THE GRADUATE STUDENTS' ASSOCIATION OF THE UNIVERSITY OF ALBERTA

REPORT TO THE COUNCIL WITH RESPECT TO MATTERS ARISING FROM THE AUDIT

YEAR ENDED MARCH 31, 2011

PETERSON WALKER LLP

CHARTERED ACCOUNTANTS

SUITE 804, OXFORD TOWER, 10235 - 101 STREET NW
EDMONTON, ALBERTA T5J 3G1

To the Council
The Graduate Students' Association of the University of Alberta

Re: Audit of 2011 Financial Statements

This report is presented in order to assist members of the Council in carrying out their responsibilities with respect to their review and approval of the financial statements of The Graduate Students' Association of the University of Alberta for the year ended March 31, 2011. This report summarizes our significant findings arising from the audit and other matters which we believe should be brought to your attention. This report is a by-product of the audit and would not necessarily identify all matters that may be of interest to the Council in fulfilling its responsibilities. This report has been prepared solely for the use of the Council in discharging its responsibilities and should not be used for any other purposes.

a. **Significant Accounting Principles and Policies**

Significant accounting principles and policies are disclosed in the notes to the financial statements. Within the context of the audit, management has represented to us that there have not been any material changes in the accounting principles and policies during the year, except for the change with respect to the accounting of financial instruments.

We are not aware of any new accounting standards or legislative requirements which affect the financial reporting of your organization.

b. **Illegal Acts**

Our inquiries of management and our testing of financial records did not reveal any illegal or possibly illegal acts. You should realize however, that improper conduct is usually carefully, if not elaborately, concealed and consequently, the probability is not high that our regular audit work, however diligently performed, will bring it to light. Management has also provided us with a written representation that they are not aware of any illegal or possibly illegal acts.

c. **Weaknesses in Internal Controls**

In the course of our audit, no serious weaknesses in internal controls came to our attention. We do not believe there are any matters that require the immediate attention of the Council, however, the more serious of the weaknesses will be communicated to the Council once we have had an opportunity to fully discuss the matters with senior management.

d. **Related Party Transactions**

Testing of financial records and discussions with management did not reveal any significant related party transactions not in the normal course of operations and involving significant judgements by management concerning their measurement or disclosure in the financial statements. We are not aware of any transactions with related parties other than as disclosed in the financial statements.

e. **Difficulties or Disagreements**

We did not encounter any serious difficulties in the performance of the audit. We received the full co-operation of management and employees of The Graduate Students' Association of the University of Alberta and, to our knowledge, had complete access to the accounting records and other documents that we needed in order to carry out our audit. We have had no disagreements with management, and have resolved all auditing, accounting and presentation issues to our satisfaction.

All adjustments that we considered necessary, when considering material misstatements, have been recorded.

The Council
The Graduate Students' Association of the University of Alberta

f. **Current Accounting and Reporting Developments**

We regularly monitor the potential impact of new accounting pronouncements on the accounting practices of The Graduate Students' Association of the University of Alberta.

The following is a brief discussion of items that may be of particular interest since our last written report:

In December of 2010, the Accounting Standards Board of the Canadian Institute of Chartered Accountants approved the adoption of new accounting standards for not-for-profit organizations, to be effective for fiscal years commencing on or after January 1, 2012. We anticipate that The Graduate Students' Association of the University of Alberta will experience very little change.

This communication is prepared solely for the information of the Council and is not intended for any other purposes. We invite the Council to contact us to discuss our comments.

Peterson Walker LLP

Edmonton, Alberta
August 31, 2011

Chartered Accountants