

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

2006 Financial Statements

**GRADUATE STUDENTS' UNION,
UNIVERSITY OF TORONTO**
2006 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, 2006 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, 2006 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 11, 2006

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

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

Balance Sheet as at August 31

	2006	2005
ASSETS		
Current assets		
Cash and short-term investments (note 4)	\$ 305,343	\$ 228,695
Accounts receivable	39,145	15,515
Prepaid expenses	35,509	37,201
	<hr/>	<hr/>
	379,997	281,411
Equipment (note 5)	47,394	35,574
	<hr/>	<hr/>
	\$ 427,391	\$ 316,985

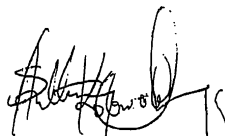
LIABILITIES AND NET ASSETS

Current liabilities		
Accounts payable and accrued liabilities	\$ 83,044	\$ 62,797
Deferred income (note 6)	89,867	3,719
	<hr/>	<hr/>
	172,911	66,516
Net assets		
Invested in equipment	47,394	35,574
Internally restricted for specific purposes (note 3)	101,216	101,716
Unrestricted	105,870	113,179
	<hr/>	<hr/>
	254,480	250,469
	<hr/>	<hr/>
	\$ 427,391	\$ 316,985


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

	2006						2005		
	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)	\$ -	-	-	-	-	-	2,388,742	\$ 2,388,742	\$ 2,165,082
Sundry and interest	-	-	-	-	-	-	26,765	26,765	25,695
Miscellaneous income	-	-	813	-	-	-	9,000	9,813	506
	-	-	813	-	-	-	2,424,507	2,425,320	2,191,283
Expenses									
Grants and fees	-	-	-	-	-	-	1,946,666	1,946,666	1,690,436
Salaries and benefits	-	-	-	-	-	-	341,059	341,059	341,586
House expenses	-	-	-	-	-	-	116,155	116,155	107,990
Amortization	10,007	-	-	-	-	-	-	10,007	9,103
Restaurant and bar	-	-	-	-	-	-	6,109	6,109	4,997
Cabinet expense	-	-	813	-	-	-	-	813	506
Building repairs	-	500	-	-	-	-	-	500	(1,307)
	10,007	500	813	-	-	-	2,409,989	2,421,309	2,153,311
Excess (deficiency) of revenue over expenses	(10,007)	(500)	-	-	-	-	14,518	4,011	37,972
Interfund transfer	21,827	-	-	-	-	-	(21,827)	-	-
Net assets, beginning of year	35,574	20,716	1,000	10,000	40,000	30,000	113,179	250,469	212,497
Net assets, end of year	\$ 47,394	20,216	1,000	10,000	40,000	30,000	105,870	\$ 254,480	\$ 250,469

See accompanying notes

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

Statement of Cash Flows
Year Ended August 31

	2006	2005
Operating activities		
Excess of revenue over expenses	\$ 4,011	\$ 37,972
Item not involving cash		
Amortization	10,007	9,103
	<hr/> 14,018	<hr/> 47,075
Changes in non-cash working capital items		
Accounts receivable	(23,630)	(6,151)
Prepaid expenses	1,692	(13,105)
Accounts payable and accrued liabilities	20,247	(114,927)
Deferred income	86,148	3,719
	<hr/> 84,457	<hr/> (130,464)
Cash flows from operating activities	98,475	(83,389)
Cash flows from investing activities - purchase of equipment	(21,827)	-
Net increase (decrease) in cash and short-term investments during the year	76,648	(83,389)
Cash and short-term investments, beginning of year	228,695	312,084
Cash and short-term investments, end of year	<hr/> <hr/> \$ 305,343	<hr/> <hr/> \$ 228,695
 Cash and short-term investments consist of:		
Cash	\$ 95,686	\$ 6,777
Short-term investments	209,657	221,918
	<hr/> <hr/> \$ 305,343	<hr/> <hr/> \$ 228,695

See accompanying notes

GRADUATE STUDENTS' UNION, UNIVERSITY OF TORONTO

Notes to Financial Statements
Year Ended August 31, 2006

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 the 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.

