from financing activities		
Student fees received for tangible capital assets (Note 8)	404,839	405,032
Net (decrease) increase in cash	(1,615,535)	1,165,383
Cash, beginning of the year	17,968,369	16,802,986
Cash, end of the year	$16,352,834	$ 17,968,369
Represented by:		
Cash	$ 7,877,019	$ 10,893,985
Restricted cash	8,475,815	7,074,384
	$16,352,834	$ 17,968,369

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

1. Significant Accounting Policies

Nature and Purpose of Organization

Toronto Metropolitan Students' Union ("TMSU" or the "organization") was incorporated under the laws of Ontario on June 27, 1967, without share capital, to act as the official representative for Toronto Metropolitan University's (the "University") full-time undergraduate and graduate students, and to establish a legal basis upon which they can deal with other entities. The organization's objective is to provide information, advocacy, and support services, as well as the provision of affordable health and dental group insurance benefits to the organization's members.

The organization is a non-profit organization and, as such, is exempt from income tax.

Basis of Accounting

The financial statements have been prepared using Canadian accounting standards for not-for-profit organizations.

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 they are received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured. Restricted contributions for the purchase of tangible capital assets are deferred and recognized as revenue on the same basis as the amortization expense related to the acquired tangible capital assets.

Student fees are recognized in the period in which they relate.

Member services, campus clubs, operations and miscellaneous revenue is recognized when goods and services are provided if amounts can be reasonably estimated and collection is reasonably assured.

Interest income is recognized as revenue when earned.

Inventories

Inventories are stated at the lower of cost and net realizable value.

1. Significant Accounting Policies (continued)

Tangible Capital Assets

Tangible capital assets are recorded at cost. Amortization is based on the estimated useful life of the assets as follows:

Furniture and equipment	2-5 years, straight line
Computer software	2-5 years, straight line
Student Centre	40 years, straight line
Leasehold improvements	2-5 years, straight line

When a tangible capital asset no longer contributes to an organization's ability to provide goods and services, or the future economic benefits or service potential of the tangible capital asset is less than its carrying value, the excess of its net carrying amount over its fair value or replacement cost is recognized as an expense in the statement of operations. Any unamortized deferred contribution amount related to the tangible capital asset is recognized in revenue in the statement of operations, provided that all restrictions have been complied with.

Contributed Services

Volunteers contribute many hours per year to assist the organization in carrying out its activities. Due to the difficulty of determining their fair value, contributed services are not recognized in the financial statements.

Use of Estimates

The preparation of financial statements in accordance 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 at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from management's best estimates as additional information becomes available in the future. Estimates include the useful life of capital assets.

1. Significant Accounting Policies (continued)

Financial Instruments	Arm's length financial instruments are recorded at fair value at initial recognition. Related party financial instruments quoted in an active market or those with observable inputs significant to the determination of fair value or derivative contracts are recorded at fair value at initial recognition. All other related party financial instruments are recorded at cost at initial recognition. In subsequent periods, equities traded in an active market and derivatives are reported at fair value, with any change in fair value reported in income. All other financial instruments are reported at cost or amortized cost less impairment. Transaction costs on the acquisition, sale or issue of financial instruments are expensed for those items measured at fair value and charged to the financial instrument for those measured at amortized cost. Financial assets are tested for impairment when indicators of impairment exist. When a significant change in the expected timing or amount of the future cash flows of the financial asset is identified, the carrying amount of the financial asset is reduced and the amount of the write-down is recognized in net income. A previously recognized impairment loss may be reversed to the extent of the improvement, provided it is not greater than the amount that would have been reported at the date of the reversal had the impairment not been recognized previously, and the amount of the reversal is recognized in net income.

2. Cash

The organization's bank accounts are held at one chartered bank and earn interest at prime rate less 2.3%.

3. Restricted Cash

The following restrictions on cash were established by the nature of the funds received and designated for certain programs:

	2025	2024
Health and dental plan fees	$ 4,137,188	$ 3,788,489
Externally restricted funds (Note 5)	1,204,697	481,582
Tangible capital assets (Note 8)	2,927,577	2,586,682
Student groups trust liability (Note 7)	206,353	217,631
	$ 8,475,815	$ 7,074,384

4. Accounts Receivable

	2025	2024
Toronto Metropolitan University - membership fees	$ 1,398,040	$ 769,163
Other receivables	71,406	64,219
	$ 1,469,446	$ 833,382

5. Externally Restricted Funds

The organization receives designated funds that are held in trust and then disbursed to the appropriate parties. As these funds are held in trust, the revenues and expenses are not recognized in the statement of operations.

	2025	2024
Canadian Federation of Students		
Balance - beginning of year	$ 481,582	$ 646,504
Student fees received	723,115	446,255
Payments	-	(611,177)
Balance - end of year	$ 1,204,697	$ 481,582

6. Tangible Capital Assets

	2025		2024	
	Cost	Accumulated Amortization	Cost	Accumulated Amortization
Furniture and equipment	$ 283,917	$ 200,020	$ 219,972	$ 164,959
Computer software	85,881	85,881	85,881	84,149
Student Centre	851,754	402,046	851,754	380,415
Leasehold improvements	544,555	373,083	544,555	373,083
	1,766,107	1,061,030	1,702,162	1,002,606
		$ 705,077		$ 699,556

7. Student Groups Trust Liability

Various clubs, cultural groups, and course unions occasionally engage in fundraising activities which are deposited in trust with TMSU to fund their future activities.

