

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

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**2008 Financial Statements**

**GRADUATE STUDENTS' UNION,  
UNIVERSITY OF TORONTO**  
2008 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, 2008 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, 2008 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

Chartered Accountants, Licensed Public Accountants (License Number 18393)  
October 14, 2008

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

**Balance Sheet  
As at August 31**

	<b>2008</b>	<b>2007</b>
<b>ASSETS</b>		
Current assets		
Cash (note 5)	\$ 107,706	\$ 236,323
Short-term investments (note 6)	383,805	144,465
Accounts receivable	33,565	70,145
Prepaid expenses	38,544	39,234
	563,620	490,167
Property and equipment (note 7)	71,601	64,893
	\$ 635,221	\$ 555,060

**LIABILITIES AND NET ASSETS**

Current liabilities		
Accounts payable and accrued liabilities (note 8)	\$ 123,876	\$ 117,752
Deferred income (note 9)	147,490	144,811
	271,366	262,563
Net assets		
Invested in property and equipment	71,601	64,893
Internally restricted for specific purposes (note 4)	102,371	101,216
Unrestricted	189,883	126,388
	363,855	292,497
	\$ 635,221	\$ 555,060

**See accompanying notes**

**On behalf of the Board:**



**Joseph Mulongo, President**



**Christopher Charles, Treasurer**

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

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

	2008						2007		
	Internally Restricted for Specific Purposes								
	Invested in Property and Equipment	Building Fund	Thesis Cabinet Fund	Emergency Fund	Directors' Liability Fund	Accessibility Fund	Unrestricted	Total	Total
Revenue									
Fees (note 10)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,039,577	\$ 5,039,577	\$ 4,442,764
Sundry and interest	-	-	-	-	-	-	68,390	68,390	62,353
Miscellaneous income	-	-	10	-	-	-	2,000	2,010	8,000
	-	-	10	-	-	-	5,109,967	5,109,977	4,513,117
Expenses									
Grants and fees (schedule 1)	-	-	-	-	-	-	4,460,886	4,460,886	3,940,582
Salaries and benefits (schedule 2)	-	-	-	-	-	-	388,105	388,105	338,366
House expenses (schedule 3)	-	-	-	-	-	-	171,625	171,625	176,139
Amortization	13,163	-	-	-	-	-	-	13,163	11,907
Restaurant and bar (schedule 4)	-	-	-	-	-	-	5,985	5,985	8,106
Cabinet expense	-	-	10	-	-	-	-	10	-
Building repairs (cost recovery)	-	(1,155)	-	-	-	-	-	(1,155)	-
	13,163	(1,155)	10	-	-	-	5,026,601	5,038,619	4,475,100
Excess (deficiency) of revenue over expenses	(13,163)	1,155	-	-	-	-	83,366	71,358	38,017
Interfund transfer	19,871	-	-	-	-	-	(19,871)	-	-
Net assets, beginning of year	64,893	20,216	1,000	10,000	40,000	30,000	126,388	292,497	254,480
Net assets, end of year	\$ 71,601	\$ 21,371	\$ 1,000	\$ 10,000	\$ 40,000	\$ 30,000	\$ 189,883	\$ 363,855	\$ 292,497

See accompanying notes

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

	<b>2008</b>	<b>2007</b>
Operating activities		
Excess of revenue over expenses	\$ 71,358	\$ 38,017
Item not involving cash		
Amortization	13,163	11,907
	<hr/> 84,521	<hr/> 49,924
Changes in non-cash working capital items		
Accounts receivable	36,580	(31,000)
Prepaid expenses	690	(3,725)
Accounts payable and accrued liabilities	6,124	34,708
Deferred income	2,679	54,944
	<hr/> 46,073	<hr/> 54,927
Cash flows from operating activities	130,594	104,851
Investing activities		
Additions to property and equipment and cash flows from investing activities	(19,871)	(29,406)
Net change in cash and short-term investments during the year	110,723	75,445
Cash and short-term investments, beginning of year	380,788	305,343
Cash and short-term investments, end of year	<hr/> <u>\$ 491,511</u>	<hr/> <u>\$ 380,788</u>
Cash and short-term investments are represented by:		
Cash	\$ 107,706	\$ 236,323
Short-term investments	383,805	144,465
	<hr/> <u>\$ 491,511</u>	<hr/> <u>\$ 380,788</u>

