

# **Ryerson Students' Union**

Financial Statements  
**April 30, 2017**



December 4, 2018

## **Independent Auditor's Report**

### **To the Directors of Ryerson Students' Union**

We have audited the accompanying financial statements of Ryerson Students' Union, which comprise the statement of financial position as at April 30, 2017 and the statement of operations and changes in net assets and cash flows for the year then ended, and the related notes, which comprise a summary of significant accounting policies and other explanatory information.

#### **Management's responsibility for the financial statements**

Management is responsible for the preparation and fair presentation of these 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.

#### **Auditor's responsibility**

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 comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

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*PricewaterhouseCoopers LLP*  
95 King Street South, Suite 201, Waterloo, Ontario, Canada N2J 5A2  
T: +1 519 570 5700, F: +1 519 570 5730

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



**Opinion**

In our opinion, the financial statements present fairly, in all material respects, the financial position of Ryerson Students' Union as at April 30, 2017 and the results of its operations, changes in net assets and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

*PricewaterhouseCoopers LLP*

**Chartered Professional Accountants, Licensed Public Accountants**

**Ryerson Students' Union**  
**Statement of Financial Position**  
**As at April 30, 2017**

	<b>2017</b>	<b>2016</b>
	<b>\$</b>	<b>\$</b>
<b>Assets</b>		
<b>Current assets</b>		
Cash and cash equivalents (notes 4 and 7)	5,742,629	6,859,520
Accounts receivable	79,151	306,204
Student fees	171,579	149,500
Inventory	119,966	224,459
Other current assets	68,506	-
	<u>6,181,831</u>	<u>7,539,683</u>
<b>Term deposits</b> (note 8)	634,539	566,535
<b>Property and equipment</b> (note 6)	<u>911,593</u>	<u>887,642</u>
	<u>7,727,963</u>	<u>8,993,860</u>
<b>Liabilities</b>		
<b>Current liabilities</b>		
Accounts payable and accrued liabilities (note 11)	192,270	560,649
Deferred contributions (note 5)	996,729	721,498
Deferred health and dental fees (note 9)	5,211,265	5,197,185
Student group trust liability (note 7)	197,413	189,304
Deferred capital contributions (note 12)	<u>374,786</u>	<u>424,812</u>
	6,972,463	7,093,448
<b>Net assets</b>	<u>755,500</u>	<u>1,900,412</u>
	<u>7,727,963</u>	<u>8,993,860</u>

**Commitments and contingencies** (note 10)

**Approved on Behalf of the Board**

\_\_\_\_\_ Director \_\_\_\_\_ Director

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

**Ryerson Students' Union**  
**Statement of Operations and Changes in Net Assets**  
**For the year ended April 30, 2017**

	<b>2017</b>	<b>2016</b>
	<b>\$</b>	<b>\$</b>
<b>Revenue</b>		
Group health and dental plan revenue recognized	6,975,649	9,947,105
Member service	2,400,734	2,596,587
RSU membership fees	2,402,451	2,181,964
Deferred contributions recognized (note 5)	1,372,487	1,405,266
CopyRite	397,018	358,237
Used Book Room sales	11,441	206,080
Graduate photo service	53,280	85,216
Equity service group	60,405	102,550
Social events	768,307	457,452
Bursaries and scholarships	-	5,000
Membership development and communication	5,000	28,989
Amortization of deferred capital contributions (note 12)	142,014	64,423
Other revenue	9,333	6,000
Interest income	5,206	628
	<u>14,603,325</u>	<u>17,445,497</u>
<b>Expenses</b>		
Health and dental plan insurance premiums (note 9)	6,975,649	9,947,105
Member Services	2,547,909	2,582,857
Restricted student fee disbursements (note 5)	1,372,487	1,405,266
Wages, benefits and staff development	1,455,587	1,593,380
Social events	1,828,040	1,004,210
Used Book Room	29,399	220,052
Office and general	42,413	117,268
Campus group	378,845	222,954
Educational issues and advocacy	8,589	7,972
Equity issues	8,955	12,702
Equity service group	82,775	100,606
Graduate photo service	97	-
Graduate council	83,394	69,108
Membership development and communication	72,571	55,750
Organizational governance and meetings	156,867	106,794
Sustainability issues	1,022	149
Tax clinic	40	223
Board members	7,516	12,509
Repairs and maintenance	47,116	37,227
Bad debts	3,000	49,056
CopyRite	142,345	196,428
Bursaries and scholarships	72,532	50,572
Professional fees	149,892	185,164
Interest and bank charges	94,233	50,858
General insurance	27,582	30,141
Other expenses	34,040	44,382
RSU services	17,100	-
Depreciation and amortization	108,242	155,701
	<u>15,748,237</u>	<u>18,258,434</u>
<b>Deficit for the year</b>	<b>(1,144,912)</b>	<b>(812,937)</b>
<b>Net assets - Beginning of year</b>	<b>1,900,412</b>	<b>2,713,349</b>
<b>Net assets - End of year</b>	<b>755,500</b>	<b>1,900,412</b>

