

**FINANCIAL STATEMENTS**  
**RYERSON STUDENTS' UNION**  
**AS AT APRIL 30, 2010**

**RYERSON STUDENTS' UNION**

**AS AT APRIL 30, 2010**

**I N D E X**

Auditors' Report	1
Statement of Financial Position	2
Statement of Changes in Fund Balances	3
Statement of Revenues and Expenses	4
Statement of Cash Flows	5
Notes to Financial Statements	6 - 11

**PARTNERS**

Howard Detsky, B.Comm., C.A.  
Amarjit (A.J.) Manhas, B.B.A., C.A.  
H. Gordon Lee, B.Comm., C.A.  
Earl S. Weiner, M.B.A., C.A.

**PRINCIPALS**

Max Menezes, C.A.,  
M. Ibrar Khan, C.G.A.

**CONSULTANT to the FIRM**

E. Sheldon Gold, M.B.A., C.A.

Page 1

**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, 2010 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, 2010, 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 25, 2010

**RYERSON STUDENTS' UNION**

**STATEMENT OF FINANCIAL POSITION**

**AS AT APRIL 30, 2010  
(With comparative figures as at April 30, 2009)**

**A S S E T S**

	2010	2009
<b>CURRENT</b>		
Cash and equivalents	\$ 2,449,326	\$ 2,616,174
Cash in trust for student groups (note 4)	77,698	72,270
Accounts receivable	133,552	57,160
Membership fees receivable	235,266	208,562
Inventory	<u>204,158</u>	<u>118,692</u>
	3,100,000	3,072,858
<b>TTC SECURITY DEPOSIT</b> (note 6)	502,360	384,797
<b>PROPERTY AND EQUIPMENT</b> (note 3)	<u>1,003,711</u>	<u>955,324</u>
<b>TOTAL ASSETS</b>	<u>\$ 4,606,071</u>	<u>\$ 4,412,979</u>

**LIABILITIES**

<b>CURRENT</b>		
Accounts payable and accruals	\$ 280,415	\$ 199,787
Student group trust liability (note 4)	77,698	72,270
Deferred health and dental plan fees	1,331,871	1,313,276
Health plan premium refunds	249,613	271,417
Restricted referendum fees (note 5)	<u>828,411</u>	<u>797,978</u>
<b>TOTAL LIABILITIES</b>	<u>2,768,008</u>	<u>2,654,728</u>

**NET ASSETS**

Per statements of changes in fund balances	<u>1,838,063</u>	<u>1,758,251</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<u>\$ 4,606,071</u>	<u>\$ 4,412,979</u>

**APPROVED ON BEHALF OF THE BOARD**

\_\_\_\_\_ Director

\_\_\_\_\_ Director

See accompanying notes

To be read in conjunction with our Auditors' Report dated August 25, 2010

RYERSON STUDENTS' UNION

STATEMENT OF CHANGES IN FUND BALANCES

FOR THE YEAR ENDED APRIL 30, 2010  
(With comparative figures as at April 30, 2009)

	General	Property Equipment	2010	2009
Balances, beginning of the year	\$ 802,927	\$ 955,324	\$ 1,758,251	\$ 1,948,326
Surplus (deficit)	79,812	-	79,812	(84,231)
Purchase of equipment	(177,565)	177,565	-	-
Amortization	129,178	(129,178)	-	-
Transfer from Capital fund (note 5)	-	-	-	45,183
Transfer of uncollected arrears to Student Federations fund (note 5)	<u>-</u>	<u>-</u>	<u>-</u>	<u>(151,027)</u>
Balances, end of the year	<u>\$ 834,352</u>	<u>\$ 1,003,711</u>	<u>\$ 1,838,063</u>	<u>\$ 1,758,251</u>

