

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

2005 Financial Statements

**GRADUATE STUDENTS' UNION,
UNIVERSITY OF TORONTO**
2005 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, 2005 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, 2005 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

PKF Hill LLP

October 14, 2005

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

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

Balance Sheet as at August 31

	2005	2004
ASSETS		
Current assets		
Cash and short-term investments (note 4)	\$ 228,695	\$ 312,084
Accounts receivable	15,515	9,364
Prepaid expenses	37,201	24,096
	<hr/>	<hr/>
	281,411	345,544
Equipment (note 5)	35,574	44,677
	<hr/>	<hr/>
	\$ 316,985	\$ 390,221

LIABILITIES AND NET ASSETS

Current liabilities		
Accounts payable and accrued liabilities (note 6)	\$ 66,516	\$ 177,724
	<hr/>	<hr/>
Net assets		
Invested in equipment	35,574	44,677
Internally restricted for specific purposes (note 3)	101,716	49,409
Unrestricted	113,179	118,411
	<hr/>	<hr/>
	250,469	212,497
	<hr/>	<hr/>
	\$ 316,985	\$ 390,221

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

	2005						2004		
	Invested in Equipment	Internally Restricted for Specific Purposes				Unrestricted	Total	Total	
		Building Fund	Thesis Cabinet Fund	Emergency Fund	Directors' Liability Fund				Accessibility Fund
Revenue									
Fees (note 7)	\$ -	-	-	-	-	-	2,165,082	\$ 2,165,082	\$ 2,018,431
Sundry and interest	-	-	-	-	-	-	25,695	25,695	29,233
Miscellaneous income	-	-	506	-	-	-	-	506	-
	-	-	506	-	-	-	2,190,777	2,191,283	2,047,664
Expenses									
Grants and fees	-	-	-	-	-	-	1,690,436	1,690,436	1,584,165
Salaries and benefits	-	-	-	-	-	-	341,586	341,586	336,257
House expenses	-	-	-	-	-	-	107,990	107,990	101,310
Amortization	9,103	-	-	-	-	-	-	9,103	9,984
Restaurant and bar	-	-	-	-	-	-	4,997	4,997	5,148
Cabinet expense	-	-	506	-	-	-	-	506	-
Building repairs	-	(1,307)	-	-	-	-	-	(1,307)	15,416
	9,103	(1,307)	506	-	-	-	2,145,009	2,153,311	2,052,280
Excess (deficiency) of revenue over expenses	(9,103)	1,307	-	-	-	-	45,768	37,972	(4,616)
Interfund transfer (note 3)	-	(30,000)	1,000	10,000	40,000	30,000	(51,000)	-	-
Net assets, beginning of year	44,677	49,409	-	-	-	-	118,411	212,497	217,113
Net assets, end of year	\$ 35,574	20,716	1,000	10,000	40,000	30,000	113,179	\$ 250,469	\$ 212,497

See accompanying notes

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

Statement of Cash Flows
Year Ended August 31

	2005	2004
Operating activities		
Excess (deficiency) of revenue over expenses	\$ 37,972	\$ (4,616)
Item not involving cash		
Amortization	9,103	9,984
	<hr/> 47,075	<hr/> 5,368
Changes in non-cash working capital items		
Accounts receivable	(6,151)	2,588
Prepaid expenses	(13,105)	(399)
Accounts payable and accrued liabilities	(111,208)	94,745
	<hr/> (130,464)	<hr/> 96,934
Cash flows from operating activities	(83,389)	102,302
Cash flows from investing activities - purchase of equipment	-	(11,398)
Net increase (decrease) in cash and short-term investments during the year	(83,389)	90,904
Cash and short-term investments, beginning of year	312,084	221,180
Cash and short-term investments, end of year	<hr/> \$ 228,695	<hr/> \$ 312,084
 Cash and short-term investments consist of:		
Cash	\$ 6,777	\$ 10,992
Short-term investments	221,918	301,092
	<hr/> \$ 228,695	<hr/> \$ 312,084

See accompanying notes

GRADUATE STUDENTS' UNION, UNIVERSITY OF TORONTO

Notes to Financial Statements
Year Ended August 31, 2005

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 not-for-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

The Union follows the deferral method of accounting whereby externally restricted contributions are deferred and recognized as revenue in the period in which the related expenses are incurred.

Fees are recognized as revenue in the fiscal year to which they relate.

