

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

2004 Financial Statements

**GRADUATE STUDENTS' UNION,
UNIVERSITY OF TORONTO**
2004 Financial Statements

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Auditors' Report

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

We have audited the balance sheet of **Graduate Students' Union, University of Toronto** (the "Union") as at August 31, 2004 and the statements of operations and changes in net assets 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 August 31, 2004 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

The 2003 financial statements were reported upon by another firm of chartered accountants.

PKF Hill LLP

October 12, 2004

The Public Accountants Council for the
Province of Ontario Licence Number: 18393

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

Balance Sheet as at August 31

	2004	2003
ASSETS		
Current assets		
Cash and short-term investments (note 4)	\$ 312,084	\$ 221,180
Accounts receivable	9,364	11,952
Prepaid expenses	24,096	23,697
	345,544	256,829
Capital assets (note 5)	44,677	43,263
	\$ 390,221	\$ 300,092
LIABILITIES AND NET ASSETS		
Current liabilities		
Accounts payable and accrued liabilities	\$ 177,724	\$ 82,979
Net assets		
Invested in capital assets	44,677	43,263
Internally restricted for specific purposes (note 3)	49,409	74,825
Unrestricted	118,411	99,025
	212,497	217,113
	\$ 390,221	\$ 300,092

See accompanying notes

On behalf of the Board:

Director

Director

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

Statement of Operations and Changes in Net Assets
Year Ended August 31

	2004					2003	
	Invested in Capital Assets	Internally Restricted for Specific Purposes			Unrestricted	Total	Total
		Building Fund	Emergency Fund	Line of Credit Fund			
Revenue							
Fees (note 6)	\$ -	-	-	-	2,018,431	\$ 2,018,431	\$ 1,904,309
Sundry and interest	-	-	-	-	29,233	29,233	26,778
Miscellaneous Income	-	-	-	-	-	-	1,399
	-	-	-	-	2,047,664	2,047,664	1,932,486
Expenses							
Grants and fees (schedule 1)	-	-	-	-	1,584,165	1,584,165	1,495,262
Salaries and benefits (schedule 1)	-	-	-	-	336,257	336,257	325,622
House expenses (schedule 1)	-	-	-	-	101,310	101,310	103,530
Building repairs	-	5,416	10,000	-	-	15,416	19,583
Amortization	9,984	-	-	-	-	9,984	7,915
Restaurant and bar (schedule 1)	-	-	-	-	5,148	5,148	3,414
Loss on disposal of capital assets	-	-	-	-	-	-	1,969
	9,984	5,416	10,000	-	2,026,880	2,052,280	1,957,295
Excess (deficiency) of revenue over expenses	(9,984)	(5,416)	(10,000)	-	20,784	(4,616)	(24,809)
Net assets, beginning of year	43,263	39,825	10,000	25,000	99,025	217,113	241,922
Invested in capital assets	11,398	-	-	-	(11,398)	-	-
Inter-fund transfer (note 3)	-	15,000	-	(25,000)	10,000	-	-
Net assets, end of year	\$ 44,677	49,409	-	-	118,411	\$ 212,497	\$ 217,113

See accompanying notes

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

Statement of Cash Flows
Year Ended August 31

	2004	2003
Operating activities		
Deficiency of revenue over expenses	\$ (4,616)	\$ (24,809)
Items not involving cash		
Amortization	9,984	7,915
Loss on disposal of capital assets	-	1,969
	<hr/> 5,368	<hr/> (14,925)
Changes in non-cash working capital items		
Accounts receivable	2,588	4,570
Prepaid expenses	(399)	7,272
Accounts payable and accrued liabilities	94,745	65,553
	<hr/> 96,934	<hr/> 77,395
Cash flows from operating activities	102,302	62,470
Cash flows from financing activities - repayment of loans receivable	-	400
Cash flows from investing activities - purchase of capital assets	(11,398)	(32,879)
Net increase in cash and short-term investments during the year	90,904	29,991
Cash and short-term investments, beginning of year	221,180	191,189
Cash and short-term investments, end of year	<hr/> <hr/> \$ 312,084	<hr/> <hr/> \$ 221,180
 Cash and short-term investments consist of:		
Cash	\$ 10,992	\$ 65,324
Short-term investments	301,092	155,856
	<hr/> <hr/> \$ 312,084	<hr/> <hr/> \$ 221,180

See accompanying notes

GRADUATE STUDENTS' UNION, UNIVERSITY OF TORONTO

Notes to Financial Statements
Year Ended August 31, 2004

1. Nature of Organization

The Graduate Students' Union, University of Toronto (the "Union") is incorporated under the Corporations Act (Ontario) as a not-for-profit organization. The Union was 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. Summary of Significant Accounting Policies

The statements have been prepared by management in accordance with Canadian generally accepted accounting principles, the more significant of which are outlined below.

