

**Federation of Students,  
University of Waterloo**

Financial Statements  
**April 30, 2020**



## *Independent auditor's report*

To the Members of Federation of Students, University of Waterloo

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### *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, 2020 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, 2020;
  - 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 a summary of significant accounting policies.
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### *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.

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### *Comparative information*

The financial statements of the Organization for the year ended April 30, 2019 were audited by another auditor who expressed an unmodified opinion on those statements on October 30, 2019.

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



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### *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.

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### *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 17, 2021

# Federation of Students, University of Waterloo

## Statement of Financial Position

As at April 30, 2020

	General Fund	Dental Plan Fund	Health Plan Fund	Legal Protection Fund	UPass Fund	Orientation Fund	Student Refugee Program Fund	Societies Fund	2020	2019
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>Assets</b>										
<b>Current assets</b>										
Cash and cash equivalents (note 3)	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
Accounts receivable	192,158	5,997	20,520	-	-	59,669	-	125,735	404,079	682,485
Inventory (note 4)	155,878	-	-	-	-	-	-	58,236	214,114	180,532
Prepaid expenses and deposits	54,327	97,909	124,797	-	-	13,649	-	230	290,912	254,738
Interfund receivable (payable)	(6,248,708)	2,144,768	3,469,404	-	187,057	285,877	22,629	138,973	-	-
Health plan claims fluctuation reserve	-	-	173,899	-	-	-	-	-	173,899	359,892
Due from clubs	-	-	-	-	-	-	-	-	-	28,999
	(4,199,904)	4,874,840	6,383,925	246,300	533,445	463,803	100,334	1,220,372	9,623,115	6,431,346
<b>Capital assets</b> (note 5)	1,168,117	-	-	-	-	-	-	214,648	1,382,765	1,803,725
<b>Investments</b> (note 6)	5,795,753	-	-	-	-	-	-	-	5,795,753	5,216,952
	2,763,966	4,874,840	6,383,925	246,300	533,445	463,803	100,334	1,435,020	16,801,633	13,452,023
<b>Liabilities</b>										
<b>Current liabilities</b>										
Accounts payable and accrued liabilities (notes 7 and 8)	1,227,199	1,505,669	1,718,348	182,525	362,981	-	899	45,519	5,043,140	2,252,687
Deferred revenue (note 9)	87,978	562,731	512,930	71,869	-	1,070	23,146	47,857	1,307,581	1,065,708
Due to clubs	280,650	-	-	-	-	-	-	66,132	346,782	243,990
	1,595,827	2,068,400	2,231,278	254,394	362,981	1,070	24,045	159,508	6,697,503	3,562,385
<b>Net Assets</b>										
Internally restricted	-	2,806,440	4,152,647	(8,094)	170,464	462,733	76,289	1,275,512	8,935,991	8,769,726
Unrestricted	1,168,139	-	-	-	-	-	-	-	1,168,139	1,119,912
	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
	2,763,966	4,874,840	6,383,925	246,300	533,445	463,803	100,334	1,435,020	16,801,633	13,452,023

