

FINANCIAL STATEMENTS
RYERSON STUDENTS' UNION
AS AT APRIL 30, 2009

RYERSON STUDENTS' UNION

AS AT APRIL 30, 2009

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AUDITORS' REPORT

To the members:
Ryerson Students' Union

We have audited the statement of financial position of the **Ryerson Students' Union**, as at April 30, 2009 and the statements of changes in fund balances, revenues and expenses and cash flows for the year then ended. These financial statements are the responsibility of the union's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the union as at April 30, 2009, and the results of its operations and cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.



Chartered Accountants
Licensed Public Accountants

Toronto, Ontario
August 27, 2009

RYERSON STUDENTS' UNION

STATEMENT OF FINANCIAL POSITION

AS AT APRIL 30, 2009
(With comparative figures as at April 30, 2008)

A S S E T S

	2009	2008
CURRENT		
Cash and equivalents	\$ 2,616,153	\$ 2,124,349
Cash in trust for student groups (note 5)	72,270	58,368
Accounts receivable	57,160	54,377
Membership fees receivable	208,562	247,812
Inventory	118,692	115,415
Oakham House loan	<u>-</u>	<u>125,000</u>
	3,072,837	2,725,321
TTC SECURITY DEPOSIT (note 7)	384,818	390,914
PROPERTY AND EQUIPMENT (note 4)	<u>955,325</u>	<u>1,017,053</u>
TOTAL ASSETS	<u>\$ 4,412,980</u>	<u>\$ 4,133,288</u>

L I A B I L I T I E S

CURRENT		
Accounts payable and accruals	\$ 199,635	\$ 308,645
Health plan premium refunds	271,417	182,313
Deferred health and dental plan fees	1,313,276	1,213,920
Student group trust liability (note 5)	72,423	58,368
Restricted referendum fees (note 6)	<u>797,978</u>	<u>421,806</u>
TOTAL LIABILITIES	<u>2,654,729</u>	<u>2,185,052</u>

N E T A S S E T S

Per statements of changes in fund balances	<u>1,758,251</u>	<u>1,948,236</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 4,412,980</u>	<u>\$ 4,133,288</u>

APPROVED ON BEHALF OF THE BOARD

_____ Director

_____ Director

See accompanying notes

To be read in conjunction with our Auditors' Report dated August 27, 2009

RYERSON STUDENTS' UNION

STATEMENT OF CHANGES IN FUND BALANCES

**FOR THE YEAR ENDED APRIL 30, 2009
(With comparative figures as at April 30, 2008)**

	General	Property Equipment	2009	2008
Balances, beginning of the year	\$ 931,273	\$ 1,017,053	\$ 1,948,326	\$ 2,069,867
Surplus (deficit)	(84,231)	-	(84,231)	(264,159)
Purchase of equipment	(45,183)	45,183	-	-
Amortization	107,111	(107,111)	-	-
Transfer from Capital fund (note 6)	45,183	-	45,183	142,528
Transfer of uncollected arrears to Student Federations fund (note 6)	<u>(151,027)</u>	<u>-</u>	<u>(151,027)</u>	<u>-</u>
Balances, end of the year	<u>\$ 803,126</u>	<u>\$ 955,125</u>	<u>\$ 1,758,251</u>	<u>\$ 1,948,236</u>

See accompanying notes

To be read in conjunction with our Auditors' Report dated August 27, 2009

RYERSON STUDENTS' UNION

STATEMENT OF REVENUES AND EXPENSES

**FOR THE YEAR ENDED APRIL 30, 2009
(With comparative figures for the year ended April 30, 2008)**

	2009	2008
REVENUES		
Amortization of restricted student fees (note 6)	\$ 7,449,446	\$ 6,976,250
Member Services Office sales	6,503,733	6,180,460
RSU membership fees	1,348,867	1,156,580
Used Book Room sales	548,517	542,364
CopyRite sales	317,543	295,263
Student activities	165,131	155,194
Interest income	<u>46,182</u>	<u>49,251</u>
	<u>16,379,419</u>	<u>15,355,362</u>
 EXPENSES		
Restricted student fee disbursements (note 6)	7,449,446	6,976,250
Member Services Office purchases	6,393,002	6,179,028
Wages and benefits	1,188,104	1,017,900
Used Book Room purchases	420,877	416,174
Student services	214,622	210,218
Office and general	184,412	180,287
Event programming	177,569	220,330
CopyRite purchases	86,845	98,235
Advertising and promotion	71,552	77,599
Professional fees	70,781	63,741
Bursaries	46,456	44,006
Interest and bank charges	33,563	22,245
General insurance	21,622	19,962
Bad debts	(2,312)	45
Amortization	<u>107,111</u>	<u>93,501</u>
	<u>16,463,650</u>	<u>15,619,521</u>
 DEFICIT	 <u>\$ (84,231)</u>	 <u>\$ (264,159)</u>

