

**SOCIETY OF GRADUATE STUDENTS
UNIVERSITY OF WESTERN ONTARIO
COMBINED FINANCIAL STATEMENTS**

APRIL 30, 2010

AUDITORS' REPORT

To the Members of the
Society of Graduate Students

I have audited the combined statement of financial position of Society of Graduate Students as at April 30, 2010 and the combined statements of income (loss), and cash flows for the year then ended. These financial statements are the responsibility of the company's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I 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 my opinion, these financial statements present fairly, in all material respects, the financial position of the company as at April 30, 2010 and the results of its operations and changes in its financial position for the year then ended in accordance with Canadian generally accepted accounting principles.

London, Canada
August 18, 2010

MICHAEL A. KING, C. A.
Licensed Public Accountant

**SOCIETY OF GRADUATE STUDENTS
UNIVERSITY OF WESTERN ONTARIO**

Combined Statement of Financial Position

As at April 30

	2010	2009
Assets		
Current assets:		
Cash	\$1,409,156	\$ 774,875
Loans receivable	2,224	10,108
Accounts receivable	17,125	40,302
Inventory	33,291	32,655
Prepaid expenses	1,600	1,182
	1,463,396	859,122
Capital assets (note 1)	261,504	317,545
	\$1,724,900	\$1,176,667
Liabilities and Members' Equity		
Current liabilities:		
Accounts payable and accrued liabilities	\$ 469,097	\$ 568,000
Other taxes payable	8,183	11,233
Deferred revenue	678,675	7,103
	1,155,955	586,336
Members' equity:		
Balance, beginning of year	590,331	582,756
Add (deduct) net income (loss) for the year	(21,386)	7,575
Balance, end of year	568,945	590,331
	\$1,724,900	\$1,176,667

See accompanying notes to the financial statements.

**SOCIETY OF GRADUATE STUDENTS
UNIVERSITY OF WESTERN ONTARIO**

Combined Statement of Income (Loss)

Year ended April 30

	2010	2009
Revenues:		
Grad Club sales	\$1,332,060	\$1,265,669
Health insurance fees	1,796,277	1,473,493
Bus pass fees	569,706	557,251
Membership fees - full-time	222,125	234,110
CFS membership dues	59,596	55,633
Membership fees - part-time	23,272	21,484
Sundry	7,854	16,246
Investment	5,777	11,959
Advertising	4,605	6,638
Associate memberships	6,544	6,401
Research forum	3,200	5,734
	\$4,031,016	\$3,654,618

See accompanying notes to the financial statements.

**SOCIETY OF GRADUATE STUDENTS
UNIVERSITY OF WESTERN ONTARIO**

Combined Statement of Income (Loss) - continued

Year ended April 30

	2010	2009
Operating expenses:		
Health insurance	\$1,742,085	\$1,416,202
Grad Club cost of goods sold	681,799	626,792
Bus pass fees	565,991	552,285
Wages and employee benefits	533,391	505,643
Occupancy costs	109,659	112,079
Grants, bursaries and donations	74,910	77,592
Amortization	64,848	71,887
CFS membership fees	59,596	55,633
Supplies	47,534	47,185
Entertainment	28,891	24,013
Office supplies and telephone	26,825	12,906
Travel, conferences and executives	23,449	32,769
Professional services	22,583	30,868
Handbook	17,957	17,144
Repairs, maintenance and rentals	14,812	21,427
T.A. expenses	12,841	12,590
Bank charges	12,218	11,086
Advertising, promotion and special events	3,842	7,502
Insurance	3,083	3,286
Research forum	2,677	4,330
Sponsorship	856	1,900
Miscellaneous expense	759	446
Elections/Referendum	650	80
Bad debts	625	-
Western Journal of Grad Research	336	825
Social committee	185	573
	4,052,402	3,647,043
Net income (loss) for the year	\$ (21,386)	\$ 7,575

See accompanying notes to the financial statements.

**SOCIETY OF GRADUATE STUDENTS
UNIVERSITY OF WESTERN ONTARIO**

Combined Statement of Cash Flows

Year ended April 30

	2010	2009
Cash flows from operating activities:		
Net income (loss) for the year	\$ (21,386)	\$ 7,575
Items not affecting working capital:		
Amortization	64,848	71,887
Net changes in non-cash working capital		
Loans receivable	7,884	(7,733)
Accounts receivable	23,177	(10,401)
Fees receivable	-	2,015
Inventory	(636)	(3,351)
Prepaid expenses	(418)	217
Accounts payable and accrued liabilities	(98,903)	91,388
Other taxes payable	(3,050)	(6,636)
Deferred revenue	671,572	4,703
	643,088	149,664
Cash flows from investing activities:		
Additions to capital assets	(8,807)	(11,860)
Increase in cash during the year	634,281	137,804
Cash, beginning of year	774,875	637,071
Cash, end of year	\$1,409,156	\$ 774,875

See accompanying notes to the financial statements.

**SOCIETY OF GRADUATE STUDENTS
UNIVERSITY OF WESTERN ONTARIO**

Notes to the Combined Financial Statements

April 30, 2010

Summary of significant accounting policies:

Inventory:

Inventory is valued at the lower of cost and net realizable value, with cost being determined on a first-in, first-out basis.

Capital assets:

Capital assets are recorded at cost. Amortization has been provided using the declining balance method, with half amortization on net acquisitions, and no amortization in the year of disposal, with the exception of leasehold improvements and concessions which are amortized over 10 years.

Computer hardware	30 %
Furniture and equipment	20 %
Concessions	10 yrs
Leasehold improvements	10 yrs

When properties are retired or otherwise disposed of, the assets and related accumulated amortization thereon are removed from the accounts and the resulting gain or loss is credited or charged to income.

1. Capital assets:

	2010		2009	
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Computer hardware	\$ 38,478	\$ 32,027	\$ 6,451	\$ 8,422
Furniture and equipment	292,292	179,598	112,694	131,011
Concessions	150,000	90,000	60,000	75,000
Leasehold improvements	212,605	130,246	82,359	103,112
	\$ 693,375	\$ 431,871	\$ 261,504	\$ 317,545

**SOCIETY OF GRADUATE STUDENTS
UNIVERSITY OF WESTERN ONTARIO**

Notes to the Combined Financial Statements - continued

April 30, 2010

2. Financial instruments:

The organization's financial instruments consist of cash, accounts receivable, loans receivable and accounts payable. It is management's opinion that the organization is not exposed to significant interest, currency or credit risks arising from these financial instruments. The fair value of these financial instruments approximate their carrying values.

3. Non-profit organization:

The Society of Graduate Students is a non-profit organization and is therefore, not subject to income taxes.