

**FINANCIAL STATEMENTS**  
**CONTINUING EDUCATION STUDENTS' ASSOCIATION OF RYERSON**  
**AS AT APRIL 30, 2021**

**CONTINUING EDUCATION STUDENTS' ASSOCIATION OF RYERSON**

**AS AT APRIL 30, 2021**

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## MANAGEMENT REPORT

### Management's Responsibility for Financial Reporting

The accompanying financial statements of the **Continuing Education Students' Association of Ryerson** have been prepared by management and approved by the board of directors. Management is responsible for the integrity, objectivity and reliability of the data presented. This responsibility includes selecting appropriate accounting principles and making judgments and estimates consistent with Canadian accounting standards for not-for-profit organizations. Management is also responsible for the development of internal controls over the financial reporting process, which are designed to provide reasonable assurance that relevant and reliable financial information is produced, and that the controls ensure that the assets of the corporation are safeguarded.

The board of directors of the **Continuing Education Students' Association of Ryerson** is responsible for reviewing and approving the financial statements, and overseeing management's performance of its financial reporting responsibilities.

Yale PGC LLP are the external auditors of the **Continuing Education Students' Association of Ryerson**. The external auditors have audited the financial statements in accordance with Canadian accounting standards for not-for-profit organizations to enable them to express their opinion on the financial statements. Their report is included on the following page of this report.

On behalf of the **Continuing Education Students' Association of Ryerson**

Corey Scott, Executive Director

## INDEPENDENT AUDITORS' REPORT

To the Board of Directors:  
**Continuing Education Students' Association of Ryerson**

### Opinion

We have audited the financial statements of **Continuing Education Students' Association of Ryerson**, which comprise the statement of financial position as at April 30, 2021, and the statement of operations and changes in net assets and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of **Continuing Education Students' Association of Ryerson** as at April 30, 2021, and its financial performance and its cash flows for the year then ended in accordance with Accounting Standards for Not-for-profit Organizations (ASNPO).

### 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 *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of **Continuing Education Students' Association of Ryerson** in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### 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 Accounting Standards for Not-for-profit Organizations (ASNPO), 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 **Continuing Education Students' Association of Ryerson'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 **Continuing Education Students' Association of Ryerson** or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for over seeing **Continuing Education Students' Association of Ryerson's** financial reporting process.

### Auditors' 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 **Continuing Education Students' Association of Ryerson'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 **Continuing Education Students' Association of Ryerson'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 **Continuing Education Students' Association of Ryerson** 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.

*Yale PGC LLP*

Chartered Professional Accountants  
Licensed Public Accountants

Toronto, Ontario  
November 2, 2021

CONTINUING EDUCATION STUDENTS' ASSOCIATION OF RYERSON

STATEMENT OF FINANCIAL POSITION

AS AT APRIL 30, 2021

(With comparative figures as at April 30, 2020)

ASSETS

	2021	2020
<b>CURRENT</b>		
Cash	\$ 1,460,676	\$ 1,374,235
Cash - restricted for health and dental plan (note 9)	415,551	381,060
Cash - externally restricted student fees (note 7)	296,420	207,035
Accounts receivable	4,808	2,286
Prepaid expenses	<u>26,556</u>	<u>6,028</u>
	2,204,011	1,970,644
<b>PROPERTY AND EQUIPMENT (note 3)</b>	<u>452,116</u>	<u>466,887</u>
<b>TOTAL ASSETS</b>	<u>\$ 2,656,127</u>	<u>\$ 2,437,531</u>

LIABILITIES

<b>CURRENT</b>		
Accounts payable and accruals	\$ 31,247	\$ 78,509
Externally restricted student fees (note 7)	296,420	207,035
Deferred health and dental plan fees (note 9)	<u>415,551</u>	<u>381,060</u>
	<u>743,218</u>	<u>666,604</u>

NET ASSETS

Unrestricted net assets	310,793	988,040
Net assets invested in property and equipment (note 6)	452,116	466,887
Internally restricted net assets (note 8)	125,000	-
Reserve fund (note 10)	<u>1,025,000</u>	<u>316,000</u>
	<u>1,912,909</u>	<u>1,770,927</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<u>\$ 2,656,127</u>	<u>\$ 2,437,531</u>