See accompanying notes

To be read in conjunction with our Auditors' Report dated August 27, 2009

RYERSON STUDENTS' UNION

STATEMENT OF CASH FLOWS

**FOR THE YEAR ENDED APRIL 30, 2009
(With comparative figures for the year ended April 30, 2008)**

	2009	2008
CASH PROVIDED BY (USED IN):		
OPERATIONS		
Student fees	\$ 2,515,556	\$ 2,021,315
Gross members' health and dental plan fees	6,682,050	6,427,667
Sales and other revenues	7,502,794	7,307,481
Interest received	59,208	63,142
Purchases, payables, payments	(9,792,002)	(9,686,809)
Members' health and dental plan premiums	(3,772,834)	(3,381,461)
Members' health and dental plan refunds	(2,742,221)	(2,647,184)
Interest and bank charges	<u>(46,660)</u>	<u>(22,245)</u>
	<u>405,891</u>	<u>81,906</u>
INVESTING		
Purchase of property and equipment	(45,183)	(142,528)
Oakham House loan	125,000	125,000
Net change in TTC security deposit	<u>6,096</u>	<u>(5,553)</u>
	<u>85,913</u>	<u>(23,081)</u>
CASH INCREASE	491,804	58,825
Cash at beginning of the year	<u>2,124,349</u>	<u>2,065,524</u>
CASH AT END OF THE YEAR	<u>\$ 2,616,153</u>	<u>\$ 2,124,349</u>

See accompanying notes

To be read in conjunction with our Auditors' Report dated August 27, 2009

RYERSON STUDENTS' UNION
NOTES TO FINANCIAL STATEMENTS
AS AT APRIL 30, 2009

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1. PURPOSE OF THE ORGANIZATION

Ryerson Students' Union (RSU) was incorporated under the laws of Ontario on June 27, 1967, without share capital, to act as the official representative for Ryerson University's full-time undergraduate and its graduate students, and to establish a legal basis upon which they can deal with other entities. The union'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 union's members. As the union's revenues are derived from Ryerson University's student body, it is economically dependent upon the university. As a non-profit organization the corporation is exempt from income taxes.

2. CHANGE IN ACCOUNTING POLICY

These financial statements have been prepared in accordance with the accounting standards for not-for-profit organizations published by the Canadian Institute of Chartered Accountants, using the deferral method of accounting for externally restricted contributions established through the referendum of the students. Last year the restricted fund method was used. The net cumulative surplus related to each restricted fee, including the health and dental plan amounts, have been reclassified from net assets into current liabilities, and the prior-year deficit has been restated to eliminate the effect of all restricted amounts from the general fund. Accordingly, \$421,806 has been reclassified from the prior-year net assets into liabilities and shown as restricted referendum fees as disclosed in note 6.

3. SIGNIFICANT ACCOUNTING POLICIES

Revenue Recognition

Membership fees are recognized when received, or receivable, provided that collection is reasonably assured and the amount is determinable. The various student fees are typically received in three installments - October, February and June - one month after the beginning of each academic term. Although the union's fiscal year ends in April, the student fees received for the summer term from May to August which begins immediately after the year-end are accrued and included in the current fiscal year.

Sales revenues are recognized when the related goods are sold or services performed.

Inventory

Inventory is recorded at the lower of cost and net realizable value.

Property and Equipment

The property and equipment are recorded at cost and amortized over their estimated useful lives. The equipment and software are amortized on a straight-line basis ranging from two to five years. RSU's contribution towards the building at 55 Gould St. is amortized on a straight-line basis over 40 years.