See accompanying notes

To be read in conjunction with our Auditors' Report dated August 25, 2010

**RYERSON STUDENTS' UNION**

**STATEMENT OF REVENUES AND EXPENSES**

**FOR THE YEAR ENDED APRIL 30, 2010**  
**(With comparative figures for the year ended April 30, 2009)**

	2010	2009
<b>REVENUES</b>		
Restricted student fees recognized (note 5)	\$ 7,744,590	\$ 7,449,446
Member Services Office sales	7,068,245	6,503,733
RSU membership fees	1,409,277	1,348,867
Used Book Room sales	637,883	548,517
CopyRite sales	279,604	317,543
Student activities	187,694	165,131
Interest income	26,395	46,182
	<u>17,353,688</u>	<u>16,379,419</u>
<b>EXPENDITURES</b>		
Restricted student fee disbursements (note 5)	7,744,590	7,449,446
Member Services Office purchases	6,942,771	6,393,002
Wages and benefits	1,044,332	1,188,104
Used Book Room purchases	422,468	420,877
Student services	216,535	214,622
Office and general	180,798	184,412
Event programming	228,675	177,569
CopyRite purchases	104,186	86,845
Advertising and promotion	79,295	71,552
Professional fees	69,401	70,781
Bursaries	51,141	46,456
Interest and bank charges	37,395	33,563
General insurance	23,111	21,622
Bad debts	-	(2,312)
Amortization	129,178	107,111
	<u>17,273,876</u>	<u>16,463,650</u>
<b>SURPLUS (DEFICIT)</b>	<u>\$ 79,812</u>	<u>\$ (84,231)</u>

See accompanying notes

To be read in conjunction with our Auditors' Report dated August 25, 2010

**RYERSON STUDENTS' UNION**

**STATEMENT OF CASH FLOWS**

**FOR THE YEAR ENDED APRIL 30, 2010  
(With comparative figures for the year ended April 30, 2009)**

	2010	2009
<b>CASH PROVIDED BY (USED IN):</b>		
<b>OPERATIONS</b>		
Student fees	\$ 2,425,431	\$ 2,515,556
Gross members' health and dental plan fees	6,870,745	6,682,050
Sales and other revenues	7,953,977	7,502,794
Interest received	30,871	59,208
Purchases, payables, payments	(10,475,762)	(9,792,002)
Members' health and dental plan premiums	(3,903,577)	(3,772,834)
Members' health and dental plan refunds	(2,735,986)	(2,742,221)
Interest and bank charges	<u>(37,395)</u>	<u>(46,660)</u>
	<u>128,304</u>	<u>405,891</u>
<b>INVESTING</b>		
Purchase of property and equipment	(177,589)	(45,183)
Oakham House loan	-	125,000
Net change in TTC security deposit	<u>(117,563)</u>	<u>6,096</u>
	<u>(295,152)</u>	<u>85,913</u>
<b>CASH INCREASE (DECREASE)</b>	(166,848)	491,804
Cash at beginning of the year	<u>2,616,174</u>	<u>2,124,348</u>
<b>CASH AT END OF THE YEAR</b>	<u>\$ 2,449,326</u>	<u>\$ 2,616,152</u>

See accompanying notes

To be read in conjunction with our Auditors' Report dated August 25, 2010

**RYERSON STUDENTS' UNION**  
**NOTES TO FINANCIAL STATEMENTS**  
**AS AT APRIL 30, 2010**

Page 6

**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. 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.

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.

To be read in conjunction with our Auditors' Report dated August 25, 2010



**RYERSON STUDENTS' UNION**  
**NOTES TO FINANCIAL STATEMENTS**  
**AS AT APRIL 30, 2010**

**2. SIGNIFICANT ACCOUNTING POLICIES - continued**

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 refunds payable (opt-outs) 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 resulting balance is 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 of \$165,983 (2009 - \$113,946). This amount had to be estimated due to a loss of data in the used book room database during the prior year, and due to the amount of consignment pay-outs that are never collected or cashed. The amount reflects management's best estimate of the amount that will likely be paid.
- 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.

