

# **Ryerson Students' Union**

Financial Statements  
**April 30, 2018**



December 4, 2018

## **Independent Auditor's Report**

### **To the Members 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, 2018 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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"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, 2018 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, 2018**

	<b>2018</b>	<b>2017</b>
	<b>\$</b>	<b>\$</b>
<b>Assets</b>		
<b>Current assets</b>		
Cash and cash equivalents (notes 4 and 7)	5,736,768	5,742,629
Accounts receivable	66,354	79,151
Membership fee receivable	187,073	171,579
Inventory	193,719	119,966
Other current assets	76,936	68,506
	<u>6,260,850</u>	<u>6,181,831</u>
<b>TTC term deposits</b> (note 8)	908,490	634,539
<b>Property and equipment</b> (note 6)	<u>897,822</u>	<u>911,593</u>
	<u>8,067,162</u>	<u>7,727,963</u>
<b>Liabilities</b>		
<b>Current liabilities</b>		
Accounts payable and accrued liabilities (note 11)	146,383	192,270
Deferred contributions (note 5)	1,193,609	996,729
Deferred health and dental fees (note 9)	4,941,512	5,211,265
Student group trust liability (note 7)	246,562	197,413
Deferred capital contributions (note 12)	385,080	374,786
	<u>6,913,146</u>	<u>6,972,463</u>
<b>Net assets</b>	<u>1,154,016</u>	<u>755,500</u>
	<u>8,067,162</u>	<u>7,727,963</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, 2018

	2018 \$	2017 \$
<b>Revenue</b>		
Group health and dental plan revenue recognized	7,781,735	6,975,649
Member services	1,968,608	2,400,734
RSU membership fees	2,508,884	2,402,451
Deferred contributions recognized	1,440,642	1,372,487
CopyRite	462,512	397,018
Used Bookroom	-	11,441
Graduate photo service	50,530	53,280
Equity and sustainability issues	1,824	-
Equity service group	87,856	60,405
Social events	419,034	768,307
Grants, sponsorships and donations	15,250	-
Membership development and communication	12,858	5,000
Amortization of deferred capital contributions (note 12)	99,562	142,014
Other revenue	6,000	9,333
Interest income	15,391	5,206
	<u>14,870,686</u>	<u>14,603,325</u>
<b>Expenses</b>		
Health and dental plan insurance premiums	7,781,735	6,975,649
Member services	1,980,791	2,547,909
Restricted student fee disbursements	1,440,642	1,372,487
Wages, benefits and staff development	1,406,574	1,455,587
Social events	528,655	1,828,040
Used Bookroom	-	29,399
Admin and office	32,490	42,412
Campus group	240,819	378,845
Educational issues and advocacy	3,279	8,589
Equity and sustainability issues	6,150	8,955
Equity service group	134,132	82,775
RSU services	15,794	17,238
Graduate students	86,577	83,394
Membership development and communication	27,144	72,571
Organizational governance and meetings	146,684	156,867
Sustainability issues	813	1,022
Executive members	3,255	7,516
Repairs and maintenance	16,939	47,116
Bad debts	5,063	3,000
CopyRite	158,609	142,345
Grants, sponsorships and donations	118,109	72,532
Professional fees	150,570	149,892
Bank and other service charge	95,323	94,233
Insurance	31,127	27,582
Other	(62,731)	34,040
Amortization and depreciation	123,627	108,242
	<u>14,472,170</u>	<u>15,748,237</u>
<b>Surplus (deficit) for the year</b>	398,516	(1,144,912)
<b>Net assets - Beginning of year</b>	<u>755,500</u>	<u>1,900,412</u>
<b>Net assets - End of year</b>	<u>1,154,016</u>	<u>755,500</u>

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

# Ryerson Students' Union

## Statement of Cash Flows

For the year ended April 30, 2018

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	2018	2017
	\$	\$
<b>Cash provided by (used in)</b>		
<b>Operating activities</b>		
Surplus (deficit) for the year	398,516	(1,144,912)
Items not involving cash		
Amortization of capital assets	123,627	108,242
Amortization of deferred capital contributions	(99,562)	(142,014)
	<u>422,581</u>	<u>(1,178,684)</u>
Net change in non-cash working capital		
Accounts receivable	12,797	227,053
Membership fee receivable	(15,494)	(22,079)
Inventory	(73,753)	104,493
Other current assets	(8,430)	(68,506)
Accounts payable and accrued liabilities	(45,887)	(368,379)
Deferred health and dental fees	(269,753)	14,080
Student group trust liability	49,149	8,109
Deferred contributions	(4,279)	69,398
	<u>66,931</u>	<u>(1,214,515)</u>
<b>Investing activities</b>		
Purchase of property and equipment	(109,856)	(132,193)
Increase in term deposits	(273,951)	(68,004)
	<u>(383,807)</u>	<u>(200,197)</u>
<b>Financing activities</b>		
Deferred contributions received	<u>311,015</u>	<u>297,821</u>
<b>Net change in cash and cash equivalents</b>	(5,861)	(1,116,891)
<b>Cash and cash equivalents - Beginning of year</b>	<u>5,742,629</u>	<u>6,859,520</u>
<b>Cash and cash equivalents - End of year</b>	<u>5,736,768</u>	<u>5,742,629</u>

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

# Ryerson Students' Union

## Notes to Financial Statements

April 30, 2018

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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, 2018

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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:

- The net book value and amortization expense for the property and equipment. These are based on the estimated useful lives of the various assets.

