

Financial Statements of

**GRADUATE STUDENTS' UNION,
UNIVERSITY OF TORONTO**

August 31, 2003



Auditors' Report

To the Members of
Graduate Students' Union,
University of Toronto

We have audited the balance sheet of the Graduate Students' Union, University of Toronto as at August 31, 2003 and the statements of operations and changes in net assets, and of 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 August 31, 2003 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Deloitte + Touche LLP

Chartered Accountants

Toronto, Ontario
October 3, 2003

**GRADUATE STUDENTS' UNION,
UNIVERSITY OF TORONTO**

Balance Sheet

August 31, 2003

	<u>2003</u>	<u>2002</u>
ASSETS		
CURRENT		
Cash and short term investments (Note 4)	\$ 221,180	\$ 191,189
Accounts receivable	11,952	16,522
Prepaid expenses	23,697	30,969
Current portion of loans receivable	-	400
	<u>256,829</u>	<u>239,080</u>
CAPITAL ASSETS (Note 5)	43,263	20,268
	<u>\$ 300,092</u>	<u>\$ 259,348</u>
LIABILITIES		
CURRENT		
Accounts payable and accrued liabilities	\$ 82,979	\$ 17,426
NET ASSETS		
INVESTED IN CAPITAL ASSETS	43,263	20,268
RESTRICTED FOR SPECIFIC PURPOSES (Note 3)	74,825	79,408
UNRESTRICTED	99,025	142,246
	<u>217,113</u>	<u>241,922</u>
	<u>\$ 300,092</u>	<u>\$ 259,348</u>

APPROVED ON BEHALF OF THE EXECUTIVE

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**GRADUATE STUDENTS' UNION,
UNIVERSITY OF TORONTO**
Statement of Operations and Changes in Net Assets
Year ended August 31, 2003

	2003						2002	
	Unrestricted	Invested In Capital Assets	Internally Restricted Funds			Total	Total	
			Building	Emergency	Line of Credit			
REVENUE								
Fees	\$ 1,904,309	\$ -	\$ -	\$ -	\$ -	\$ 1,904,309	\$ 1,750,232	
Sundry and interest	26,778	-	-	-	-	26,778	26,155	
Miscellaneous income	1,399	-	-	-	-	1,399	-	
	1,932,486	-	-	-	-	1,932,486	1,776,387	
EXPENSES								
Grants and fees - Schedule	1,495,262	-	-	-	-	1,495,262	1,341,461	
Salaries and benefits - Schedule	325,622	-	-	-	-	325,622	298,078	
House expenses - Schedule	103,530	-	-	-	-	103,530	89,792	
Building repairs	-	-	19,583	-	-	19,583	5,600	
Amortization	-	7,915	-	-	-	7,915	8,842	
Restaurant and bar - Schedule	3,414	-	-	-	-	3,414	8,181	
Loss on disposal of capital assets	-	1,969	-	-	-	1,969	687	
	1,927,828	9,884	19,583	-	-	1,957,295	1,752,641	
EXCESS OF REVENUE OVER EXPENSES (EXPENSES OVER REVENUE)	4,658	(9,884)	(19,583)	-	-	(24,809)	23,746	
NET ASSETS, BEGINNING OF YEAR	142,246	20,268	44,408	10,000	25,000	241,922	218,176	
INVESTMENT IN CAPITAL ASSETS - net	(32,879)	32,879	-	-	-	-	-	
INTER-FUND TRANSFER (Note 3)	(15,000)	-	15,000	-	-	-	-	
NET ASSETS, END OF YEAR	\$ 99,025	\$ 43,263	\$ 39,825	\$ 10,000	\$ 25,000	\$ 217,113	\$ 241,922	

**GRADUATE STUDENTS' UNION,
UNIVERSITY OF TORONTO**
Statement of Cash Flows
Year ended August 31, 2003

	<u>2003</u>	<u>2002</u>
NET INFLOW (OUTFLOW) OF CASH RELATED TO THE FOLLOWING ACTIVITIES		
OPERATING		
Excess of (expenses over revenues) revenues over expenses	\$ (24,809)	\$ 23,746
Items not affecting cash		
Amortization	7,915	8,842
Loss on disposal of capital assets	1,969	687
	<u>(14,925)</u>	<u>33,275</u>
Changes in non-cash operating items		
Accounts receivable	4,570	7,090
Prepaid expenses	7,272	(5,896)
Accounts payable and accrued liabilities	65,553	(23,838)
	<u>62,470</u>	<u>10,631</u>
FINANCING		
Loans receivable	400	7,800
INVESTING		
Purchase of capital assets	(32,879)	(7,599)
NET CASH INFLOW	29,991	10,832
CASH POSITION, BEGINNING OF YEAR	191,189	180,357
CASH POSITION, END OF YEAR	\$ 221,180	\$ 191,189

**GRADUATE STUDENTS' UNION,
UNIVERSITY OF TORONTO**
Notes to the Financial Statements
August 31, 2003

1. NATURE OF ORGANIZATION

The Graduate Students' Union, University of Toronto ("Union") is an organization established to meet the needs of and provide services to, graduate students of the University of Toronto.