APPROVED ON BEHALF OF THE BOARD

\_\_\_\_\_ Director

**CONTINUING EDUCATION STUDENTS' ASSOCIATION OF RYERSON**

**STATEMENT OF OPERATIONS AND CHANGES IN NET ASSETS**

**FOR THE YEAR ENDED APRIL 30, 2021  
(With comparative figures for the year ended April 30, 2020)**

	2021	2020
<b>REVENUES</b>		
General student fees	\$ 855,394	\$ 716,000
Restricted group health and dental fees recognized (note 9)	475,612	366,710
Externally restricted fees (note 7)	425,066	320,478
Deferred fees invested in property and equipment (note 5)	-	8,424
Interest and other income	<u>34,421</u>	<u>29,782</u>
	<u>1,790,493</u>	<u>1,441,394</u>
 <b>EXPENSES</b>		
Restricted group health and dental plan disbursements (note 9)	475,612	366,710
Restricted fee disbursements (note 7)	475,066	320,478
Salaries, wages and benefits	447,073	352,748
Board honorariums and expenses	64,543	100,156
Member services	63,649	103,678
Office and general	57,661	21,145
Audit and legal	25,666	33,040
Handbook	9,385	7,302
Hardware maintenance and support	8,929	11,424
Donations	6,156	2,000
Amortization	<u>14,771</u>	<u>15,492</u>
	<u>1,648,511</u>	<u>1,334,173</u>
 <b>EXCESS OF REVENUES OVER EXPENSES</b>	141,982	107,221
Net assets, beginning of year	<u>1,770,927</u>	<u>1,663,706</u>
Net assets, end of the year	<u>\$ 1,912,909</u>	<u>\$ 1,770,927</u>

CONTINUING EDUCATION STUDENTS' ASSOCIATION OF RYERSON

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED APRIL 30, 2021  
(With comparative figures for the year ended April 30, 2020)

	2021	2020
<b>CASH FLOWS FROM (USED IN):</b>		
<b>OPERATING ACTIVITIES</b>		
Excess of revenues over expenses	\$ 141,982	\$ 107,221
Non-cash items:		
Amortization	14,771	15,492
Deferred fees invested in property and equipment	-	(8,424)
Non-cash working capital:		
Accounts receivable	(2,522)	9,727
Prepaid expenses	(20,527)	22,292
Accounts payable and accruals	<u>(47,263)</u>	<u>48,520</u>
<b>INCREASE IN CASH</b>	86,441	194,828
Cash at beginning of the year	<u>1,374,235</u>	<u>1,179,407</u>
<b>CASH AT END OF THE YEAR</b>	<u>\$ 1,460,676</u>	<u>\$ 1,374,235</u>

# CONTINUING EDUCATION STUDENTS' ASSOCIATION OF RYERSON

## NOTES TO THE FINANCIAL STATEMENTS

AS AT APRIL 30, 2021

### 1. PURPOSE OF THE ORGANIZATION

The mandate of the Continuing Education Students' Association of Ryerson ("the association") is to provide services to, and to advocate for its members – the continuing education, distance education, off-campus, and part-time students at Ryerson University. The primary source of revenue is student fees, which are collected from the students and remitted by Ryerson University administration.

The association is a non-profit corporation without share capital, incorporated under the Corporations Act of Ontario on June 26, 1979. As a non-profit organization the corporation is exempt from income taxes under section 149(1)(l) of the Income Tax Act.

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations in Part III of the *CPA Canada Handbook* and include the following significant accounting policies:

#### Revenue recognition

Unrestricted student fees are recognized when received or receivable, provided that collection is reasonably assured and the amount is determinable. Fees are determined and remitted to the association by Ryerson University's Cashier's Office after collecting them from the students as part of their tuition and fee payments.

Externally restricted contributions, which are established by referendum of the student body, are deferred and shown as a liability upon receipt in accordance with the deferral method of accounting for externally restricted contributions. As the related disbursements are made and expenses incurred for which the contributions were intended, the liability is reduced and that amount is recognized as income.

Amounts received for the student campus centre fund are recorded as deferred contributions and shown as a liability when received. The deferred contributions are recognized as revenue on the same basis as amortization on property and equipment.

Sales revenues, investment income, and related expenses are recorded on an accrual basis.

#### 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 three to five years. The capital contributions towards the building at 55 Gould Street are amortized on a straight-line basis over the 40-year lease term.

#### Contributed services

The association 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.

#### Use of estimates

The preparation of financial statements requires management to make estimates and assumptions which affect the amounts reported in the financial statements. These estimates, primarily concerning the useful lives of the property and equipment, are based on management's best knowledge of current events. Actual results may differ from those estimates.

**CONTINUING EDUCATION STUDENTS' ASSOCIATION OF RYERSON**

**NOTES TO THE FINANCIAL STATEMENTS**

**AS AT APRIL 30, 2021**

**2. SIGNIFICANT ACCOUNTING POLICIES (continued)**

Financial instruments

Financial assets and liabilities are initially recorded at fair value and subsequently measured at amortized cost. Financial assets recognized at amortized cost include cash and restricted cash and accounts receivable. Financial liabilities recorded at amortized cost include accounts payable and accruals.

Financial assets are regularly assessed for indications of impairment. If there is an indication of impairment and an adverse change in the expected timing or amount of cash flows, then an impairment loss (bad debts expense) is recognized in the statement of operations. Any reversals of previously recognized impairment losses are recognized in the statement of operations in the year the reversal occurs.