**See accompanying notes**

**GRADUATE STUDENTS' UNION,  
UNIVERSITY OF TORONTO**  
Notes to Financial Statements  
Year ended August 31, 2008

**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. Change in accounting policy**

Effective September 1, 2007, the Union adopted the provisions of Canadian Institute of Chartered Accountants ("CICA") Section 3855, Financial Instruments - Recognition and Measurement and CICA Section 3861, Financial Instruments - Disclosure and Presentation which addresses the classification, recognition, measurement, disclosure and presentation of financial instruments. The new provisions require all financial instruments on initial recognition to be measured at fair value and that subsequent measurement be recorded at fair value or amortized cost using the effective interest rate method.

As a result of adopting these standards, there were no significant adjustments to the financial statements.

**3. 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.

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

Financial instruments

The Union's financial instruments are comprised of cash, short-term investments, accounts receivable and accounts payable. Cash, short-term investments, accounts receivable and accounts payable approximate fair value due to their short-term maturities.

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.

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

Notes to Financial Statements  
Year ended August 31, 2008

**3. Summary of significant accounting policies - continued**

Property and equipment

Equipment is recorded at cost and is amortized on a straight-line basis over its estimated useful life as follows:

Renovations, furniture and equipment	10 years
Security system	10 years
Computer equipment	5 years

Future accounting standard change

The Canadian Institute of Chartered Accountants has issued the following Handbook Section which the Union will be required to adopt for the fiscal 2009. The adoption of the new standard is not expected to have a material impact on the financial statements.

Section 1535, Capital Disclosures, effective for fiscal years beginning on or after October 1, 2007, requires disclosure of the Union's objectives, policies and processes for managing capital, as well as its compliance with any externally imposed capital requirements.

**4. 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.

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.

**5. Credit facility**

The Union has available an operating line of credit in the amount of \$25,000 (2007 - \$25,000). This facility was not drawn upon during the year.

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

Notes to Financial Statements  
Year ended August 31, 2008

**6. Short-term investments**

	<b>2008</b>	<b>2007</b>
Mutual funds - Investment savings account	\$ 235,255	\$ -
Cashable term deposit, 3.55%, maturing March 14, 2009	54,275	-
Cashable term deposit, 3.55%, maturing March 14, 2009	54,275	-
Fixed term deposit, 4.55%, maturing December 8, 2008	40,000	-
Cashable term deposit, 3.90%, maturing March 14, 2008	-	52,233
Cashable term deposit, 3.90%, maturing March 14, 2008	-	52,232
Fixed term deposit, 4.10%, maturing December 8, 2007	-	40,000
	<hr/> <hr/>	<hr/> <hr/>
	\$ 383,805	\$ 144,465

**7. Property and equipment**

	<b>2008</b>			<b>2007</b>
	<b>Cost</b>	<b>Accumulated Amortization</b>	<b>Net</b>	<b>Net</b>
Renovations, furniture and equipment	\$ 152,880	\$ 99,636	\$ 53,244	\$ 43,870
Security system	25,842	13,333	12,509	15,093
Computer equipment	41,095	35,247	5,848	5,930
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
	\$ 219,817	\$ 148,216	\$ 71,601	\$ 64,893

**8. Peer Review Magazine**

The Peer Review Magazine was not published during 2008 and, as a result, Council decided to refund to the students the portion of the levy collected from them to publish the magazine. Therefore, these levies are reflected as part of accounts payable and accrued liabilities at year end. Any amounts not claimed by the students are being carried forward and may be applied to the publication of the 2009 Peer Review Magazine.