Investments

Investments are recorded at the lower of cost and market value. A provision is made when the decline is considered other than temporary.

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.

**GRADUATE STUDENTS' UNION,
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Notes to Financial Statements
Year Ended August 31, 2006

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.

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.

Directors' Liability Fund

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

Accessibility Fund

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

4. Credit Facility

The Union has available an operating line of credit in the amount of \$25,000 (2005 - \$25,000). This facility was not drawn upon during the year.

5. Equipment

Equipment consists of the following:

	2006			2005
	Cost	Accumulated Amortization	Net	Net
Furniture and equipment	\$ 111,058	86,717	\$ 24,341	\$ 7,062
Security system	25,842	8,165	17,677	20,262
Computer equipment	33,640	28,264	5,376	8,250
	<u>\$ 170,540</u>	<u>123,146</u>	<u>\$ 47,394</u>	<u>\$ 35,574</u>

**GRADUATE STUDENTS' UNION,
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Notes to Financial Statements
Year Ended August 31, 2006

6. Deferred Income

Deferred income received from University of Toronto and graduate students consists of:

	2006			2005
	Thesis Cabinet Fund	Fees	Total	Total
Balance, beginning of year	\$ 2,486	1,233	\$ 3,719	\$ 16,279
Amounts received	-	86,961	86,961	-
Amounts disbursed and recognized as revenue	813	-	813	12,560
Balance, end of year	\$ 1,673	88,194	\$ 89,867	\$ 3,719

7. Fees

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

September 2005	\$ 1,409,196
January 2006	765,534
March 2006	198,025
May 2006	2,109
June 2006	46,053
July 2006	23,145
	2,444,062
Underpayment adjustment	31,202
	2,475,264
Deferred fees (note 6)	(86,522)
	\$ 2,388,742

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

	2006	2005
Grants and fees		
Health insurance	\$ 1,469,155	\$ 1,216,758
University of Toronto Course Union Head Grants	181,173	181,330
Canadian Federation of Students - National	76,889	75,244
Canadian Federation of Students - Ontario	64,074	62,703
Peer Review	58,064	57,350
Ontario Public Interest Research Group	52,520	52,253
Downtown Legal Services	31,512	31,352
Women's Centre	10,504	10,451
Special grants	2,775	2,995
	\$ 1,946,666	\$ 1,690,436
Salaries and benefits		
Staff	\$ 229,522	\$ 229,840
Benefits	62,463	64,347
Executive officers	49,074	47,399
	\$ 341,059	\$ 341,586
House expenses		
Health insurance administration	\$ 25,630	\$ 24,857
Handbook	14,200	9,201
Travel and conferences	9,187	7,469
Student conferences	7,425	4,700
General council meetings	6,005	4,770
Insurance	5,863	6,287
Professional fees	5,636	6,003
Photocopy expenses	5,414	5,371
Office and general	5,056	5,379
Campaigns	4,870	3,287
Elections	3,309	3,756
Orientation	3,297	3,112
Duplicating and printing	3,095	2,717
Social events	2,793	2,012
Telephone	2,620	2,600
Communications	2,511	3,118
Security monitoring	2,136	2,062
Metropass sales contribution	1,500	-
Repairs and maintenance	1,450	2,971
Small equipment	1,117	4,290
Sundry projects	957	1,094
Women's caucus	794	619
Sports committee	502	587
Subscriptions	435	80
Bank charges and interest	353	548
Accessibility	-	1,100
	\$ 116,155	\$ 107,990
Restaurant and bar		
Insurance	\$ 8,388	\$ 7,826
Repairs and maintenance	1,510	688
Sundry	771	1,043
Contract rebate	(4,560)	(4,560)
	\$ 6,109	\$ 4,997

See accompanying notes