As a non-profit organization the Union is exempt from income taxes under Part I of the Income Tax Act.

2. SIGNIFICANT ACCOUNTING POLICIES

The 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 restricted fund method of reporting restricted contributions.

Revenue recognition

Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured. Restricted contributions are recognized as revenue of the appropriate restricted fund.

Capital assets

Capital assets are recorded at cost and are amortized on a straight-line basis over their estimated useful lives as follows:

Furniture and equipment	-	10 years
Security System	-	10 years
Computer equipment	-	5 years

Use of estimates

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amount of assets and liabilities, the disclosure of contingent assets and liabilities at the date of financial statements, and the reported amounts of revenue and expenses during the year. Actual results could differ from those estimates.

**GRADUATE STUDENTS' UNION,
UNIVERSITY OF TORONTO**
Notes to the Financial Statements
August 31, 2003

3. NET ASSETS RESTRICTED FOR SPECIFIC PURPOSES

The Union has set up internally restricted funds to support the following activities:

Building Fund

The Building Fund was established to finance capital improvements to the facilities of the Union.

During the year, the Executive approved a transfer of \$15,000 from the unrestricted operating fund to the internally restricted Building Fund.

Emergency Fund

The Emergency Fund was established to finance unforeseen expenditures not included in the budget and which are necessary between May 1 and September 15 of each year.

Line of Credit Fund

The Line of Credit Fund was established in order to secure a line of credit with the financial institution(s) with which the Union banks.

4. CREDIT FACILITY

The Union has established an operating credit facility with a credit union in the amount of \$25,000 (2002 - \$25,000). The line of credit is secured by a term deposit of \$25,000. As of August 31, 2003, this line of credit is unutilized.

5. CAPITAL ASSETS

	2003			2002
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Furniture and equipment	\$ 93,638	\$ 84,023	\$ 9,615	\$ 9,962
Security System	24,709	412	24,297	-
Computer equipment	23,059	13,708	9,351	10,306
	\$ 141,406	\$ 98,143	\$ 43,263	\$ 20,268

**GRADUATE STUDENTS' UNION,
UNIVERSITY OF TORONTO**

Schedule of Expenses

Year ended August 31, 2003

	2003	2002
GRANTS AND FEES		
Health insurance	\$ 1,122,408	\$ 997,833
University of Toronto Course Union Head Grants	166,718	150,158
Canadian Federation of Students - National	67,952	63,125
Canadian Federation of Students - Ontario	56,627	52,666
Ontario Public Interest Research Group	49,673	46,690
Downtown Legal Services	19,869	18,676
Women's Centre	9,935	9,338
Special grants	2,080	2,975
	\$ 1,495,262	\$ 1,341,461
SALARIES AND BENEFITS		
Staff	\$ 222,266	\$ 205,431
Benefits	57,383	49,055
Executive officers	45,973	43,592
	\$ 325,622	\$ 298,078
HOUSE EXPENSES		
Health insurance administration	\$ 23,626	\$ 21,837
Repairs and maintenance	3,942	3,612
Travel and conferences	7,496	7,682
Handbook	7,392	6,627
Sundry projects	6,834	4,622
Office and general	6,245	5,251
Professional fees	5,338	4,878
General council meetings	5,265	5,238
Photocopy expense	5,198	4,416
Insurance	4,921	3,906
Student conferences	4,920	5,000
Orientation	4,154	4,313
Elections	3,806	711
Telephone	3,096	1,972
Social events	3,055	2,623
Duplicating and printing	2,972	2,269
Contingency expense	2,469	1,782
Small equipment	1,357	903
Women's caucus	700	694
Sports committee	499	556
Bank charges and interest	140	310
Subscriptions	105	590
	\$ 103,530	\$ 89,792
RESTAURANT AND BAR		
Insurance	\$ 4,004	\$ 2,731
Repairs and maintenance	1,226	1,522
Sundry	744	788
Forgiveness of loan	-	5,700
Contract rebate	(2,560)	(2,560)
	\$ 3,414	\$ 8,181