Actual results may differ from these estimates.

### Financial instruments

RSU initially measures its financial assets and liabilities at fair value. 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, accounts receivable and membership fee receivable. Financial liabilities measured at amortized cost include accounts payable and accrued liabilities.

### 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.

## 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:

	2018 \$	2017 \$
Restricted for health and dental plan (note 9)	4,941,512	5,211,265
Deferred contributions (note 5)	1,193,609	996,729
Restricted for student groups (note 7)	246,562	197,413
	<u>6,381,683</u>	<u>6,405,407</u>



# Ryerson Students' Union

## Notes to Financial Statements

April 30, 2018

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### 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:

	2018 \$	2017 \$
<b>National and Ontario Student Federations</b>		
Balance - Beginning of year	150,450	124,692
Student fee revenue	558,875	535,167
Payments	(560,463)	(509,409)
	<hr/>	<hr/>
Balance - End of year	148,862	150,450
<b>Rye Eye Publishing Inc.</b>		
Balance - Beginning of year	25,838	-
Student fees received	560,605	536,824
Payments	(562,198)	(510,986)
	<hr/>	<hr/>
Balance - End of year	24,245	25,838
<b>Ryerson Radio</b>		
Balance - Beginning of year	17,802	-
Student fees received	386,281	369,894
Payments and disbursements	(387,379)	(352,092)
	<hr/>	<hr/>
Balance - End of year	16,704	17,802
<b>Funds totals</b>		
Balance - Beginning of year	194,090	124,692
Total restricted student fees received	1,505,761	1,441,885
Total disbursements and revenue recognized	(1,510,040)	(1,372,487)
	<hr/>	<hr/>
Balance - End of year	189,811	194,090

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.

	2018 \$	2017 \$
Balance - Beginning of year	802,639	596,806
Add (deduct):		
Student fees received	311,015	297,821
Property and equipment purchases (note 12)	(109,856)	(91,988)
	<hr/>	<hr/>
Balance - End of year	1,003,798	802,639

# Ryerson Students' Union

## Notes to Financial Statements

April 30, 2018

### 6 Property and equipment

	<b>2018</b>		
	<b>Cost</b>	<b>Accumulated</b>	<b>Net</b>
	\$	amortization	\$
		\$	\$
Equipment	43,782	17,198	26,584
Computer software	73,479	10,782	62,697
Student Centre contributions	851,754	249,170	602,584
Assets not in use	13,376	-	13,376
Leasehold improvements	377,624	185,043	192,581
	<u>1,360,015</u>	<u>462,193</u>	<u>897,822</u>
	<b>2017</b>		
	<b>Cost</b>	<b>Accumulated</b>	<b>Net</b>
	\$	amortization	\$
		\$	\$
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>

### 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 \$246,562 (2017 - \$197,413) held in trust.

### 8 TTC 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%.

# Ryerson Students' Union

## Notes to Financial Statements

April 30, 2018

### 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.

	2018 \$	2017 \$
Balance - Beginning of year	5,211,265	5,197,185
Add (deduct):		
Health and dental premiums	7,481,715	6,935,781
Insurance premiums paid	(7,640,473)	(6,777,731)
Other direct expenses	(141,262)	(154,798)
Interest income	30,267	10,828
Balance - End of year	<u>4,941,512</u>	<u>5,211,265</u>

RSU is committed to paying health and dental plan insurance premiums from May 1, 2018 to August 31, 2018 of \$2,537,612. The remaining balance less other direct expenses will be transferred to the long-term reserve.

### 10 Commitments and contingencies

RSU has available a \$350,000 (2017 - \$350,000) 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, \$6,951 (2017 - \$4,457) is included in accounts payable and accrued liabilities.

### 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.

	2018 \$	2017 \$
Balance - Beginning of year	374,786	424,812
Add (deduct):		
Capital assets purchased	109,856	91,988
Amortization of deferred capital contributions	(99,562)	(142,014)
Balance - End of year	<u>385,080</u>	<u>374,786</u>

# **Ryerson Students' Union**

Notes to Financial Statements

April 30, 2018

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## **13 Comparative figures**

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