

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

APRIL 30, 2008

AUDITORS' REPORT

To the Members of the
Society of Graduate Students

I have audited the statement of financial position of Society of Graduate Students as at April 30, 2008 and the statements of income, 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, 2008 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.

Since the prior year's financial statements were prepared on a review engagement basis, therefore, an audit was not performed, I do not express an opinion on the financial statements for the preceding period.

London, Canada
July 8, 2008

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

	2008	2007
Assets		
Current assets:		
Cash	\$ 637,071	\$ 573,014
Loans receivable	2,375	1,950
Accounts receivable	29,901	20,832
Fees receivable	2,015	5,467
Inventory	29,304	32,882
Prepaid expenses	1,399	1,374
	702,065	635,519
Capital assets (note 1)	377,572	442,595
	\$1,079,637	\$1,078,114
Liabilities and Members' Equity		
Current liabilities:		
Accounts payable and accrued liabilities	\$ 476,612	\$ 341,507
Other taxes payable	17,871	15,962
Deferred memberships	2,400	1,500
Current portion of long-term debt	-	15,180
	496,883	374,149
Long-term debt	-	149,498
Members' equity:		
Balance, beginning of year	554,467	545,323
Add net income for the year	28,287	9,144
Balance, end of year	582,754	554,467
	\$1,079,637	\$1,078,114

See accompanying notes to the financial statements.

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

Combined Statement of Income

Year ended April 30

	2008	2007
Revenues:		
Grad Club sales	\$1,187,269	\$1,022,260
Health insurance levy	1,252,275	1,035,310
Bus pass fees	495,260	416,784
Administration levy from University - full-time	232,907	199,602
CFS membership dues	50,270	43,768
Sundry	17,072	21,249
Administration levy from University - part-time	21,296	19,818
Investment	17,088	17,957
Associate memberships	6,337	6,596
Contributions	3,200	3,200
Advertising	-	6,790
	\$3,282,974	\$2,793,334

See accompanying notes to the financial statements.

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

Combined Statement of Income - continued

Year ended April 30

	2008	2007
Operating expenses:		
Health insurance	\$1,189,531	\$ 972,649
Grad Club cost of goods sold	580,788	489,876
Bus pass fees	491,282	412,553
Wages and employee benefits	472,564	424,813
Occupancy costs	108,101	108,816
Grants, bursaries and donations	99,501	67,713
Amortization	77,022	96,436
CFS membership fees	50,270	43,768
Supplies	47,734	32,536
Professional services	22,100	12,800
Entertainment	19,500	19,613
Bank charges	16,696	20,729
Travel, conferences and executives	13,906	16,341
Office supplies and telephone	12,097	13,176
Repairs, maintenance and rentals	10,940	9,180
T.A. expenses	10,458	12,942
Handbook	8,064	15,190
Sponsorship	6,150	3,489
Advertising, promotion and special events	5,902	3,608
Research forum	4,815	2,705
Insurance	3,259	3,483
Bad debts	1,945	300
Miscellaneous expense	945	1,020
Elections/Referendum	680	454
Social committee	437	-
	3,254,687	2,784,190
Net income for the year	\$ 28,287	\$ 9,144

See accompanying notes to the financial statements.

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

Combined Statement of Cash Flows

Year ended April 30

	2008	2007
Cash flows from operating activities:		
Net income for the year	\$ 28,287	\$ 9,144
Items not affecting working capital:		
Amortization	77,022	96,436
Net changes in non-cash working capital		
Loans receivable	(425)	2,050
Accounts receivable	(9,069)	(4,736)
Fees receivable	3,452	(1,969)
Inventory	3,578	(9,519)
Prepaid expenses	(25)	1,423
Accounts payable and accrued liabilities	135,105	102,575
Other taxes payable	1,909	(6,440)
Deferred memberships	900	(500)
	240,734	188,464
Cash flows from investing activities:		
Additions to capital assets	(11,999)	(4,955)
Financing activities:		
Net advances of long-term debt	(164,678)	(13,913)
Increase in cash during the year	64,057	169,596
Cash, beginning of year	573,014	403,418
Cash, end of year	\$ 637,071	\$ 573,014

See accompanying notes to the financial statements.

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

Notes to the Combined Financial Statements

April 30, 2008

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:

	2008			2007
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Computer hardware	\$ 81,255	\$ 70,201	\$ 11,054	\$ 14,373
Furniture and equipment	273,848	121,195	152,653	180,028
Concessions	150,000	60,000	90,000	105,000
Leasehold improvements	212,605	88,740	123,865	143,194
	\$ 717,708	\$ 340,136	\$ 377,572	\$ 442,595

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

Notes to the Combined Financial Statements - continued

April 30, 2008

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. Commitments:

The organization has entered into an occupancy agreement with UWO for an initial term of ten years from May 1, 2004. Occupancy costs are subject to annual review.

4. Non-profit organization:

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