Included in restricted cash is $206,353 (2024 - $217,631) held in trust.

8. Deferred Capital Contributions

This balance reflects the unamortized amount of capital contributions that have been used to acquire tangible capital assets.

	2025	2024
Balance - beginning of year	$ 237,077	$ 252,359
Add: tangible capital assets purchased	63,944	194,013
Less: amortization of deferred capital contributions	(36,794)	(209,295)
Balance - end of year	$ 264,227	$ 237,077

Also included in deferred capital contributions are unspent amounts required to be used for purchasing tangible capital assets in the future.

	2025	2024
Balance - beginning of year	$ 2,586,682	$ 2,375,663
Add (deduct):		
Student fees received	404,839	405,032
Tangible capital asset purchases	(63,944)	(194,013)
Balance - end of year	$ 2,927,577	$ 2,586,682
Total Deferred Capital Contributions	$ 3,191,804	$ 2,823,759

9. Internally Restricted Net Assets

The Board of Directors has approved an internally restricted fund derived from excess student fees relating to the students' health and dental plan. In the current year, the Board passed a motion to include excess student fees relating to the Good food centre and the Sexual assault survivor's support line. These amounts have been restricted for the following uses:

	2025	2024
Health and dental plan	$ 6,618,247	$ 7,095,050
Good food centre	323,304	139,036
Sexual assault survivors' support line (SASSL)	349,116	178,268
	$ 7,290,667	$ 7,412,354

These internally restricted amounts are not available for other purposes without approval of the Board of Directors.

Below is a breakdown of the excess (deficiency) of revenues over expenses for the internally restricted amounts.

	2025	2024
Health and dental plan	$ (476,803)	$ (295,752)
Good food centre	184,268	95,482
Sexual assault survivors' support line (SASSL)	170,848	75,403
Deficiency of revenues over expenses internally restricted	(121,687)	(124,867)
Excess (deficiency) of revenues over expenses unrestricted	(2,202,077)	940,760
Deficiency of revenues over expenses invested in tangible capital assets	(21,630)	(21,630)
	$ (2,345,394)	$ 794,263

10. Financial Instruments

Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The organization is exposed to credit risk resulting from the possibility that a counterparty to a financial instrument defaults on their financial obligations. The financial instruments that are exposed to credit risk relate primarily to accounts receivable. This risk has not changed since the previous period.

Liquidity risk

Liquidity risk is the risk that the organization will encounter difficulty in meeting its obligations associated with financial liabilities. Liquidity risk includes the risk that, as a result of operational liquidity requirements, the organization will not have sufficient funds to settle a transaction on the due date; will be forced to sell financial assets at a value, which is less than what they are worth; or may be unable to settle or recover a financial asset. The organization is exposed to this risk mainly in respect of its accounts payable and accrued liabilities and student groups trust liability. This risk has not changed since the previous period.

11. Economic Dependence

The organization derives the majority of its revenue from student fees levied through Toronto Metropolitan University. As the organization's revenues are derived from the University's student body, it is economically dependent upon the enrolment of students at the University.

12. Subsequent Events

Subsequent to the year end, the Organization and the Toronto Metropolitan University entered into an Interim Operating Agreement ("IOA") due to the situation as described in Note 13. The IOA establishes an interim framework governing the collection, administration, budgeting and disbursement of student fees while the parties negotiate a replacement operating agreement and continue dispute resolution processes relating to the previous operating agreement. The IOA includes enhanced governance, budgeting, financial reporting and oversight provisions intended to support the continued delivery of services to members. The IOA remains in effect until replaced or otherwise terminated in accordance with its terms.

Management does not believe the execution of the IOA resulted in any adjustment to the April 30, 2025 financial statements. The financial effects of the agreement will be reflected prospectively in future reporting periods, as applicable.

13. Contingency

The Organization is involved in legal proceedings arising from governance and operational matters that occurred in the year. These proceedings include claims initiated by the Organization against certain former officers, directors, employees and other parties, as well as dispute resolution processes involving Toronto Metropolitan University relating to the operating agreement ended April 30, 2025.

The matters remain before the courts and other dispute resolution processes, and the ultimate outcome cannot presently be determined. Accordingly, no receivable or recovery has been recognized in these financial statements in respect of the legal proceedings, as realization of any potential recovery is not considered sufficiently certain. Similarly, no provision has been recognized for any potential obligations, as management is unable to determine that a present obligation exists requiring recognition under Canadian accounting standards for not-for-profit organizations.

Legal and professional fees are recognized as expenses in the period in which they are incurred.

Management, in consultation with legal counsel, continues to monitor these matters and will recognize any resulting recoveries or obligations in the period in which they become realizable or probable and can be reasonably estimated.