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, liabilities, revenue and expenses. Actual results could differ from these estimates.

Revenue recognition

Fees received from the University of Toronto for insurance premiums are shown gross of the related insurance premium expenses. The fees from extended or family insurance premiums are presented net of the related insurance expenses.

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

3. Net Assets Internally 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 Council approved a transfer of \$15,000 from unrestricted net assets to the Building Fund.

**GRADUATE STUDENTS' UNION,
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Notes to Financial Statements
Year Ended August 31, 2004

3. Net Assets Internally Restricted for Specific Purposes - continued

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.

During the year, the Executive approved \$10,000 of expenditures from the Emergency Fund.

Line of Credit Fund

The Line of Credit Fund was established in order to secure a line of credit. During the year, the security on the line of credit was released by the bank.

During the year, the Executive approved a transfer of \$25,000 from the Line of Credit Fund to unrestricted net assets.

4. Credit Facility

The Union has negotiated an operating line of credit in the amount of \$25,000 (2003 - \$25,000). This facility was not drawn upon at year end.

5. Capital Assets

Capital assets consist of the following:

	2004			2003
	Cost	Accumulated Amortization	Net	Net
Furniture and equipment	\$ 94,355	85,811	\$ 8,544	\$ 9,615
Security system	25,842	2,996	22,846	24,297
Computer equipment	32,607	19,320	13,287	9,351
	<u>\$ 152,804</u>	<u>108,127</u>	<u>\$ 44,677</u>	<u>\$ 43,263</u>

6. Fees

Fees received from University of Toronto during the year are as follows:

September 2003	\$ 1,128,043
January 2004	699,541
March 2004	164,425
May 2004	2,866
June 2004	24,993
July 2004	11,357
	<u>2,031,225</u>
Overpayment adjustment	12,794
	<u>\$ 2,018,431</u>

**GRADUATE STUDENTS' UNION,
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Notes to Financial Statements
Year Ended August 31, 2004

7. Financial Instruments

It is management's opinion that the Union is not exposed to significant interest, currency or credit risks arising from its financial instruments. In addition, due to the short-term maturities of the financial instruments, book values approximate fair values.

8. Comparative Amounts

Certain comparative amounts have been reclassified from those previously presented to conform to the presentation of the 2004 financial statements.

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

Schedule 1

Operating Expenses
Year Ended August 31

	2004	2003
Grants and fees		
Health insurance	\$ 1,190,280	\$ 1,122,408
University of Toronto Course Union Head Grants	176,763	166,718
Canadian Federation of Students - National	72,258	67,952
Canadian Federation of Students - Ontario	60,283	56,627
Ontario Public Interest Research Group	51,613	49,673
Downtown Legal Services	20,645	19,869
Women's Centre	10,323	9,935
Special grants	2,000	2,080
	\$ 1,584,165	\$ 1,495,262
Salaries and benefits		
Staff	\$ 226,699	\$ 222,266
Benefits	62,437	57,383
Executive officers	47,121	45,973
	\$ 336,257	\$ 325,622
House expenses		
Health insurance administration	\$ 24,384	\$ 23,626
Travel and conferences	9,285	7,496
Handbook	8,142	7,392
Office and general	5,984	6,245
Insurance	5,600	4,921
Photocopy expenses	5,457	5,198
Professional fees	5,355	5,338
Student conferences	5,000	4,920
Orientation	3,795	4,154
General council meetings	3,624	5,265
Campaigns	3,423	-
Elections	3,418	3,806
Telephone	3,077	3,096
Repairs and maintenance	3,006	3,942
Duplicating and printing	2,442	2,972
Social events	2,163	3,055
Communications	1,752	-
Small equipment	1,373	1,357
Sundry projects	1,307	6,834
Security monitoring	679	-
Sports committee	601	499
Subscriptions	531	105
Women's caucus	500	700
Bank charges and interest	412	140
Contingency expense	-	2,469
	\$ 101,310	\$ 103,530
Restaurant and bar		
Insurance	\$ 6,502	\$ 4,004
Repairs and maintenance	462	1,226
Sundry	744	744
Contract rebate	(2,560)	(2,560)
	\$ 5,148	\$ 3,414

See accompanying notes