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

# Ryerson Students' Union

## Statement of Cash Flows

For the year ended April 30, 2017

	2017 \$	2016 \$
<b>Cash provided by (used in)</b>		
<b>Operating activities</b>		
Expenses over revenue for the year	(1,144,912)	(812,937)
Items not involving cash		
Amortization of capital assets	108,242	155,701
Loss on disposal of property and equipment	-	13,303
Amortization of deferred capital contributions	(142,014)	(64,423)
	(1,178,684)	(708,356)
Net change in non-cash working capital		
Accounts receivable	227,053	(105,566)
Student fees receivable	(22,079)	203,363
Inventory	104,493	(111,582)
Other current assets	(68,506)	-
Accounts payable and accrued liabilities	(368,379)	165,668
Deferred health and dental fees	14,080	1,783,361
Student group trust liability	8,109	63,399
Deferred revenue	69,398	(89,677)
	(1,214,515)	1,200,610
<b>Investing activities</b>		
Purchase of property and equipment	(132,193)	(255,763)
Term deposits made	(68,004)	(426)
	(200,197)	(256,189)
<b>Financing activities</b>		
Deferred contributions received	297,821	264,751
<b>Net change in cash and cash equivalents</b>	(1,116,891)	1,209,172
<b>Cash and cash equivalents - Beginning of year</b>	6,859,520	5,650,348
<b>Cash and cash equivalents - End of year</b>	5,742,629	6,859,520

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

# Ryerson Students' Union

## Notes to Financial Statements

April 30, 2017

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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 (the University) full-time undergraduate and 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 the University's student body, it is economically dependent upon the enrolment of students at the University. As a non-profit organization the corporation is exempt from income taxes.

### 2 Basis of presentation and future accounting changes

These financial statements have been prepared in accordance with Part III of the CPA Canada Handbook - Accounting Standards for Not-For-Profit Organizations (ASNPO).

### 3 Summary of significant accounting policies

#### Revenue recognition

RSU follows the deferral method of accounting for contributions. Revenue has been recognized when services have been performed.

Student fee revenue is derived from a levy collected from each student by the University. The fees are recorded as revenue in the year in which the fees relate.

#### Inventory

Inventory is recorded at the lower of cost and net realizable value. It consists mainly of TTC passes on hand at year-end.

#### 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 treated as a leasehold improvement and is amortized on a straight-line basis over 40 years, being the term of the lease for the student centre.

#### 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.

# Ryerson Students' Union

## Notes to Financial Statements

### April 30, 2017

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#### **Use of estimates**

The preparation of financial statements in accordance with ASNPO 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:

- Refunds to students for Used Book Room consignment payments owing to students. Due to the number of students who either do not collect their cheques or do not cash their cheques, an estimate of the amount that will actually be paid out in the future has been recorded in the statements; and
- The net book value and amortization expense for the property and equipment. These are based on the estimated of the useful life of the various assets.

Actual results may differ from these estimates.

#### **Financial instruments**

RSU initially measures its financial assets and liabilities at fair value, except for certain non-arm's length transactions. RSU subsequently measures all its financial assets and financial liabilities at amortized cost, except for investments in equity instruments that are quoted in an active market, which are measured at fair value. Changes in fair value are recognized in net income.

Financial assets measured at amortized cost include cash, term deposits and accounts receivable. Financial liabilities measured at amortized cost include accounts payable and accrued liabilities.

RSU has no financial assets measured at fair value and has not elected to carry any financial asset or liability at fair value.

#### **Risks**

Liquidity risk is managed by ensuring the expenditure levels are low enough to maintain sufficient cash balances to cover operating expenses until the next student fee instalment is received.

Credit risk is minimal as accounts receivable are due from a wide variety of third parties. Additionally, student fees receivable are remitted by the University and thus are not subject to significant risk of uncollectibility.