**3. PROPERTY AND EQUIPMENT**

	<u>Cost</u>	<u>Accumulated Amortization</u>	<u>Net book value</u>	
			<u>2021</u>	<u>2020</u>
Equipment	\$ 62,227	\$ 62,227	\$ -	\$ -
Contribution to Student Centre	<u>590,853</u>	<u>138,737</u>	<u>452,116</u>	<u>466,887</u>
	<u>\$ 653,080</u>	<u>\$ 200,964</u>	<u>\$ 452,116</u>	<u>\$ 466,887</u>

**4. FINANCIAL INSTRUMENTS - FINANCIAL RISKS**

The significant risks arising from financial instruments to which the association is exposed as at April 30, 2021 are detailed below.

*Credit risk*

The association's credit risk is low as the fee revenues are collected from the students and remitted to the association by Ryerson University.

*Interest rate risk*

The association's interest income is subject to some fluctuation as the bank accounts bear interest related to the prime banking rate, which is subject to change as determined by the bank.

**5. DEFERRED CONTRIBUTIONS RELATED TO PROPERTY AND EQUIPMENT**

Deferred contributions represent the un-amortized amount of fees received which have been used to purchase property and equipment. The amortization of these contributions is recorded as revenue on the statement of operations as the assets are amortized to expense.

	2021	2020
Opening balance	\$ -	\$ 8,424
Amounts amortized to revenue	<u>-</u>	<u>(8,424)</u>
Closing balance	<u>\$ -</u>	<u>\$ -</u>

**CONTINUING EDUCATION STUDENTS' ASSOCIATION OF RYERSON**

**NOTES TO THE FINANCIAL STATEMENTS**

**AS AT APRIL 30, 2021**

**6. NET ASSETS INVESTED IN PROPERTY AND EQUIPMENT**

This represents the net book value of the association's property and equipment less the unamortized balance of capital fund student fees described in note 5.

	2021	2020
Net book value of property and equipment	\$ <u>452,116</u>	\$ <u>466,887</u>

**7. EXTERNALLY RESTRICTED STUDENT FEES**

2021                      2020

Student Campus Centre Fund - originally established to finance the costs associated with designing, planning, constructing, and equipping the Student Campus Centre at 55 Gould Street, funds are now used for improvements, student centre services, and property and equipment for the student centre.

Opening balance	\$ 152,123	\$ 111,876
Student Campus Centre Fund levies received	<u>41,073</u>	<u>40,247</u>
Closing balance	<u>193,196</u>	<u>152,123</u>

Bursary Fund - to improve accessibility to education through the provision of enhanced bursary funding to members demonstrating financial need.

Opening balance	54,912	47,891
Bursary portion of student levies received	203,046	163,221
Surplus allocated	50,000	-
Amounts disbursed and recognized as revenue	<u>(225,300)</u>	<u>(156,200)</u>
Closing balance	<u>82,658</u>	<u>54,912</u>

Student Federations - membership in the Canadian and Ontario Federation of Students, which act as lobby groups representing the collective interests of students to the provincial and federal governments. These funds are remitted to the federal and provincial components of the federation:

Opening balance	-	-
Student federations portion of levies received	199,169	164,278
Amounts disbursed and recognized as revenue	<u>(199,169)</u>	<u>(164,278)</u>
Closing balance	<u>-</u>	<u>-</u>

Student Error Fund - miscalculation of membership fee from the university between Winter 2020 and Spring/Summer 2021 due to the university charging fee as a flat rate than a per course rate.

Opening balance	-	-
Student refunds to be issued	21,163	-
Amounts refunded	<u>(597)</u>	<u>-</u>
Closing balance	<u>20,566</u>	<u>-</u>

**CONTINUING EDUCATION STUDENTS' ASSOCIATION OF RYERSON**

**NOTES TO THE FINANCIAL STATEMENTS**

**AS AT APRIL 30, 2021**

**7. EXTERNALLY RESTRICTED STUDENT FEES (continued)**

	2021	2020
<u>Totals for all funds</u>		
Opening balance	207,035	159,767
Student fee levies received	464,451	367,746
Surplus allocated	50,000	-
Amount recognized as revenue and disbursed	<u>(425,066)</u>	<u>(320,478)</u>
Closing balance	<u>\$ 296,420</u>	<u>\$ 207,035</u>

**8. INTERNALLY RESTRICTED DESIGNATED FEES**

Due to COVID-19 and unknown enrolment data, there were a number of circumstances that led to a significant operational surplus in the organization. As such, in 2021 the Board of Directors chose to designate this surplus to spending accounts as below:

	2021	2020
<u>Emergency Grants</u> - established as a lump sum allocation from the Board, funds are used to provide a non-repayable grant to students who are in unexpected or emergency financial situations.		
Opening balance	\$ -	\$ -
Surplus allocated	<u>70,000</u>	<u>-</u>
Closing balance	<u>70,000</u>	<u>-</u>

Capital Expenses - funds allocated by the Board to acquire and upgrade physical assets in the association's office

Opening balance	-	-
Surplus allocated	<u>30,000</u>	<u>-</u>
Closing balance	<u>30,000</u>	<u>-</u>

Equity Group Projects - funds allocated by the Board to use towards large equity and social justice projects, endorsements and grants.