Contributed Services

The student union makes use of volunteers in its operations. Because of the difficulty in determining the fair value of the services, they are not recognized in the financial statements.

To be read in conjunction with our Auditors' Report dated August 27, 2009

NOTES TO FINANCIAL STATEMENTS

AS AT APRIL 30, 2009

3. SIGNIFICANT ACCOUNTING POLICIES - continued

Financial Instruments

The union's financial instruments consist of accounts receivable and accounts payable, the fair values of which are equal to their book value due to their short-term nature. Effectively all of the unions' receivables are from Ryerson University. The union's interest income is subject to fluctuation as their bank balances and short-term investments bear rates related to the prime banking rate, which is subject to change as determined by the bank.

Use of Estimates

The preparation of financial statements in accordance with Canadian GAAP requires management to make estimates and assumptions which affect the amounts reported in the financial statements and the notes to the financial statements. The primary estimates are:

- Health plan premiums refunds payable is net of an allowance of \$223,191 for cheques distributed to students and outstanding for more than twenty four months as at the year-end. The allowance results in management's best estimate of the amount that will actually be paid out based on prior experience with student claims and their cheque depositing history.
- Included in accounts payable is a liability for used book consignment pay-outs. This amount had to be estimated due to a loss of data in the used book room database. This amount is estimated at \$113,946 (2008 - \$59,026) by adjusting the consignment payouts to equal 77% of the Used Book Room sales.
- The net book value and amortization expense for the property and equipment are based on an estimate of the useful life of the various assets.

Actual results may differ from these estimates.

Future Accounting Pronouncements

In September 2008, amendments were made to Canadian Institute of Chartered Accountants (CICA) Handbook Section 4400 - Financial Statement Presentation by Not-for-profit Organizations. Amendments to the section included removal of the requirement to treat net assets invested in capital assets as a separate component of net assets, and instead, permitting such an amount to be presented as a category of internally restricted net assets. In addition, the requirement to recognize and present revenues and expenses on a gross basis when a not-for-profit organization (NFPO) is acting as a principal in the transaction was clarified. Finally, guidance was included to reflect that Section 1540 - Cash Flow Statements and Section 1751 - Interim Financial Statements, are applicable to NFPOs. These amendments apply to interim and annual financial statements related to fiscal years beginning on or after January 1, 2009. The union does not expect the changes in this standard to have a material effect upon the financial statements except that the current and prior-year amounts for health and dental plan revenues have been grossed up and the payment for the students who opted out is now shown separately.

To be read in conjunction with our Auditors' Report dated August 27, 2009

RYERSON STUDENTS' UNION
NOTES TO FINANCIAL STATEMENTS

AS AT APRIL 30, 2009

3. SIGNIFICANT ACCOUNTING POLICIES - continued

CICA Handbook Section 4430 - Capital Assets Held by NFPOs has been amended to provide additional guidance with respect to the appropriate use of the scope exemption for smaller entities that expense their capital assets. It was clarified that the exemption does not allow NFPOs to capitalize but not amortize their capital assets, nor does it allow different methods of accounting for various types of capital assets. This amendment applies to interim and annual financial statements relating to fiscal years beginning on or after January 1, 2009. The union does not expect the changes to this standard to have a material impact upon the financial statements.

In September 2008, the CICA issued new recommendations for disclosures regarding allocated expenses by NFPOs. CICA Handbook Section 4470 - Disclosure of Allocated Expenses by NFPOs requires NFPOs that allocate fundraising and general support expenses to other functions to disclose the policies adopted for the allocation of such expenses among functions, the nature of the allocated expenses, and the basis on which allocations are made. The section also requires the disclosure of the amounts allocated from each of its fundraising and general support functions and the amounts and functions to which they have been allocated. This new section is effective for interim and annual financial statements relating to fiscal year beginning on or after January 1, 2009. The union does not expect the changes to this standard to have a material impact on the financial statements.

