



Financial Statements

Graduate Students' Union, University of Toronto

August 31, 2011

**GRADUATE STUDENTS' UNION,
UNIVERSITY OF TORONTO**
2011 Financial Statements

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Independent Auditor's Report

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

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We have audited the accompanying financial statements of Graduate Students' Union, University of Toronto, which comprise the balance sheet as at August 31, 2011, and the statement of operations and changes in net assets and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's responsibility for the financial statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian generally accepted accounting principles, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

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 comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion the financial statements present fairly, in all material respects, the financial position of Graduate Students' Union, University of Toronto, as at August 31, 2011, and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Grant Thornton LLP

Chartered Accountants, Licensed Public Accountants (License Number 18393)
Toronto, Canada
November 7, 2011

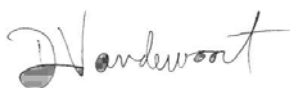
**GRADUATE STUDENTS' UNION,
UNIVERSITY OF TORONTO**

**Balance Sheet
As at August 31**

	2011	2010
ASSETS		
Current assets		
Cash and cash equivalents	\$ 412,938	\$ 480,170
Short-term investments (note 4)	100,793	-
Accounts receivable	35,902	27,304
Loan receivable (note 5)	4,800	6,000
Prepaid expenses	9,341	17,378
	<hr/> 563,774	<hr/> 530,852
Property and equipment (note 6)	<hr/> 58,050	<hr/> 67,871
	<hr/> <hr/> \$ 621,824	<hr/> <hr/> \$ 598,723
LIABILITIES AND NET ASSETS		
Current liabilities		
Accounts payable and accrued liabilities	\$ 70,377	\$ 69,480
Deferred income (note 7)	187,079	165,374
	<hr/> 257,456	<hr/> 234,854
Net assets		
Invested in property and equipment	58,050	67,871
Internally restricted for specific purposes (notes 3 and 8)	142,812	149,812
Unrestricted	163,506	146,186
	<hr/> 364,368	<hr/> 363,869
	<hr/> <hr/> \$ 621,824	<hr/> <hr/> \$ 598,723

See accompanying notes

On behalf of Council:



Daniel Vandervoort
External Commissioner



Ann McPherson
Internal and Finance Commissioner

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

	2011				2010
	Invested in Property and Equipment	Internally Restricted (note 8)	Unrestricted	Total	Total
Revenue					
Fees (note 9)	\$ -	\$ -	\$ 5,746,545	\$ 5,746,545	\$ 5,503,495
Sundry and interest	-	-	27,601	27,601	19,119
	-	-	5,774,146	5,774,146	5,522,614
Expenses					
Grants and fees (schedule 1)	-	-	5,055,850	5,055,850	4,886,199
Salaries and benefits (schedule 2)	-	-	493,961	493,961	442,072
House (schedule 3)	-	-	197,751	197,751	198,267
Donations	-	7,000	-	7,000	38,550
Amortization	13,721	-	-	13,721	14,026
Restaurant and bar (schedule 4)	-	-	5,364	5,364	4,801
	13,721	7,000	5,752,926	5,773,647	5,583,915
Excess (deficiency) of revenue over expenses	(13,721)	(7,000)	21,220	499	(61,301)
Interfund transfer	3,900	-	(3,900)	-	-
Net assets, beginning of year					
As previously stated	67,871	149,812	146,186	363,869	461,075
Accounting change	-	-	-	-	(35,905)
As restated	67,871	149,812	146,186	363,869	425,170
Net assets, end of year	\$ 58,050	\$ 142,812	\$ 163,506	\$ 364,368	\$ 363,869