**Contingencies** (note 10)

**Subsequent events** (note 13)

**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, 2020

	General Fund \$	Dental Plan Fund \$	Health Plan Fund \$	Legal Protection Fund \$	UPass Fund \$	Orientation Fund \$	Student Refugee Program Fund \$	Societies Fund \$	2020 \$	2019 \$
<b>Revenue</b>										
Student fees	4,049,157	5,665,175	5,451,787	536,434	5,182,399	742,562	111,596	780,052	22,519,162	20,391,322
Transfers	-	(5,509,630)	(5,619,069)	(544,528)	(5,228,249)	-	-	-	(16,901,476)	(14,310,706)
Net student fees	4,049,157	155,545	(167,282)	(8,094)	(45,850)	742,562	111,596	780,052	5,617,686	6,080,616
Ancillary	3,688,172	65,161	50,116	-	10,314	37,065	23,039	1,987,825	5,861,692	7,576,153
	7,737,329	220,706	(117,166)	(8,094)	(35,536)	779,627	134,635	2,767,877	11,479,378	13,656,769
<b>Expenses</b>										
Ancillary (note 4)	2,286,117	-	-	-	-	-	-	1,264,379	3,550,496	4,540,555
Events and organizations	-	-	-	-	-	672,482	-	558,557	1,231,039	1,247,492
General and administration (note 11)	5,239,261	160	25,034	-	27,821	-	70,168	957,183	6,319,627	6,834,129
	7,525,378	160	25,034	-	27,821	672,482	70,168	2,780,119	11,101,162	12,622,176
<b>Excess (deficiency) of revenue over expenses before other items</b>	211,951	220,546	(142,200)	(8,094)	(63,357)	107,145	64,467	(12,242)	378,216	1,034,593
<b>Other (loss) income</b>										
Miscellaneous	13,644	-	-	-	-	-	-	-	13,644	2,031
(Loss) gain on sale of capital assets	(295)	-	-	-	-	-	-	-	(295)	371
Change in unrealized gain/loss on investments	(177,073)	-	-	-	-	-	-	-	(177,073)	297,434
	(163,724)	-	-	-	-	-	-	-	(163,724)	299,836
<b>Excess (deficiency) of revenue over expenses</b>	48,227	220,546	(142,200)	(8,094)	(63,357)	107,145	64,467	(12,242)	214,492	1,334,429

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, 2020

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	General Fund \$	Dental Plan Fund \$	Health Plan Fund \$	Legal Protection Fund \$	UPass Fund \$	Orientation Fund \$	Student Refugee Program Fund \$	Societies Fund \$	2020 \$	2019 \$
<b>Net assets – Beginning of year</b>	1,119,912	2,585,894	4,294,847	-	233,821	355,588	11,822	1,287,754	9,889,638	8,555,209
<b>Excess (deficiency) of revenue over expenses</b>	48,227	220,546	(142,200)	(8,094)	(63,357)	107,145	64,467	(12,242)	214,492	1,334,429
<b>Net assets – End 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

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, 2020

	General Fund \$	Dental Plan Fund \$	Health Plan Fund \$	Legal Protection Fund \$	UPass Fund \$	Orientation Fund \$	Student Refugee Program Fund \$	Societies Fund \$	2020 \$	2019 \$
<b>Cash provided by (used in)</b>										
<b>Operating activities</b>										
Excess (deficiency) of revenue over expenses	48,227	220,546	(142,200)	(8,094)	(63,357)	107,145	64,467	(12,242)	214,492	1,334,429
Adjustments for										
Amortization	535,408	-	-	-	-	-	-	114,379	649,787	657,996
Loss (gain) on sale of capital assets	295	-	-	-	-	-	-	-	295	(371)
Change in unrealized gain/loss on investments	177,073	-	-	-	-	-	-	-	177,073	(297,434)
	761,003	220,546	(142,200)	(8,094)	(63,357)	107,145	64,467	102,137	1,041,647	1,694,620
Changes in non-cash working capital items										
Accounts receivable	89,410	(5,997)	303,089	-	-	(16,873)	-	(91,223)	278,406	(458,993)
Inventory	(20,126)	-	-	-	-	-	-	(13,456)	(33,582)	116,341
Prepaid expenses and deposits	(4,958)	(29,092)	(51,042)	-	-	460	2,748	45,710	(36,174)	(41,830)
Interfund receivable (payable)	1,780,398	597,880	(1,709,899)	-	(156,152)	(331,684)	(18,170)	(162,373)	-	-
Health plan claims fluctuation reserve	-	-	185,993	-	-	-	-	-	185,993	25,982
Accounts payable and accrued liabilities	(885,238)	1,505,669	1,718,348	182,525	362,981	(5,073)	899	(89,658)	2,790,453	(98,636)
Deferred revenue	61,727	111,551	(3,080)	71,869	-	-	23,146	(23,340)	241,873	78,545
Due from/to clubs	36,660	-	-	-	-	-	-	95,131	131,791	(27,868)
	1,818,876	2,400,557	301,209	246,300	143,472	(246,025)	73,090	(137,072)	4,600,407	1,288,161
<b>Investing activities</b>										
Purchase of capital assets	(148,554)	-	-	-	-	-	-	(80,568)	(229,122)	(876,747)
Proceeds from sale of investments	655,500	-	-	-	-	-	-	-	655,500	500,000
Purchase of investments	(1,411,374)	-	-	-	-	-	-	-	(1,411,374)	(16,775)
	(904,428)	-	-	-	-	-	-	(80,568)	(984,996)	(393,522)
<b>Change in cash and cash equivalents for the year</b>										
	914,448	2,400,557	301,209	246,300	143,472	(246,025)	73,090	(217,640)	3,615,411	894,639
<b>Cash and cash equivalents – Beginning of year</b>										
	731,993	225,609	2,294,096	-	202,916	350,633	4,615	1,114,838	4,924,700	4,030,061
<b>Cash and cash equivalents – End 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