**9. Deferred income**

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

	<b>2008</b>				<b>2007</b>
	<b>Thesis Cabinet</b>	<b>Fees</b>	<b>Grants</b>	<b>Total</b>	<b>Total</b>
Balance, beginning of year	\$ 1,673	\$ 141,138	\$ 2,000	\$ 144,811	\$ 89,867
Amounts received	-	145,827	-	145,827	143,138
Amounts disbursed and recognized as revenue	(10)	(141,138)	(2,000)	(143,148)	(88,194)
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
Balance, end of year	\$ 1,663	\$ 145,827	\$ -	\$ 147,490	\$ 144,811

**GRADUATE STUDENTS' UNION,  
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Notes to Financial Statements  
Year ended August 31, 2008

**10. Fees**

Fees received from University of Toronto are as follows:

September 2007	\$ 2,730,941
January 2008	1,801,627
March 2008	412,915
May 2008	4,006
June 2008	89,976
July 2008	41,879
September 2008	24,581
	<hr/>
	5,105,925
Deferred fees received from University of Toronto, current year (note 8)	(141,108)
Deferred fees received from University of Toronto, prior year (note 8)	74,760
	<hr/>
	\$ 5,039,577
	<hr/>

**11. 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.

**GRADUATE STUDENTS' UNION,  
UNIVERSITY OF TORONTO**  
Schedules to Financial Statements  
Year ended August 31, 2008

<b>Grants and Fees</b>	<b>Schedule 1</b>	
	<b>2008</b>	<b>2007</b>
Health insurance	\$ 3,897,067	\$ 3,426,686
University of Toronto Course Union Head Grants	214,069	196,095
Canadian Federation of Students - National	93,166	83,753
Canadian Federation of Students - Ontario	77,557	69,682
Peer Review	66,725	60,863
Ontario Public Interest Research Group	60,973	55,835
Downtown Legal Services	36,584	33,501
Women's Centre	12,195	11,167
Special grants	2,550	3,000
	<b>\$ 4,460,886</b>	<b>\$ 3,940,582</b>
<b>Salaries and Benefits</b>	<b>Schedule 2</b>	
Staff	\$ 253,847	\$ 223,519
Benefits	79,164	62,820
Executive officers	55,094	52,027
	<b>\$ 388,105</b>	<b>\$ 338,366</b>
<b>House Expenses</b>	<b>Schedule 3</b>	
Health insurance administration	\$ 62,403	\$ 56,780
Handbook	19,237	14,201
Student conferences	11,030	9,794
General council meetings	9,143	8,467
Travel and conferences	8,786	9,447
Office and general	6,608	6,458
Communications	6,401	3,062
Insurance	5,721	5,899
Campaigns	5,696	5,421
Photocopying	5,186	5,420
Repairs and maintenance	4,742	3,085
Telephone	4,699	3,356
Orientation	4,119	4,044
Duplicating and printing	3,314	3,045
Metropass sales contribution	3,000	2,000
Sundry projects	2,749	3,367
Small equipment	2,478	2,880
Social events	2,348	2,306
Professional fees	2,009	22,841
Gym	669	1,674
Bank charges and interest	389	387
Subscriptions	308	85
Security monitoring	300	(2,140)
Women's caucus	270	803
Elections	20	3,457
	<b>\$ 171,625</b>	<b>\$ 176,139</b>

See accompanying notes

**GRADUATE STUDENTS' UNION,  
UNIVERSITY OF TORONTO**  
Schedules to Financial Statements  
Year ended August 31, 2008

**Restaurant and Bar**

**Schedule 4**

	<b>2008</b>	<b>2007</b>
Insurance	\$ 7,867	\$ 8,323
Sundry	978	771
Contract rebate	(2,860)	(2,940)
Repairs and maintenance	-	1,952
	<hr/> <hr/>	<hr/> <hr/>
	\$ 5,985	\$ 8,106

**See accompanying notes**