See accompanying notes

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

	2011	2010
Operating activities		
Excess (deficiency) of revenue over expenses	\$ 499	\$ (61,301)
Item not involving cash		
Amortization	13,721	14,026
	<hr/> 14,220	<hr/> (47,275)
Net change in non-cash working capital items		
Accounts receivable	(8,598)	(4,460)
Prepaid expenses	8,037	38,217
Accounts payable and accrued liabilities	897	6,483
Deferred income	21,705	(232)
	<hr/> 22,041	<hr/> 40,008
Cash flows from operating activities	<hr/> 36,261	<hr/> (7,267)
Investing activities		
Short-term investments	(100,793)	404,333
Loan receivable	1,200	(6,000)
Purchases of property and equipment	(3,900)	(8,332)
Cash flows from investing activities	<hr/> (103,493)	<hr/> 390,001
Net change in cash and cash equivalents during the year	(67,232)	382,734
Cash and cash equivalents, beginning of year	480,170	97,436
Cash and cash equivalents, end of year	<hr/> \$ 412,938	<hr/> \$ 480,170
Cash and cash equivalents consist of:		
Cash	\$ 161,438	\$ 237,954
Cash equivalents	251,500	242,216
	<hr/> \$ 412,938	<hr/> \$ 480,170

See accompanying notes

GRADUATE STUDENTS' UNION, UNIVERSITY OF TORONTO

Notes to Financial Statements
Year ended August 31, 2011

1. Nature of the 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.

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 CICA provides a choice for financial instruments disclosure and presentation and the Union has chosen to apply Section 3861, Financial Instruments - Disclosure and Presentation, in place of Section 3862, Financial Instruments - Disclosure, and Section 3863, Financial Instruments - Presentation.

The Union's financial instruments are comprised of cash and cash equivalents, short-term investments, accounts receivable, loan receivable and accounts payable. Cash and cash equivalents, short-term investments, accounts receivable and accounts payable approximate fair value due to their short-term maturities. The loan receivable is recorded at face value, which approximates fair value, as it is due on demand.

Cash equivalents consist of high interest savings account mutual funds.

Property and equipment

Property and 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

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, 2011

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.

Thesis Cabinet Fund

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

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.

Health and Dental Insurance Administration Fund

The Health and Dental Insurance Administration Fund was established to offset the administrative costs of the increased demand on the health and dental plans.

Student Services and Resources Fund

The Student Services and Resources Fund was established with the remaining funds from the 2007/2008 Peer Review levy. A student services and resources working group will make recommendations on the use of the funds.

4. Short-term investments

	2011	2010
Royal Bank GIC, 4.75%, maturing December 7, 2011	\$ 24,974	\$ -
Royal Bank GIC, 4.30%, maturing December 12, 2011	25,777	-
Royal Bank GIC, 1.81%, maturing December 14, 2011	50,042	-
	<hr/>	
	\$ 100,793	\$ -
	<hr/>	

5. Loan receivable

Loan receivable is from a non-related party, is due on demand, repayable in monthly instalments of \$100 and is non-interest bearing.

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

Notes to Financial Statements
Year ended August 31, 2011

6. Property and equipment

	2011			2010
	Cost	Accumulated Amortization	Net	Net
Renovations, furniture and equipment	\$ 122,366	\$ 73,626	\$ 48,740	\$ 53,170
Security system	25,842	21,085	4,757	7,341
Computer equipment	31,195	26,642	4,553	7,360
	<u>\$ 179,403</u>	<u>\$ 121,353</u>	<u>\$ 58,050</u>	<u>\$ 67,871</u>

7. Deferred income

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

	2011			2010
	Thesis Cabinet Fund	Fees	Total	Total
Balance, beginning of year	\$ 1,626	\$ 163,748	\$ 165,374	\$ 165,606
Amounts received	-	185,453	185,453	163,748
Amounts disbursed and recognized as revenue	-	(163,748)	(163,748)	(163,980)
Balance, end of year	<u>\$ 1,626</u>	<u>\$ 185,453</u>	<u>\$ 187,079</u>	<u>\$ 165,374</u>