**3. PROPERTY AND EQUIPMENT**

	<u>Cost</u>	<u>Accumulated Amortization</u>	<u>Net book value</u>	
			<u>2010</u>	<u>2009</u>
Equipment	\$ 506,299	\$ 334,417	\$ 171,882	\$ 100,243
Computer software	136,591	84,074	52,517	53,157
Student Centre contribution	850,000	109,231	740,769	762,179
Leasehold improvements	<u>51,544</u>	<u>13,001</u>	<u>38,543</u>	<u>39,745</u>
	<u>\$ 1,544,434</u>	<u>\$ 540,723</u>	<u>\$ 1,003,711</u>	<u>\$ 955,324</u>

**4. 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 their future activities. The deposits are non-interest bearing.

To be read in conjunction with our Auditors' Report dated August 25, 2010

NOTES TO FINANCIAL STATEMENTS

AS AT APRIL 30, 2010

5. 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:

	2010	2009
<i>Health and Dental Group Insurance Plan</i>		
Beginning balance	\$ 207,159	\$ 298,540
Student fee revenue	6,742,546	6,682,050
Interest income	4,476	13,026
Opt-out refunds	(2,735,986)	(2,742,221)
Insurance premiums paid	(3,903,577)	(3,977,514)
Other direct expenses	<u>(66,692)</u>	<u>(66,722)</u>
Ending balance	<u>247,926</u>	<u>207,159</u>
<i>National and Ontario Student Federations</i>		
Beginning balance	165,293	-
Transferred from general fund for fees approved through referendum but not collected from students	-	151,027
Student fees revenue	321,051	311,150
Payments	<u>(321,368)</u>	<u>(296,884)</u>
Ending balance	<u>164,976</u>	<u>165,293</u>
<i>Rye Eye Publishing Inc.</i>		
Beginning balance	14,271	-
Student fee revenue	321,173	303,535
Payments	<u>(313,537)</u>	<u>(289,264)</u>
Ending balance	<u>21,907</u>	<u>14,271</u>
<i>CKLN Radio Inc.</i>		
Beginning balance	177,144	-
Student fee revenue	220,791	208,802
Payments and disbursements	<u>(403,430)</u>	<u>(31,658)</u>
Ending balance	<u>(5,495)</u>	<u>177,144</u>
<i>Capital Reserve</i>		
Beginning balance	234,111	123,266
Student fee revenue	164,986	156,028
Transferred to general fund for acquisitions	-	(45,183)
Ending balance	<u>399,097</u>	<u>234,111</u>
<i>Fund Totals</i>		
Beginning balance	797,978	421,806
Total restricted student fee revenue	7,775,023	7,825,618
Total disbursements and revenue recognized	<u>(7,744,590)</u>	<u>(7,449,446)</u>
Ending balance	<u>\$ 828,411</u>	<u>\$ 797,978</u>

To be read in conjunction with our Auditors' Report dated August 25, 2010

**RYERSON STUDENTS' UNION**  
**NOTES TO FINANCIAL STATEMENTS**  
**AS AT APRIL 30, 2010**

**6. 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. The deposit is a cashable guaranteed investment certificate with the Bank of Nova Scotia maturing November 5, 2010, bearing interest at 0.6%.

**7. 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.

**8. WORKING CAPITAL AND INTERAL RESERVE FUNDS**

The union's working capital is as follows:

Current assets	\$ 3,100,000	\$ 3,072,858
Current liabilities	<u>(2,768,008)</u>	<u>(2,654,728)</u>
Working capital	<u>\$ 331,992</u>	<u>\$ 418,130</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 working capital calculated above must be sufficient both in amount and liquidity to cover operating expenses from May through to the next fee installment in October.

The union has implemented a plan to maintain a separate bank account for the health and dental plan amounts. Currently the cash is comingled. \$25,000 per year will be transferred from the general operations accounts into the health and dental plan account until the cash balance and the Health and Dental fund balance shown in note 5 are equal.

To be read in conjunction with our Auditors' Report dated August 25, 2010