4. PROPERTY AND EQUIPMENT

	<u>Cost</u>	<u>Accumulated Amortization</u>	<u>Net book value</u>	
			<u>2009</u>	<u>2008</u>
Equipment	\$ 361,646	\$ 261,403	\$ 100,243	\$ 119,506
Computer software	105,965	52,807	53,158	70,591
Student Centre contribution	850,000	87,821	762,179	783,590
Leasehold improvements	<u>49,234</u>	<u>9,489</u>	<u>39,745</u>	<u>43,366</u>
	<u>\$ 1,366,845</u>	<u>\$ 411,520</u>	<u>\$ 955,325</u>	<u>\$ 1,017,053</u>

5. STUDENT GROUPS TRUST ACCOUNT

The various clubs, cultural groups, and course unions occasionally engage in fundraising activities, which are deposited in trust with RSU to fund future activities. The deposits are non-interest bearing.

To be read in conjunction with our Auditors' Report dated August 27, 2009

RYERSON STUDENTS' UNION

NOTES TO FINANCIAL STATEMENTS

AS AT APRIL 30, 2009

6. EXTERNALLY RESTRICTED FUNDS

The following funds were established by referendums taken of the student body and are therefore accounted for as externally restricted funds using the deferral method:

	2009	2008
<i>Health and Dental Group Insurance Plan</i>		
Beginning balance	\$ 298,540	\$ 367,401
Health and dental student fees	6,682,050	5,983,131
Interest income	13,026	13,891
Insurance premiums paid	(3,977,514)	(3,345,862)
Wages and benefits	(53,625)	(58,286)
Other direct expenses	(13,097)	(14,551)
Opt-out refund	<u>(2,742,221)</u>	<u>(2,647,184)</u>
Ending balance	<u>207,159</u>	<u>298,540</u>
<i>National and Ontario Student Federations</i>		
Beginning balance	-	-
Transferred from general fund for fees approved through referendum but not collected from students	151,027	-
Student fees received	311,150	285,555
Payments	<u>(296,884)</u>	<u>(285,555)</u>
Ending balance	<u>165,293</u>	<u>-</u>
<i>Rye Eye Publishing Inc.</i>		
Beginning balance	-	-
Net student fee levies	303,535	285,827
Payments and distributions	<u>(289,264)</u>	<u>(285,827)</u>
Ending balance	<u>14,271</u>	<u>-</u>
<i>CKLN Radio Inc.</i>		
Beginning balance	-	-
Student fees revenue	208,802	196,457
Disbursements	<u>(31,658)</u>	<u>(196,457)</u>
Ending balance	<u>177,144</u>	<u>-</u>
<i>Capital Reserve</i>		
Beginning balance	123,266	119,091
Student fees revenue	156,028	146,703
Transferred to general fund for acquisitions	<u>(45,183)</u>	<u>(142,528)</u>
Ending balance	<u>234,111</u>	<u>123,266</u>
<i>Fund Totals</i>		
Beginning balance	421,806	486,492
Total restricted revenues	7,825,618	6,911,564
Total disbursements	<u>(7,449,446)</u>	<u>(6,976,250)</u>
Ending balance	<u>\$ 797,978</u>	<u>\$ 421,806</u>

To be read in conjunction with our Auditors' Report dated August 27, 2009

RYERSON STUDENTS' UNION
NOTES TO FINANCIAL STATEMENTS
AS AT APRIL 30, 2009

7. TTC SECURITY DEPOSIT

This amount is required in order to secure the union's purchases of discounted monthly passes, tickets, and tokens from the Toronto Transit Commission and consists of a chartered bank savings account currently bearing interest at 2.25%.

8. CONTINGENCY

The union has available a \$348,000 letter of credit in favour of the Toronto Transit Commission as security for the purchase of passes and tokens.

9. WORKING CAPITAL AND INTERNAL RESERVE FUNDS

The union's working capital is as follows:

Current assets	\$ 3,072,837	\$ 2,725,321
Current liabilities	<u>(2,654,729)</u>	<u>(2,185,052)</u>
Working capital	<u>\$ 418,108</u>	<u>\$ 540,269</u>

The primary source of cash used for operational expenses is the unrestricted portion of the RSU membership fee. The management of working capital involves controlling disbursements such that sufficient working capital is maintained between the three fee installments which are typically received in October, February and June, to cover operating expenses.

The union's has implemented a plan to maintain a separate bank account for health and dental plan amounts. Currently the cash is comingled. The union's management plans to transfer \$25,000 per year into this account from general operations until such time as the total transfers and the Health and Dental fund balance shown in note 6 are equal.

To be read in conjunction with our Auditors' Report dated August 27, 2009