8. Internally restricted funds

	Fund Balances Beginning of Year	Revenue	Expenses	Fund Balances End of Year
Building Fund	\$ 21,341	\$ -	\$ -	\$ 21,341
Thesis Cabinet Fund	1,000	-	-	1,000
Directors' Liability Fund	40,000	-	-	40,000
Accessibility Fund	40,000	-	-	40,000
Health and Dental Insurance Administration Fund	24,000	-	-	24,000
Student Services and Resources Fund	23,471	-	7,000	16,471
	<u>\$ 149,812</u>	<u>\$ -</u>	<u>\$ 7,000</u>	<u>\$ 142,812</u>

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

Notes to Financial Statements
Year ended August 31, 2011

9. Fees

Fees received from University of Toronto are as follows:

September 2010	\$ 3,308,087
January 2011	1,802,297
March 2011	482,411
May 2011	1,772
June 2011	105,928
July 2011	52,964
	<hr/>
	5,753,459
Deferred fees received from University of Toronto, current year	(150,862)
Deferred fees received from University of Toronto, prior year	143,948
	<hr/>
	\$ 5,746,545

10. Objectives, policies and processes for managing capital

The Union's capital consists of net assets invested in property and equipment, internally restricted and unrestricted. The Union invests in computer and other equipment as required and in building improvements to improve the office and student areas of the building, which is owned by the University of Toronto.

The internally restricted net assets have been set up for specific purposes from the unrestricted net assets. The unrestricted net assets represents the accumulated annual operating surpluses. The Union is not subject to any external capital requirements.

Recommendations for new property and equipment purchases are discussed by the staff and the Executive and noted in the annual operating budget. Expenditures from the internally restricted funds are discussed by the Executive and, in most cases, are approved by the Union Council.

Property and equipment purchases in 2011 included upgraded electrical and computer equipment for the Union's office, including the installation of extra plugs and wireless internet. A new grease trap was installed at Sylvester's Café and the electrical work was upgraded.

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, 2011

	Schedule 1	
	2011	2010
Health insurance fees	\$ 4,494,683	\$ 4,350,236
Graduate Students' Union Course Union Head Grants	232,702	224,802
Canadian Federation of Students' fees - National	106,085	104,083
Canadian Federation of Students' fees - Ontario	88,360	87,046
Ontario Public Interest Research Group fees	66,137	65,216
Downtown Legal Services fees	39,682	39,129
Bikechain fees	13,228	-
Women's Centre fees	13,228	13,043
Special grants	1,745	2,644
	\$ 5,055,850	\$ 4,886,199

	Schedule 2	
	2011	2010
Staff	\$ 323,767	\$ 281,343
Benefits	89,521	87,847
Executive officers	80,673	72,882
	\$ 493,961	\$ 442,072

	Schedule 3	
	2011	2010
Health insurance administration	\$ 89,858	\$ 78,602
Handbook	19,619	19,241
Professional fees	14,456	12,199
Student conferences	11,425	13,975
General council meetings	7,509	10,174
Travel and conferences	7,134	8,240
Orientation	5,975	6,495
Insurance	5,622	5,615
Office and general	5,498	5,551
Photocopying	5,153	5,153
Duplicating and printing	4,858	5,533
Elections	3,953	3,765
Telephone	3,652	3,619
Sub-committees, caucuses and sundry	3,614	4,525
Communications	2,835	3,828
Campaigns	2,726	5,156
Repairs and maintenance	1,843	946
Gym	990	602
Bank charges and interest	472	195
Security monitoring	300	500
Small equipment	221	1,323
Women's caucus	38	-
Metropass sales contribution	-	3,000
Subscriptions	-	30
	\$ 197,751	\$ 198,267

See accompanying notes

**GRADUATE STUDENTS' UNION,
UNIVERSITY OF TORONTO**
Schedules to Financial Statements
Year ended August 31, 2011

Restaurant and bar

Schedule 4

	2011	2010
Insurance	\$ 6,568	\$ 6,272
Sundry	1,000	999
Repairs and maintenance	424	390
Contract rebate	(2,628)	(2,860)
	<hr/> <hr/> \$ 5,364	<hr/> <hr/> \$ 4,801

See accompanying notes