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.

Equipment

Equipment is recorded at cost and is amortized on a straight-line basis over its estimated useful life 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 \$30,000 from the Building Fund to the Accessibility Fund.

**GRADUATE STUDENTS' UNION,
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Notes to Financial Statements
Year Ended August 31, 2005

3. Net Assets Internally Restricted for Specific Purposes - continued

Thesis Cabinet Fund

The Thesis Cabinet Fund was established to finance the costs associated with the Union's Thesis Cabinet, including thesis reproduction expenditures.

During the year, the Council approved a transfer of \$1,000 from unrestricted net assets to the Thesis Cabinet 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.

During the year, the Council approved a transfer of \$10,000 from unrestricted net assets to the Emergency Fund.

Directors' Liability Fund

The Directors' Liability Fund was established to protect the Directors of the Union in the event that the Union ceases operations.

During the year, the Council approved a transfer of \$40,000 from unrestricted net assets to the Directors' Liability Fund.

Accessibility Fund

The Accessibility Fund was established to finance accessibility-related improvements to the facilities, communications, and services of the Union.

During the year, the Council approved a transfer of \$30,000 from the Building Fund to the Accessibility Fund.

4. Credit Facility

The Union has available an operating line of credit in the amount of \$25,000 (2004 - \$25,000). This facility was not drawn upon during the year.

5. Equipment

Equipment consists of the following:

	2005			2004
	Cost	Accumulated Amortization	Net	Net
Furniture and equipment	\$ 94,355	87,293	\$ 7,062	\$ 8,544
Security system	25,842	5,580	20,262	22,846
Computer equipment	32,607	24,357	8,250	13,287
	<u>\$ 152,804</u>	<u>117,230</u>	<u>\$ 35,574</u>	<u>\$ 44,677</u>

**GRADUATE STUDENTS' UNION,
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Notes to Financial Statements
Year Ended August 31, 2005

6. Deferred Income

Included in accounts payable and accrued liabilities are externally restricted contributions of \$2,486 for the Thesis Cabinet Fund. During the year, there were no contributions received and \$506 was recognized as income.

7. Fees

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

September 2004	\$ 1,244,635
January 2005	688,162
March 2005	194,560
May 2005	1,952
June 2005	15,894
July 2005	7,947
	<hr/>
	2,153,150
Underpayment adjustment	11,932
	<hr/>
	\$ 2,165,082

8. 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.

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

Schedule 1

Operating Expenses
Year Ended August 31

	2005	2004
Grants and fees		
Health insurance	\$ 1,216,758	\$ 1,190,280
University of Toronto Course Union Head Grants	181,330	176,763
Canadian Federation of Students - National	75,244	72,258
Canadian Federation of Students - Ontario	62,703	60,283
Peer Review	57,350	-
Ontario Public Interest Research Group	52,253	51,613
Downtown Legal Services	31,352	20,645
Women's Centre	10,451	10,323
Special grants	2,995	2,000
	\$ 1,690,436	\$ 1,584,165
Salaries and benefits		
Staff	\$ 229,840	\$ 226,699
Benefits	64,347	62,437
Executive officers	47,399	47,121
	\$ 341,586	\$ 336,257
House expenses		
Health insurance administration	\$ 24,857	\$ 24,384
Handbook	9,201	8,142
Travel and conferences	7,469	9,285
Insurance	6,287	5,600
Professional fees	6,003	5,355
Office and general	5,379	5,984
Photocopy expenses	5,371	5,457
General council meetings	4,770	3,624
Student conferences	4,700	5,000
Small equipment	4,290	1,373
Elections	3,756	3,418
Campaigns	3,287	3,423
Communications	3,118	1,752
Orientation	3,112	3,795
Repairs and maintenance	2,971	3,006
Duplicating and printing	2,717	2,442
Telephone	2,600	3,077
Security monitoring	2,062	679
Social events	2,012	2,163
Accessibility	1,100	-
Sundry projects	1,094	1,307
Women's caucus	619	500
Sports committee	587	601
Bank charges and interest	548	412
Subscriptions	80	531
	\$ 107,990	\$ 101,310
Restaurant and bar		
Insurance	\$ 7,826	\$ 6,502
Sundry	1,043	744
Repairs and maintenance	688	462
Contract rebate	(4,560)	(2,560)
	\$ 4,997	\$ 5,148

See accompanying notes