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, 2020

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### 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 seven funds: General Fund, Dental Plan Fund, Health Plan Fund, UPass Fund, Orientation Fund, Student Refugee Program Fund and Societies Fund.

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

The Dental Plan Fund reports the Organization's internally restricted revenues 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 revenues 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 Protection Fund reports the Organization's internally restricted revenues 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 UPass Fund reports the Organization's internally restricted revenues 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.

The Orientation Fund reports the Organization's internally restricted revenues 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.

# Federation of Students, University of Waterloo

## Notes to Financial Statements

For the year ended April 30, 2020

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The Student Refugee Program Fund reports the Organization's internally restricted revenues 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 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.

### **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.

# Federation of Students, University of Waterloo

## Notes to Financial Statements

For the year ended April 30, 2020

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### **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 (note 8).

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 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.

### **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 at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period.

# Federation of Students, University of Waterloo

## Notes to Financial Statements

For the year ended April 30, 2020

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Accounts receivable are stated after evaluation as to their collectability 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

	2020 \$	2019 \$
Cash	8,062,510	4,874,484
Canadian money market mutual funds	477,601	50,216
	<hr/> 8,540,111	<hr/> 4,924,700

### 4 Inventory

The cost of inventories recognized as an expense and included in ancillary expenses amounted to \$2,945,144 (2019 – \$3,946,917).

### 5 Capital assets

	2020		
	Cost \$	Accumulated amortization \$	Net \$
Furniture and fixtures	3,611,084	3,198,811	412,273
Leasehold improvements	3,902,294	2,931,802	970,492
	<hr/> 7,513,378	<hr/> 6,130,613	<hr/> 1,382,765
	2019		
	Cost \$	Accumulated amortization \$	Net \$
Furniture and fixtures	3,441,381	3,066,933	374,448
Leasehold improvements	3,843,170	2,413,893	1,429,277
	<hr/> 7,284,551	<hr/> 5,480,826	<hr/> 1,803,725

Amortization of \$649,787 (2019 – \$657,996) was recognized in expenses.

# Federation of Students, University of Waterloo

## Notes to Financial Statements

For the year ended April 30, 2020

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### 6 Investments

	2020 \$	2019 \$
Measured at fair value:		
Canadian equity mutual funds	5,795,753	5,216,952

### 7 Accounts payable and accrued liabilities

Included in accounts payable and accrued liabilities are government remittances payable of \$10,470 (2019 – \$16,120).

### 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 of 5% of the purchases made on Watcard.

	2020 \$	2019 \$
Amount due to University of Waterloo, non-interest bearing, unsecured, with no set repayment terms	653,523	1,492,920

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.

# Federation of Students, University of Waterloo

## Notes to Financial Statements

For the year ended April 30, 2020

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### 10 Contingencies

#### Student clubs

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

Thirty-three (2019 – thirty-two) 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, 2020 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 \$215,977 (2019 – \$129,026) 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.

#### 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.

# Federation of Students, University of Waterloo

## Notes to Financial Statements

For the year ended April 30, 2020

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### **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 prices risk because of its investment in equity index pooled funds.

## **13 Subsequent events**

On March 11, 2020, the World Health Organization characterized the COVID-19 virus as a global pandemic. 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 temporary closure of certain ancillary operations of the Organization's. Subsequent to year end, certain operations reopened for business, 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.

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 travel restrictions to Canada until further notice 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, 2020.

As at April 30, 2020, 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.

# **Federation of Students, University of Waterloo**

Notes to Financial Statements

**For the year ended April 30, 2020**

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## **14 Comparative figures**

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