# Ryerson Students' Union

## Notes to Financial Statements

April 30, 2017

### 4 Restricted cash and cash equivalents

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

	2017 \$	2016 \$
Restricted for health and dental plan (note 9)	5,211,265	5,197,185
Deferred contributions (note 5)	996,729	721,498
Restricted for student groups (note 7)	197,413	189,304
	<u>6,405,407</u>	<u>6,107,987</u>

### 5 Deferred contributions

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:

	2017 \$	2016 \$
<b>National and Ontario Student Federations</b>		
Balance - Beginning of year	124,692	150,846
Student fee revenue	535,167	488,584
Payments	(509,409)	(514,738)
Balance - End of year	<u>150,450</u>	<u>124,692</u>
<b>Rye Eye Publishing Inc.</b>		
Balance - Beginning of year	-	23,320
Student fees received	536,824	488,856
Payments	(510,986)	(512,176)
Balance - End of year	<u>25,838</u>	<u>-</u>
<b>Ryerson Radio</b>		
Balance - Beginning of year	-	-
Student fees received	369,894	338,150
Payments and disbursements	(352,092)	(338,150)
Balance - End of year	<u>17,802</u>	<u>-</u>
<b>Funds totals</b>		
Balance - Beginning of year	124,692	174,166
Total restricted student fees received	1,441,885	1,315,590
Total disbursements and revenue recognized	(1,372,487)	(1,365,064)
Balance - End of year	<u>194,090</u>	<u>124,692</u>

# Ryerson Students' Union

## Notes to Financial Statements

April 30, 2017

Also included in deferred contributions are amounts required to be used for purchasing capital assets in the future. When spent, the amounts are transferred to deferred capital contributions and recognized in income as the asset is amortized.

	2017 \$	2016 \$
Balance - Beginning of year	596,806	628,021
Add (deduct):		
Student fees received	297,821	264,751
Property and equipment purchases (note 12)	(91,988)	(295,966)
Balance - End of year	<u>802,639</u>	<u>596,806</u>

### 6 Property and equipment

	<u>2017</u>		
	Cost \$	Accumulated amortization \$	Net \$
Equipment	31,718	13,094	18,624
Computer software	9,596	6,621	2,975
Student Centre contributions	850,000	227,539	622,461
Assets not in use	59,321	-	59,321
Leasehold improvements	330,305	122,093	208,212
	<u>1,280,940</u>	<u>369,347</u>	<u>911,593</u>
	<u>2016</u>		
	Cost \$	Accumulated amortization \$	Net \$
Equipment	30,184	14,076	16,108
Computer software	9,597	3,853	5,744
Student Centre contributions	850,000	205,908	644,092
Leasehold improvements	373,490	151,792	221,698
	<u>1,263,271</u>	<u>375,629</u>	<u>887,642</u>

### 7 Student groups trust account

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

Included in cash and cash equivalents is \$197,413 (2016 - \$189,304) held in trust.

# Ryerson Students' Union

## Notes to Financial Statements

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### 8 Term deposits

Term deposits consist of a TTC deposit required to secure the union's purchases of discounted monthly passes, tickets, and tokens from the Toronto Transit Commission and a capital reserve deposit. These deposits are cash deposit accounts with Toronto Dominion Bank bearing interest of 1%.

### 9 Group Health and Dental Plan

Health and dental fees have been established through referendum of the student body and are accounted for using the deferral method for externally restricted contributions.

	2017 \$	2016 \$
Balance - Beginning of year	5,197,185	3,413,824
Add (deduct):		
Health and dental premiums received (net of opt-out refunds of \$6,245 (2016 - \$3,634,354))	6,935,781	8,096,112
Insurance premiums paid	(6,777,731)	(6,196,238)
Other direct expenses	(143,970)	(116,513)
Balance - End of year	<u>5,211,265</u>	<u>5,197,185</u>

RSU is committed to paying health and dental plan insurance premiums from May 1, 2017 to August 31, 2017 of \$2,399,238. The remaining balance less other direct expenses will be transferred to the long-term reserve.

### 10 Commitments and contingencies

The union has available a \$350,000 (2016 - \$433,000) letter of credit in favour of the Toronto Transit Commission as security for the purchase of passes and tokens.

### 11 Government remittances payable

Government remittances consist of amounts required to be paid to government authorities and are recognized when the amounts come due. In respect of government remittances, \$4,457 (2016 - \$14,417) is included in accounts payable and accrued liabilities.

# Ryerson Students' Union

## Notes to Financial Statements

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### 12 Deferred capital contributions

This balance reflects the unamortized amount of capital contributions that have been used to acquire property and equipment. This deferred balance is amortized into revenue on the same basis as the property and equipment amortization expense.

	2017 \$	2016 \$
Balance - Beginning of year	424,812	193,269
Add (deduct):		
Capital assets purchased	91,988	295,966
Amortization of deferred capital contributions	(142,014)	(64,423)
Balance - End of year	<u>374,786</u>	<u>424,812</u>

### 13 Comparative figures

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