Opening balance	-	-
Surplus allocated	<u>25,000</u>	<u>-</u>
Closing balance	<u>25,000</u>	<u>-</u>

Totals for all funds

Opening balance	-	-
Surplus allocated	<u>125,000</u>	<u>-</u>
Closing balance	<u>\$ 125,000</u>	<u>\$ -</u>

**CONTINUING EDUCATION STUDENTS' ASSOCIATION OF RYERSON**

**NOTES TO THE FINANCIAL STATEMENTS**

**AS AT APRIL 30, 2021**

**9. RESTRICTED GROUP HEALTH AND DENTAL PLAN**

The group health and dental plan was introduced pursuant to the passing of a referendum of the members. These amounts are accounted for using the deferral method of accounting for externally restricted contributions.

	2021	2020
Opening balance	\$ <u>381,060</u>	\$ <u>309,378</u>
Fees received	495,275	433,358
Opt-In / Add-On Fees Received	<u>14,828</u>	<u>5,034</u>
Receipts	<u>510,103</u>	<u>438,392</u>
Opt-out Refunds Issued	(179,662)	(46,215)
Insurance premiums remitted	(295,577)	(320,122)
Office and general expenses	<u>(373)</u>	<u>(373)</u>
Disbursements and revenue recognized	<u>(475,612)</u>	<u>(366,710)</u>
Closing balance	\$ <u><u>415,551</u></u>	\$ <u><u>381,060</u></u>

Commitments and plan surplus

Fees received are for coverage over the full academic year ending August 31. An estimate of the surplus or deficit in the plan to date is obtained by deducting the amount of summer premiums due subsequent to the year-end from the above deferral balance:

Closing balance	\$ 415,551	\$ 381,060
Insurance premiums due over the summer term	<u>(96,352)</u>	<u>(71,002)</u>
Plan surplus	\$ <u><u>319,199</u></u>	\$ <u><u>310,058</u></u>

**10. MANAGEMENT OF CAPITAL AND RESERVE FUND**

The primary source of working capital - student fees - are received from the university in three installments per year, typically in September, November and March. The association manages its working capital to ensure liquidity by restricting disbursements to maintain adequate cash balances between student fee installments. As a means of ensuring liquidity the Board established the following internal working capital restrictions in the form of reserve funds after deducting third-party liabilities and externally established claims on the working capital. The association's reserve fund is fully funded as at year end:

	2021	2020
<b>WORKING CAPITAL</b>		
Current assets	\$ 2,204,011	\$ 1,970,645
Accounts payable and accrued liabilities	(31,247)	(78,508)
Externally restricted funds	(296,420)	(207,035)
Health and Dental plan restricted funds	(415,551)	(381,060)
Internally established Reserve Fund to cover 18 (2020 - 6) months of basic operating expenses (below)	<u>(1,025,000)</u>	<u>(316,000)</u>
Net working capital	\$ <u><u>435,793</u></u>	\$ <u><u>988,042</u></u>

**CONTINUING EDUCATION STUDENTS' ASSOCIATION OF RYERSON**

**NOTES TO THE FINANCIAL STATEMENTS**

**AS AT APRIL 30, 2021**

**10. MANAGEMENT OF CAPITAL AND RESERVE FUND (continued)**

	2021	2020
<b>RESERVE FUND</b>		
Total operating expenses	\$ 1,648,511	\$ 1,334,173
Amortization	(14,771)	(15,492)
Restricted fee disbursements	(475,066)	(320,478)
Health and dental plan disbursements	<u>(475,612)</u>	<u>(366,710)</u>
Adjusted operating expenses	<u>683,062</u>	<u>631,493</u>
Reserve is equal to 150% (2020: 50%) of adjusted expenses for the year, rounded to the nearest thousand	<u>\$ 1,025,000</u>	<u>\$ 316,000</u>

**11. COVID-19**

Countries around the world continue to be affected by the COVID-19 virus, which was declared a pandemic by the World Health Organization on March 11, 2020. This pandemic has placed restrictive boundaries on how businesses and organizations operate, requiring the closure of in-person locations and social distancing measures. While the association continues to operate, it has been difficult to project long-term impacts on the financial operations of the organization. As such, the full impact of this event has not been reflected in the financial statements.